

CLINT INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2013



CLINT INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL AND COMPLIANCE REPORT
FOR THE YEAR ENDED AUGUST 31, 2013

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CLINT INDEPENDENT SCHOOL DISTRICT

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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) approved _____ disapproved for the year ended August 31, 2013, at a meeting of the board of trustees of such school district on the 23 day of January 2014.



Signature of Board Secretary



Signature of Board President

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

(attach list as necessary)

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FINANCIAL SECTION

Independent Auditor's Report

To the Board of Trustees
Clint Independent School District

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Clint Independent School District, as of August 31, 2013, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 8 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clint Independent School District's basic financial statements. The combining and individual nonmajor fund financial statements, and required TEA schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2014, on our consideration of the Clint Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clint Independent School District's internal control over financial reporting and compliance.

El Paso, Texas
January 3, 2014

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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, 2013. 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 General Fund ended the year with a fund balance of \$27.5 million, or 31 percent of the total general fund expenditures, increasing by \$1.6 million.
- During the year, the District had expenses that were less than the \$90.6 million generated in tax and other revenues for the general fund.
- The District's total long term liabilities decreased by \$5.5 million or 4.0 percent.

The District continues to receive a Superior Achievement rating on the Financial Integrity Rating System of Texas (FIRST). The primary goal of FIRST is to achieve quality performance in the management of school district resources. The District also maintained the Texas Comptroller of Public Accounts Gold Leadership Circle Award. This award is issued to local governments that meet a high standard for financial transparency on-line.

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 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 17-21 of this report.

The *statement of net position* presents information on all the Clint Independent School District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases and decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 position* 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 four 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 and debt service 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 23-27 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 co-sponsored 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.

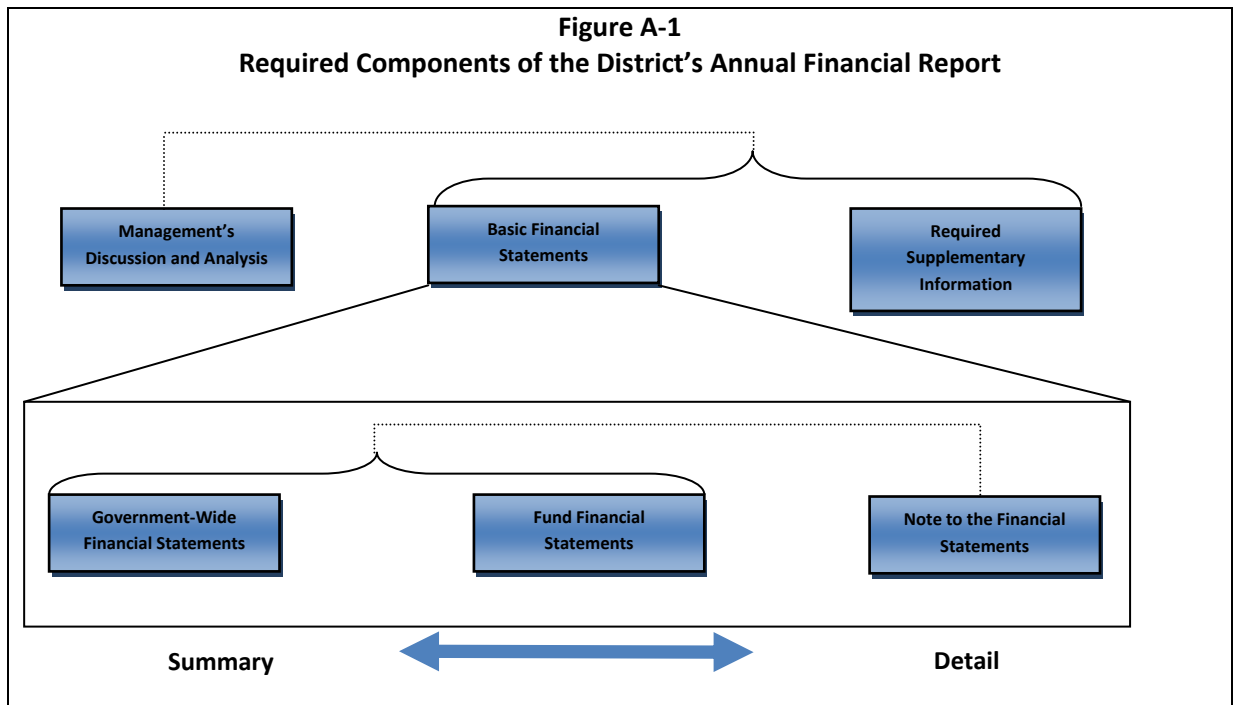


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

Figure A-2 Major Features of the District’s Government-wide and Fund Financial Statements				
Type of Statements	Government-Wide	Governmental 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 Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balance 	<ul style="list-style-type: none"> • Statement of Net position • Statement of Revenues, Expenses and changes in Fund Net position • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net position
<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

Government-wide Financial Analysis

Net position for the District’s governmental activities increased by \$3,502,852 or 5.3%. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – were \$26 million and \$25 million at August 31, 2013 and August 31, 2012 respectively.

Food Service operations continue to run well and be self-sufficient. The District contracted with a management company several years ago to increase student participation through the type and quality of food served coupled with presentation. The increased expenditures incurred from contracting with the management company were offset by the increase in funding generated by increases in participation.

Overall estimated revenue and expenses were in-line with District projections. Our analysis of comparative balances and changes therein focus on the net position (Table I and Table II) and changes in net position of the District’s governmental activities.

Table I
Clint Independent School District
NET POSITION

Governmental Activities	August 31, 2013	August 31, 2012	Variance	% Change
Current and Other Assets	\$ 44,095,032	41,645,051	2,449,981	5.9%
Capital Assets	168,556,132	171,517,940	-2,961,808	-1.7%
Total Assets	212,651,164	213,162,991	-511,827	-0.2%
Current Liabilities	9,888,227	8,336,886	1,551,341	18.6%
Non-current Liabilities	133,548,647	139,114,657	-5,566,010	-4.0%
Total Liabilities	143,436,874	147,451,543	-4,014,669	-2.7%
Net Investment in Capital Assets	40,111,408	38,612,564	1,498,844	3.9%
Restricted	2,566,206	2,077,600	488,606	23.5%
Unrestricted	26,536,676	25,021,274	1,515,402	6.1%
Total Net Position	\$ 69,214,290	65,711,438	3,502,852	5.3%

The cost of all governmental activities this year was \$106,669 million compared to \$107,516 million last year. Costs decreased slightly by \$846,949 or .8 percent. As shown in the Statement of Activities on page 20-21, the amount that taxpayers ultimately financed for these activities through District Taxes was only \$13.7 million, approximately 13 percent, because the majority of the costs continue to be funded by State. The majority of capital expenditures were funded through the issuance of bonded debt.

Table II
Clint Independent School District
STATEMENT OF ACTIVITIES

Governmental Activities	August 31, 2013	August 31, 2012	Variance	% Change
Revenues				
Program Revenues				
Charges for Services	511,261	513,468	-2,207	-0.4%
Operating Grants and Contributions	27,926,322	29,294,053	-1,367,731	-4.7%
Capital Grants and Contributions	308,349	-	308,349	100%
General Revenues				
Property Taxes Levied for General Purposes	10,624,933	10,250,376	374,557	3.7%
Property Taxes Levied for Debt Services	3,032,958	2,926,128	106,830	3.7%
State Aid-Formula Grants	67,163,719	64,241,823	2,921,896	4.5%
Grants and Contributions	-	333,516	-333,516	-100%
Investment Earnings	39,332	52,657	-13,325	-25.3%
Miscellaneous Revenue	565,085	599,379	-34,294	-5.7%
Total Revenues	110,171,959	108,211,400	1,960,559	1.8%
Expenses				
Instruction	52,805,653	54,876,929	2,071,276	-3.8%
Instructional Resources and Media Services	1,146,021	1,084,589	61,432	5.7%
Curriculum and Staff Development	1,685,318	469,033	1,216,285	259.3%
Instructional Leadership	2,881,498	2,657,973	223,525	8.4%
School Leadership	6,196,712	6,309,856	-113,144	-1.8%
Guidance, Counseling and Evaluation Services	2,486,255	2,740,018	-253,763	-9.3%
Social Work Services	200,918	227,487	-26,569	-11.7%
Health Services	864,134	843,948	20,186	2.4%
Student (Pupil) Transportation	3,470,997	3,267,424	203,573	6.2%
Food Services	7,918,050	8,182,925	-264,875	-3.2%
Extracurricular Activities	2,506,701	2,514,014	-7,313	-0.3%
General Administration	3,366,936	3,308,495	58,441	1.8%
Plant Maintenance and Operations	10,721,144	10,509,602	211,542	2.0%
Security and Monitoring Services	2,249,799	2,137,120	112,679	5.3%
Data Processing Services	1,701,522	1,632,613	68,909	4.2%
Community Services	184,811	158,594	26,217	16.5%
Debt Service	5,689,459	6,128,593	-439,134	-7.2%
Capital Outlay	337,572	250,218	87,354	34.9%
Other Intergovernmental Charges	255,607	216,625	38,982	18.0%
Total Expenses	106,669,107	107,516,056	-846,949	-0.8%
Increase in Net Position Before Special Item	3,502,852	695,344	2,807,508	403.8%
Special Item	-	-116,484	126,268	-108.4%
Increase in Net Position	3,502,852	578,860	2,923,992	505.1%
Beginning Net Position	65,711,438	65,132,578	578,860	0.9%
Ending Net Position	69,214,290	65,711,438	3,502,852	5.3%

Capital Asset and Debt Administration

Capital Assets

At the end of 2013, the District had \$168.6, million, net of depreciation, 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 decrease of \$3.0 million over last year.

This year's major additions included:

Campus Upgrades	\$	190,773
New Clint High School		103,858
MVHS Gym Bleachers		208,523
Miscellaneous Campus Projects		51,851
Playground Equipment		296,864
Cafeteria Equipment		195,089
Mobile Labs		113,260
Technology Equipment		88,383
Other Equipment		55,407
Vehicles		<u>21,522</u>
Total Additions	\$	<u>1,325,530</u>

Additional information about the District's capital assets can be found in Note E.

Debt

At year-end, the District had \$134 million in bonds and notes outstanding, a decrease of \$5.6 million over last year. The district has issued \$90,000 million in bonds for new schools, renovations and additions. All major projects have been completed and several renovations are near completion.

The District aggressively manages its debt and has refinanced or refunded portions of it, each year for the last four years, prior to fiscal year 2013, to reduce the burden to taxpayers and the State. Each occurrence has resulted in lower interest rates and annual savings. The District's credit rating has remained favorable and has not decreased. The current Standard & Poor's issuer credit rating is A and the Fitch Rating is AA-. Both parties note the District has a stable financial outlook 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.

Detailed information about the District's long-term liabilities is presented in Note J and K.

The District's Funds

As the District completed the year, its general fund (as presented in the balance sheet on pages 24) reported a fund balance of \$27.5 million, which is an increase of \$1.6 million over last year's general fund balance. The District has implemented a planned fund balance program, even though fund balance amounts have always been projected and available to insure fiscal stability, a formal policy has been adopted. With the recent changes in State funding and the reductions these changes impose, available cash flow and reserves are imperative.

The General Fund budget was amended within functions 51, 52 and 81 during the year, in the amount of \$1.1 for renovations to gym bleachers and lighting, playground equipment, track resurfacing, campus identification and verification systems, and to update middle school marquees. Differences between the original and final budgets for revenues were minor. The expenditure or functional variances are monitored on a monthly basis and did not negatively affect the overall budget outcome.

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.

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 2012-2013 school year—increasing property values, student growth, investment income, teacher shortages and retainage, and the economy are all factored into the decision making process.

Student enrollment has not increased over the last two years. This year enrollment was relatively flat. This is largely attributed to the economic condition of the area and the State. New home construction has slowed, but continues in the Horizon area. Recently new housing construction has begun in the Clint area. The District is projecting enrollment to increase over the next few years, continues to monitor it, but remains passive when estimating growth and revenue for budget purposes. Providing facilities to accommodate growth and improvement of other facilities is imperative and continues to be a priority of the District. As one of the most property 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 continues to have a very competitive employee salary compensation plan. 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, 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

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CLINT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2013

Data Control Codes	Primary Government
	Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 37,379,960
1220 Property Taxes Receivable (Delinquent)	4,081,528
1230 Allowance for Uncollectible Taxes	(2,944,061)
1240 Due from Other Governments	2,723,253
1290 Other Receivables, net	429,862
1300 Inventories	214,375
1410 Prepayments	1,328
1420 Capitalized Bond and Other Debt Issuance Costs	2,202,895
Capital Assets:	
1510 Land	6,630,063
1520 Buildings, Net	150,116,758
1530 Furniture and Equipment, Net	6,277,520
1580 Construction in Progress	5,531,791
1800 Restricted Assets	5,892
1000 Total Assets	212,651,164
LIABILITIES	
2110 Accounts Payable	453,723
2140 Interest Payable	228,138
2160 Accrued Wages Payable	2,052,132
2177 Due to Fiduciary Funds	26,217
2180 Due to Other Governments	6,998,963
2200 Accrued Expenses	95,886
2300 Unearned Revenue	33,168
Noncurrent Liabilities	
2501 Due Within One Year	5,642,650
2502 Due in More Than One Year	127,905,997
2000 Total Liabilities	143,436,874
NET POSITION	
3200 Net Investment in Capital Assets	40,111,408
3820 Restricted for Federal and State Programs	1,970,471
3850 Restricted for Debt Service	589,695
3880 Restricted for Scholarships	5,892
3890 Restricted for Other Purposes	148
3900 Unrestricted	26,536,676
3000 Total Net Position	\$ 69,214,290

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, 2013

Data Control Codes	1	Program Revenues	
		3	4
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 52,805,653	\$ 171,734	\$ 7,672,212
12 Instructional Resources and Media Services	1,146,021	-	48,502
13 Curriculum and Staff Development	1,685,318	-	681,320
21 Instructional Leadership	2,881,498	-	932,295
23 School Leadership	6,196,712	-	318,903
31 Guidance, Counseling and Evaluation Services	2,486,255	-	655,150
32 Social Work Services	200,918	-	11,691
33 Health Services	864,134	-	43,334
34 Student (Pupil) Transportation	3,470,997	-	142,365
35 Food Services	7,918,050	194,424	7,750,043
36 Extracurricular Activities	2,506,701	61,256	71,389
41 General Administration	3,366,936	70,948	468,861
51 Facilities Maintenance and Operations	10,721,144	12,899	631,574
52 Security and Monitoring Services	2,249,799	-	115,996
53 Data Processing Services	1,701,522	-	55,463
61 Community Services	184,811	-	51,964
72 Debt Service - Interest on Long Term Debt	5,685,268	-	8,260,707
73 Debt Service - Bond Issuance Cost and Fees	4,191	-	-
81 Capital Outlay	337,572	-	14,553
99 Other Intergovernmental Charges	255,607	-	-
[TP] TOTAL PRIMARY GOVERNMENT:	<u>\$ 106,669,107</u>	<u>\$ 511,261</u>	<u>\$ 27,926,322</u>

Data	General Revenues:
Control	Taxes:
Codes	
MT	Property Taxes, Levied for General Purposes
DT	Property Taxes, Levied for Debt Service
SF	State Aid - Formula Grants
IE	Investment Earnings
MI	Miscellaneous Local and Intermediate Revenue
TR	Total General Revenues
CN	Change in Net Position
NB	Net Position - Beginning
NE	Net Position--Ending

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

		Net (Expense) Revenue and Changes in Net Position	
<u>5</u>		<u>6</u>	
Capital Grants and Contributions		Primary	Government Governmental Activities
<hr/>		<hr/>	
\$	113,260	\$	(44,848,447)
	-		(1,097,519)
	-		(1,003,998)
	-		(1,949,203)
	-		(5,877,809)
	-		(1,831,105)
	-		(189,227)
	-		(820,800)
	-		(3,328,632)
	195,089		221,506
	-		(2,374,056)
	-		(2,827,127)
	-		(10,076,671)
	-		(2,133,803)
	-		(1,646,059)
	-		(132,847)
	-		2,575,439
	-		(4,191)
	-		(323,019)
	-		(255,607)
	<hr/>		<hr/>
\$	<u>308,349</u>		<u>(77,923,175)</u>

10,624,933

3,032,958

67,163,719

39,332

565,085

81,426,027

3,502,852

65,711,438

\$ 69,214,290

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

CLINT INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2013

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 33,160,088	\$ 892,289	\$ 3,327,583	\$ 37,379,960
1220 Property Taxes - Delinquent	3,136,189	945,339	-	4,081,528
1230 Allowance for Uncollectible Taxes (Credit)	(2,248,799)	(695,262)	-	(2,944,061)
1240 Receivables from Other Governments	2,341,018	-	382,235	2,723,253
1260 Due from Other Funds	2,428,424	-	37,145	2,465,569
1290 Other Receivables	429,862	-	-	429,862
1300 Inventories	214,375	-	-	214,375
1410 Prepayments	-	-	1,328	1,328
1800 Restricted Assets	-	-	5,892	5,892
1000 Total Assets	<u>\$ 39,461,157</u>	<u>\$ 1,142,366</u>	<u>\$ 3,754,183</u>	<u>\$ 44,357,706</u>
LIABILITIES				
2110 Accounts Payable	\$ 448,518	\$ -	\$ 5,205	\$ 453,723
2160 Accrued Wages Payable	2,052,132	-	-	2,052,132
2170 Due to Other Funds	2,023,465	92,912	628,247	2,744,624
2180 Due to Other Governments	6,743,308	255,655	-	6,998,963
2200 Accrued Expenditures	-	-	95,886	95,886
2300 Unearned Revenues	727,958	204,104	30,516	962,578
2000 Total Liabilities	<u>11,995,381</u>	<u>552,671</u>	<u>759,854</u>	<u>13,307,906</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410 Inventories	77,430	-	-	77,430
3445 Other Non-Spendable Fund Balance	-	-	5,000	5,000
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	1,951,714	-	18,757	1,970,471
3470 Capital Acquisition and Contractual Obligation	-	-	2,901,029	2,901,029
3480 Retirement of Long-Term Debt	-	589,695	-	589,695
3490 Other Restricted Fund Balance	-	-	1,040	1,040
Committed Fund Balance:				
3510 Construction	10,000,000	-	-	10,000,000
3530 Capital Expenditures for Equipment	2,000,000	-	-	2,000,000
3545 Other Committed Fund Balance	-	-	68,503	68,503
Assigned Fund Balance:				
3550 Construction	1,000,000	-	-	1,000,000
3570 Capital Expenditures for Equipment	1,000,000	-	-	1,000,000
3600 Unassigned Fund Balance	11,436,632	-	-	11,436,632
3000 Total Fund Balances	<u>27,465,776</u>	<u>589,695</u>	<u>2,994,329</u>	<u>31,049,800</u>
4000 Total Liabilities and Fund Balances	<u>\$ 39,461,157</u>	<u>\$ 1,142,366</u>	<u>\$ 3,754,183</u>	<u>\$ 44,357,706</u>

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

CLINT INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2013

Total Fund Balances - Governmental Funds	\$	31,049,800
1 The District uses an internal service fund to charge the costs of self-insurance for worker's compensation, to appropriate functions in other funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		252,838
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 \$207,371,206 and the accumulated depreciation was \$48,991,733. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.		34,440,368
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 2013 capital outlays and debt principal payments is to increase net position.		6,829,212
4 The 2013 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(4,287,338)
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 unavailable revenue from property taxes as revenue, eliminating interfund transactions, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.		929,410
19 Net Position of Governmental Activities	<u>\$</u>	<u>69,214,290</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, 2013

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 11,486,753	\$ 3,123,876	\$ 403,522	\$ 15,014,151
5800 State Program Revenues	70,606,233	8,260,707	488,496	79,355,436
5900 Federal Program Revenues	8,563,280	-	7,214,663	15,777,943
5020 Total Revenues	<u>90,656,266</u>	<u>11,384,583</u>	<u>8,106,681</u>	<u>110,147,530</u>
EXPENDITURES:				
Current:				
0011 Instruction	45,301,029	-	5,772,741	51,073,770
0012 Instructional Resources and Media Services	1,105,331	-	925	1,106,256
0013 Curriculum and Instructional Staff Development	1,008,216	-	638,552	1,646,768
0021 Instructional Leadership	1,919,435	-	858,361	2,777,796
0023 School Leadership	5,919,770	-	35,070	5,954,840
0031 Guidance, Counseling and Evaluation Services	1,814,034	-	575,306	2,389,340
0032 Social Work Services	193,114	-	-	193,114
0033 Health Services	831,276	-	-	831,276
0034 Student (Pupil) Transportation	2,963,267	-	-	2,963,267
0035 Food Services	7,708,146	-	137,785	7,845,931
0036 Extracurricular Activities	2,423,661	-	10,568	2,434,229
0041 General Administration	3,218,046	-	40,782	3,258,828
0051 Facilities Maintenance and Operations	9,837,434	-	578,473	10,415,907
0052 Security and Monitoring Services	2,108,318	-	-	2,108,318
0053 Data Processing Services	1,488,588	-	9,267	1,497,855
0061 Community Services	134,812	-	45,779	180,591
Debt Service:				
0071 Principal on Long Term Debt	-	4,487,161	-	4,487,161
0072 Interest on Long Term Debt	-	6,701,789	-	6,701,789
0073 Bond Issuance Cost and Fees	-	4,191	-	4,191
Capital Outlay:				
0081 Facilities Acquisition and Construction	850,649	-	317,513	1,168,162
Intergovernmental:				
0099 Other Intergovernmental Charges	255,607	-	-	255,607
6030 Total Expenditures	<u>89,080,733</u>	<u>11,193,141</u>	<u>9,021,122</u>	<u>109,294,996</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,575,533</u>	<u>191,442</u>	<u>(914,441)</u>	<u>852,534</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	44,022	-	121	44,143
8911 Transfers Out (Use)	(121)	-	(44,022)	(44,143)
7080 Total Other Financing Sources (Uses)	<u>43,901</u>	<u>-</u>	<u>(43,901)</u>	<u>-</u>
1200 Net Change in Fund Balances	1,619,434	191,442	(958,342)	852,534
0100 Fund Balance - September 1 (Beginning)	<u>25,846,342</u>	<u>398,253</u>	<u>3,952,671</u>	<u>30,197,266</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 27,465,776</u>	<u>\$ 589,695</u>	<u>\$ 2,994,329</u>	<u>\$ 31,049,800</u>

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

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, 2013

Total Net Change in Fund Balances - Governmental Funds	\$	852,534
The District uses an internal service fund to charge the costs of self -insurance for worker's compensation, to appropriate functions in other funds. The net income of the internal service fund is reported with governmental activities. The net effect of this consolidation is to increase net position.		84,015
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 2013 capital outlays and debt principal payments is to increase net position.		6,829,212
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.		(4,287,338)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.		24,429
Change in Net Position of Governmental Activities	<u>\$</u>	<u>3,502,852</u>

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

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PROPRIETARY FUND FINANCIAL STATEMENTS

CLINT INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 AUGUST 31, 2013

	Governmental Activities -	
	Internal Service Fund	
ASSETS		
Current Assets:		
Due from Other Funds	\$	252,838
Total Assets		252,838
NET POSITION		
Unrestricted Net Assets		252,838
Total Net Position	\$	252,838

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 POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

	Governmental Activities -
	Internal Service Fund
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 652,565
Total Operating Revenues	652,565
OPERATING EXPENSES:	
Professional and Contracted Services	568,550
Total Operating Expenses	568,550
Operating Income	84,015
Total Net Position - September 1 (Beginning)	168,823
Total Net Position - August 31 (Ending)	\$ 252,838

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, 2013

	Governmental Activities -
	Internal Service Fund
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Assessments - Other Funds	\$ 568,550
Cash Payments for Insurance Claims	(568,550)
Net Cash Provided by Operating Activities	-
Net Increase in Cash and Cash Equivalents	-
Cash and Cash Equivalents at Beginning of Year	-
Cash and Cash Equivalents at End of Year	\$ -
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income:	\$ 84,015
Effect of Increases and Decreases in Current Assets and Liabilities:	
Increase in Due from Other Funds	(84,015)
Net Cash Provided by Operating Activities	\$ -

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

FIDUCIARY FUND FINANCIAL STATEMENTS

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CLINT INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 AUGUST 31, 2013

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 276,758
Due from Other Funds	26,217
Total Assets	\$ 302,975
LIABILITIES	
Accounts Payable	\$ 751
Due to Student Groups	276,007
Payable from Restricted Assets	26,217
Total Liabilities	\$ 302,975

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, 2013

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 basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

A. Reporting Entity

Because the Board of Trustees (the "Board") is elected by the public; has the authority to make decisions, appoint administrators and managers, and significantly influence operations; and has the primary accountability for fiscal matters; the District is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. There are no component units included within the reporting entity.

B. Government-wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the 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.

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

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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).

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.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

D. New Accounting Pronouncements

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, provides financial reporting guidance for deferred outflows and inflows of resources and identifies net position as the residual of all other elements presented in a statement of financial position. The District's Statements of Net Position as of August 31, 2013 are presented in accordance with the guidance provided by this Statement.

E. 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.

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.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 FUNDS:

1. 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 its partially self-funded worker's compensation.

FIDUCIARY FUNDS:

1. Agency Funds – The District accounts for resources held for others in a custodial capacity in agency funds. The District's Agency Funds are the Student Activity Account and the Sunshine Account.

F. 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. Investments with an original maturity greater than one year from date of purchase are stated at fair value based on quoted market prices as of year end. Investments with an original maturity of less than one year are reported at amortized cost. Premiums and discounts on investments are amortized or accreted using the straight-line method, which approximates the interest method, over the terms of the related securities.
3. 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.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. 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. Management asserts that the District is in substantial compliance with the requirements of the Act and with local policies.
5. Additional policies and contractual provisions governing deposits and investments for the District are specified below:

Credit Risk:

Deposits - This is not applicable to the District.

Temporary Investments - To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the District limits investments in commercial paper, corporate bonds, mutual bond funds, public funds investment pools to those that have received top ratings issued by nationally recognized statistical rating organizations (NRSROs). As of August 31, 2013, the District's investments in LoneStar Investment Pool was rated AAA by Standard & Poor's.

Custodial Credit Risk :

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 minimal custodial credit risk for deposits.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Temporary Investments - To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party, the District requires counterparties to register the securities in the name of the District and hand them over to the District or its designated agent. This includes securities in securities lending transactions. Investment pools are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book-entry form.

Concentration of Credit Risk :

Deposits - This is not applicable to the District.

Temporary Investments - 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. Concentration of Credit Risk is not applicable to investment pools since the purpose of these pools is to diversify the District's investment portfolio.

Interest Rate Risk:

Deposits - This is not applicable to the District.

Temporary Investments - To limit the risk that changes in interest rates will adversely affect the fair value of the investments, the District requires its investment portfolio to have maturities of less than one year on a weighted average maturity (WAM) basis. All of the District's investment pools qualify as a 2a7-like pools and are excluded from the interest rate risk disclosure requirement. See Note IV for further details.

Foreign Currency Risk:

Deposits - The District attempts to limit the risk that changes in exchange rates will adversely affect a deposit by avoiding deposits denominated in a foreign currency.

Temporary and Long-term Investments - The District attempts to limit the risk that changes in exchange rates will adversely affect the fair value of an investment by avoiding investment pools or securities which are denominated in a foreign currency.

6. 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.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. 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.

8. Inventories of supplies on the balance sheet are stated at weighted average cost and they include consumable maintenance, instructional, office, athletic, child nutrition 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.

9. 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.

10. 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 extending beyond a single reporting period. 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.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

11. The restricted assets presented on the balance sheet represent the restricted cash held for scholarships in the permanent fund.
12. The District does not pay for accrued sick leave or vacation leave upon retirement or termination.
13. 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.
14. The District reports the following fund balance categories which describe the relative strength of the spending constraints:
 - **Nonspendable fund balance** - Represents amounts that are not in spendable form, such as inventory, or are required to be maintained intact.
 - **Restricted fund balance** - Represents amounts constrained to specific purposes by their providers, such as grantors, bondholders, and higher levels of government, through constitutional provisions, or by enabling legislation.
 - **Committed fund balance** - Represents amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority, i.e., Board of Trustees. To be reported as committed, amounts cannot be used for any other purpose unless the District's Board of Trustees approves the changes by Board Resolution.
 - **Assigned fund balance** - Represents amounts the District intends to use for a specific purpose. Intent can be expressed by the Superintendent or his designee as named in the Board Resolution dated July 27, 2011.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **Unassigned fund balance** - Represents amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as commitments of the fund (such as for special incentives). Assigned fund balance is established by the Superintendent or his designee.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first unless unrestricted assets will have to be returned because they were not used. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees have provided otherwise in their commitment or assignment actions.

In fiscal year 2013, the Board of Trustees adopted a minimum fund balance policy for the General Fund which indicates that the District shall strive to maintain a fund balance of at least two months of operating expenditures.

15. In the fund financial statements, certain governmental funds report restrictions of the entire fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Since the entire fund balance is restricted for these funds, all assets are in essence restricted for their specified purpose.
16. 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.
17. The District co-sponsors a self-insured plan to provide workers' compensation benefits to employees. Revenues of this Internal Service Fund are received from both the General and Special Revenue Funds. Expenses are comprised of professional services paid to the Plan Supervisor. These costs provide for the administration of claims, loss control, record keeping and the Cost of Excess Insurance. The Plan Supervisor charges a fixed cost based upon estimated payroll figures which are subsequently adjusted when actual payroll figures are available.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

18. 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.
19. In accordance with the Resource Guide, the District has adopted and installed an accounting system which meets at least the minimum requirements prescribed by the Texas State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Resource Guide. Mandatory codes are recorded in the order provided in the Resource Guide.
20. 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 or Food Service, 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 Position

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position. 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 position 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 position balance and the change in net position.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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 reclassifying other resources, other uses, and various other items.

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 General Fund). 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-3 and J-4.

The following procedures are followed in establishing the budgetary data reflected in the 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, a few 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.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

At August 31, 2013 the carrying amount of the District's general fund, major, and nonmajor governmental funds, internal service funds, and agency funds, deposits (cash, including restricted cash of \$5,892, and interest-bearing savings accounts included in temporary investments) were \$10,056,100 and the total bank balance was \$11,816,854. The District's cash deposits at August 31, 2013 and during the year ended August 31, 2013 were fully insured by federal depository insurance or 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.**
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$9,261,908.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$9,206,057 and occurred during the month of February 2013.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$250,000.
- e. Depository: **BBVA Compass**
- f. The market value of securities pledged as of the date of the highest combined balance on deposit was \$5,500,000.
- g. The highest combined balances of cash, savings, and time deposit accounts amounted to \$5,004,298 and occurred during the month of August 2013.
- h. Total amount of FDIC coverage at the time of the highest combined balance was \$250,000.

Due to the immediate availability of the funds, the District's temporary investments at August 31, 2013 are included in cash and cash equivalents and are shown below:

Temporary Investments	Amortized Cost	Fair Value
Lone Star Investment Pool		
Government Overnight Fund:	\$ 27,606,510	\$ 27,606,510
Total	\$ 27,606,510	\$ 27,606,510

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

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

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 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.

B. 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. TEA has the right to offset the receivable and liability. Amounts due from federal and state governments as of August 31, 2013, 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.

Fund	State and Local Entitlements	Federal Grants	Total
General	\$ 2,124,427	\$ 216,591	\$ 2,341,018
Special Revenue	48,273	333,962	382,235
Total	\$ 2,172,700	\$ 550,553	\$ 2,723,253

C. Interfund Balances and Transfers

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

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund:		
General Fund	\$ 1,733,482	\$ 1,733,482
Debt Service Fund	92,912	-
Non-major Governmental Funds	602,030	37,145
Internal Service Fund	-	252,838
General Fund Total	2,428,424	2,023,465

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

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

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Debt Service Fund:		
General Fund	<u>-</u>	<u>92,912</u>
Debt Service Fund Total	<u>-</u>	<u>92,912</u>
Non-major Governmental Funds:		
General Fund	37,145	602,030
Fiduciary Fund	<u>-</u>	<u>26,217</u>
Non-major Governmental Funds Total	<u>37,145</u>	<u>628,247</u>
Internal Service Fund		
General Fund	<u>252,838</u>	<u>-</u>
Internal Service Fund Total	<u>252,838</u>	<u>-</u>
Fiduciary Fund:		
Non-major Governmental Funds	<u>26,217</u>	<u>-</u>
Fiduciary Fund Total	<u>26,217</u>	<u>-</u>
Total	<u><u>\$ 2,744,624</u></u>	<u><u>\$ 2,744,624</u></u>

Interfund balances are a result of normal operations and are eliminated periodically. Management intends to pay out these balances within one year with the exception of interfund balances in the Internal Service Fund. This is because the Internal Service Fund does not have its own bank account. The balance will only be cleared out if the Internal Service Fund is terminated.

Interfund transfers for the year ended August 31, 2013, consisted of the following amounts:

	<u>Transfers In</u>	<u>Transfers Out</u>
Transfers in from other funds:		
General Fund	<u>\$ 44,022</u>	<u>\$ 121</u>
Total General Fund	<u>44,022</u>	<u>121</u>
Transfers out to other funds:		
Nonmajor Governmental Funds:		
Special Revenue	<u>121</u>	<u>44,022</u>
Total Nonmajor Governmental Funds	<u><u>\$ 44,143</u></u>	<u><u>\$ 44,143</u></u>

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

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

Interfund transfers generally fall within two categories: (1) transfers to the Child Nutrition Program because of excess revenue from the Summer Feeding Program, and (2) transfers to cover operating expenditures/deficits in accordance with District policy or legal requirements.

D. Disaggregation of Other Receivables

Other Receivables in the amount of \$429,862 in the governmental funds, as of August 31, 2013, consisted of E-Rate and is shown at gross value. Management believes an allowance for doubtful accounts is not necessary for fair presentation.

E. Capital Asset Activity

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

	Primary Governments			
	Beginning Balance	Additions	Deletions and Reclassifications	Ending Balance
<u>Governmental activities:</u>				
Land	\$ 6,849,790	\$ -	\$ (219,727)	\$ 6,630,063
Buildings and improvements	154,328,997	420,995	41,054,320	195,804,312
Furniture and equipment	17,180,208	770,525	49,673	18,000,406
Construction in progress	46,282,047	134,010	(40,884,266)	5,531,791
Totals at historic cost	224,641,042	1,325,530	-	225,966,572
Less accumulated depreciation for:				
Buildings and improvements	42,499,578	3,187,976	-	45,687,554
Furniture and equipment	10,623,524	1,099,362	-	11,722,886
Total accumulated depreciation	53,123,102	4,287,338	-	57,410,440
Governmental activities capital assets, net	\$ 171,517,940	\$ (2,961,808)	\$ -	\$ 168,556,132

Depreciation expense was charged to governmental functions as follows:

11	Instruction	\$ 1,970,286
12	Instruction resources and media services	40,838
13	Curriculum and instructional shop	39,590
21	Instruction leadership	106,473
23	School leadership	248,183
31	Guidance, counseling & evaluation services	99,530
32	Social work services	8,015
33	Health services	33,745
34	Student (pupil) transportation	510,452
35	Food services	269,824

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

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

36	Cocurricular/extracurricular activities	79,793
41	General administration	110,789
51	Plant maintenance and operations	361,451
52	Security and monitoring services	143,684
53	Data processing services	260,351
61	Community services	<u>4,334</u>
	Total depreciation expense	<u><u>\$ 4,287,338</u></u>

F. Lease Agreements

In 2009, the District entered into a lease agreement with Project Vida Health Center, Inc. in which the District would lease for \$3 per year 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.

G. Property Insurance and Personnel Bonds

For the year ended August 31, 2013, Clint Independent School District carried insurance for building and contents in the amount of \$299,279,509 limited to \$1,000,000 per occurrence with a deductible of \$50,000 per occurrence. Automobile liability is limited to \$1,000,000 per occurrence with no deductible per occurrence.

H. 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. TEA has the right to offset the receivable and liability. For the year ended August 31, 2013, TEA indicates that it overpaid the District by \$6,743,308. TEA has recouped this amount by reducing its payments to the District for fiscal year 2014. The balance in due to other governments as of August 31, 2013 consisted of the following:

	General Fund	Debt Service	Nonmajor Governmental Funds	Total
Foundation School Program	\$ 6,743,308	\$ -	\$ -	\$ 6,743,308
Existing Debt Allotment	-	94,291	-	94,291
Instructional Facilities Allotment	-	161,364	-	161,364
Total	<u>\$ 6,743,308</u>	<u>\$ 255,655</u>	<u>\$ -</u>	<u>\$ 6,998,963</u>

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

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

I. Unearned Revenue

Unearned revenue as of August 31, 2013 consisted of the following:

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Net Tax Revenue	\$ 725,306	\$ 204,104	\$ -	\$ 929,410
Commodities	2,652	-	-	2,652
State Textbook Allotment	-	-	30,516	30,516
Total Unearned Revenue	\$ 727,958	\$ 204,104	\$ 30,516	\$ 962,578

J. Changes in Long-term Liabilities

Long-term liability activity for the year ended August 31, 2013 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 126,256,618	\$ -	\$ 4,487,161	\$ 121,769,457	\$ 4,418,543
Accretion Payable	7,865,661	343,239	1,127,839	7,081,061	929,858
Unamortized Premium on Bonds	5,441,040	-	335,179	5,105,861	335,179
Unamortized Loss on Defeased Bonds	(448,662)	-	(40,930)	(407,732)	(40,930)
Total Governmental Long-term Liabilities	\$ 139,114,657	\$ 343,239	\$ 5,909,249	\$ 133,548,647	\$ 5,642,650

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

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

K. General Long-term Debt

A summary of changes in general long-term debt for the year ended August 31, 2013 is as follows:

Description	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Payable Amount Outstanding 8/31/12	Issued	Retired	Outstanding 8/31/13	Due Within One Year
Unlimited Tax School Bldg. and Refunding Bond - Series 2002: Capital appreciation bonds Final maturity 2-15-2024	5.76% - 5.91%	644,984	-	644,984	-	-	644,984	-
Unlimited Tax School Bldg. Bond - Series 2003A Final maturity 8-15-2015	2% - 5.125%	19,130,000	69,470	1,855,000	-	595,000	1,260,000	620,000
Unlimited Tax School Bldg. Bond Series 2006 Final maturity 8-15-2031	4% - 5%	33,880,000	1,384,190	28,285,000	-	950,000	27,335,000	985,000
Unlimited Tax Refunding Bldg. Bond - Series 2007: Current interest bonds Final maturity 2-15-29	4% - 4.25%	20,720,000	767,853	18,540,000	-	-	18,540,000	-
Capital appreciation bonds Final maturity 2-15-15	3.87% - 4%	554,982	983,114	554,982	-	246,886	308,096	173,543
Unlimited Tax School Bldg. Bond Series 2007A Final maturity 8-15-2032	4.5% - 5%	24,875,000	1,166,038	23,495,000	-	-	23,495,000	-
Unlimited Tax School Building Bonds - Series 2008 Final maturity 8-15-2033	3.5% - 5%	29,935,000	1,418,625	28,660,000	-	-	28,660,000	145,000
Unlimited Tax Refunding Bonds - Series 2009: Current Interest bonds Final maturity 2-15-2025	3% - 4.5%	6,385,000	152,150	4,895,000	-	945,000	3,950,000	980,000
Unlimited Tax Refunding Bonds - Series 2010 Capital appreciation bonds Final maturity 2-15-2021	2.8% - 3.85%	231,377	-	231,377	-	-	231,377	-
Unlimited Tax Refunding Bonds - Series 2010A Final maturity 2-15-2027	2% - 4%	12,305,000	356,450	10,290,000	-	1,670,000	8,620,000	1,295,000
Unlimited Tax Refunding Bonds - Series 2011 Current interest bonds Final maturity 8-15-2027	2.0% - 3.5%	8,725,000	259,175	8,725,000	-	-	8,725,000	220,000
Capital Appreciation bonds Matured 8-15-13	0.5% - 0.75%	254,998	144,725	80,275	-	80,275	-	-
		<u>157,641,341</u>	<u>6,701,790</u>	<u>126,256,618</u>	<u>-</u>	<u>4,487,161</u>	<u>121,769,457</u>	<u>4,418,543</u>

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

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

Tax Refunding Bond 2002 series, part of 2007 series and 2010 series, and part of 2011 series are capital appreciation bonds that require interest to be paid when the principal on the bonds is due. These capital appreciation bonds began to mature in 2013 and will mature through 2024.

Accretion Payable for the year ended August 31, 2013, were as follows:

Description	Accretion Outstanding 8/31/2012	Issued	Accrual of Accretion	Accretion Retired	Accretion Outstanding 8/31/2013	Due Within One Year
Tax Refunding Bond Series 2002	\$ 1,478,531	\$ -	\$ 125,829	\$ -	\$ 1,604,360	\$ -
Tax Refunding Bond Series 2007	2,740,831	-	107,211	983,114	1,864,928	929,858
Tax Refunding Bond Series 2010	3,503,253	-	108,520	-	3,611,773	-
Tax Refunding Bond Series 2011	143,046	-	1,679	144,725	-	-
	<u>\$ 7,865,661</u>	<u>\$ -</u>	<u>\$ 343,239</u>	<u>\$ 1,127,839</u>	<u>\$ 7,081,061</u>	<u>\$ 929,858</u>

Unamortized Premiums on bonds for the year ended August 31, 2013 were as follows:

Description	Beginning Balance	Premiums on New Issues	Write-Off	Amortization Recognized	Ending Balance	Due Within One Year
Series 2003A	\$ 16,239	\$ -	\$ -	\$ 5,413	\$ 10,826	\$ 5,413
Series 2006	861,743	-	-	45,355	816,388	45,355
Series 2007	1,345,695	-	-	79,159	1,266,536	79,159
Series 2007A	272,930	-	-	13,647	259,283	13,647
Series 2008	392,139	-	-	18,673	373,466	18,673
Series 2009	88,717	-	-	6,824	81,893	6,824
Series 2010A	1,657,476	-	-	112,368	1,545,108	112,368
Series 2011	806,101	-	-	53,740	752,361	53,740
Total Unamortized Premium	<u>\$ 5,441,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 335,179</u>	<u>\$ 5,105,861</u>	<u>\$ 335,179</u>

The unamortized loss on defeased bonds as of August 31, 2013 is made up of amounts originating with the issuance of the Series 2011 refunding of the 2003 and 2003A bond series, which is being amortized over 12 years.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

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

Debt service requirements are as follows:

Year Ended August 31,	General Obligations		Total Requirements
	Principal	Interest	
2014	\$ 4,418,543	\$ 6,386,163	\$ 10,804,706
2015	4,804,553	6,287,251	11,091,804
2016	5,258,094	5,781,705	11,039,799
2017	5,786,143	5,603,481	11,389,624
2018	5,630,855	5,776,551	11,407,406
2019 - 2023	29,596,350	24,171,712	53,768,062
2024 - 2028	35,329,919	13,025,759	48,355,678
2029 - 2033	30,945,000	4,028,838	34,973,838
Total	<u>\$ 121,769,457</u>	<u>\$ 71,061,460</u>	<u>\$ 192,830,917</u>

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, 2013, all defeased bonds were paid. The defeased bonds were called prior to their scheduled maturity dates. The market value of the remaining funds available in escrow was \$3 as of August 31, 2013.

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, 2013, interest had been accreted in the amount of \$7,081,061 and is presented as part of long-term liabilities.

There are a number of limitations 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, 2013.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

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

L. Fund Balances

As of August 31, 2013, fund balances are composed of the following:

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Inventories	\$ 77,430	\$ -	\$ -	\$ 77,430
Corpus for Scholarship Fund	-	-	5,000	5,000
Restricted:				
Food Services	1,951,714	-	-	1,951,714
Federal and State Programs	-	-	18,757	18,757
Capital Acquisition	-	-	2,901,029	2,901,029
Retirement of Long-Term Debt	-	589,695	-	589,695
Other	-	-	1,040	1,040
Committed:				
Future Construction	10,000,000	-	-	10,000,000
Future Capital Equipment	2,000,000	-	-	2,000,000
Campus Activities	-	-	68,503	68,503
Assigned:				
Future Construction	1,000,000	-	-	1,000,000
Future Capital Equipment	1,000,000	-	-	1,000,000
Unassigned Fund Balance	11,436,632	-	-	11,436,632
Total fund balances	\$ 27,465,776	\$ 589,695	\$ 2,994,329	\$ 31,049,800

As discussed in Note M, as of August 31, 2013, the District has \$326,258 of encumbrances of operating funds in major and nonmajor funds that rolled over into the next fiscal year.

M. Encumbrances

Encumbrance accounting is employed as an extension of formal budgetary integration for the General Fund, special revenue funds, and capital projects funds. At August 31, 2013, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental fund. Significant encumbrances included in governmental fund balances are as follows:

	Encumbrances Included in:			
	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance	Total
General Fund	\$ -	\$ -	\$ -	\$ -
Aggregate nonmajor funds	321,770	4,488	-	326,258
Total	\$ 321,770	\$ 4,488	\$ -	\$ 326,258

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

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

N. Revenue from Local and Intermediate Sources

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

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Internal Service Fund	Total
Property taxes	\$ 10,617,649	\$ 3,008,456	\$ -	\$ -	\$ 13,626,105
Penalties, interest and other tax revenues	461,131	110,172	-	-	571,303
Investment income	28,668	5,248	5,432	-	39,348
Rent income	12,899	-	-	-	12,899
Donations	-	-	265,011	-	265,011
Food sales	189,224	-	650	-	189,874
Athletic activities	61,255	-	-	-	61,255
Interfund services	-	-	-	652,565	652,565
Enterprising services	-	-	132,429	-	132,429
Insurance recovery	1,124	-	-	-	1,124
Other	114,803	-	-	-	114,803
Total	\$ 11,486,753	\$ 3,123,876	\$ 403,522	\$ 652,565	\$ 15,666,716

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

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

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

Funding Policy: Contribution requirements are not actuarially determined but are established and amended pursuant to the following state funding policy: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member’s annual compensation and a state contribution rate 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, 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. Contribution rates and contributions for fiscal years 2011-2013 are shown in the table below. These rates are set by the General Appropriations Act. In certain instances, the reporting district is required to make all or a portion of the state’s and/or member’s contribution and on the portion of the employees’ salaries that exceeded the statutory minimum.

Contribution Rates and Contribution Amounts

Year	Member		State		District, Federal, Private Grant and Statutory Minimum
	Rate	Amount	Rate	Amount	Amount
2013	6.4%	\$ 4,081,202	6.400%	\$ 4,081,202	\$ 1,254,623
2012	6.4%	\$ 4,012,077	6.000%	\$ 3,761,320	\$ 1,152,369
2011	6.4%	\$ 4,027,585	6.644%	\$ 4,178,616	\$ 1,401,730

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, including retiree health plan and Medicare Part D contributions. These contributions are the legal responsibility of the State.

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

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

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. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. Contribution rates and amounts are shown in the table below for fiscal years 2011-2013.

Contribution Rates

Period/ Year Ended	Active Member		State		School District		Federal	
	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount
2013	0.65%	\$ 414,498	0.5%	\$ 318,844	0.55%	\$ 350,731	0.5%	\$ 30,366
2012	0.65%	\$ 407,474	1.0%	\$ 626,887	0.55%	\$ 344,787	1.0%	\$ 64,049
2011	0.65%	\$ 409,052	1.0%	\$ 692,241	0.55%	\$ 346,116	1.0%	\$ 84,641

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, 2011, 2012, and 2013 were \$144,568, \$160,556 and \$241,549, respectively.

Q. Health Care Coverage

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.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

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

R. 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 \$570,000 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.

S. 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 90% discount during school year 2012-2013.

T. 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.

U. Litigation

During the normal course of business, the District is subject to various legal claims. As of August 31, 2013, management was not aware of any such claim which would have a material adverse effect on the financial statements.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

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

V. Other Significant Commitments and Contingencies

Federal and State Funding

The District participates in numerous programs which are subject to audit by the Texas Education Agency and various Federal 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. Related Party Transactions

From time to time, the District may enter into transactions with related parties through the normal course of business. If a Board member has a conflict of interest, proper documentation is completed and he/she is required to abstain from any discussion or voting regarding the matter. Management is not aware of any material related party transactions that occurred during the year ended August 31, 2013.

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, 2013

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	\$ 12,344,874	\$ 11,321,761	\$ 11,486,753	\$ 164,992
5800 State Program Revenues	72,420,306	70,526,567	70,606,233	79,666
5900 Federal Program Revenues	8,392,300	8,114,225	8,563,280	449,055
5020 Total Revenues	93,157,480	89,962,553	90,656,266	693,713
EXPENDITURES:				
Current:				
0011 Instruction	47,653,932	47,296,467	45,301,029	1,995,438
0012 Instructional Resources and Media Services	1,075,227	1,133,877	1,105,331	28,546
0013 Curriculum and Instructional Staff Development	1,059,456	1,073,514	1,008,216	65,298
0021 Instructional Leadership	1,988,050	1,988,050	1,919,435	68,615
0023 School Leadership	6,336,629	6,341,446	5,919,770	421,676
0031 Guidance, Counseling and Evaluation Services	1,894,960	1,898,110	1,814,034	84,076
0032 Social Work Services	204,428	227,428	193,114	34,314
0033 Health Services	850,059	865,289	831,276	34,013
0034 Student (Pupil) Transportation	3,160,886	3,160,886	2,963,267	197,619
0035 Food Services	7,732,986	8,032,986	7,708,146	324,840
0036 Extracurricular Activities	2,822,410	2,845,970	2,423,661	422,309
0041 General Administration	3,280,058	3,378,058	3,218,046	160,012
0051 Facilities Maintenance and Operations	9,723,034	10,223,034	9,837,434	385,600
0052 Security and Monitoring Services	2,062,093	2,116,093	2,108,318	7,775
0053 Data Processing Services	1,870,342	1,890,342	1,488,588	401,754
0061 Community Services	154,010	163,010	134,812	28,198
Capital Outlay:				
0081 Facilities Acquisition and Construction	230,588	909,588	850,649	58,939
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed.	55,000	55,000	-	55,000
0099 Other Intergovernmental Charges	225,000	280,000	255,607	24,393
6030 Total Expenditures	92,379,148	93,879,148	89,080,733	4,798,415
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	778,332	(3,916,595)	1,575,533	5,492,128
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	44,022	44,022
8911 Transfers Out (Use)	-	-	(121)	(121)
7080 Total Other Financing Sources (Uses)	-	-	43,901	43,901
1200 Net Change in Fund Balances	778,332	(3,916,595)	1,619,434	5,536,029
0100 Fund Balance - September 1 (Beginning)	25,846,342	25,846,342	25,846,342	-
3000 Fund Balance - August 31 (Ending)	\$ 26,624,674	\$ 21,929,747	\$ 27,465,776	\$ 5,536,029

SUPPLEMENTARY INFORMATION

CLINT INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NON MAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2013

Data Control Codes	206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	220 Adult Education Federal	224 IDEA - Part B Formula
ASSETS				
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1240 Receivables from Other Governments	2,426	226,841	10,274	-
1260 Due from Other Funds	-	-	-	-
1410 Prepayments	1,328	-	-	-
1800 Restricted Assets	-	-	-	-
1000 Total Assets	<u>\$ 3,754</u>	<u>\$ 226,841</u>	<u>\$ 10,274</u>	<u>\$ -</u>
LIABILITIES				
2110 Accounts Payable	\$ -	\$ -	\$ -	\$ -
2170 Due to Other Funds	3,754	226,841	10,274	-
2200 Accrued Expenditures	-	-	-	-
2300 Unearned Revenues	-	-	-	-
2000 Total Liabilities	<u>3,754</u>	<u>226,841</u>	<u>10,274</u>	<u>-</u>
FUNDBALANCES				
Nonspendable Fund Balance:				
3445 Other Non-Spendable Fund Balance	-	-	-	-
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	-	-
3490 Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:				
3545 Other Committed Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 3,754</u>	<u>\$ 226,841</u>	<u>\$ 10,274</u>	<u>\$ -</u>

225 IDEA - Part B Preschool	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	289 Other Federal Special Revenue Funds	397 Advanced Placement Incentives	404 Student Success Initiative
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,938	-	-	46,404	17,541	26,538	-	-
-	-	-	-	-	-	2,249	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 3,938</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,404</u>	<u>\$ 17,541</u>	<u>\$ 26,538</u>	<u>\$ 2,249</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 5	\$ -	\$ -	\$ -	\$ -
3,938	-	-	46,399	17,541	14,262	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>3,938</u>	<u>-</u>	<u>-</u>	<u>46,404</u>	<u>17,541</u>	<u>14,262</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	12,276	2,249	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	12,276	2,249	-
<u>\$ 3,938</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,404</u>	<u>\$ 17,541</u>	<u>\$ 26,538</u>	<u>\$ 2,249</u>	<u>\$ -</u>

CLINT INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NON MAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2013

Data Control Codes	409 High School Completion and Success	410 State Textbook Fund	422 Matching Fund for Library Purchases	429 Other State Special Revenue Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1240 Receivables from Other Governments	-	-	-	5,538
1260 Due from Other Funds	-	30,516	4,232	-
1410 Prepayments	-	-	-	-
1800 Restricted Assets	-	-	-	-
1000 Total Assets	<u>\$ -</u>	<u>\$ 30,516</u>	<u>\$ 4,232</u>	<u>\$ 5,538</u>
LIABILITIES				
2110 Accounts Payable	\$ -	\$ -	\$ -	\$ -
2170 Due to Other Funds	-	-	-	5,538
2200 Accrued Expenditures	-	-	-	-
2300 Unearned Revenues	-	30,516	-	-
2000 Total Liabilities	<u>-</u>	<u>30,516</u>	<u>-</u>	<u>5,538</u>
FUNDBALANCES				
Nonspendable Fund Balance:				
3445 Other Non-Spendable Fund Balance	-	-	-	-
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	4,232	-
3470 Capital Acquisition and Contractual Obligation	-	-	-	-
3490 Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:				
3545 Other Committed Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>4,232</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 30,516</u>	<u>\$ 4,232</u>	<u>\$ 5,538</u>

459 Other SSA Special Revenue Funds	461 Campus Activity Funds	494 Do the Write Thing, Inc.	Total Nonmajor Special Revenue Funds	699 Capital Projects	807 David Cramer Memorial Scholarship	Total Nonmajor Governmental Funds
\$ -	\$ 99,920	\$ -	\$ 99,920	\$ 3,227,663	\$ -	\$ 3,327,583
42,735	-	-	382,235	-	-	382,235
-	-	148	37,145	-	-	37,145
-	-	-	1,328	-	-	1,328
-	-	-	-	-	5,892	5,892
<u>\$ 42,735</u>	<u>\$ 99,920</u>	<u>\$ 148</u>	<u>\$ 520,628</u>	<u>\$ 3,227,663</u>	<u>\$ 5,892</u>	<u>\$ 3,754,183</u>
\$ -	\$ 5,200	\$ -	\$ 5,205	\$ -	\$ -	\$ 5,205
42,735	26,217	-	397,499	230,748	-	628,247
-	-	-	-	95,886	-	95,886
-	-	-	30,516	-	-	30,516
<u>42,735</u>	<u>31,417</u>	<u>-</u>	<u>433,220</u>	<u>326,634</u>	<u>-</u>	<u>759,854</u>
-	-	-	-	-	5,000	5,000
-	-	-	18,757	-	-	18,757
-	-	-	-	2,901,029	-	2,901,029
-	-	148	148	-	892	1,040
-	68,503	-	68,503	-	-	68,503
<u>-</u>	<u>68,503</u>	<u>148</u>	<u>87,408</u>	<u>2,901,029</u>	<u>5,892</u>	<u>2,994,329</u>
<u>\$ 42,735</u>	<u>\$ 99,920</u>	<u>\$ 148</u>	<u>\$ 520,628</u>	<u>\$ 3,227,663</u>	<u>\$ 5,892</u>	<u>\$ 3,754,183</u>

CLINT INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2013

Data Control Codes	206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	220 Adult Education Federal	224 IDEA - Part B Formula
REVENUES:				
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-
5900	Federal Program Revenues	9,729	4,041,389	1,845,066
5020	Total Revenues	<u>9,729</u>	<u>4,041,389</u>	<u>1,845,066</u>
EXPENDITURES:				
Current:				
0011	Instruction	9,480	2,853,996	72,420
0012	Instructional Resources and Media Services	-	-	-
0013	Curriculum and Instructional Staff Development	-	537,346	-
0021	Instructional Leadership	179	593,736	264,446
0023	School Leadership	-	6,347	-
0031	Guidance, Counseling and Evaluation Services	-	4,255	571,051
0035	Food Services	-	-	-
0036	Extracurricular Activities	-	-	-
0041	General Administration	-	-	-
0051	Facilities Maintenance and Operations	-	-	-
0053	Data Processing Services	-	-	-
0061	Community Services	70	45,709	-
Capital Outlay:				
0081	Facilities Acquisition and Construction	-	-	-
6030	Total Expenditures	<u>9,729</u>	<u>4,041,389</u>	<u>72,420</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
7915	Transfers In	-	-	-
8911	Transfers Out (Use)	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net Change in Fund Balance	-	-	-
0100	Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

225 IDEA - Part B Preschool	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	289 Other Federal Special Revenue Funds	397 Advanced Placement Incentives	404 Student Success Initiative
\$ -	\$ 650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	52,181
16,478	181,157	187,596	371,505	466,466	22,857	-	-
16,478	181,807	187,596	371,505	466,466	22,857	-	52,181
16,478	-	152,749	284,952	466,466	22,857	-	52,181
-	-	-	-	-	-	-	-
-	-	34,847	26,876	-	-	-	-
-	-	-	18,895	-	-	-	-
-	-	-	-	-	-	-	-
-	137,785	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	40,782	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
16,478	137,785	187,596	371,505	466,466	22,857	-	52,181
-	44,022	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(44,022)	-	-	-	-	-	-
-	(44,022)	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	12,276	2,249	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,276	\$ 2,249	\$ -

CLINT INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NON MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2013

Data Control Codes	409 High School Completion and Success	410 State Textbook Fund	422 Matching Fund for Library Purchases	429 Other State Special Revenue Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	5,099	431,216	-	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>5,099</u>	<u>431,216</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
0011 Instruction	1,099	431,216	-	-
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	4,000	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	<u>5,099</u>	<u>431,216</u>	<u>-</u>	<u>-</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	121
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>121</u>
1200 Net Change in Fund Balance	-	-	-	121
0100 Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>4,232</u>	<u>(121)</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,232</u>	<u>\$ -</u>

459 Other SSA Special Revenue Funds	461 Campus Activity Funds	494 Do the Write Thing, Inc.	Total Nonmajor Special Revenue Funds	699 Capital Projects	807 David Cramer Memorial Scholarship	Total Nonmajor Governmental Funds
\$ 265,011	\$ 132,429	\$ -	\$ 398,090	\$ 5,416	\$ 16	\$ 403,522
-	-	-	488,496	-	-	488,496
-	-	-	7,214,663	-	-	7,214,663
<u>265,011</u>	<u>132,429</u>	<u>-</u>	<u>8,101,249</u>	<u>5,416</u>	<u>16</u>	<u>8,106,681</u>
211,750	135,549	-	5,720,762	51,979	-	5,772,741
925	-	-	925	-	-	925
35,483	-	-	638,552	-	-	638,552
-	-	-	858,361	-	-	858,361
6,285	-	-	31,527	3,543	-	35,070
-	-	-	575,306	-	-	575,306
-	-	-	137,785	-	-	137,785
10,568	-	-	10,568	-	-	10,568
-	-	-	40,782	-	-	40,782
-	-	-	-	578,473	-	578,473
-	-	-	-	9,267	-	9,267
-	-	-	45,779	-	-	45,779
-	-	-	-	317,513	-	317,513
<u>265,011</u>	<u>135,549</u>	<u>-</u>	<u>8,060,347</u>	<u>960,775</u>	<u>-</u>	<u>9,021,122</u>
-	(3,120)	-	40,902	(955,359)	16	(914,441)
-	-	-	121	-	-	121
-	-	-	(44,022)	-	-	(44,022)
-	-	-	(43,901)	-	-	(43,901)
-	(3,120)	-	(2,999)	(955,359)	16	(958,342)
-	71,623	148	90,407	3,856,388	5,876	3,952,671
<u>\$ -</u>	<u>\$ 68,503</u>	<u>\$ 148</u>	<u>\$ 87,408</u>	<u>\$ 2,901,029</u>	<u>\$ 5,892</u>	<u>\$ 2,994,329</u>

CLINT INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2013

	BALANCE SEPTEMBER 1 2012	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2013
STUDENT ACTIVITY ACCOUNT				
Assets:				
Cash and Temporary Investments	\$ 249,617	\$ 472,606	\$ 445,465	\$ 276,758
Liabilities:				
Accounts Payable	\$ -	\$ 751	\$ -	\$ 751
Due to Student Groups	249,617	471,855	445,465	276,007
Total Liabilities	\$ 249,617	\$ 472,606	\$ 445,465	\$ 276,758
SUNSHINE ACCOUNT				
Assets:				
Due From Other Funds	\$ 16,579	\$ 77,205	\$ 67,567	\$ 26,217
Liabilities:				
Payable from Restricted Assets	\$ 16,579	\$ 77,205	\$ 67,567	\$ 26,217
TOTAL AGENCY FUNDS				
Assets:				
Cash and Temporary Investments	\$ 249,617	\$ 472,606	\$ 445,465	\$ 276,758
Due From Other Funds	16,579	77,205	67,567	26,217
Total Assets	\$ 266,196	\$ 549,811	\$ 513,032	\$ 302,975
Liabilities:				
Accounts Payable	\$ -	\$ 751	\$ -	\$ 751
Due to Student Groups	249,617	471,855	445,465	276,007
Payable from Restricted Assets	16,579	77,205	67,567	26,217
Total Liabilities	\$ 266,196	\$ 549,811	\$ 513,032	\$ 302,975

OTHER INFORMATION - REQUIRED TEA SCHEDULES

CLINT INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED AUGUST 31, 2013

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2004 and prior years	Various	Various	\$ 4,316,547,455
2005	1.500000	0.225500	461,949,240
2006	1.500000	0.251000	529,494,035
2007	1.370100	0.210000	643,781,884
2008	1.040050	0.315000	792,627,468
2009	1.040050	0.295000	888,716,321
2010	1.040050	0.295000	922,847,582
2011	1.040050	0.295000	941,462,049
2012	1.040050	0.295000	997,553,147
2013 (School year under audit)	1.040050	0.295000	1,026,403,818
1000 TOTALS			

(10) Beginning Balance 9/1/2012	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2013
\$ 1,467,272	\$ -	\$ 50,462	\$ 16,484	\$ (1,772)	\$ 1,398,554
196,243	-	12,919	1,809	(66)	181,449
211,588	-	15,430	2,160	(413)	193,585
212,988	-	23,084	5,307	(491)	184,106
211,091	-	24,540	6,961	(1,396)	178,194
269,245	-	41,896	11,883	1,851	217,317
321,297	-	59,150	16,777	1,922	247,292
419,472	-	90,639	25,709	1,634	304,758
714,928	-	228,652	64,855	(13,407)	408,014
-	13,703,004	10,076,608	2,858,137	-	768,259
<u>\$ 4,024,124</u>	<u>\$ 13,703,004</u>	<u>\$ 10,623,380</u>	<u>\$ 3,010,082</u>	<u>\$ (12,138)</u>	<u>\$ 4,081,528</u>

CLINT INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES FOR COMPUTATIONS OF INDIRECT COST FOR 2014-2015
 GENERAL AND SPECIAL REVENUE FUNDS
 AUGUST 31, 2013

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	\$ -	\$ -	\$ 403,512	\$ 2,034,062	\$ -	\$ -	\$ 2,437,574
6149	Leave for Separating Employees in Fn 41 & 53	-	-	-	1,220	-	-	1,220
6149	Leave - Separating Employees not in 41 & 53	-	-	-	-	-	-	-
6211	Legal Services	271,109	-	-	-	-	-	271,109
6212	Audit Services	-	-	-	67,500	-	-	67,500
6213	Tax Appraisal/Collection - Appraisal in Fn 99	-	255,607	-	-	-	-	255,607
6214	Lobbying	-	-	-	-	-	-	-
621X	Other Professional Services	-	-	28,632	31,874	-	-	60,506
6220	Tuition and Transfer Payments	-	-	-	-	-	-	-
6230	Education Service Centers	2,000	-	-	170	-	-	2,170
6240	Contr. Maint. and Repair	-	-	-	-	5,905	-	5,905
6250	Utilities	-	-	-	-	-	-	-
6260	Rentals	-	-	8,315	13,424	-	-	21,739
6290	Miscellaneous Contr.	-	-	-	40,146	-	-	40,146
6320	Textbooks and Reading	-	-	-	1,398	-	-	1,398
6330	Testing Materials	-	-	-	-	-	-	-
63XX	Other Supplies Materials	1,771	-	4,295	119,000	-	-	125,066
6410	Travel, Subsistence, Stipends	17,667	-	7,014	61,740	-	-	86,421
6420	Ins. and Bonding Costs	-	-	-	58,945	-	-	58,945
6430	Election Costs	8,121	-	-	-	-	-	8,121
6490	Miscellaneous Operating	4,767	-	8,725	65,617	-	-	79,109
6500	Debt Service	-	-	-	-	-	-	-
6600	Capital Outlay	-	-	-	-	-	-	-
6000	TOTAL	\$ 305,435	\$ 255,607	\$ 460,493	\$ 2,495,096	\$ 5,905	\$ -	\$ 3,522,536

Total expenditures/expenses for General and Special Revenue Funds: (9) \$ 97,141,080

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10)	\$ 1,088,573
Total Debt & Lease(6500)	(11)	-
Plant Maintenance (Function 51, 6100-6400)	(12)	9,797,776
Food (Function 35, 6341 and 6499)	(13)	3,369,531
Stipends (6413)	(14)	-
Column 4 (above) - Total Indirect Cost		<u>2,495,096</u>

SubTotal: 16,750,976

Net Allowed Direct Cost \$ 80,390,104

CUMULATIVE

Total Cost of Buildings before Depreciation (1520)	(15)	\$ 195,804,312
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)	\$ 18,000,406
Historical Cost of Furniture & Equipment over 16 years old	(19)	\$ 3,092,565
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	\$ 2,330,402

(8) NOTE A: \$8,101 in Function 53 expenditures are included in this report on administrative costs.
 \$255,607 in Function 99 expenditures for appraisal district costs are included in this report on administrative costs.

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, 2013

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	\$ 150,000	\$ 172,907	\$ 195,077	\$ 22,170
5800 State Program Revenues	-	46,600	45,553	(1,047)
5900 Federal Program Revenues	8,260,000	7,768,225	8,010,516	242,291
5020 Total Revenues	8,410,000	7,987,732	8,251,146	263,414
EXPENDITURES:				
0035 Food Services	7,732,986	8,032,986	7,708,146	324,840
0051 Facilities Maintenance and Operations	229,382	329,382	289,994	39,388
6030 Total Expenditures	7,962,368	8,362,368	7,998,140	364,228
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	447,632	(374,636)	253,006	627,642
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	44,022	44,022
7080 Total Other Financing Sources (Uses)	-	-	44,022	44,022
1200 Net Change in Fund Balances	447,632	(374,636)	297,028	671,664
0100 Fund Balance - September 1 (Beginning)	1,654,686	1,654,686	1,654,686	-
3000 Fund Balance - August 31 (Ending)	\$ 2,102,318	\$ 1,280,050	\$ 1,951,714	\$ 671,664

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, 2013

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	\$ 3,002,797	\$ 3,067,750	\$ 3,123,876	\$ 56,126
5800 State Program Revenues	8,312,413	8,516,362	8,260,707	(255,655)
5020 Total Revenues	11,315,210	11,584,112	11,384,583	(199,529)
EXPENDITURES:				
Debt Service:				
0071 Principal on Long Term Debt	4,487,162	4,487,162	4,487,161	1
0072 Interest on Long Term Debt	6,701,789	6,701,789	6,701,789	-
0073 Bond Issuance Cost and Fees	124,900	124,900	4,191	120,709
6030 Total Expenditures	11,313,851	11,313,851	11,193,141	120,710
1200 Net Change in Fund Balances	1,359	270,261	191,442	(78,819)
0100 Fund Balance - September 1 (Beginning)	398,253	398,253	398,253	-
3000 Fund Balance - August 31 (Ending)	\$ 399,612	\$ 668,514	\$ 589,695	\$ (78,819)

FEDERAL AWARDS SECTION

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

To the Board of Trustees
Clint Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clint Independent School District (District) as of and for the year ended August 31, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 3, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

Purpose of this Report

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

El Paso, Texas
January 3, 2014

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

To the Board of Trustees
Clint Independent School District

Report on Compliance for Each Major Federal Program

We have audited Clint Independent School District's (District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2013. 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Clint Independent School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Clint Independent School District's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Clint Independent School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Clint Independent School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

El Paso, Texas
January 3, 2014

CLINT INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2013

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?	None
	Significant deficiencies identified that are not considered to be material weaknesses?	None reported
	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?	None reported
	Type of auditor's report issued on compliance for major programs:	Unqualified
	Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No
	Major Federal Programs:	Special Education Cluster (IDEA): 84.027A IDEA - Part B, Formula; 84.173A IDEA - Part B, Preschool
		Title III Part A English Language Acquisition Fund: 84.365A

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2013

Schedule Reference Number	PROGRAM	DESCRIPTION
	Major Federal Programs: (Continued)	Child Nutrition Cluster: 10.553 School Breakfast Program (SBP); 10.555 National School Lunch Program (NSLP); and 10.559 Summer Food Service Program for Children (SFSPC)
	Dollar threshold used to distinguish between type A and type B programs:	\$473,338
	Auditee qualified as low-risk auditee?	Yes

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2013

Schedule Reference Number	PROGRAM	DESCRIPTION
--	----------------	--------------------

FINANCIAL STATEMENT FINDINGS

There are no current year findings.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no current year findings.

CLINT INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF STATUS OF PRIOR FINDINGS

FOR THE YEAR ENDED AUGUST 31, 2013

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

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
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2013

(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 DEFENSE			
<u>Direct Programs</u>			
NJROTC	12.000	N/A	\$ 252,490
Total Direct Programs			\$ 252,490
TOTAL DEPARTMENT OF DEFENSE			\$ 252,490
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through Region ESC 10</u>			
Texas Support for Homeless Education Program	84.196A	13-057	\$ 9,729
Texas Support for Homeless Education Program	84.196A	13-057	266
Total CFDA Number 84.196A			9,995
Total Passed Through Region ESC 10			\$ 9,995
<u>Passed Through State Department of Education</u>			
Adult Education (ABE) - Federal	84.002	1341000171102	\$ 72,420
*ESEA, Title I, Part A - Improving Basic Programs	84.010A	12610101071901	239,727
*ESEA, Title I, Part A - Improving Basic Programs	84.010A	13610101071901	3,746,756
*ESEA, Title I, Part A - Imp Basic Prog (IDC)	84.010A	13610101071901	95,098
*Title I - School Improvement Prgrm	84.010A	13610104071901002	12,877
*Title I - School Improvement Prgrm	84.010A	13610104071901106	13,663
*Title I - School Improvement Prgrm	84.010A	13610104071901041	13,366
*Title I - School Improvement Prgrm	84.010A	13610104071901042	15,000
*Title I - School Improvement Prgrm (IDC)	84.010A	13610104071901002	352
*Title I - School Improvement Prgrm (IDC)	84.010A	13610104071901106	375
*Title I - School Improvement Prgrm (IDC)	84.010A	13610104071901041	366
Total CFDA Number 84.010A			4,137,580
Total Title I, Part A Cluster			4,137,580
**IDEA - Part B, Formula	84.027A	136600010719016000	1,845,066
**IDEA - Part B, Preschool	84.173A	136610010719016000	16,478
**IDEA - Part B, Preschool (IDC)	84.173A	136610010719016000	412
Total CFDA Number 84.173A			16,890
Total Special Education Cluster (IDEA)			1,861,956
Career and Technical - Basic Grant	84.048A	13420006071901	187,596
Career and Technical - Basic Grant (IDC)	84.048A	13420006071901	4,049
Total CFDA Number 84.048A			191,645
Title III, A English Lang. Acquisition	84.365A	13671001071901	466,466
Title III, A English Lang. Acq. (IDC)	84.365A	13671001071901	9,329
Total CFDA Number 84.365A			475,795
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	13694501071901	371,505
ESEA, Title II, Part A, Teach/Principal Trng (IDC)	84.367A	13694501071901	10,165
Total CFDA Number 84.367A			381,670
Summer School LEP	84.369A	69551202	6,692
Summer School LEP	84.369A	69551302	16,165
Total CFDA Number 84.369A			22,857
Total Passed Through State Department of Education			\$ 7,143,923

CLINT INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2013

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
TOTAL DEPARTMENT OF EDUCATION			\$ 7,153,918
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
***School Breakfast Program - Cash Assist.	10.553	71401201	\$ 317,822
***School Breakfast Program - Cash Assist.	10.553	71401301	2,582,763
***School Breakfast Program - Cash Assist. (IDC)	10.553	71401301	69,166
Total CFDA Number 10.553			<u>2,969,751</u>
***National School Lunch Prog. - Cash Assistance	10.555	71301201	497,265
***National School Lunch Prog. - Cash Assistance	10.555	71301301	4,133,553
***National School Lunch Prog. - Cash Assist. (IDC)	10.555	71301301	110,696
***National School Lunch Prog. - Non Cash Assist.	10.555	071901	438,112
Total CFDA Number 10.555			<u>5,179,626</u>
***Summer Feeding Program - Cash Assistance	10.559	71401301	69,070
***Summer Feeding Program - Cash Assistance	10.559	71301301	112,087
Total CFDA Number 10.559			<u>181,157</u>
Total Child Nutrition Cluster			<u>8,330,534</u>
Fresh Fruit and Vegetable Program-Non-Cash Assist.	10.582	071901	41,001
Total Passed Through the State Department of Agriculture			<u>\$ 8,371,535</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 8,371,535</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 15,777,943</u>

*, **, and *** Clustered Programs as required by the OMB A-133 Compliance Supplement, March 2013.

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS

YEAR ENDED AUGUST 31, 2013

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 committed 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 item number 5. 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 position.

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 90 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 - March 2013.
4. Commodity assistance is reported by the CFDA number of the programs under which USDA donated the commodities.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS

YEAR ENDED AUGUST 31, 2013

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount</u>
NJROTC	12.000	\$ 252,490
USDA Commodities	10.555	438,112
National School Breakfast Program	10.553	2,900,585
National School Lunch Program	10.555	4,630,818
Fresh Fruit and Vegetable Program	10.582	41,001
Indirect Costs - CNP	10.XXX	179,862
Indirect Costs - Other	84.XXX	<u>120,412</u>
General Fund federal revenue reported in Schedule K-1		<u>\$ 8,563,280</u>