

Clint Independent School District

Long-Term Liability Activity for the Year Ending August 31, 2015

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 116,920,915	\$ 101,675,000	\$ 28,594,554	\$ 190,001,361	\$ 5,293,094
Accretion Payable	6,458,944	299,298	1,000,447	5,757,795	671,343
Unamortized Premium on Bonds	7,027,360	11,917,058	1,191,068	17,753,350	940,018
Capital Lease	-	290,311	98,979	191,332	94,578
Total Governmental Long-Term Liabilities	\$ 130,407,219	\$ 114,181,667	\$ 30,885,048	\$ 213,703,838	\$ 6,999,033
Net Pension Liability Restated				\$ 14,787,583	
See Note P in the Annual Financial Statement				\$228,491,421	

The Clint Independent School District participates and receives funding from the Instructional Facilities Allotment (IFA) and the Eligible Debt Allotment (EDA) as described below.

Existing Debt Allotment

Texas Education Code (TEC) and Texas Administrative Code (TAC) References

Texas Education Code, Chapter 46, Subchapter B, Assistance with Payment of Existing Debt

Texas Administrative Code, Chapter 61, Subchapter CC, Commissioner’s Rules Concerning School Facilities §61.1035, Assistance with Payment of Existing Debt

History/Relevant Background Information

In 1999, the 76th Texas Legislature added Subchapter B to Chapter 46 of the Texas Education Code (TEC) to create the Existing Debt Allotment (EDA) program. The EDA program operates without applications and has no award cycles. This program provides tax rate equalization for local debt service taxes. By providing a guaranteed yield on Interest and Sinking fund (I&S) taxes levied by school districts to pay the principal of and interest on eligible bonds, the program guarantees a specific amount of state and local funds per student for each cent of tax effort up to \$0.29 per \$100 of assessed valuation. Currently, the guaranteed yield for EDA provides \$35 per student in average daily attendance (ADA) per penny of tax effort.

Only general obligation bonds are eligible for the EDA program. Lease-purchase agreements authorized by Local Government Code, §271.004, are not eligible. Debt service for which the district currently receives assistance through the Instructional Facilities Allotment in accordance with TEC Subchapter A, Chapter 46 is not eligible to receive state assistance. The eligibility of bonds for the EDA program is determined by the first payment of debt service in accordance with TEC §46.033. Refunding bonds as defined by TEC §46.007 are also eligible for EDA assistance.

The eligibility for the EDA program was amended by the passage of House Bill 3646, 81st Texas Legislature. Section 76 of the bill changed the TEC, §46.033, to provide a permanent roll-forward provision to establish bond eligibility for the EDA program. The amendments to the section deleted the eligibility dates in the statute and replaced those dates with reference to the last year of the preceding biennium. As a result, bonds that were issued during a biennium, with the first payment made during that biennium, will become automatically eligible for the EDA in the following biennium without the need for legislative action.

Instructional Facilities Allotment (IFA) Program

Texas Education Code (TEC) and Texas Administrative Code (TAC) References

TEC, Chapter 46, Subchapter A; 19 TAC §61.1032

History/Relevant Background Information

The IFA program was authorized in House Bill 4 by the 75th Legislature in the spring of 1997 and became effective September 1, 1997. The IFA program provides funding to school districts that assists with debt service payments on qualifying bonds and lease-purchase agreements.

To receive IFA program assistance, a district must submit an application to the Texas Education Agency (TEA). The proposed bond or lease-purchase proceeds must be for the purchase, construction, renovation, and/or expansion of Instructional facilities. There is a deadline for applications, after which the TEA State Funding Division ranks all eligible applications in order of property wealth per student, which is based on average daily attendance (ADA).

State assistance is awarded beginning with those eligible districts that have the lowest property wealth and continues until all available funds are used. If a district meets and maintains IFA conditions, Texas statute guarantees IFA state aid for the life of the debt that has been approved for funding. See the table below for a history of IFA appropriations.