

**CLEBURNE INDEPENDENT SCHOOL
DISTRICT**

**ANNUAL FINANCIAL REPORT FOR THE
YEAR ENDED**

AUGUST 31, 2012

CLEBURNE INDEPENDENT SCHOOL DISTRICT

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CERTIFICATE OF THE BOARD

Cleburne Independent School District
Name of School District

Johnson
County

126-903
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, 2012, at a meeting of the board of trustees of such school district on the _____ day of _____, 2012.

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)

KIRK, RICHARDSON & POOLE, P. C.

Members of the American Institute of Certified Public Accountants

Tom Kirk, CPA	Don Richardson, CPA	Cindy Poole, CPA
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Independent Auditor's Report

Board of Trustees
Cleburne Independent School District
505 N. Ridgeway, Suite 100
Cleburne, Texas 76033

Members of the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cleburne Independent School District (the "District"), as of and for the year ended August 31, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of August 31, 2012, and the respective changes in financial position, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2012, on our consideration of the 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6 through 13 and 42 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

The Texas Education Agency requires school districts to include certain information in the Annual Financial and Compliance Report in conformity with laws and regulations of the State of Texas. This information is in Exhibits identified in the Table of Contents as J-1 through J-5. Except for Exhibit J-3 (Cash Flow and the Optimum Fund Balance Calculation Schedule) which is marked UNAUDITED and on which we express no opinion, these schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Original signed by Kirk, Richardson & Poole

Kirk, Richardson & Poole, P. C.
December 5, 2012

**CLEBURNE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012
UNAUDITED**

In this section of the Annual Financial and Compliance Report, we, the managers of Cleburne Independent School District (the “District”), discuss and analyze the District’s financial performance for the fiscal year ended August 31, 2012. Please read it in conjunction with the independent auditor’s report on page 4, and the District’s Basic Financial Statements that begin on page 16.

FINANCIAL HIGHLIGHTS

The District’s net assets increased by \$4,991,997 (or 9.8%), including a \$327,676 prior period adjustment within the General Fund for funds received from the Texas Medicaid and Healthcare Partnership as reimbursement for prior year cost incurred for health-related services provided to students in special education through the School Health and Related Services (SHARS) Medicaid financing program, as shown on Exhibit B-1 on page 16. The District is required by Governmental Accounting Standards Board (GASB) Statement No. 34 *Basic Financial Statements-and Management Discussion and Analysis for State and Local Governments*, (GASB 34) to make adjustments to its financial statements. These adjustments, as shown in Exhibit C-4 (on page 21), require the District to add back expenditures made for capital projects and debt issues deducted as an operating expense as shown in Exhibit C-3 (on page 20). Additional information regarding these adjustments can be found in the section Government-Wide Financial Analysis (starting on page 9).

During the year, the District had expenses after GASB 34 adjustments that were \$4,664,321 less than the \$63,170,506 generated in tax and other revenues for governmental programs. This compares to last year when expenses were less than revenues by \$5,081,296.

Total cost of all District programs were \$58,506,185 a decrease of \$4,623,715 from last year.

The General Fund ended the year with a fund balance of \$15,344,215, an increase of \$2,797,572, including the \$327,676 prior period adjustment. The State of Texas has established guidelines for the District’s optimum fund balance. The District’s fund balance was more than the State’s optimum fund balance by \$3,713,442. This excess is anticipated to help the District to absorb reduced future State funding. The State’s calculation of optimum fund balance considers timing differences related to actual cash receipts compared to projected expenditures. The ending fund balance of \$15,344,215 was 33.8% of the District’s total 2012 expenditures of \$45,366,926.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Assets and the Statement of Activities (on pages 16 and 17). These provide information about the activities of the District as a whole and present a longer-term view of the District’s property and debt obligations and other financial matters.

They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 18) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how the goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as trustee or agent for the benefit of those outside of the District.

The notes to the financial statements (starting on page 24) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for nonmajor funds contain even more information about the District's individual funds. These are not required by the Texas Education Agency. The section labeled "Texas Education Agency Required Schedules" and "Federal Awards Section" contains data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

Reporting the District as a Whole

The Statement of Net Assets and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 16. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Assets includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the same basis of accounting which is the basis used by most private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students outside the District and grants provided by the U.S. Department of Education to assist students with disabilities or from disadvantaged backgrounds, and revenues provided by the taxpayers or by Texas Education Agency in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net assets and changes in them. The District's net assets (the difference between assets and liabilities) provide one measure of the District's

financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider non-financial factors as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

In the Statement of Net Assets and the Statement of Activities, we show:

Governmental activities – Most of the District's basic services are reported here, including instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.

The District has no discretely presented component units.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 18 and provide detailed information about the most significant funds – not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the No Child Left Behind Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities.) The District funds (all governmental) use the following approach:

Most of the District's basic services are reported in governmental funds. These use the modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for money raised by student activities and alumnae scholarship programs. All of the District's fiduciary activities are reported in the separate Statements of Fiduciary Net Assets on page 22. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net assets (Table 1) and the changes in net assets (Table 2) of the District’s governmental activities. Net assets of the District’s governmental activities increased from \$53,866,856 to 58,858,853. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements was \$16,360,190 as of August 31, 2012.

Table 1
Cleburne Independent School District
Net Assets (in thousands)

	Governmental Activities	
	2012	2011
Current and other assets - Governmental:	\$ 25,680	\$ 22,175
Capital assets – Governmental	79,378	81,613
Total assets	<u>105,058</u>	<u>103,788</u>
Long-term liabilities - Governmental:	42,036	45,328
Other liabilities – Governmental	4,163	4,593
Total liabilities	<u>46,199</u>	<u>49,921</u>
Net Assets:		
Invested in capital assets, net of related debt – Governmental	37,994	37,437
Restricted – Governmental	4,505	3,329
Unrestricted – Governmental	16,360	13,101
Total net assets	<u>\$ 58,859</u>	<u>\$ 53,867</u>

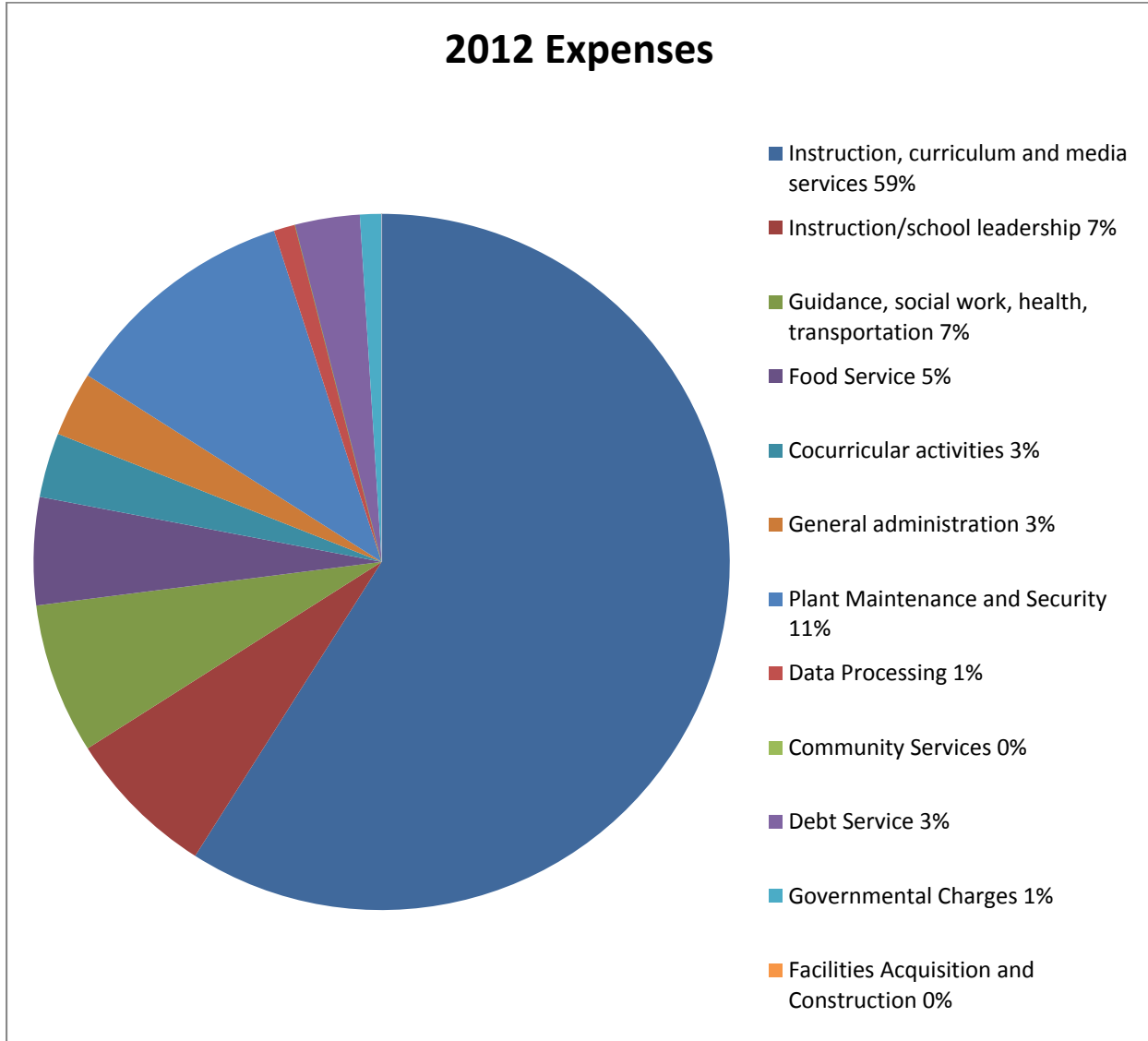
Table 2
Cleburne Independent School District
Changes in Net Assets (in thousands)

	Governmental Activities		
	2012	2011	Difference
Revenues:			
Program revenues:			
Charges for services – Governmental	\$ 2,221	\$ 2,388	\$ (167)
Operating grants and contributions	9,888	12,529	(2,641)
General revenues:			
Maintenance and operations taxes	29,864	30,683	(819)
Debt service taxes	5,645	5,800	(155)
State aid – formula grants	14,569	15,910	(1,341)
Grants & Contributions not Restricted	184	240	(56)
Other	800	661	139
Total revenues	<u>63,171</u>	<u>68,211</u>	<u>(5,040)</u>
Expenses:			
Instruction, curriculum and media services	34,190	37,867	(3,677)
Instructional/school leadership	4,208	4,178	30
Guidance, social work, health, transportation	4,120	4,622	(502)
Food Services	3,021	3,166	(145)
Co-curricular activities	1,816	1,670	146
General Administration	1,548	1,560	(12)
Plant Maintenance and Security	6,500	6,825	(325)
Data Processing	554	541	13
Community Services	88	13	75
Debt Service	1,911	2,144	(233)
Facilities Acquisition and Construction	31	45	(14)
Intergovernmental Charges	519	499	20
Total Expenses	<u>58,506</u>	<u>63,130</u>	<u>(4,624)</u>
Increase in Net Assets	4,665	5,081	(416)
Net Assets Beginning	53,866	48,785	5,081
Prior Period Adjustment	328	0	328
Net Assets at August 31, - Governmental Activities	<u>\$58,859</u>	<u>\$53,866</u>	<u>\$4,993</u>

Total revenues of the District decreased 7.4% or \$(5.0) million. In the fiscal year 2012 the District saw a decrease in property value of \$57.4 million or 1.9%, when compared to fiscal year 2011. The District also receives funds from the state through the state equalized funding system to fund operations. The District saw a decrease of \$1.3 million in funds received from the state in fiscal year 2012.

The District's expenses decreased by \$4,624 or 7.3%. This decrease in cost of operations mainly resulted from a general decrease in all governmental activities.

The expense breakdown for 2011/12 is as follows:



The cost of all governmental activities this year was \$58.5 million, a decrease of \$4.6 million from last year. As shown in the Statement of Activities on page 19, the amount that our taxpayers financed for these activities through District taxes was \$35.5 million because some of the costs were paid by those who directly benefited from the programs (\$2.2 million), by other governments and organizations that subsidized certain programs with grants and contributions (\$9.9 million), by State Aid – Formula Grants funding (\$14.6 million), Grants and Contributions not Restricted (\$0.2) or by investment earnings and miscellaneous revenue (\$0.8 million).

THE DISTRICT’S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 18) reported a combined fund balance of \$19.9 million, which is more than last year’s total

of \$16.0 million. Included in this year's total change in fund balance is a \$2.8 million increase in the District's General Fund. The primary reasons for the governmental funds' increase mirror the governmental analysis starting on page 6.

Over the course of the year, the Board of Trustees revised the District's general fund budget several times to reflect changes in District's operations that were not reflected in the original budget. The most significant changes in the General Fund were in the areas of Security & Monitoring Services and Facilities Acquisition & Construction. The Child Nutrition Program most significant budget increase was to add \$375,000 for Facilities Acquisition & Construction.

The District's General Fund balance of \$15.3 million reported on pages 18 and 20 differs from the General Fund's budgetary fund balance of \$13.9 million. This is principally due to a combination of budget revenues being less than expected, expenditures being less than expected, and sale of real and personal property.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At August 31, 2012, the District had \$79.4 million net of accumulated depreciation, invested in a broad range of capital assets, including instructional facilities and equipment, transportation facilities and equipment, athletic facilities, and administrative and maintenance buildings and equipment.

Debt

At year-end, the District had \$41.0 million in bonds outstanding versus \$43.7 million last year – a decrease of 6.2%. The decrease was from debt service payments made during the year. District bond rating is based upon the PSF Guarantee provided by the State is AAA.

Other obligations include tax maintenance notes. More detailed information about the District's capital assets and long-term liabilities is presented in Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic Factors

For fiscal year 2013, the District experienced a decline in the tax base of approximately 3 percent, which is largely a result of reduced mineral valuations, and commercial/industrial property. A significant part of this decline is due to the reduction of activity in the natural gas industry the area has realized over the past 2 years. State funding cuts had a significant impact in the current biennium, and the 2012 -2013 fiscal year will result in less revenue on a per student basis than the 2011-2012 school year. The current year funding will not provide economic resources necessary to provide a quality education to each student in the District, and the District will utilize fund balance to offset the resulting operational deficit.

Next Year's Budget and Rates

The District's elected and appointed officials considered many factors when setting the fiscal-year 2013 budget and tax rate. In preparing the 2013 budget, the goal of the Board of Trustees was to adopt a budget that meets the educational goals of the District for the successful education of its students while operating within the limitations of the resources available.

For 2013, the District's budgeted revenue is projected to decline by approximately \$3.1 million dollars from the actual revenue realized in the 2011-2012 fiscal year. The assumptions for the 2012-2013 include a loss of federal stimulus funding referred to as the "Edu-Jobs fund" of approximately \$1.1 million, coupled with a projected decrease in the student population by approximately 50 students from the actual attendance that generated the revenue for the 2011-2012 school year. CISD experienced a loss of enrollment in the 2011-2012 year of approximately 160 students, and has also experienced additional loss of enrollment at the beginning of the 2012-2013.

The decline in the District's property tax base of approximately 3 percent (\$90 million) as compared to the prior year final state certified values will result in decreased tax revenues of approximately \$1mm, when taking into consideration the delinquent taxes, penalties and interest. Due to the target revenue system, the loss in tax revenue will be offset by the student (ADA) revenue the District reports to the state. The District is projected to receive approximately \$14.2 million in State funds for 2013.

For 2013 the District adopted a general fund deficit budget in which the District plans to utilize fund balance to provide for the revenue shortfall in the approximate amount of \$1.35mm. Total budgeted expenses will be \$47.1 million, which includes expenses that were previously paid in the prior fiscal year by the federal "Edu-Jobs Fund" of approximately \$1.1mm. The federal government/state discontinued the Edu-Jobs funding source for the 2013 fiscal year. This loss of this revenue to fund general operation of the District was approximately 2.4% of the annual general fund operating budget. The District will continue to monitor and decrease expenses as necessary, and ensure meeting the ongoing accountability standards established by the State of Texas.

If these estimates of revenue and expenses are realized, the District's budgetary General Fund balance is expected to decrease in 2013.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the Superintendent's Office, at Cleburne Independent School District, 505 N. Ridgeway, Suite 100, Cleburne, Texas 76033.

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BASIC FINANCIAL STATEMENTS

CLEBURNE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
AUGUST 31, 2012

Data Control Codes	Primary Government Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 21,040,892
1220 Property Taxes Receivable (Delinquent)	2,448,076
1230 Allowance for Uncollectible Taxes	(922,415)
1240 Due from Other Governments	2,424,932
1267 Due from Fiduciary Funds	13,052
1290 Other Receivables, net	54,963
1300 Inventories	81,286
1410 Deferred Expenses	396,789
1420 Capitalized Bond and Other Debt Issuance Costs	142,438
Capital Assets:	
1510 Land	2,934,455
1520 Buildings, Net	73,694,742
1530 Furniture and Equipment, Net	2,597,480
1580 Construction in Progress	151,272
1000 Total Assets	105,057,962
LIABILITIES	
2110 Accounts Payable	282,113
2140 Interest Payable	76,774
2150 Payroll Deductions & Withholdings	263,487
2160 Accrued Wages Payable	1,652,126
2177 Due to Fiduciary Funds	127
2180 Due to Other Governments	1,538,096
2300 Deferred Revenues	350,239
Noncurrent Liabilities	
2501 Due Within One Year	2,050,000
2502 Due in More Than One Year	39,986,147
2000 Total Liabilities	46,199,109
NET ASSETS	
3200 Invested in Capital Assets, Net of Related Debt	37,993,926
3820 Restricted for Federal and State Programs	796,621
3850 Restricted for Debt Service	3,200,233
3870 Restricted for Campus Activities	507,883
3900 Unrestricted Net Assets	16,360,190
3000 Total Net Assets	\$ 58,858,853

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

CLEBURNE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2012

EXHIBIT B-1

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

Primary Government:

GOVERNMENTAL ACTIVITIES:

11 Instruction	\$ 32,855,509	\$ 463,658	\$ 5,659,656	\$ (26,732,195)
12 Instructional Resources and Media Services	486,136	-	22,697	(463,439)
13 Curriculum and Staff Development	848,525	-	537,297	(311,228)
21 Instructional Leadership	1,025,313	-	251,621	(773,692)
23 School Leadership	3,182,443	14,223	198,604	(2,969,616)
31 Guidance, Counseling and Evaluation Services	1,728,711	-	499,052	(1,229,659)
32 Social Work Services	1,628	-	1,628	-
33 Health Services	490,686	-	27,189	(463,497)
34 Student (Pupil) Transportation	1,898,521	-	71,405	(1,827,116)
35 Food Services	3,021,153	908,871	2,280,445	168,163
36 Extracurricular Activities	1,815,869	459,553	33,927	(1,322,389)
41 General Administration	1,548,321	-	54,432	(1,493,889)
51 Facilities Maintenance and Operations	6,179,700	244,058	134,660	(5,800,982)
52 Security and Monitoring Services	320,238	-	79	(320,159)
53 Data Processing Services	554,064	-	32,167	(521,897)
61 Community Services	87,909	85,340	22,606	20,037
72 Debt Service - Interest on Long Term Debt	1,872,197	16,958	-	(1,855,239)
73 Debt Service - Bond Issuance Cost and Fees	38,684	-	-	(38,684)
81 Capital Outlay	31,418	28,447	9,068	6,097
93 Payments related to Shared Services Arrangements	51,096	-	51,096	-
99 Other Intergovernmental Charges	468,064	-	-	(468,064)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 58,506,185	\$ 2,221,108	\$ 9,887,629	(46,397,448)

Data	General Revenues:		
Control	Taxes:		
Codes			
MT	Property Taxes, Levied for General Purposes		29,863,978
DT	Property Taxes, Levied for Debt Service		5,645,442
SF	State Aid - Formula Grants		14,568,619
GC	Grants and Contributions not Restricted		184,244
IE	Investment Earnings		33,157
MI	Miscellaneous Local and Intermediate Revenue		766,329
TR	Total General Revenues		51,061,769
CN	Change in Net Assets		4,664,321
NB	Net Assets--Beginning		53,866,856
PA	Prior Period Adjustment		327,676
NE	Net Assets--Ending		\$ 58,858,853

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

CLEBURNE INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2012

Data Control Codes	10 General Fund	ESEA I, A Improving Basic Program	Other Funds	Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 16,383,245	\$ 1,008,728	\$ 3,648,919	\$ 21,040,892
1220 Property Taxes - Delinquent	2,085,063	-	363,013	2,448,076
1230 Allowance for Uncollectible Taxes (Credit)	(795,484)	-	(126,931)	(922,415)
1240 Receivables from Other Governments	783,075	475,738	1,166,119	2,424,932
1260 Due from Other Funds	1,404,321	14,814	158,478	1,577,613
1290 Other Receivables	54,963	-	-	54,963
1300 Inventories	-	-	81,286	81,286
1410 Deferred Expenditures	396,789	-	-	396,789
1000 Total Assets	<u>\$ 20,311,972</u>	<u>\$ 1,499,280</u>	<u>\$ 5,290,884</u>	<u>\$ 27,102,136</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
2110 Accounts Payable	\$ 267,939	\$ -	\$ 14,174	\$ 282,113
2150 Payroll Deductions and Withholdings Payable	239,271	5,769	18,447	263,487
2160 Accrued Wages Payable	1,464,987	77,167	109,972	1,652,126
2170 Due to Other Funds	151,559	1,406,848	6,281	1,564,688
2180 Due to Other Governments	1,526,467	9,496	2,133	1,538,096
2300 Deferred Revenues	1,317,534	-	558,366	1,875,900
2000 Total Liabilities	<u>4,967,757</u>	<u>1,499,280</u>	<u>709,373</u>	<u>7,176,410</u>
Fund Balances:				
Nonspendable Fund Balance:				
3410 Inventories	-	-	50,800	50,800
3430 Prepaid Items	396,789	-	-	396,789
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	745,821	745,821
3480 Retirement of Long-Term Debt	-	-	3,277,007	3,277,007
Committed Fund Balance:				
3545 Other Committed Fund Balance	269,326	-	507,883	777,209
3600 Unassigned Fund Balance	14,678,100	-	-	14,678,100
3000 Total Fund Balances	<u>15,344,215</u>	<u>-</u>	<u>4,581,511</u>	<u>19,925,726</u>
4000 Total Liabilities and Fund Balances	<u>\$ 20,311,972</u>	<u>\$ 1,499,280</u>	<u>\$ 5,290,884</u>	<u>\$ 27,102,136</u>

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

CLEBURNE INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET ASSETS
 AUGUST 31, 2012

Total Fund Balances - Governmental Funds	\$ 19,925,726
1 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 \$127,081,207 and the accumulated depreciation was \$45,468,411. 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. At the beginning of the year long-term liabilities were \$45,327,775. 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 assets.	36,285,021
2 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 2012 capital outlays and debt principal payments is to increase net assets.	4,153,254
3 The 2012 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.	(3,341,247)
4 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net assets.	1,836,099
19 Net Assets of Governmental Activities	<u>\$ 58,858,853</u>

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

CLEBURNE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2012

Data Control Codes	10 General Fund	ESEA I, A Improving Basic Program	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 31,004,304	\$ -	\$ 7,473,742	\$ 38,478,046
5800 State Program Revenues	16,647,027	-	295,323	16,942,350
5900 Federal Program Revenues	166,762	2,063,655	5,466,386	7,696,803
5020 Total Revenues	<u>47,818,093</u>	<u>2,063,655</u>	<u>13,235,451</u>	<u>63,117,199</u>
EXPENDITURES:				
Current:				
0011 Instruction	26,061,841	1,548,462	2,973,228	30,583,531
0012 Instructional Resources and Media Services	419,098	5,489	9,450	434,037
0013 Curriculum and Instructional Staff Development	322,051	333,290	193,184	848,525
0021 Instructional Leadership	809,083	115,426	100,804	1,025,313
0023 School Leadership	2,964,451	28,968	35,256	3,028,675
0031 Guidance, Counseling and Evaluation Services	1,208,910	1,611	441,306	1,651,827
0032 Social Work Services	-	-	1,628	1,628
0033 Health Services	488,918	1,054	714	490,686
0034 Student (Pupil) Transportation	1,726,928	11,876	-	1,738,804
0035 Food Services	4,860	-	2,844,156	2,849,016
0036 Extracurricular Activities	1,386,204	-	448,289	1,834,493
0041 General Administration	1,487,695	-	-	1,487,695
0051 Facilities Maintenance and Operations	6,084,503	-	1,754	6,086,257
0052 Security and Monitoring Services	775,558	-	2,447	778,005
0053 Data Processing Services	592,985	-	9,485	602,470
0061 Community Services	68,731	17,479	1,699	87,909
Debt Service:				
0071 Principal on Long Term Debt	245,000	-	2,725,000	2,970,000
0072 Interest on Long Term Debt	5,803	-	2,229,125	2,234,928
0073 Bond Issuance Cost and Fees	-	-	3,400	3,400
Capital Outlay:				
0081 Facilities Acquisition and Construction	247,404	-	65,022	312,426
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	51,096	51,096
0099 Other Intergovernmental Charges	468,064	-	-	468,064
6030 Total Expenditures	<u>45,368,087</u>	<u>2,063,655</u>	<u>12,137,043</u>	<u>59,568,785</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,450,006</u>	<u>-</u>	<u>1,098,408</u>	<u>3,548,414</u>
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	19,890	-	8,935	28,825
7080 Total Other Financing Sources (Uses)	<u>19,890</u>	<u>-</u>	<u>8,935</u>	<u>28,825</u>
1200 Net Change in Fund Balances	2,469,896	-	1,107,343	3,577,239
0100 Fund Balance - September 1 (Beginning)	12,546,643	-	3,474,168	16,020,811
1300 Prior Period Adjustment	327,676	-	-	327,676
3000 Fund Balance - August 31 (Ending)	<u>\$ 15,344,215</u>	<u>\$ -</u>	<u>\$ 4,581,511</u>	<u>\$ 19,925,726</u>

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

CLEBURNE 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, 2012

Total Net Change in Fund Balances - Governmental Funds	\$	3,577,239
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 2012 capital outlays and debt principal payments is to increase net assets.		4,153,254
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net assets.		(3,341,247)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net assets.		275,075
Change in Net Assets of Governmental Activities	\$	4,664,321

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

CLEBURNE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
AUGUST 31, 2012

	Private Purpose Trust Funds	Agency Fund
ASSETS		
Cash and Cash Equivalents	\$ 363,087	\$ 170,191
Investments - Current	1,734,827	-
Due from Other Funds	664	-
Other Receivables	5,550	-
Total Assets	<u>2,104,128</u>	<u>\$ 170,191</u>
LIABILITIES		
Short Term Debt Payable	-	\$ 116,340
Due to Other Funds	537	13,052
Due to Student Groups	19,625	40,799
Total Liabilities	<u>20,162</u>	<u>\$ 170,191</u>
NET ASSETS		
Restricted for Scholarships	<u>2,083,966</u>	
Total Net Assets	<u>\$ 2,083,966</u>	

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

CLEBURNE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY FUND NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2012

	Private Purpose Trust Funds
ADDITIONS:	
Local and Intermediate Sources	\$ 56,243
Total Additions	<u>56,243</u>
DEDUCTIONS:	
Scholarships Awarded	<u>37,810</u>
Total Deductions	<u>37,810</u>
Change in Net Assets	18,433
Total Net Assets - September 1 (Beginning)	<u>2,065,533</u>
Total Net Assets - August 31 (Ending)	<u><u>\$ 2,083,966</u></u>

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

**Cleburne Independent School District
Notes to the Financial Statements
For the Year ended August 31, 2012**

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cleburne Independent School District (the “District”) is a public education 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 (GASB) and other authoritative sources identified in *Statement of Auditing Standards No. 69* of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of the Texas Education Agency’s *Financial Accountability System Resource Guide* (the “Resource Guide”) and the requirements of contracts and grants of agencies from which it receives funds.

A. Reporting entity

The Board is elected by the public and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board in its Statement No. 14, “The Financial Reporting Entity.” All powers and duties not specifically delegated by statute to the Texas Education Agency (“Agency”) or to the State Board of Education are reserved for the Board, and the Agency may not substitute its judgment for the lawful exercise of those powers and duties by the Board. There are no component units included within the reporting entity. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding sources.

B. Government-Wide and Fund Financial Statements

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the District’s 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.

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 “grants and contributions” column include 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 revenue.

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

Interfund activities between governmental funds and fiduciary funds remain as due to/due froms on the government-wide Statement of Net Activities.

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

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 revenue 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 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. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

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

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

D. Fund Accounting

The District reports the following major governmental funds:

- 1. The General Fund** – The General Fund is used to account for financial resources used for general operations. It is the basic fund of the school system and covers activities for which a special fund has not been established. Any fund balances are considered resources available for current operations. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund.
- 2. Major Special Revenue Fund ESEA I, A Improving Basic Programs** – This fund is used to account for funds allocated to the District to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the State content standards and to meet the State performance standards developed for all children.

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

Governmental Funds:

- 1. Non-major Special Revenue Funds** – These funds are used to account for resources restricted to, or designated for, specific purposes by the District or a grantor. Federal and State financial assistance is generally accounted for in a

Special Revenue Fund. Generally unused balances are returned to the grantor at the close of specified project periods.

2. **Debt Service Funds** – This fund is used to account for payment of principal and interest on long-term general obligation debt of the District. The main source of revenue for debt service is the apportionment of local property taxes.
3. **Capital Projects Funds** – The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.
4. **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 has no Permanent Funds.

Proprietary Funds: The District has no Proprietary Funds.

Fiduciary Funds:

1. **Private Purpose Trust Funds** – The District accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The District’s Private Purpose Trust Funds are the Scholarship Funds.
2. **Agency Funds** – The District accounts for resources held for others in a custodial capacity in agency funds. The District’s Agency Fund consists of the Student Activity Funds and other organizational activities requiring clearing accounts.

E. Other Accounting Policies

1. The District reports inventories of supplies on the weighted average cost including consumable maintenance, instructional, office, athletic, food product, and transportation items. Supplies are recorded as expenditures when they are purchased. Any supplies on hand as of year-end are recorded at cost as inventory, and fund balance reserved for the same amount. Although food commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as expenditures and revenue when received.
2. In the government-wide financial statements in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs and any deferred amount on refunding issues, are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize 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.

3. Employees of the District are entitled to personal leave based on category/class of employment. Personal leave is allowed to accumulate but does not vest. Therefore, a liability for unused personal leave has not been recorded in the financial statements.
4. 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 an asset with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. Interest costs related to acquisition of fixed assets are not capitalized.

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

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

Assets	Years
Land	Not depreciated
Buildings	40
Building Improvements	40
Vehicles	5-10
Equipment	3-15

5. In accordance with Governmental Accounting Standards Board 54, Fund Balance reporting and Governmental Fund Type Definitions, the District classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form because of legal or contractual constraints.

Restricted – includes fund balance amounts that are constraint for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law though constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal actions of the Board of Trustees and does not lapse at year-end.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. These funds are assigned by the Board of Trustees.

Unassigned – includes fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The District uses the restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal constraints that prohibit doing this, such as grant agreements. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a minimum fund balance policy.

Disclosure of Fund Balances Reported on Balance Sheet – Governmental Funds
For Fiscal Year Ending August 31, 2012

Fund Balance:	General	Other Funds	Total Governmental Funds
Non-Spendable			
General Fund Prepaid Items	\$ 396,789	\$ 0	\$ 396,789
Special Revenue Fund 240 -National Breakfast & Lunch Program Inventory	0	50,800	50,800
Restricted for:			
Special Revenue Fund 240 - National Breakfast & Lunch Program	0	744,697	744,697
Special Revenue Fund 397 –Advanced Placement Incentives	0	609	609
Special Revenue Fund 429 – Other State Special Revenue Funds	0	515	515
Retirement of Long-Term Debt – Debt Service Fund	0	3,277,007	3,277,007
Committed For:			
General Fund Other Committed Fund Balance	269,326	0	269,326
Special Revenue Fund 461 – Campus Activity Funds	0	507,883	507,883
Unassigned:	14,678,100	0	14,678,100
Total Fund Balance:	<u>\$15,344,215</u>	<u>\$4,581,511</u>	<u>\$19,925,726</u>

6. The Data Control Codes refer to the account code structure prescribed by the Texas Education Agency (the “Agency”) in their Resource Guide. The Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a Statewide data base for policy development and funding plans.
7. In general, governments are required to report investments at fair value.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS.

Refer to Exhibit C-2 “Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets”, and to Exhibit C-4 “Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities”, for explanations.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

The Board of Trustees adopted an “appropriated budget” for the General Fund, Debt Service Fund and the Food Service Fund (which is included in the Special Revenue 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 other two reports are in Exhibit J-4 and J-5.

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 day’s public notice of the meeting must be given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. However, none of these were significant.
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.

	Original Budget Appropriations	Increase (Decrease)	Amended Budget Appropriations
General Fund	\$47,127,142	\$611,710	\$47,738,852
Food Service Special Revenue Fund	3,126,903	375,000	3,501,903
Debt Service Fund	4,963,153	0	4,963,153

The General Fund was amended during the year for unanticipated increases/decreases in expenditures and to move funds within functions.

A reconciliation of fund balances for both appropriated budget and non-appropriated budget special revenue funds is as follows:

August 31, 2012 Fund Balance	
Appropriated Budgeted Funds – Food Service Special Revenue Fund	\$ 795,497
Non-appropriated Budgeted Funds	509,007
All Special Revenue Funds	<u>\$1,304,504</u>

B. Excess of Expenditures over Appropriations

There were no excess of expenditures over appropriations.

C. Deficit Fund Equity

There were no deficit fund equities for the year ended August 31, 2012.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

District Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits – State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent.

At August 31, 2012, the carrying amount of the District’s deposits (cash, certificates of deposits, and interest-bearing saving accounts included in temporary investments), excluding \$19,796,507 in investments that are considered as cash equivalents, was \$1,244,385 and the bank balance was \$2,548,969. The District’s cash deposits at August 31, 2012, and, during the year were entirely covered by FDIC insurance and pledged collateral held by the District’s agent bank in the District’s name.

District Policies and Legal and Contractual Provisions Governing Investments

Compliance with the Public Funds Investment Act - 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 returns, (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 deposits, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual Funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies. As of August 31, 2012 the District had the following investments:

<u>Investment/Credit Ratings</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
TexStar – AAAM	\$19,775,930	\$19,775,930	On demand
TexPool - AAAM	20,577	20,577	On demand
Totals	<u>\$19,796,507</u>	<u>\$19,796,507</u>	

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

Credit risk – To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the District limits investments in public funds investment pools, mutual funds, and government obligations to the top three ratings issued by nationally recognized statistical rating organizations. As of August 31, 2012, the District’s investments in TexPool Participant Services, TexStar Participant Services, and Lonestar Invest Pool were rated AAAM by Standard & Poor’s. The fair value of the District’s position in these pools is the same as the value of the pool shares. The TexPool investment is under the regulatory oversight of the Texas State Comptroller of Public Accounts.

Interest Rate Risk – To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires that the maximum allowable stated maturity shall not exceed one year from time of purchase.

B. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and

delinquent if not paid before February 1 of 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 fiscal year.

The tax rates assessed for the year ended August 31, 2012, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.0400 and \$0.1966 per \$100 valuation, respectively, for a total of \$1.2366 per \$100 valuation.

Current tax collections for the year ended August 31, 2012 were 97.9% of the year-end adjusted tax levy.

C. Delinquent Taxes Receivable

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes 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.

D. Interfund Receivables, Payables, and Transfers

Interfund balances at August 31, 2012, which were for general operating purposes, consisted of the following individual fund balances:

Due to/from other Funds:

Due to General Fund From:	
Major Special Revenue Funds	\$1,395,792
Non-Major Special Revenue Funds	2,503
Capital Projects Fund	3,553
Fiduciary Funds - Agency Funds	2,473
Total Due to General Fund from Other Funds	<u>\$1,404,321</u>
Due to Major Special Revenue Funds From:	
General Fund	<u>\$14,814</u>
Due to Non-Major Special Revenue Funds From:	
General Fund	\$119,995
Major Special Revenue Fund	11,056
Other Non-Major Special Revenue Funds	225
Fiduciary Funds – Agency Funds	10,578
Total Due to Non-Major Special Revenue Fund from Other Funds	<u>\$141,854</u>
Due to Debt Service Funds From:	
General Fund	<u>\$16,624</u>

Due to Private Purpose Funds From:	
General Fund	\$127
Other Private Purpose Funds	537
Total Due to Private Purpose Funds from Other Funds	<u>\$ 664</u>

There were no Interfund transfers for the year ended August 31, 2012.

E. Disaggregation of Receivables and Payables

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

There are no significant receivables which are not scheduled for collection within one year of August 31, 2012.

F. Deferred Revenues

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Deferred Revenues at August 31, 2012 were as follows:

	Unavailable	Unearned	Total
Delinquent Property Taxes Receivable – General	\$1,289,579	\$ 0	\$1,289,579
Delinquent Property Taxes Receivable – Debt Service	236,082	0	236,082
Prepaid Athletic Ticket Sales	27,955	0	27,955
Food Service Commodities	0	30,486	30,486
High School Allotment	0	291,798	291,798
Total Deferred Revenues	<u>\$1,553,616</u>	<u>\$322,284</u>	<u>\$1,875,900</u>

G. Capital Asset Activity

Capital asset activity for the year ended August 31, 2012 is as follows:

	Beginning Balance	Increases/ Adjustments	Decreases/ Adjustments	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 3,000,616	\$ 0	\$66,161	\$ 2,934,455
Construction in Progress	68,150	83,122	0	151,272
	<u>3,068,766</u>	<u>83,122</u>	<u>66,161</u>	<u>3,085,727</u>
Capital assets, being depreciated:				
Buildings and improvements	115,564,035	590,541	0	116,154,576
Furniture and equipment	8,448,407	509,589	38,075	8,919,921
Total capital assets, being Depreciated	<u>124,012,442</u>	<u>1,100,130</u>	<u>38,075</u>	<u>125,074,497</u>

Less accumulated depreciation for:				
Buildings and improvements	39,682,736	2,777,098	0	42,459,834
Furniture and equipment	5,785,675	564,149	27,383	6,322,441
Total accumulated depreciation	45,468,411	3,341,247	27,383	48,782,275
Total capital assets, being				
Depreciated, net	78,544,031	(2,241,117)	10,692	76,292,222
Governmental activities capital assets,				
Net	\$81,612,797	\$(2,157,995)	\$76,853	\$79,377,949

Depreciation expense was charged to governmental functions of the District as follows:

Governmental activities:		
11 – Instruction		\$2,449,857
12 – Instructional Resources & Media Services		52,099
23 – School Leadership		153,767
31 – Guidance, Counseling & Evaluation Services		76,884
34 – Student Transportation		159,717
35 – Food Services		196,615
36 – Extracurricular Activities		68,976
41 – General Administration		60,626
51 – Plant Maintenance & Operations		97,808
52 – Security & Monitoring Services		24,898
Total Depreciation Expense		<u>\$3,341,247</u>

H. Long-Term Debt

Long-term debt includes par bonds, deep discount bonds, and notes payable. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund for bonds and in the General Fund for the other long-term debt.

A summary of changes in long-term debt for the year ended August 31, 2012 is as follows:

Issue/ Maturity Date	Interest Rates Payable	Amounts Original Issue	Beginning Balance	Issued	Retired	Ending Balance	Amounts Due Within One Year
Bonds:							
Schoolhouse bonds – Series 2001/2016	3.1- 3.4%	\$ 10,000,000	\$ 1,165,000	\$ 0	\$1,165,000	\$ 0	\$ 0
Refunding bonds – Series 2004/ 2020	4.00- 4.25%	7,104,999	5,164,999	0	114,999	5,050,000	545,000
Schoolhouse bonds – Series 2005/2029	3.50- 5.21%	24,707,105	21,002,105	0	920,000	20,082,105	960,000
Schoolhouse bonds – Series 2006/2031	4.00- 4.75%	10,999,998	10,859,998	0	0	10,859,998	0
Refunding Bonds – Series 2008/2020	3.875- 5.250%	7,210,006	5,540,000	0	525,000	5,015,000	545,000
Sub-total			43,732,102	0	2,724,999	41,007,103	2,050,000
Unamortized Premium on Bonds			494,680	0	117,759	376,921	
Loss amount on 2004 Refunding			(268,370)	0	(24,506)	(243,864)	
Accreted Interest on CAB bonds			1,124,363	186,625	415,001	895,987	

Maintenance Tax Note	3.00%-						
- Series 2004/2013	4.03%	1,220,000	245,000	0	245,000	0	0
Total Long-Term Debt			<u>\$45,327,775</u>	<u>\$186,625</u>	<u>\$3,478,253</u>	<u>\$42,036,147</u>	<u>\$2,050,000</u>

Interest and fees paid on general obligation bonds during the year was \$1,980,030.

Debt service requirements for the bonds are as follows:

Year Ended August 31	Principal	Interest	Total Requirements
2013	\$ 2,050,000	\$ 1,721,718	\$ 3,771,718
2014	2,150,000	1,633,924	3,783,924
2015	2,245,000	1,540,061	3,785,061
2016	2,355,000	1,442,810	3,797,810
2017	2,476,000	1,485,566	3,961,566
2018/2022	12,168,999	5,164,232	17,333,231
2023/2027	10,815,724	3,601,222	14,416,946
2028/2032	6,746,380	3,053,467	9,799,847
Totals	<u>\$41,007,103</u>	<u>\$19,643,000</u>	<u>\$60,650,103</u>

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions at August 31, 2012.

Defeasance of Debt

In prior years, the District also 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 the liability for the defeased bonds are not included in the District's financial statements. On August 31, 2012, \$10,250,000 of all bonds outstanding is considered defeased.

I. Commitments Under Leases

The District has entered into operating (noncapitalized) lease agreements for the use of copy machines, with varying terms and maturities. Commitments under these leases as of August 31, 2012, are as follows:

<u>Year Ending August 31,</u>	
2013	\$ 87,235
2014	74,174
2015	12,704
2016	0
Total Minimum Rentals	<u>\$174,113</u>
Rental Expenditures in Fiscal Year 2012	<u>109,596</u>

J. Defined Benefit Pension Plan

Plan Description. The 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 transfers under Texas Government Code, Title 8, Chapters 803 and 805, respectively. TRS issues a publicly available financial report that includes financial statements and required supplemental information for the defined benefit plan. That report may be obtained by writing to the TRS Communication Department, 1000 Red River, Austin, Texas 78701, by calling the TRS Communication Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading.

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.4% of the member's annual compensation and a state contribution rate of not less than 6.4% and not more than 10.0% of the aggregate annual compensation of members of the system during that fiscal year; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a 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. State law provides for a member contribution rate of 6.4% for fiscal years 2012, 2011, and 2010, a state contribution rate of 6.4% for fiscal years 2012, 2011, and 2010. In certain instances the reporting district is required to make all or a portion of the state's 6.4% contribution for fiscal year. State contributions to TRS, made on behalf of the District's employees, for the years 2012, 2011, and 2010, were 6.4%. State contributions to TRS made on behalf of the District's employees for the years ended August 31, 2012, 2011, and 2010, were \$2,249,477, \$2,242,031, and \$2,500,211, respectively. The District paid additional state contributions for the years ended August 31, 2012, 2011, and 2010, in the amounts of \$316,890, \$423,736, and \$445,065, respectively, on the portion of the employees' salaries that exceeded the statutory minimum.

K. Retiree Health Plan

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

Retirement System of Texas at 1000 Red River Street, Austin, Texas 78711 or by calling 1-800-223-8778.

Funding Policy. Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2012, 2011, and 2010. 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. For the years ended August 31, 2012, 2011, and 2010, the State's contributions to TRS-Care were \$352,276, \$377,972, and \$390,657, respectively, the active member contributions were \$228,458, \$245,675, and \$253,927, respectively, and the District's contributions were \$193,315, \$207,889, and \$214,865, respectively, which equaled the required contributions each year.

L. Retiree Medicare Part D Coverage

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended August 31, 2012, 2011, and 2010, these on-behalf payments, in the amounts of \$80,332, \$97,737, and \$100,524, were recognized by the District as revenues and expenditures in the respective years.

M. Health Care Coverage

During the year ended August 31, 2012, employees of the District were covered by a health insurance plan (the "Plan"). The District paid premiums of \$225 per month per employee to its plan with TRS Active Care. Employees, at their option, authorized payroll withholding to pay premiums for dependents. All premiums were paid to a licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code, and was documented by a contractual agreement. The terms of coverage and premium costs are included in the contractual provisions. Latest financial statements for the insurance company are available and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public record. The District also made on-behalf payments of \$88,579 to the Early Retiree Reinsurance Program.

N. Due to/from Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs.

Amounts due from/to federal and state governments as of August 31, 2012 are summarized below. All federal grants shown below are passed through TEA and are reported on the combined financial statements as Due from Other Governments.

<u>Fund</u>	<u>Due From Other Governments</u>	<u>Due To Other Governments</u>
General Fund:		
Due From/To State	\$455,399	\$1,526,467
Due From/To Other Governments	327,676	0
Total	\$783,075	\$1,526,467
ESEA I, A – Improving Basic Programs:		
Federal Funds - Due From/To State	\$475,738	\$9,496
Other Funds:		
Federal Funds - Due From/To State	\$1,145,258	\$2,133
State Funds – Due From/To State	20,861	0
Total	\$1,166,119	\$2,133

O. Revenue from Local and Intermediate Sources

During the current year, local, intermediate and out-of-state revenues consisted of the following:

	General Fund	Other Governmental Funds	Fiduciary Funds	Totals
Property Taxes	\$29,846,382	\$5,674,239	\$ 0	\$35,520,621
Penalties, interest & other tax related income	333,044	55,753	0	388,797
Investment Income	28,589	5,907	20,014	54,510
Food Sales	0	908,871	0	908,871
Co-curricular/student activities	111,082	624,966	0	736,048
Tuition & Fees	97,535	0	0	97,535
Rent	219,468	0	0	219,468
Gifts	27,000	187,120	36,229	250,349
Other	341,204	16,886	0	358,090
Total	\$31,004,304	\$7,473,742	\$56,243	\$38,534,289

P. Litigation

The District participates in numerous state and Federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 2012 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Q. 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. During fiscal year 2012, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

R. Subsequent Events

The District issued after August 31, 2012, \$8,659,995 in Unlimited Tax Refunding Bonds, Series 2012 to refund a portion of the District's Unlimited Tax School Building Bonds, Series 2005 for debt service savings and to pay the costs associated with sale and issuance of the Bonds.

On November 21, 2012 the District received from Texas Education Agency notification that the Agency had received a complaint on November 25, 2012 questioning the use of federal funds to purchase 122 iPads for use within the District. The District is in the process of reviewing and responding to this complaint.

REQUIRED SUPPLEMENTARY INFORMATION

CLEBURNE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2012

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	\$ 30,221,438	\$ 30,347,338	\$ 31,004,304	\$ 656,966
5800 State Program Revenues	18,955,684	18,223,297	16,647,027	(1,576,270)
5900 Federal Program Revenues	200,000	200,000	166,762	(33,238)
5020 Total Revenues	49,377,122	48,770,635	47,818,093	(952,542)
EXPENDITURES:				
Current:				
0011 Instruction	27,724,485	27,014,816	26,061,841	952,975
0012 Instructional Resources and Media Services	426,183	440,086	419,098	20,988
0013 Curriculum and Instructional Staff Development	322,231	345,851	322,051	23,800
0021 Instructional Leadership	873,486	880,963	809,083	71,880
0023 School Leadership	3,038,891	3,053,681	2,964,451	89,230
0031 Guidance, Counseling and Evaluation Services	1,213,009	1,249,914	1,208,910	41,004
0033 Health Services	511,153	529,153	488,918	40,235
0034 Student (Pupil) Transportation	1,908,193	1,908,193	1,726,928	181,265
0035 Food Services	-	7,000	4,860	2,140
0036 Extracurricular Activities	1,243,368	1,447,913	1,386,204	61,709
0041 General Administration	1,598,883	1,598,883	1,487,695	111,188
0051 Facilities Maintenance and Operations	6,609,317	6,635,423	6,084,503	550,920
0052 Security and Monitoring Services	320,219	864,164	775,558	88,606
0053 Data Processing Services	574,124	623,263	592,985	30,278
0061 Community Services	85,500	89,715	68,731	20,984
Debt Service:				
0071 Principal on Long Term Debt	166,100	247,521	245,000	2,521
0072 Interest on Long Term Debt	-	3,304	5,803	(2,499)
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	287,009	247,404	39,605
Intergovernmental:				
0099 Other Intergovernmental Charges	512,000	512,000	468,064	43,936
6030 Total Expenditures	47,127,142	47,738,852	45,368,087	2,370,765
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	2,249,980	1,031,783	2,450,006	1,418,223
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	19,890	19,890
7080 Total Other Financing Sources (Uses)	-	-	19,890	19,890
1200 Net Change in Fund Balances	2,249,980	1,031,783	2,469,896	1,438,113
0100 Fund Balance - September 1 (Beginning)	12,546,643	12,546,643	12,546,643	-
1300 Prior Period Adjustment	327,676	327,676	327,676	-
3000 Fund Balance - August 31 (Ending)	\$ 15,124,299	\$ 13,906,102	\$ 15,344,215	\$ 1,438,113

COMBINING SCHEDULES

CLEBURNE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NON MAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2012

Data Control Codes	206 ESEA Title X, Pt.C Homeless	220 Adult Education Federal	223 TANF Family Assistance
ASSETS			
1110 Cash and Cash Equivalents	\$ (11,019)	\$ (20,090)	\$ (3,630)
1220 Property Taxes - Delinquent	-	-	-
1230 Allowance for Uncollectible Taxes (Credit)	-	-	-
1240 Receivables from Other Governments	1,922	20,180	4,198
1260 Due from Other Funds	10,842	-	13
1300 Inventories	-	-	-
1000 Total Assets	<u>\$ 1,745</u>	<u>\$ 90</u>	<u>\$ 581</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
2110 Accounts Payable	\$ -	\$ -	\$ -
2150 Payroll Deductions and Withholdings Payable	45	204	46
2160 Accrued Wages Payable	1,700	(264)	535
2170 Due to Other Funds	-	150	-
2180 Due to Other Governments	-	-	-
2300 Deferred Revenues	-	-	-
2000 Total Liabilities	<u>1,745</u>	<u>90</u>	<u>581</u>
Fund Balances:			
Nonspendable Fund Balance:			
3410 Inventories	-	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3480 Retirement of Long-Term Debt	-	-	-
Committed Fund Balance:			
3545 Other Committed Fund Balance	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 1,745</u>	<u>\$ 90</u>	<u>\$ 581</u>

224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	279 Title II, D ARRA - Ed. Technology	285 ESEA I,A Improving Basic Program
\$ (757,119)	\$ (11,550)	\$ 754,802	\$ 129	\$ (59,040)	\$ (38,282)	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
800,313	11,580	57,804	-	68,856	44,050	-	-
873	-	-	1,161	1,540	-	-	-
-	-	81,286	-	-	-	-	-
<u>\$ 44,067</u>	<u>\$ 30</u>	<u>\$ 893,892</u>	<u>\$ 1,290</u>	<u>\$ 11,356</u>	<u>\$ 5,768</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 165	\$ 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,061	-	12,918	-	686	478	-	-
38,998	-	52,608	-	10,475	5,290	-	-
-	-	2,383	-	195	-	-	-
843	-	-	1,290	-	-	-	-
-	-	30,486	-	-	-	-	-
<u>44,067</u>	<u>30</u>	<u>98,395</u>	<u>1,290</u>	<u>11,356</u>	<u>5,768</u>	<u>-</u>	<u>-</u>
-	-	50,800	-	-	-	-	-
-	-	744,697	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	795,497	-	-	-	-	-
<u>\$ 44,067</u>	<u>\$ 30</u>	<u>\$ 893,892</u>	<u>\$ 1,290</u>	<u>\$ 11,356</u>	<u>\$ 5,768</u>	<u>\$ -</u>	<u>\$ -</u>

CLEBURNE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NON MAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2012

Data Control Codes	287 Education Jobs Fund	381 Adult Basic Education State	397 Advanced Placement Incentives	404 Student Success Initiative	
ASSETS					
1110	Cash and Cash Equivalents	\$ (139,865)	\$ (14,355)	\$ (2,116)	\$ (5,282)
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	136,355	15,579	-	5,282
1260	Due from Other Funds	3,510	11	2,725	-
1300	Inventories	-	-	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ 1,235</u>	<u>\$ 609</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
2110	Accounts Payable	\$ -	\$ 596	\$ -	\$ -
2150	Payroll Deductions and Withholdings Payable	-	9	-	-
2160	Accrued Wages Payable	-	630	-	-
2170	Due to Other Funds	-	-	-	-
2180	Due to Other Governments	-	-	-	-
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>1,235</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	609	-
3480	Retirement of Long-Term Debt	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>609</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 1,235</u>	<u>\$ 609</u>	<u>\$ -</u>

410 State Textbook Fund	411 Technology Allotment	428 High School Allotment	429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds	517 Series - 2004 Refunding Bond	518 Series - 2008 Refunding Bonds
\$ -	\$ -	\$ 181,424	\$ 515	\$ 510,461	\$ 384,983	\$ 711,323	\$ 483,253
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1,166,119	-	-
-	-	110,374	-	10,805	141,854	2,013	2,283
-	-	-	-	-	81,286	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 291,798</u>	<u>\$ 515</u>	<u>\$ 521,266</u>	<u>\$ 1,774,242</u>	<u>\$ 713,336</u>	<u>\$ 485,536</u>
\$ -	\$ -	\$ -	\$ -	\$ 13,383	\$ 14,174	\$ -	\$ -
-	-	-	-	-	18,447	-	-
-	-	-	-	-	109,972	-	-
-	-	-	-	-	2,728	-	-
-	-	-	-	-	2,133	-	-
-	-	291,798	-	-	322,284	-	-
<u>-</u>	<u>-</u>	<u>291,798</u>	<u>-</u>	<u>13,383</u>	<u>469,738</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	50,800	-	-
-	-	-	515	-	745,821	-	-
-	-	-	-	-	-	713,336	485,536
-	-	-	-	507,883	507,883	-	-
-	-	-	515	507,883	1,304,504	713,336	485,536
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 291,798</u>	<u>\$ 515</u>	<u>\$ 521,266</u>	<u>\$ 1,774,242</u>	<u>\$ 713,336</u>	<u>\$ 485,536</u>

CLEBURNE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NON MAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2012

Data Control Codes	519 Series - 2001 Schoolhouse Bonds	520 Series - 2005 Schoolhouse Bonds	521 Series - 2006 Schoolhouse Bonds	Total Nonmajor Debt Service Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 896,067	\$ 1,013,435	\$ 156,305	\$ 3,260,383
1220 Property Taxes - Delinquent	363,013	-	-	363,013
1230 Allowance for Uncollectible Taxes (Credit)	(126,931)	-	-	(126,931)
1240 Receivables from Other Governments	-	-	-	-
1260 Due from Other Funds	6,031	4,921	1,376	16,624
1300 Inventories	-	-	-	-
1000 Total Assets	<u>\$ 1,138,180</u>	<u>\$ 1,018,356</u>	<u>\$ 157,681</u>	<u>\$ 3,513,089</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
2110 Accounts Payable	\$ -	\$ -	\$ -	\$ -
2150 Payroll Deductions and Withholdings Payable	-	-	-	-
2160 Accrued Wages Payable	-	-	-	-
2170 Due to Other Funds	-	-	-	-
2180 Due to Other Governments	-	-	-	-
2300 Deferred Revenues	236,082	-	-	236,082
2000 Total Liabilities	<u>236,082</u>	<u>-</u>	<u>-</u>	<u>236,082</u>
Fund Balances:				
Nonspendable Fund Balance:				
3410 Inventories	-	-	-	-
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	-
3480 Retirement of Long-Term Debt	902,098	1,018,356	157,681	3,277,007
Committed Fund Balance:				
3545 Other Committed Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>902,098</u>	<u>1,018,356</u>	<u>157,681</u>	<u>3,277,007</u>
4000 Total Liabilities and Fund Balances	<u>\$ 1,138,180</u>	<u>\$ 1,018,356</u>	<u>\$ 157,681</u>	<u>\$ 3,513,089</u>

616 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 3,553	\$ 3,648,919
-	363,013
-	(126,931)
-	1,166,119
-	158,478
-	81,286
<u>\$ 3,553</u>	<u>\$ 5,290,884</u>
\$ -	\$ 14,174
-	18,447
-	109,972
3,553	6,281
-	2,133
-	558,366
<u>3,553</u>	<u>709,373</u>
-	50,800
-	745,821
-	3,277,007
-	507,883
<u>-</u>	<u>4,581,511</u>
<u>\$ 3,553</u>	<u>\$ 5,290,884</u>

CLEBURNE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NON MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2012

Data Control Codes	206 ESEA Title X, Pt.C Homeless	220 Adult Education Federal	223 TANF Family Assistance
REVENUES:			
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-
5900 Federal Program Revenues	32,706	258,143	21,908
5020 Total Revenues	<u>32,706</u>	<u>258,143</u>	<u>21,908</u>
EXPENDITURES:			
Current:			
0011 Instruction	31,580	184,674	3,425
0012 Instructional Resources and Media Services	-	-	-
0013 Curriculum and Instructional Staff Development	-	60	-
0021 Instructional Leadership	-	73,409	18,483
0023 School Leadership	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-
0032 Social Work Services	1,126	-	-
0033 Health Services	-	-	-
0035 Food Services	-	-	-
0036 Extracurricular Activities	-	-	-
0051 Facilities Maintenance and Operations	-	-	-
0052 Security and Monitoring Services	-	-	-
0053 Data Processing Services	-	-	-
0061 Community Services	-	-	-
Debt Service:			
0071 Principal on Long Term Debt	-	-	-
0072 Interest on Long Term Debt	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	-	-	-
Intergovernmental:			
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-
6030 Total Expenditures	<u>32,706</u>	<u>258,143</u>	<u>21,908</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
7912 Sale of Real and Personal Property	-	-	-
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>

224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	279 Title II, D ARRA - Ed. Technology	285 ESEA I,A Improving Basic Program
\$ -	\$ -	\$ 910,210	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	34,519	-	-	-	-	-
1,245,219	20,661	2,253,655	60,690	318,171	171,245	44	23,651
1,245,219	20,661	3,198,384	60,690	318,171	171,245	44	23,651
737,154	9,219	-	59,733	221,389	86,166	44	23,651
-	-	-	-	-	-	-	-
15,990	30	-	467	80,359	83,503	-	-
-	-	-	490	5,028	-	-	-
-	-	-	-	10,803	1,576	-	-
440,662	-	-	-	90	-	-	-
-	-	-	-	502	-	-	-
714	-	-	-	-	-	-	-
-	-	2,844,156	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
9,399	86	-	-	-	-	-	-
1,530	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	9,068	-	-	-	-	-
39,770	11,326	-	-	-	-	-	-
1,245,219	20,661	2,853,224	60,690	318,171	171,245	44	23,651
-	-	345,160	-	-	-	-	-
-	-	6,535	-	-	-	-	-
-	-	6,535	-	-	-	-	-
-	-	351,695	-	-	-	-	-
-	-	443,802	-	-	-	-	-
\$ -	\$ -	\$ 795,497	\$ -	\$ -	\$ -	\$ -	\$ -

CLEBURNE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NON MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2012

Data Control Codes	287 Education Jobs Fund	381 Adult Basic Education State	397 Advanced Placement Incentives	404 Student Success Initiative
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	43,633	863	21,780
5900 Federal Program Revenues	1,060,293	-	-	-
5020 Total Revenues	<u>1,060,293</u>	<u>43,633</u>	<u>863</u>	<u>21,780</u>
EXPENDITURES:				
Current:				
0011 Instruction	1,060,293	37,607	254	14,465
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	2,805	-	7,315
0021 Instructional Leadership	-	3,221	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	<u>1,060,293</u>	<u>43,633</u>	<u>254</u>	<u>21,780</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	609	-
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	-	609	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 609</u>	<u>\$ -</u>

410 State Textbook Fund	411 Technology Allotment	428 High School Allotment	429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds	517 Series - 2004 Refunding Bond	518 Series - 2008 Refunding Bonds
\$ -	\$ -	\$ -	\$ -	\$ 812,392	\$ 1,722,602	\$ 723,442	\$ 782,192
77,959	-	106,245	9,723	601	295,323	-	-
-	-	-	-	-	5,466,386	-	-
<u>77,959</u>	<u>-</u>	<u>106,245</u>	<u>9,723</u>	<u>812,993</u>	<u>7,484,311</u>	<u>723,442</u>	<u>782,192</u>
77,959	21,162	106,245	-	298,208	2,973,228	-	-
-	-	-	31	9,419	9,450	-	-
-	-	-	851	1,804	193,184	-	-
-	-	-	-	173	100,804	-	-
-	-	-	8,789	14,088	35,256	-	-
-	-	-	-	554	441,306	-	-
-	-	-	-	-	1,628	-	-
-	-	-	-	-	714	-	-
-	-	-	-	-	2,844,156	-	-
-	-	-	-	448,289	448,289	-	-
-	-	-	-	1,754	1,754	-	-
-	-	-	-	2,447	2,447	-	-
-	-	-	-	-	9,485	-	-
-	-	-	-	169	1,699	-	-
-	-	-	-	-	-	115,000	525,000
-	-	-	-	-	-	620,874	228,022
-	-	-	-	-	-	2,000	-
-	-	-	-	28,365	37,433	-	-
-	-	-	-	-	51,096	-	-
<u>77,959</u>	<u>21,162</u>	<u>106,245</u>	<u>9,671</u>	<u>805,270</u>	<u>7,151,929</u>	<u>737,874</u>	<u>753,022</u>
-	(21,162)	-	52	7,723	332,382	(14,432)	29,170
-	-	-	-	2,400	8,935	-	-
-	-	-	-	2,400	8,935	-	-
-	(21,162)	-	52	10,123	341,317	(14,432)	29,170
-	21,162	-	463	497,760	963,187	727,768	456,366
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 515</u>	<u>\$ 507,883</u>	<u>\$ 1,304,504</u>	<u>\$ 713,336</u>	<u>\$ 485,536</u>

CLEBURNE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2012

Data Control Codes	519 Series - 2001 Schoolhouse Bonds	520 Series - 2005 Schoolhouse Bonds	521 Series - 2006 Schoolhouse Bonds	Total Nonmajor Debt Service Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 2,083,506	\$ 1,690,456	\$ 471,522	\$ 5,751,118
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>2,083,506</u>	<u>1,690,456</u>	<u>471,522</u>	<u>5,751,118</u>
EXPENDITURES:				
Current:				
0011 Instruction	-	-	-	-
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long Term Debt	1,165,000	920,000	-	2,725,000
0072 Interest on Long Term Debt	17,456	864,542	498,231	2,229,125
0073 Bond Issuance Cost and Fees	900	-	500	3,400
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	<u>1,183,356</u>	<u>1,784,542</u>	<u>498,731</u>	<u>4,957,525</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>900,150</u>	<u>(94,086)</u>	<u>(27,209)</u>	<u>793,593</u>
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	900,150	(94,086)	(27,209)	793,593
0100 Fund Balance - September 1 (Beginning)	<u>1,948</u>	<u>1,112,442</u>	<u>184,890</u>	<u>2,483,414</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 902,098</u>	<u>\$ 1,018,356</u>	<u>\$ 157,681</u>	<u>\$ 3,277,007</u>

616 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 22	\$ 7,473,742
-	295,323
-	5,466,386
<u>22</u>	<u>13,235,451</u>
-	2,973,228
-	9,450
-	193,184
-	100,804
-	35,256
-	441,306
-	1,628
-	714
-	2,844,156
-	448,289
-	1,754
-	2,447
-	9,485
-	1,699
-	2,725,000
-	2,229,125
-	3,400
27,589	65,022
-	51,096
<u>27,589</u>	<u>12,137,043</u>
<u>(27,567)</u>	<u>1,098,408</u>
-	8,935
-	8,935
<u>(27,567)</u>	<u>1,107,343</u>
<u>27,567</u>	<u>3,474,168</u>
<u>\$ -</u>	<u>\$ 4,581,511</u>

CLEBURNE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET ASSETS
 PRIVATE PURPOSE TRUST FUNDS
 AUGUST 31, 2012

	816 Misc Scholarship Fund	817 R.M. Williams Scholarship Fund	818 H. Anderson Scholarship Fund	820 Calder Band Scholarship Fund	821 L. Palmer Scholarship Fund
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 10,282	\$ 1,125	\$ 17,282	\$ 19,097	\$ 1,690
Investments - Current	-	-	82,877	-	-
Due from Other Funds	-	-	53	-	-
Other Receivables	5,550	-	-	-	-
Total Assets	<u>15,832</u>	<u>1,125</u>	<u>100,212</u>	<u>19,097</u>	<u>1,690</u>
LIABILITIES					
Current Liabilities:					
Due to Other Funds	-	-	-	-	-
Due to Student Groups	4,150	-	-	-	-
Total Liabilities	<u>4,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS					
Restricted for Scholarships	<u>11,682</u>	<u>1,125</u>	<u>100,212</u>	<u>19,097</u>	<u>1,690</u>
Total Net Assets	<u>\$ 11,682</u>	<u>\$ 1,125</u>	<u>\$ 100,212</u>	<u>\$ 19,097</u>	<u>\$ 1,690</u>

822 Class of '42 Scholarship Fund	823 J. Hyde Scholarship Fund	824 Alumni Scholarship Fund	825 Gerard Scholarship Fund	826 Green & Davis Scholarship Fund	827 Lucille Ball Scholarship Fund	828 F. Nooner Scholarship Fund	Total Private Purpose Trust Funds
\$ 8,107	\$ 4,671	\$ 158,457	\$ 63,806	\$ 20,454	\$ 38,649	\$ 19,467	\$ 363,087
-	-	893,316	433,486	207,089	118,059	-	1,734,827
-	-	127	277	132	75	-	664
-	-	-	-	-	-	-	5,550
<u>8,107</u>	<u>4,671</u>	<u>1,051,900</u>	<u>497,569</u>	<u>227,675</u>	<u>156,783</u>	<u>19,467</u>	<u>2,104,128</u>
-	-	537	-	-	-	-	537
-	-	525	11,500	2,950	500	-	19,625
-	-	1,062	11,500	2,950	500	-	20,162
<u>8,107</u>	<u>4,671</u>	<u>1,050,838</u>	<u>486,069</u>	<u>224,725</u>	<u>156,283</u>	<u>19,467</u>	<u>2,083,966</u>
<u>\$ 8,107</u>	<u>\$ 4,671</u>	<u>\$ 1,050,838</u>	<u>\$ 486,069</u>	<u>\$ 224,725</u>	<u>\$ 156,283</u>	<u>\$ 19,467</u>	<u>\$ 2,083,966</u>

CLEBURNE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 PRIVATE PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2012

	816 Misc Scholarship Fund	817 R.M. Williams Scholarship Fund	818 H. Anderson Scholarship Fund	820 Calder Band Scholarship Fund	821 L. Palmer Scholarship Fund
ADDITIONS:					
Local and Intermediate Sources	\$ 20,032	\$ -	\$ 212	\$ 350	\$ -
Total Additions	<u>20,032</u>	<u>-</u>	<u>212</u>	<u>350</u>	<u>-</u>
DEDUCTIONS:					
Scholarships Awarded	10,550	-	-	500	-
Total Deductions	<u>10,550</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>
Change in Net Assets	9,482	-	212	(150)	-
Net Assets September 1 (Beginning)	<u>2,200</u>	<u>1,125</u>	<u>100,000</u>	<u>19,247</u>	<u>1,690</u>
Net Assets - August 31 (Ending)	<u><u>\$ 11,682</u></u>	<u><u>\$ 1,125</u></u>	<u><u>\$ 100,212</u></u>	<u><u>\$ 19,097</u></u>	<u><u>\$ 1,690</u></u>

822 Class of '42 Scholarship Fund	823 J. Hyde Scholarship Fund	824 Alumni Scholarship Fund	825 Gerard Scholarship Fund	826 Green & Davis Scholarship Fund	827 Lucille Ball Scholarship Fund	828 F. Nooner Scholarship Fund	Total Private Purpose Trust Funds
\$ 3	\$ -	\$ 16,694	\$ 4,912	\$ 739	\$ 13,301	\$ -	\$ 56,243
<u>3</u>	<u>-</u>	<u>16,694</u>	<u>4,912</u>	<u>739</u>	<u>13,301</u>	<u>-</u>	<u>56,243</u>
-	-	14,960	6,000	2,800	1,000	2,000	37,810
<u>-</u>	<u>-</u>	<u>14,960</u>	<u>6,000</u>	<u>2,800</u>	<u>1,000</u>	<u>2,000</u>	<u>37,810</u>
3	-	1,734	(1,088)	(2,061)	12,301	(2,000)	18,433
<u>8,104</u>	<u>4,671</u>	<u>1,049,104</u>	<u>487,157</u>	<u>226,786</u>	<u>143,982</u>	<u>21,467</u>	<u>2,065,533</u>
<u>\$ 8,107</u>	<u>\$ 4,671</u>	<u>\$ 1,050,838</u>	<u>\$ 486,069</u>	<u>\$ 224,725</u>	<u>\$ 156,283</u>	<u>\$ 19,467</u>	<u>\$ 2,083,966</u>

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REQUIRED TEXAS EDUCATION AGENCY SCHEDULES

CLEBURNE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED AUGUST 31, 2012

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2003 and prior years	Various	Various	\$ Various
2004	1.480000	0.198700	1,410,267,655
2005	1.500000	0.186700	1,501,372,532
2006	1.500000	0.193500	1,689,597,544
2007	1.370000	0.196800	2,077,638,611
2008	1.040000	0.196800	2,503,814,976
2009	1.040000	0.196600	3,229,320,314
2010	1.040000	0.196600	3,379,047,550
2011	1.040000	0.196600	2,957,824,842
2012 (School year under audit)	1.040000	0.196600	2,900,378,134
1000 TOTALS			

(10) Beginning Balance 9/1/2011	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2012
\$ 319,838	\$ -	\$ 2,349	\$ 339	\$ (7,999)	\$ 309,151
91,776	-	3,202	430	(942)	87,202
122,541	-	3,657	455	(2,208)	116,221
99,708	-	9,286	1,198	(4,862)	84,362
108,248	-	8,442	1,213	(4,502)	94,091
171,168	-	19,211	3,635	(7,138)	141,184
220,448	-	37,169	7,026	(18,716)	157,537
474,833	-	77,850	14,717	(14,151)	368,115
743,606	-	306,913	58,018	(20,439)	358,236
-	35,866,076	29,376,533	5,553,295	(204,271)	731,977
<u>\$ 2,352,166</u>	<u>\$ 35,866,076</u>	<u>\$ 29,844,612</u>	<u>\$ 5,640,326</u>	<u>\$ (285,228)</u>	<u>\$ 2,448,076</u>

CLEBURNE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES FOR COMPUTATIONS OF INDIRECT COST FOR 2013-2014
 GENERAL AND SPECIAL REVENUE FUNDS
 AUGUST 31, 2012

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	\$ -	\$ -	\$ 233,019	\$ 890,113	\$ -	\$ -	\$ 1,123,132
6149	Leave for Separating Employees in Fn 41 & 53	-	-	-	-	-	-	-
6149	Leave - Separating Employees not in 41 & 53	-	-	-	-	-	-	-
6211	Legal Services	7,596	-	76,524	-	-	-	84,120
6212	Audit Services	-	-	-	34,900	-	-	34,900
6213	Tax Appraisal/Collection - Appraisal in Fn 99	-	531,395	-	-	-	-	531,395
6214	Lobbying	-	-	-	-	-	-	-
621X	Other Professional Services	-	-	-	-	-	-	-
6220	Tuition and Transfer Payments	-	-	-	-	-	-	-
6230	Education Service Centers	700	-	1,785	6,963	-	-	9,448
6240	Contr. Maint. and Repair	-	-	-	-	83,869	-	83,869
6250	Utilities	-	-	-	-	-	-	-
6260	Rentals	-	-	-	5,582	-	-	5,582
6290	Miscellaneous Contr.	1,002	-	-	39,220	-	-	40,222
6320	Textbooks and Reading	-	-	101	288	-	-	389
6330	Testing Materials	-	-	-	-	-	-	-
63XX	Other Supplies Materials	621	-	1,883	32,107	-	-	34,611
6410	Travel, Subsistence, Stipends	454	-	3,349	5,787	-	-	9,590
6420	Ins. and Bonding Costs	-	-	-	26,734	-	-	26,734
6430	Election Costs	-	-	-	-	-	-	-
6490	Miscellaneous Operating	2,007	-	7,093	54,833	-	-	63,933
6500	Debt Service	-	-	-	-	-	-	-
6600	Capital Outlay	-	-	-	-	-	-	-
6000	TOTAL	\$ 12,380	\$ 531,395	\$ 323,754	\$ 1,096,527	\$ 83,869	\$ -	\$ 2,047,925

Total expenditures/expenses for General and Special Revenue Funds: (9) \$ 54,583,665

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10)	\$ 1,181,464
Total Debt & Lease(6500)	(11)	250,803
Plant Maintenance (Function 51, 6100-6400)	(12)	6,005,038
Food (Function 35, 6341 and 6499)	(13)	1,173,475
Stipends (6413)	(14)	-
Column 4 (above) - Total Indirect Cost		<u>1,096,527</u>

SubTotal: 9,707,306

Net Allowed Direct Cost \$ 44,876,358

CUMULATIVE

Total Cost of Buildings before Depreciation (1520)	(15)	\$ 116,154,578
Historical Cost of Building over 50 years old	(16)	\$ 3,012,672
Amount of Federal Money in Building Cost (Net of #16)	(17)	\$ -
Total Cost of Furniture & Equipment before Depreciation (1530 & 1540)	(18)	\$ 8,919,921
Historical Cost of Furniture & Equipment over 16 years old	(19)	\$ 1,529,814
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	\$ -

(8) NOTE A: \$92,166 in Function 53 expenditures are included in this report on administrative costs.
 \$468,064 in Function 99 expenditures for appraisal district costs are included in this report on administrative costs.

CLEBURNE INDEPENDENT SCHOOL DISTRICT
 FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET
 GENERAL FUNDS AS OF AUGUST 31, 2012

EXHIBIT J-3

UNAUDITED

1	Total General Fund Balance as of 8/31/12 (Exhibit C-1 object 3000 for the General Fund Only)		\$ 15,344,215
2	Total Non-Spendable Fund Balance (from Exhibit C-1 - for the General Fund Only)	\$ 396,789	
3	Total Restricted Fund Balance (from Exhibit C-1 - for the General Fund Only)	-	
4	Total Committed Fund Balance (from Exhibit C-1 - for the General Fund Only)	269,326	
5	Total Assigned Fund Balance (from Exhibit C-1 - for the General Fund Only)	-	
6	Estimated amount needed to cover fall cash flow deficits in the General Fund (Net of borrowed funds and funds representing deferred revenues.)	2,732,298	
7	Estimate of two month's average cash disbursements during the fiscal year.	7,856,673	
8	Estimate of delayed payments from state sources (58xx).	375,687	
9	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount.	-	
10	Estimate of delayed payments from federal sources (59xx)	-	
11	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	-	
12	Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9+10+11)		<u>11,630,773</u>
13	Excess (Deficit) Unassigned Fund Balance (Line 1 minus Line 12)		<u><u>\$ 3,713,442</u></u>

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

The District will use these funds to offset the significant state funding reductions as imposed by the state legislature over the 2012-2013 fiscal year and potentially into the subsequent biennium.

CLEBURNE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
 FOR THE YEAR ENDED AUGUST 31, 2012

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	\$ 884,750	\$ 884,750	\$ 910,210	\$ 25,460
5800 State Program Revenues	32,200	32,200	34,519	2,319
5900 Federal Program Revenues	2,313,400	2,313,400	2,253,655	(59,745)
5020 Total Revenues	3,230,350	3,230,350	3,198,384	(31,966)
EXPENDITURES:				
0035 Food Services	3,076,903	3,076,903	2,844,156	232,747
0051 Facilities Maintenance and Operations	50,000	50,000	-	50,000
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	375,000	9,068	365,932
6030 Total Expenditures	3,126,903	3,501,903	2,853,224	648,679
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	103,447	(271,553)	345,160	616,713
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	6,535	6,535
7080 Total Other Financing Sources (Uses)	-	-	6,535	6,535
1200 Net Change in Fund Balances	103,447	(271,553)	351,695	623,248
0100 Fund Balance - September 1 (Beginning)	443,802	443,802	443,802	-
3000 Fund Balance - August 31 (Ending)	\$ 547,249	\$ 172,249	\$ 795,497	\$ 623,248

CLEBURNE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - DEBT SERVICE FUND
 FOR THE YEAR ENDED AUGUST 31, 2012

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	\$ 5,897,265	\$ 5,897,265	\$ 5,751,118	\$ (146,147)
5020	Total Revenues	5,897,265	5,897,265	5,751,118	(146,147)
EXPENDITURES:					
Debt Service:					
0071	Principal on Long Term Debt	2,725,000	2,725,000	2,725,000	-
0072	Interest on Long Term Debt	2,229,653	2,229,653	2,229,125	528
0073	Bond Issuance Cost and Fees	8,500	8,500	3,400	5,100
6030	Total Expenditures	4,963,153	4,963,153	4,957,525	5,628
1200	Net Change in Fund Balances	934,112	934,112	793,593	(140,519)
0100	Fund Balance - September 1 (Beginning)	2,483,414	2,483,414	2,483,414	-
3000	Fund Balance - August 31 (Ending)	\$ 3,417,526	\$ 3,417,526	\$ 3,277,007	\$ (140,519)

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REPORT ON INTERNAL CONTROLS, COMPLIANCE
AND FEDERAL AWARDS

KIRK, RICHARDSON & POOLE, P. C.

Members of the American Institute of Certified Public Accountants

Tom Kirk, CPA	Don Richardson, CPA	Cindy Poole, CPA
7559 John T. White Road	P O. Box 8342	Fort Worth, Texas 76124-0342
(817) 451-7406	E-mail: krcpa@flash.net	Fax (817) 451-7597

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

Board of Trustees
Cleburne Independent School District
505 N. Ridgeway, Suite 100
Cleburne, Texas 76033

Members of the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cleburne Independent School District (the "District") as of and for the year ended August 31, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 5, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reports

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

This report is intended solely for the information and use of the District's administration, Board of Trustees, others within the District, and federal awarding agencies and pass-through entities and is not intended to be used and should not be used by anyone other than those specified parties.

Original signed by Kirk, Richardson & Poole

Kirk, Richardson & Poole, P. C.
December 5, 2012

KIRK, RICHARDSON & POOLE, P. C

Members of the American Institute of Certified Public Accountants

Tom Kirk, CPA

Don Richardson, CPA

Cindy Poole, CPA

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Fax (817) 451-7597

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

Board of Trustees
Cleburne Independent School District
505 N. Ridgeway, Suite 100
Cleburne, Texas 76033

Members of the Board of Trustees:

Compliance

We have audited the compliance of Cleburne Independent School District (the "District") 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, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2012.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and 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 the 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.

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

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

Original signed by Kirk, Richardson & Poole

Kirk, Richardson & Poole, P.C.
December 5, 2012

CLEBURNE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2012

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness?	No
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 OMB Circular A-133?	No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553	School Breakfast Program
10.555	National School Lunch Program – Cash Assistance
10.555	National School Lunch Prog. – Non-Cash Assistance
84.410	Education Jobs Fund – ARRA

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

Auditee qualified as low risk auditee?: Yes

Section II – Financial Statement Findings

N/A - None

Section III – Federal Award Findings and Questioned Costs

N/A - None

CLEBURNE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STATUS OF PRIOR FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2012

STATUS OF PRIOR YEAR'S FINDING/NONCOMPLIANCE:

N/A – None required.

CLEBURNE INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2012

N/A – Not required.

CLEBURNE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2012

(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 EDUCATION			
<u>Passed Through State Department of Education</u>			
Adult Education (ABE) - English Literacy & Civics	84.002	124100087110426	\$ 99,263
Adult Education (ABE) - English Literacy & Civics	84.002	134100087110426	5,530
Adult Education (ABE) - Family Literacy	84.002	124100017110388	144,361
Adult Education (ABE) - Family Literacy	84.002	134100017110388	14,649
Total CFDA Number 84.002			263,803
*ESEA, Title I, Part A - Improving Basic Programs	84.010A	12610101126903	1,815,026
*ESEA, Title I, Part A - Improving Basic Programs	84.010A	13610101126903	58,828
*ESEA, Title I - School Improvement Program	84.010A	12610110126903	35,498
*ESEA, Title I - School Impr Effective Strategies	84.010A	12610110126903041	106,082
*ESEA, Title I - School Impr Effective Strategies	84.010A	12610110126903107	86,966
Total CFDA Number 84.010A			2,102,400
*ESEA, Title I, A - ARRA -Improving Basic Programs	84.389	10551001126903	23,651
Total Title I, Part A Cluster			2,126,051
*IDEA - Part B, Formula	84.027	12660001126903	1,202,405
*IDEA - Part B, Formula	84.027	13660001126903	70,818
Total CFDA Number 84.027			1,273,223
*IDEA - Part B, Preschool	84.173	12661001126903	21,126
Total Special Education Cluster (IDEA)			1,294,349
Career and Technical - Basic Grant	84.048	12420006126903	60,690
ESEA, Title X, Part C -Homeless Children	84.196		33,118
*Title II D Enhancing Ed Through Technology - ARRA	84.386	10553001126903	44
Title III, Part A - English Language Acquisition	84.365A	12671001126903	119,211
Title III, Part A - LEP Immigrant	84.365A	12671003126903	31,316
Title III, Part A - English Language Acquisition	84.365A	13671001126903	23,911
Total CFDA Number 84.365A			174,438
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	12694501126903	311,893
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	13694501126903	13,387
Total CFDA Number 84.367A			325,280
Education Jobs Fund- ARRA	84.410	11550101126903	1,060,293
Summer School LEP	84.369	69551102	6,659
Total Passed Through State Department of Education			\$ 5,344,725
TOTAL DEPARTMENT OF EDUCATION			\$ 5,344,725
 U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through State Department of Education</u>			
Temporary Assistance for Needy Families (TANF)	93.558	123625017110363	\$ 21,908
Total Passed Through State Department of Education			\$ 21,908
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 21,908

CLEBURNE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2012

(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 AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553		\$ 459,608
*National School Lunch Program - Cash Assistance	10.555		1,611,654
*National School Lunch Prog. - Non-Cash Assistance	10.555		<u>182,394</u>
Total CFDA Number 10.555			<u>1,794,048</u>
Total Child Nutrition Cluster			<u>2,253,656</u>
Total Passed Through the State Department of Agriculture			<u>\$ 2,253,656</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u><u>\$ 2,253,656</u></u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 7,620,289</u></u>

*Clustered Programs

**CLEBURNE INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2012**

1. For all federal programs, the District uses the fund types specified in Texas Education Agency's "Financial Accountability System Resource Guide." Special revenue funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance is generally 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, if any, are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund that is a Governmental Fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types, the Expendable Trust Funds, if any, 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 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 expenditures until earned.

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions of Section H, Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Statement – Provisional 6/97.
4. The District participates in numerous Federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 2012, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying financial statements for such contingencies.

SCHOOLS FIRST QUESTIONNAIRE

CLEBURNE INDEPENDENT SCHOOL DISTRICT

Fiscal Year 2012

SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?	No
SF4	Did the district receive a clean audit? - Was there an unqualified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls?	No
SF9	Was there any disclosure in the Annual Financial Report of material noncompliance?	No
SF10	Total accumulated accretion on capital appreciation bonds included in government-wide financial statements at fiscal year end.	\$895,987