

ANNUAL FINANCIAL REPORT

of the

**CROCKETT
INDEPENDENT SCHOOL DISTRICT**

**For the Year Ended
August 31, 2011**

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CROCKETT INDEPENDENT SCHOOL DISTRICT

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INTRODUCTORY SECTION

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CERTIFICATE OF BOARD

Crockett Independent School District
Name of School District

Houston
County

113-901
Co. Dist. Number

We, the undersigned, clarify 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, 2011, at a meeting of the Board of Trustees of such school district on the _____ day of _____, _____.

Signature of Board Secretary

Signature of Board President

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

(attach list as necessary)

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the
Crockett Independent School District:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Crockett Independent School District (the "District") as of and for the year ended August 31, 2011, 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 generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of August 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 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.

Generally accepted accounting principles in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's

responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The introductory section and combining statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the 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 fund statements and schedules 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 introductory section and schedule labeled unaudited have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The logo for Belt Harris Pechacek, LLP features the company name in a stylized, serif font. The letters 'B', 'H', and 'P' are significantly larger and more ornate than the other letters, which are in a smaller, simpler serif font. The letters are all in a dark red or maroon color.

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
January 6, 2012

***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

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CROCKETT

INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

For the Year Ended August 31, 2011

This discussion and analysis of Crockett Independent School District's (the "District") financial performance provides an overview of the District's financial activities for the year ended August 31, 2011. It should be read in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

- The District's total combined net assets at year end were \$4,957,241.
- For the fiscal year ended August 31, 2011, the District's general fund reported a total fund balance of \$200,774.
- At the end of the fiscal year, the District's governmental funds (the general fund plus all state and federal grant funds, the debt service fund, and the capital projects fund) reported combined ending fund balances of \$656,733.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of three parts – *Management's Discussion and Analysis* (this section), the *Basic Financial Statements*, and *Required Supplemental Information*. The basic statements include two kinds of statements that present different views of the District.

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The notes to the financial statements are followed by a section entitled *Required Supplementary Information* that further explains and supports the information in the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

CROCKETT
INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For the Year Ended August 31, 2011

The government-wide statements report the District's net assets and how they have changed. Net assets are the difference between the District's assets and liabilities and are one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional non-financial factors such as changes in the District's tax base, staffing patterns, enrollment and attendance.

The government-wide financial statements of the District include the *governmental activities*. The District's basic services such as instruction, extracurricular activities, curriculum and staff development, health services, general administration and plant operation and maintenance are included in *governmental activities*. Locally assessed property taxes, together with State foundation program entitlements, which are based upon student enrollment and attendance, finance most of the governmental activities.

FUND FINANCIAL STATEMENTS

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

- Some funds are required by State law and other funds are mandated by bond agreements or bond covenants.
- The Board of Trustees establishes other funds to control and manage money set aside for particular purposes or to show that the District is properly using certain taxes and grants.
- Other funds are used to account for assets held by the District in a custodial capacity – these assets do not belong to the District, but the District is responsible to properly account for them.

The District has the following kinds of funds:

- *Governmental Funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Fiduciary funds* – The District serves as the trustee, or fiduciary, for certain funds such as student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its governmental operations.

CROCKETT
INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For the Year Ended August 31, 2011

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net assets were \$4,957,241 at year end. *Table 1* focuses on the net assets while *Table 2* shows the revenues and expenses that changed the net asset balance during the year. The District reported a decrease of \$461,523 in net assets from the prior year. Decreased operating grants contributed to the decrease in combined net assets.

Table 1
Net Assets

Description	Governmental Activities		Total Change 2011-2010
	2011	2010	
Current assets	\$ 1,777,452	\$ 2,271,599	\$ (494,147)
Capital assets	19,062,841	19,766,529	(703,688)
Total assets	20,840,293	22,038,128	(1,197,835)
Current liabilities	465,757	744,582	(278,825)
Long-term liabilities	15,417,295	15,874,782	(457,487)
Total liabilities	15,883,052	16,619,364	(736,312)
Net Assets:			
Invested in capital assets, net of related debt	3,645,546	3,891,747	(246,201)
Restricted	444,742	323,327	121,415
Unrestricted	866,953	1,203,690	(336,737)
Total net assets	\$ 4,957,241	\$ 5,418,764	\$ (461,523)

CROCKETT
INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For the Year Ended August 31, 2011

Table 2
Changes in Net Assets

	Governmental Activities		Total Change
	2011	2010	2011-2010
Revenues:			
Program revenues:			
Charges for services	\$ 121,710	\$ 177,094	\$ (55,384)
Operating grants and contributions	3,386,276	4,563,417	(1,177,141)
General revenues:			
Property taxes	4,960,264	5,074,203	(113,939)
Grants and contributions not restricted for specific programs	6,502,946	5,550,866	952,080
Investment earnings	21,274	42,869	(21,595)
Other revenue	226,248	983,811	(757,563)
Total Revenue	15,218,718	16,392,260	(1,173,542)
Expenses:			
Instruction	8,209,304	8,960,788	(751,484)
Instructional resources and media services	116,872	114,594	2,278
Curriculum/instructional staff development	117,738	123,247	(5,509)
Instructional leadership	182,979	198,144	(15,165)
School leadership	927,088	981,761	(54,673)
Guidance, counseling, evaluation services	338,659	483,942	(145,283)
Social work services	28,602	27,095	1,507
Health services	68,210	69,285	(1,075)
Student (pupil) transportation	692,556	618,781	73,775
Food services	888,574	884,851	3,723
Extracurricular activities	545,449	558,841	(13,392)
General administration	798,190	857,380	(59,190)
Plant maintenance and operations	1,740,860	1,722,897	17,963
Data processing services	172,230	189,459	(17,229)
Debt service - principal	23,985	8,873	15,112
Debt service - interest on long term debt	677,212	669,176	8,036
Other intergovernmental charges	151,733	135,084	16,649
Total Expenses	15,680,241	16,604,198	(923,957)
Change in Net Assets	(461,523)	(211,938)	(249,585)
Beginning net assets	5,418,764	5,630,702	(211,938)
Ending Net Assets	\$ 4,957,241	\$ 5,418,764	\$ (461,523)

CROCKETT
INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For the Year Ended August 31, 2011

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At the close of the fiscal year ended August 31, 2011, the District's fund balance in the general fund decreased due to a decrease in property tax revenue.

The debt service fund increased due to property tax revenue exceeding debt service payments.

GENERAL FUND BUDGETARY HIGHLIGHTS

The general fund's budgeted revenues exceeded actual revenues by \$542,380 due to a decrease in foundation revenue and the budgeted expenditures exceeded actual expenditures by \$202,420 due to a decrease in expenditures in instruction.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital assets are generally defined as those items that have useful lives of two years or more and have an initial cost or value (if donated) of an amount determined by the Board. During the year, the District used a capitalization threshold of \$5,000, which means that all capital type assets, including library books, with a cost or initial value of less than \$5,000 were not included in the capital assets inventory.

At year end, the District had a total of \$19,062,841 invested in capital assets (net of depreciation) such as land, buildings, and District equipment.

More detailed information about the District's capital assets can be found in the notes to the financial statements.

Long-Term Debt

At year end, the District had \$14,855,000 in general obligation bonds outstanding versus \$15,270,000 last year.

More detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's budgeted expenditures for the 2011-2012 school year total \$10,585,718 and the District's Board of Trustees adopted an M & O tax rate of \$1.04, and an I & S rate of \$.23 for a combined rate of \$1.27.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office at 1400 W. Austin Street, Crockett, Texas, 75835.

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BASIC FINANCIAL STATEMENTS

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CROCKETT
INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS - EXHIBIT A-1
August 31, 2011

Data Control Codes		1 Governmental Activities
	<u>Assets</u>	
1110	Cash and cash equivalents	\$ 983,097
1225	Property taxes receivable (net)	563,956
1240	Due from other governments	95,231
1300	Inventories	4,428
1410	Prepaid items	11,048
1420	Deferred charges	119,692
		<u>1,777,452</u>
	Capital assets:	
1510	Land	1,038,738
1520	Buildings and improvements, net	17,082,411
1530	Equipment and vehicles, net	941,692
		<u>19,062,841</u>
1000	Total Assets	<u><u>20,840,293</u></u>
	<u>Liabilities</u>	
2110	Accounts payable	10,190
2140	Interest payable	28,687
2165	Accrued liabilities	298,173
2180	Due to other governments	128,707
		<u>465,757</u>
	Noncurrent liabilities:	
2501	Long-term liabilities due within	
2501	one year	459,628
2502	Long-term liabilities due in more	
2502	than one year	14,957,667
2000	Total Liabilities	<u><u>15,883,052</u></u>
	<u>Net Assets</u>	
3200	Invested in capital assets, net	
3200	of related debt	3,645,546
	Restricted for:	
3850	Debt service	444,742
3900	Unrestricted	866,953
3000	Total Net Assets	<u><u>\$ 4,957,241</u></u>

See Notes to Financial Statements.

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CROCKETT INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES - EXHIBIT B-1

For the Year Ended August 31, 2011

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
			3 Charges for Services	4 Operating Grants and Contributions	6 Primary Gov. Governmental Activities
	Primary Government				
	Governmental Activities				
11	Instruction	\$ 8,209,304	\$	\$ 2,347,611	\$ (5,861,693)
12	Instructional resources				
12	and media services	116,872	-	-	(116,872)
13	Curriculum/instructional				
13	staff development	117,738	-	115,964	(1,774)
21	Instructional leadership	182,979	-	-	(182,979)
23	School leadership	927,088	-	12,398	(914,690)
31	Guidance, counseling,				
31	evaluation services	338,659	-	165,266	(173,393)
33	Health services	68,210	-	-	(68,210)
34	Student (pupil) transportation	692,556	-	3,275	(689,281)
35	Food services	888,574	121,710	721,010	(45,854)
36	Extracurricular activities	545,449	-	-	(545,449)
41	General administration	798,190	-	20,752	(777,438)
51	Plant maintenance and operations	1,740,860	-	-	(1,740,860)
53	Data processing services	172,230	-	-	(172,230)
71	Debt service - principal	23,985	-	-	(23,985)
72	Debt service - interest on				
72	long term debt	677,212	-	-	(677,212)
99	Other intergovernmental charges	151,733	-	-	(151,733)
	Total Governmental Activities	<u>15,680,241</u>	<u>121,710</u>	<u>3,386,276</u>	<u>(12,172,255)</u>
TP	Total Primary Government	<u>\$ 15,680,241</u>	<u>\$ 121,710</u>	<u>\$ 3,386,276</u>	<u>(12,172,255)</u>
	General Revenues				
MT	Property taxes, levied for general purposes				4,035,130
DT	Property taxes, levied for debt service				925,134
GC	Grants and contributions not restricted				
GC	for specific programs				6,502,946
IE	Investment earnings				21,274
MI	Miscellaneous local and intermediate revenue				226,248
TR	Total General Revenues				<u>11,710,732</u>
CN	Change in Net Assets				<u>(461,523)</u>
NB	Beginning Net Assets				<u>5,418,764</u>
NE	Ending Net Assets				<u>\$ 4,957,241</u>

See Notes to Financial Statements.

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CROCKETT INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS - EXHIBIT C-1

August 31, 2011

Data Control Codes		10	50	Other	98
		General	Debt Service	Governmental Funds	Total Governmental Funds
	Assets:				
1110	Cash and cash equivalents	\$ 562,483	\$ 379,710	\$ 40,904	\$ 983,097
1220	Taxes receivable	714,908	118,408	-	833,316
1230	Allowance for uncollectible taxes	(238,731)	(30,629)	-	(269,360)
1240	Due from other governments	-	-	95,231	95,231
1260	Due from other funds	95,231	64,275	-	159,506
1300	Inventories	4,428	-	-	4,428
1410	Prepaid items	11,048	-	-	11,048
1000	Total Assets	<u>\$ 1,149,367</u>	<u>\$ 531,764</u>	<u>\$ 136,135</u>	<u>\$ 1,817,266</u>
	Liabilities:				
2110	Accounts payable	\$ 10,190	\$ -	\$ -	\$ 10,190
2150	Payroll deductions payable	2,376	-	-	2,376
2160	Accrued wages payable	295,797	-	-	295,797
2170	Due to other funds	64,275	-	95,231	159,506
2180	Due to other governments	99,777	-	28,930	128,707
2300	Deferred revenue	476,178	87,779	-	563,957
2000	Total Liabilities	<u>948,593</u>	<u>87,779</u>	<u>124,161</u>	<u>1,160,533</u>
	Fund Balances:				
	Non-spendable:				
3410	Inventories	4,428	-	-	4,428
3430	Prepaid items	11,048	-	-	11,048
	Restricted:				
3480	Debt service	-	443,985	-	443,985
3600	Unassigned	185,298	-	-	185,298
	Assigned, reported in nonmajor:				
3610	Special revenue funds	-	-	11,974	11,974
3000	Total Fund Balances	<u>200,774</u>	<u>443,985</u>	<u>11,974</u>	<u>656,733</u>
4000	Total Liabilities and Fund Balances	<u>\$ 1,149,367</u>	<u>\$ 531,764</u>	<u>\$ 136,135</u>	<u>\$ 1,817,266</u>

See Notes to Financial Statements.

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CROCKETT
INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET ASSETS - EXHIBIT C-1R
August 31, 2011

Total fund balances for governmental funds		\$	656,733
Amounts reported for governmental activities in the Statement of Net Assets are different because:			
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.			
Capital assets - non-depreciable	1,038,738		
Capital assets - depreciable	<u>18,024,103</u>		
			19,062,841
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.			563,957
Some liabilities, including bonds payable, are not reported as liabilities in the governmental funds.			
Accrued interest	(28,687)		
Deferred charges	119,692		
Non-current liabilities due in one year	(459,628)		
Non-current liabilities due in more than one year	<u>(14,957,667)</u>		
			<u>(15,326,290)</u>
Net Assets of Governmental Activities		\$	<u><u>4,957,241</u></u>

See Notes to Financial Statements.

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CROCKETT
INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS - EXHIBIT C-2
For the Year Ended August 31, 2011

Data Control Codes		10	50	Other	98
		General	Debt Service	Governmental Funds	Total Governmental Funds
	<u>Revenues</u>				
5700	Local, intermediate, and out-of-state	\$ 4,387,471	\$ 955,148	\$ 122,615	\$ 5,465,234
5800	State program revenues	5,887,717	106,114	418,596	6,412,427
5900	Federal program revenues	195,468	-	3,132,004	3,327,472
5020	Total Revenues	<u>10,470,656</u>	<u>1,061,262</u>	<u>3,673,215</u>	<u>15,205,133</u>
	<u>Expenditures</u>				
0011	Instruction	5,419,514	-	2,347,611	7,767,125
0012	Instructional resources/media services	36,081	-	80,791	116,872
0013	Curriculum and staff development	1,774	-	115,964	117,738
0021	Instructional leadership	182,979	-	-	182,979
0023	School leadership	914,690	-	12,398	927,088
0031	Guidance, counseling, and evaluation services	173,393	-	165,266	338,659
0032	Social work services	28,602	-	-	28,602
0033	Health services	65,536	-	2,674	68,210
0034	Student (pupil) transportation	649,059	-	3,275	652,334
0035	Food service	-	-	883,589	883,589
0036	Extracurricular activities	454,618	-	-	454,618
0041	General administration	746,219	-	20,752	766,971
0051	Plant maintenance and operations	1,646,608	-	-	1,646,608
0053	Data processing services	133,440	-	38,790	172,230
	Debt service:				
0071	Principal	132,488	325,000	-	457,488
0072	Interest	66,237	610,975	-	677,212
0073	Bond issuance costs and fees	-	1,500	-	1,500
	Intergovernmental:				
0099	Other intergovernmental charges	151,733	-	-	151,733
6030	Total Expenditures	<u>10,802,971</u>	<u>937,475</u>	<u>3,671,110</u>	<u>15,411,556</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(332,315)</u>	<u>123,787</u>	<u>2,105</u>	<u>(206,423)</u>
	<u>Other Financing Sources (Uses)</u>				
7915	Transfers in	29,263	-	36,003	65,266
8911	Transfers (out)	(36,003)	-	(29,263)	(65,266)
7080	Total Other Financing Sources (Uses)	<u>(6,740)</u>	<u>-</u>	<u>6,740</u>	<u>-</u>
1200	Net Change in Fund Balances	(339,055)	123,787	8,845	(206,423)
0100	Beginning Fund Balances	539,829	320,198	3,129	863,156
3000	Ending Fund Balances	<u>\$ 200,774</u>	<u>\$ 443,985</u>	<u>\$ 11,974</u>	<u>\$ 656,733</u>

See Notes to Financial Statements.

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CROCKETT
INDEPENDENT SCHOOL DISTRICT
*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES - EXHIBIT C-3*
For the Year Ended August 31, 2011

Net changes in fund balances - total governmental funds	\$	(206,423)
---	----	-----------

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation		(727,461)
Capital outlay		23,773

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		13,585
--	--	--------

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when it is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.

Principal reduction		415,000
Accrued interest		757
Amortization of premiums		(23,241)
Capital lease payments		42,487

Change in Net Assets of Governmental Activities	\$	(461,523)
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See Notes to Financial Statements.

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CROCKETT INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS - EXHIBIT E-1

August 31, 2011

	Private-Purpose Trust Fund	Agency Fund
	Scholarship Fund	Student Activity
<u>Assets</u>		
Cash and cash equivalents	\$ 15,381	\$ 26,464
Total Assets	<u>15,381</u>	<u>26,464</u>
<u>Liabilities</u>		
Due to student groups	-	26,464
Total Liabilities	<u>-</u>	<u>26,464</u>
<u>Net Assets</u>		
Held in trust	15,381	-
Total Net Assets	<u><u>\$ 15,381</u></u>	<u><u>\$ -</u></u>

See Notes to Financial Statements.

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CROCKETT
INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS - EXHIBIT E-2
For the Year Ended August 31, 2011

		<u>Private-Purpose Trust Fund</u>
		<u>Scholarship Fund</u>
<u>Additions</u>		
Investment earnings:		
Interest		\$ 155
	Total Additions	<u>155</u>
	Change in Net Assets	155
Beginning Net Assets		<u>15,226</u>
	Ending Net Assets	<u><u>\$ 15,381</u></u>

See Notes to Financial Statements.

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CROCKETT

INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the Year Ended August 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Crockett Independent School District (the “District”) is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the “Board”) elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (“GASB”) and it complies with the requirements of the appropriate version of Texas Education Agency’s (“TEA”) *Financial Accountability System Resource Guide* (the “Resource Guide”) and the requirements of contracts and grants of agencies from which it receives funds.

The District is an independent political subdivision of the State of Texas governed by the Board of Trustees, a seven member group, elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations and is considered a primary government. As required by generally accepted accounting principles, these financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations or functions as part of the District’s financial reporting entity. No other entities have been included in the District’s reporting entity. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity, which is in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as revised by GASB Statement No. 39.

B. Financial Statement Presentation

These financial statements are prepared in accordance with GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain requirements of the statement include the following:

- A Management’s Discussion and Analysis (MD&A) section providing an analysis of the District’s overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the District’s activities.
- A change in the fund financial statements to focus on the major funds.

GASB Statement No. 34 established standards for external financial reporting for all state and local governmental entities which includes a Statement of Net Assets and a Statement of Activities. It requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- **Invested in capital assets, net of related debt** – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

CROCKETT
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended August 31, 2011

- **Restricted** – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted** – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information about the District as a whole. These statements include all activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs and grants that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, such as taxes and investment earnings, are presented as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. In the fund financial statements, the accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Following is a description of the various funds:

Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed.

General Fund

The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund is considered a major fund for reporting purposes.

Debt Service Fund

The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest on all long-term debt of the District. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

CROCKETT
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended August 31, 2011

Special Revenue Funds

The special revenue fund is used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The restricted or committed proceeds of specific revenue sources comprise a substantial portion of the inflows of these special revenue funds. Most federal and some state financial assistance are accounted for in a special revenue fund.

Fiduciary Funds

The fiduciary funds account for assets held by the District in a trustee capacity or as an agent on behalf of others. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District has the following type of fiduciary funds:

Private-Purpose Trust Funds

Private-purpose trust funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments not reported in other fiduciary fund types.

Agency Funds

The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for the District's student activity funds.

D. Measurement Focus and Basis of Accounting

The government-wide Statement of Net Assets and Statement of Activities are accounted for on a flow of economic resources measurement focus – accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operations of these activities are included on the balance sheet.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing resources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The District utilizes the modified accrual basis of accounting in the governmental fund type. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they are susceptible to accrual (i.e., when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues available if they are collected within 60 days of the end of the current period. Revenues susceptible to accrual include charges for services and interest on temporary investments.

CROCKETT
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended August 31, 2011

Property taxes and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Other receipts and other taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Under modified accrual accounting, expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for interest on long-term debt, which is recognized when due.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements.

E. Assets, Liabilities, and Net Assets or Fund Equity

1. Deposits and Investments

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

In accordance with GASB Statement No. 31, *"Accounting and Reporting for Certain Investments and External Investment Pools,"* the District reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

The District has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Governmental Code. In summary, the District is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools and commercial paper

2. Receivables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements.

Advances between funds are offset by a nonspendable fund balance account in an applicable governmental fund to indicate that they are not available for appropriation and are not expendable, available financial resources.

All trade receivables are shown net of an allowance for uncollectibles.

CROCKETT
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended August 31, 2011

Property Taxes

All taxes due to the District on real or personal property are payable at the Office of the Tax Assessor-Collector and may be paid at any time after the tax rolls for the year have been completed and approved, which is no later than October 1. Taxes are due by January 31, and all taxes not paid prior to this date are deemed delinquent and are subject to such penalty and interest.

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied on October 1 and are payable prior to the next February 1. District property tax revenues are recognized when collected.

3. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method). Certain payments to vendors reflect costs applicable to the future accounting period (prepaid expenditures) are recognized as expenditures when utilized.

4. Capital Assets

Capital assets, which include land, buildings, furniture, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful years:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings and improvements	20 to 40 years
Vehicles	10 years
Equipment	8 to 20 years

5. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Assets. The long-term debt consists primarily of bonds payable.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payment of principal and interest reported as expenditures. In the governmental fund

CROCKETT
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended August 31, 2011

types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable, available financial resources.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

6. Fund Balances – Governmental Funds

In the fund financial statements, fund balances in governmental funds are classified as follows:

Nonspendable – Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact (such as principal of a permanent fund).

Restricted – Represents amounts that are constrained by external parties, constitutional provisions, or enabling legislation.

Committed – Represents amounts that can only be used for a specific purpose because of a formal action by the District's Board of Trustees (the "Board"). Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of formal action. Commitments are approved through the adoption and amendment of the District's budget or a formal resolution stating the commitment. The commitment must be made prior to year end.

Assigned – Represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board or by an official or body to which the Board delegates the authority. The Board has retained this authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself. Assignments can be made at any time.

Unassigned – Represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed, then assigned funds, and finally unassigned funds.

CROCKETT
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended August 31, 2011

7. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

8. Data Control Codes

The data control codes refer to the account code structure prescribed by TEA in the Resource Guide. The TEA requires school districts to display these codes in the financial statements filed with the TEA in order to insure accuracy in building a statewide database for policy development and funding plans.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The original budget is adopted by the District prior to the beginning of the year. The legal level of control is the function code stated in the approved budget. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year.

In accordance with State law and generally accepted accounting standards, the District prepares an annual budget for the general fund, the national school lunch and breakfast program special revenue fund, and the debt service fund. The District budgets the capital projects fund for each *project*, which normally cover multiple years. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

During the year, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenditures. There were no material changes between the original budget and the final amended budget.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires funds on deposit at the depository bank to be collateralized. As of year end, checking and time deposits were entirely insured or collateralized with securities as provided by State laws and regulations and FDIC insurance.

CROCKETT
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended August 31, 2011

B. Capital Assets

A summary of changes in capital assets for governmental activities at year end were as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,038,738	\$ -	\$ -	\$ 1,038,738
Total capital assets not being depreciated	<u>1,038,738</u>	<u>-</u>	<u>-</u>	<u>1,038,738</u>
Other capital assets:				
Buildings and improvements	26,729,138	-	-	26,729,138
Equipment and vehicles	<u>2,376,305</u>	<u>23,773</u>	<u>(252,484)</u>	<u>2,147,594</u>
Total other capital assets	<u>29,105,443</u>	<u>23,773</u>	<u>(252,484)</u>	<u>28,876,732</u>
Less accumulated depreciation for:				
Buildings and improvements	(9,107,860)	(538,867)	-	(9,646,727)
Equipment and vehicles	<u>(1,269,792)</u>	<u>(188,594)</u>	<u>252,484</u>	<u>(1,205,902)</u>
Total accumulated depreciation	<u>(10,377,652)</u>	<u>(727,461)</u>	<u>252,484</u>	<u>(10,852,629)</u>
Other capital assets, net	<u>18,727,791</u>	<u>(703,688)</u>	<u>-</u>	<u>18,024,103</u>
Totals	<u><u>\$ 19,766,529</u></u>	<u><u>\$ (703,688)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 19,062,841</u></u>

Depreciation was charged to governmental functions as follows:

	<u>Governmental Activities</u>
11 Instruction	\$ 442,179
34 Student (pupil) transportation	63,995
35 Food service	4,985
36 Extracurricular activities	90,831
41 General administration	31,219
51 Plant maintenance and operations	<u>94,252</u>
Total Depreciation Expense	<u><u>\$ 727,461</u></u>

CROCKETT
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended August 31, 2011

C. Long-Term Debt

The following is a summary of changes in the District's total governmental long-term liabilities for the year. In general, the District uses the debt service fund to liquidate governmental long-term liabilities.

Governmental Activities:	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due within One Year	Interest Rates
Bonds payable:						
Series 2003	\$ 9,025,000	\$ -	\$ (225,000)	\$ 8,800,000	\$ 225,000	3.50-4.50%
Series 2005	5,325,000	-	(100,000)	5,225,000	100,000	4.00-4.50%
Series 2010	920,000	-	(90,000)	830,000	90,000	4.00-4.50%
	<u>15,270,000</u>	<u>-</u>	<u>(415,000)</u>	<u>14,855,000</u>	<u>415,000</u>	
Other liabilities:						
Capital leases	604,782	-	(42,487)	562,295	44,628	4.94%
Total Governmental Activities	<u>\$ 15,874,782</u>	<u>\$ -</u>	<u>\$ (457,487)</u>	<u>\$ 15,417,295</u>	<u>\$ 459,628</u>	
Long-term liabilities due in more than one year				<u>\$ 14,957,667</u>		

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

The annual requirements to amortize debt issues outstanding at year end were as follows:

Year Ended June 30	Principal	Interest	Total Requirements
2012	\$ 415,000	\$ 631,467	\$ 1,046,467
2013	445,000	616,980	1,061,980
2014	470,000	601,036	1,071,036
2015	475,000	584,263	1,059,263
2016	480,000	566,523	1,046,523
2017-2021	2,570,000	2,522,152	5,092,152
2022-2026	2,700,000	1,991,983	4,691,983
2027-2031	3,350,000	1,350,245	4,700,245
2032-2036	3,625,000	525,375	4,150,375
2037-2040	325,000	14,625	339,625
	<u>\$ 14,855,000</u>	<u>\$ 9,404,649</u>	<u>\$ 24,259,649</u>

CROCKETT
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended August 31, 2011

The annual requirements to amortize outstanding capital leases at year end were as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2012	\$ 44,628	\$ 28,323	\$ 72,951
2013	46,876	26,075	72,951
2014	49,237	23,714	72,951
2015	51,717	21,234	72,951
2016	54,322	18,629	72,951
2017-2021	315,515	49,237	364,752
	<u>\$ 562,295</u>	<u>\$ 167,212</u>	<u>\$ 729,507</u>

D. Commitments Under Noncapitalized Leases

During the year, the District expended a total of \$85,551 for operating (non-capitalized) leases and, in accordance with standard non-appropriation clauses in the various lease agreements, the District has no future obligation in relation to these leases.

E. Interfund Transactions

The interfund balances and transfers were as follows:

	<u>Due From Other Funds</u>	<u>Transfers Out</u>
General fund		
Other governmental funds	\$ 95,231	\$ 36,003
Total General Fund	<u>\$ 95,231</u>	<u>\$ 36,003</u>

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

IV. OTHER INFORMATION

A. 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; and natural disasters for which the District purchases commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

CROCKETT
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended August 31, 2011

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or not performed correctly, it could result in a substantial liability to the District. The District has engaged an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations.

C. Pension Plan

Teacher Retirement System

Plan Description

The District contributes to the Teacher Retirement System of Texas (the "System"), a public employee retirement system. It is a cost-sharing, multiple-employer defined benefit pension plan with one exception: all risks and costs are not shared by the District, but are the liability of the State of Texas. The System provides service retirement and disability retirement benefits, and death benefits to plan members and beneficiaries. The System operates primarily under the provisions of the Texas Constitution and Texas Government Code, Title 8, Subtitle C. The Texas legislature has the authority to establish or amend benefit provisions. The System issues a publicly available financial report that includes financial statements and Required Supplementary Information for the District. That report may be obtained by writing the Teacher Retirement System of Texas, 1000 Red River Street, Austin, TX 78701-2698 or by calling (800) 223-8778.

Funding Policy

Under provisions in State law, plan members are required to contribute 6.4 percent of their annual covered salary and the State of Texas contributes an amount equal to 6.58 percent of the District's covered payroll. The District's employees' contributions to the System for the years ending August 31, 2011, 2010, and 2009 were \$498,358, \$531,105, and \$485,901, respectively, and were equal to the required contributions for each year. Other contributions made from federal and private grants and from the District for salaries above the statutory minimum for the years ending August 31, 2011,

CROCKETT
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended August 31, 2011

2010, and 2009 were \$80,348, \$90,305, and \$101,422, respectively, and were equal to the required contributions for each year. The amount contributed by the State on behalf of the District was \$352,689 during the year.

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

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 percent and 0.65 percent of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55 percent for fiscal years 2009 and 2008. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25 percent or greater than 0.75 percent of the salary of each active employee of the public school. For the years ended August 31, 2011, 2010, and 2009, the State’s contributions to TRS-Care were \$9,439, \$11,112, and \$8,385, respectively, the active member contributions were \$60,614, \$53,940, and \$41,758, respectively, and the District’s contributions were \$42,828, \$82,985, and \$75,922, respectively, which equaled the required contributions each year.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended August 31, 2011, 2010, and 2009, the subsidy payments received by TRS-Care on behalf of the District were \$18,543, \$20,726, and \$17,262, respectively.

E. Employee Health Care Coverage

During the year ended August 31, 2011, employees of the District were covered by a health insurance plan (the “Plan”). The District paid premiums of \$174 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependants. All premiums were paid to a licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement. The contract between the District

CROCKETT
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended August 31, 2011

and the insurer is renewable September 1, 2011 and terms of coverage and premiums costs are included in the contractual provisions.

F. Workers' Compensation Insurance

During the year ended August 31, 2011, the District met its statutory workers' compensation obligations through participation in the Deep East Texas Self Insurance Fund ("the Fund"). The District purchased workers' compensation coverage through the Fund, a public entity risk pool, which is self-sustained through member contributions. The Fund reinsures to statutory limits through commercial companies for claims in excess of \$750,000 for the 2010-2011 fiscal year. The Fund contracts with independent actuaries to determine the adequacy of reserves and fully funds those reserves.

The members of Deep East Texas Self Insurance Fund have no known premium liabilities for workers' compensation coverage excess of their contracted annual premium. However, if the assets of the Fund were to be exhausted, members would be liable for their portion of the Fund's liabilities. This would indicate that members would be contingently liable for the portion of the liability applicable to their political entity. Independent auditors conduct a financial audit at the close of each plan year and as of the most recent audit, the Fund has adequate assets to more than cover more than 100% of all liabilities.

If any questions arise concerning this matter, please feel free to call Frank Strother at 409-384-5444.

G. Unemployment Compensation

During the year, the District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the "Fund"). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute interlocal agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop-loss coverage for the unemployment compensation pool.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2010, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

H. Shared Services Arrangements

The District participates in a shared service arrangement ("SSA") to improve student achievement in science. The SSA is funded under Senate Bill 1, General Appropriations Act, Article III, Rider 43, 79th Legislature, 2005 and Texas Education Code Section 29.090. The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements.

CROCKETT
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended August 31, 2011

The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Education Service Center, Region VI, nor does the District have a net equity in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities related to the SSA.

The District participates in an SSA to develop age appropriate comprehensive violence, drug and alcohol education and prevention programs. The SSA is funded under ESEA, Title IV, Safe and Drug Free Schools and Communities Act. The District participates with thirty-nine other districts and one charter school. The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Education Service Center, Region VI, nor does the District have a net equity in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities related to the SSA.

The District participates in an SSA for the improvement of the education of limited English proficient children funded under ESEA, Title III, Part A, English Language Acquisition and Language Enhancement. The District participates with thirty-seven other districts and three charter schools. The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Education Service Center, Region VI, nor does the District have a net equity in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities related to the SSA.

The District participates in an SSA for the education of migratory students, funded under Title I, Part C, Migrant Education program. The District participates with nine other districts in this grant. The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Education Service Center, Region VI, nor does the District have a net equity in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities related to the SSA.

The District participates in an SSA to improve student academic achievement through the use of technology in elementary and secondary schools. The SSA is funded under ESEA, Title II, Part D, Enhancing Education Through Technology. The District participates with twenty other districts and one charter school. The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Education Service Center, Region VI, nor does the District have a net equity in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities related to the SSA.

CROCKETT
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended August 31, 2011

The District participates in an SSA for the education of students with a visual impairment, funded under State Supplemental Visually Impaired funds, Texas Education Code Section 30.002, 19 TAC 89.238(6). The District participates with twenty-four other districts and cooperatives in this grant. The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Education Service Center, Region VI, nor does the District have a net equity in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities related to the SSA.

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REQUIRED SUPPLEMENTARY INFORMATION

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CROCKETT
INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND - EXHIBIT G-1
For the Year Ended August 31, 2011

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget
		Original	Final		Positive (Negative)
	<u>Revenues</u>				
5700	Local, intermediate, and out-of-state	\$ 4,416,053	\$ 4,442,804	\$ 4,387,471	\$ (55,333)
5800	State program revenues	6,359,613	6,332,962	5,887,717	(445,245)
5900	Federal program revenues	237,270	237,270	195,468	(41,802)
5020	Total Revenues	11,012,936	11,013,036	10,470,656	(542,380)
	<u>Expenditures</u>				
0011	Instruction	5,763,356	5,608,491	5,419,514	188,977
0012	Instructional resources/media services	32,363	34,069	36,081	* (2,012)
0013	Curriculum and staff development	1,909	1,909	1,774	135
0021	Instructional leadership	191,300	188,821	182,979	5,842
0023	School leadership	920,623	920,905	914,690	6,215
0031	Guidance, counseling, and evaluation services	187,000	185,931	173,393	12,538
0032	Social work services	28,601	28,601	28,602	* (1)
0033	Health services	68,096	68,096	65,536	2,560
0034	Student (pupil) transportation	659,553	659,553	649,059	10,494
0036	Extracurricular activities	449,541	447,083	454,618	* (7,535)
0041	General administration	731,317	741,496	746,219	* (4,723)
0051	Plant maintenance and operations	1,617,891	1,629,527	1,646,608	* (17,081)
0053	Data processing services	140,653	139,744	133,440	6,304
0061	Community services	2,612	2,612	-	2,612
	Debt service:				
0071	Principal	132,488	132,488	132,488	-
0072	Interest	66,237	66,237	66,237	-
	Intergovernmental:				
0099	Other intergovernmental charges	149,828	149,828	151,733	* (1,905)
6030	Total Expenditures	11,143,368	11,005,391	10,802,971	202,420
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(130,432)	7,645	(332,315)	(339,960)
	<u>Other Financing Sources (Uses)</u>				
7915	Transfers in	-	-	29,263	29,263
8911	Transfers (out)	-	-	(36,003)	(36,003)
7080	Total Other Financing Sources (Uses)	-	-	(6,740)	(6,740)
1200	Net Change in Fund Balances	(130,432)	7,645	(339,055)	(346,700)
0100	Beginning Fund Balances	539,829	539,829	539,829	-
3000	Ending Fund Balances	\$ 409,397	\$ 547,474	\$ 200,774	\$ (346,700)

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounts principles.
2. *Expenditures exceeded appropriations at the legal level of control.

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***OTHER SUPPLEMENTARY
INFORMATION***

CROCKETT
INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-1 (Page 1 of 3)
August 31, 2011

		211	212	224	225
Data	Control				
Codes		ESEA Title I	ESEA Title I	IDEA-B	IDEA-B
		Part A	Part C	Formula	Preschool
<u>Assets</u>					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1240	Due from other governments	6,340	-	7,875	-
1000	Total Assets	<u>\$ 6,340</u>	<u>\$ -</u>	<u>\$ 7,875</u>	<u>\$ -</u>
<u>Liabilities</u>					
2170	Due to other funds	\$ 6,340	\$ -	\$ 7,875	\$ -
2180	Due to other governments	-	-	-	-
2000	Total Liabilities	<u>6,340</u>	<u>-</u>	<u>7,875</u>	<u>-</u>
<u>Fund Balances</u>					
Assigned, reported in nonmajor:					
3610	Special revenue funds	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 6,340</u>	<u>\$ -</u>	<u>\$ 7,875</u>	<u>\$ -</u>

240	244	255	263	266	270
Child Nutrition	Career and Technical Basic Grant	ESEA Title II Training and Recruiting	English Language Enhancement	ARRA Title XIV SFSF	ESEA Title IV Part B
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25,795	-	1	-	-	54
<u>\$ 25,795</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54</u>
\$ 25,795	\$ -	\$ 1	\$ -	\$ -	\$ 54
-	-	-	-	-	-
<u>25,795</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>54</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 25,795</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54</u>

CROCKETT
INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-1 (Page 2 of 3)
August 31, 2011

		279	283	285	287
Data Control Codes		ARRA Title II Part D	ARRA IDEA-B Formula	ARRA ESEA Title I Part A	Education Jobs
<u>Assets</u>					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1240	Due from other governments	-	-	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Liabilities</u>					
2170	Due to other funds	\$ -	\$ -	\$ -	\$ -
2180	Due to other governments	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>					
Assigned, reported in nonmajor:					
3610	Special revenue funds	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

289	385	394	397	399	404
SAMHSA	Supplemental Visually Impaired	Life Skills Program	Advanced Placement Initiatives	Campus Deregulation	Student Success Initiative
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,809	-	-	-	5,000	19,761
<u>\$ 5,809</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 19,761</u>
\$ 5,809	\$ -	\$ -	\$ -	\$ 5,000	\$ 19,761
-	-	-	-	-	-
<u>5,809</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>19,761</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 5,809</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 19,761</u>

CROCKETT INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-1 (Page 3 of 3)

August 31, 2011

		409	411	415	429
Data Control Codes		Texas High School Project	Technology Allotment	Kindergarten and Pre-K	State Funded Special Revenue Fund
	<u>Assets</u>				
1110	Cash and cash equivalents	\$ 11,069	\$ -	\$ -	\$ -
1240	Due from other governments	4,596	-	-	20,000
1000	Total Assets	<u>\$ 15,665</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,000</u>
	<u>Liabilities</u>				
2170	Due to other funds	\$ 4,596	\$ -	\$ -	\$ 20,000
2180	Due to other governments	-	-	-	-
2000	Total Liabilities	<u>4,596</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
	<u>Fund Balances</u>				
	Assigned, reported in nonmajor:				
3610	Special revenue funds	11,069	-	-	-
3000	Total Fund Balances	<u>11,069</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 15,665</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,000</u>

461	
Campus Activity Funds	Total Nonmajor Governmental Funds
\$ 29,835	\$ 40,904
-	95,231
<u>\$ 29,835</u>	<u>\$ 136,135</u>
\$ -	\$ 95,231
28,930	28,930
<u>28,930</u>	<u>124,161</u>
905	11,974
<u>905</u>	<u>11,974</u>
<u>\$ 29,835</u>	<u>\$ 136,135</u>

CROCKETT
INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-2 (Page 1 of 3)
For the Year Ended August 31, 2011

		211	212	224	225
Data Control Codes		ESEA Title I Part A	ESEA Title I Part C	IDEA-B Formula	IDEA-B Preschool
	<u>Revenues</u>				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	793,967	3,698	391,618	8,271
5020	Total Revenues	<u>793,967</u>	<u>3,698</u>	<u>391,618</u>	<u>8,271</u>
	<u>Expenditures</u>				
0011	Instruction	636,970	3,698	332,292	8,271
0012	Instructional resources/media services	26,922	-	-	-
0013	Curriculum and staff development	115,964	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling, and				
0031	evaluation services	-	-	59,326	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0041	General administration	14,111	-	-	-
0053	Data processing services	-	-	-	-
6030	Total Expenditures	<u>793,967</u>	<u>3,698</u>	<u>391,618</u>	<u>8,271</u>
	<u>Other Financing Sources (Uses)</u>				
7915	Transfers in	-	-	-	-
8911	Transfers (out)	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net Change in Fund Balances	-	-	-	-
0100	Beginning Fund Balances	-	-	-	-
3000	Ending Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

240	244	255	263	266	270
Child Nutrition	Career and Technical Basic Grant	ESEA Title II Training and Recruiting	English Language Enhancement	ARRA Title XIV SFSF	ESEA Title IV Part B
\$ 121,710	\$ -	\$ -	\$ -	\$ -	\$ -
4,808	-	-	-	14,826	-
716,202	32,194	116,745	7,856	410,763	30,822
842,720	32,194	116,745	7,856	425,589	30,822
-	32,194	113,042	7,856	343,010	30,822
-	-	-	-	53,869	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	28,710	-
-	-	-	-	-	-
-	-	-	-	-	-
881,433	-	-	-	-	-
-	-	3,703	-	-	-
-	-	-	-	-	-
881,433	32,194	116,745	7,856	425,589	30,822
36,003	-	-	-	-	-
-	-	-	-	-	-
36,003	-	-	-	-	-
(2,710)	-	-	-	-	-
2,710	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CROCKETT
INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-2 (Page 2 of 3)
For the Year Ended August 31, 2011

Data Control Codes		279	283	285	287
		ARRA Title II Part D	ARRA IDEA-B Formula	ARRA ESEA Title I Part A	Education Jobs
	<u>Revenues</u>				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	1,426
5900	Federal program revenues	3,598	109,143	153,278	255,790
5020	Total Revenues	<u>3,598</u>	<u>109,143</u>	<u>153,278</u>	<u>257,216</u>
	<u>Expenditures</u>				
0011	Instruction	3,598	62,665	124,434	257,216
0012	Instructional resources/media services	-	-	-	-
0013	Curriculum and staff development	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling, and				
0031	evaluation services	-	46,478	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0041	General administration	-	-	-	-
0053	Data processing services	-	-	-	-
6030	Total Expenditures	<u>3,598</u>	<u>109,143</u>	<u>124,434</u>	<u>257,216</u>
	<u>Other Financing Sources (Uses)</u>				
7915	Transfers in	-	-	-	-
8911	Transfers (out)	-	-	(28,844)	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(28,844)</u>	<u>-</u>
1200	Net Change in Fund Balances	-	-	-	-
0100	Beginning Fund Balances	-	-	-	-
3000	Ending Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

289	385	394	397	399	404
SAMHSA	Supplemental Visually Impaired	Life Skills Program	Advanced Placement Initiatives	Campus Deregulation	Student Success Initiative
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,374	726	15,335	450	64,161	57,312
98,059	-	-	-	-	-
100,433	726	15,335	450	64,161	57,312
73,078	726	15,335	450	58,165	53,342
-	-	-	-	-	-
-	-	-	-	-	-
5,370	-	-	-	5,996	1,032
21,985	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	2,938
-	-	-	-	-	-
100,433	726	15,335	450	64,161	57,312
-	-	-	-	-	-
-	-	-	(419)	-	-
-	-	-	(419)	-	-
-	-	-	(419)	-	-
-	-	-	419	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CROCKETT
INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-2 (Page 3 of 3)
For the Year Ended August 31, 2011

Data Control Codes		409	411	415	429
		Texas High School Project	Technology Allotment	Kindergarten and Pre-K	State Funded Special Revenue Fund
	<u>Revenues</u>				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	101,619	38,960	110,282	6,317
5900	Federal program revenues	-	-	-	-
5020	Total Revenues	<u>101,619</u>	<u>38,960</u>	<u>110,282</u>	<u>6,317</u>
	<u>Expenditures</u>				
0011	Instruction	73,678	170	110,282	6,317
0012	Instructional resources/media services	-	-	-	-
0013	Curriculum and staff development	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling, and				
0031	evaluation services	8,767	-	-	-
0033	Health services	2,674	-	-	-
0034	Student transportation	3,275	-	-	-
0035	Food service	2,156	-	-	-
0041	General administration	-	-	-	-
0053	Data processing services	-	38,790	-	-
6030	Total Expenditures	<u>90,550</u>	<u>38,960</u>	<u>110,282</u>	<u>6,317</u>
	<u>Other Financing Sources (Uses)</u>				
7915	Transfers in	-	-	-	-
8911	Transfers (out)	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net Change in Fund Balances	11,069	-	-	-
0100	Beginning Fund Balances	-	-	-	-
3000	Ending Fund Balances	<u>\$ 11,069</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

461		
Campus		Total
Activity		Nonmajor
Funds		Governmental
		Funds
\$	905	\$ 122,615
	-	418,596
	-	3,132,004
	905	3,673,215
	-	2,347,611
	-	80,791
	-	115,964
	-	12,398
	-	165,266
	-	2,674
	-	3,275
	-	883,589
	-	20,752
	-	38,790
	-	3,671,110
	-	36,003
	-	(29,263)
	-	6,740
	905	8,845
	-	3,129
\$	905	\$ 11,974

CROCKETT
INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE - EXHIBIT J-1
For the Year Ended August 31, 2011

Last Ten Years	1		2		3	10		
	Tax Rates				Net Assessed/ Appraised Value For School Tax Purposes	Beginning Balance 8/31/10		
	Maintenance	Debt Service						
2002 and prior	\$	Various	\$	Various	\$	Various	\$	139,499
2003	\$	1.4600	\$	0.0000	\$	247,958,643		29,657
2004	\$	1.4600	\$	0.0900	\$	241,661,741		37,901
2005	\$	1.4800	\$	0.1800	\$	235,516,890		43,015
2006	\$	1.4700	\$	0.1800	\$	255,254,680		47,339
2007	\$	1.3434	\$	0.1700	\$	261,209,070		57,834
2008	\$	1.2000	\$	0.2000	\$	288,088,643		75,258
2009	\$	1.0400	\$	0.1900	\$	390,011,899		138,115
2010	\$	1.0400	\$	0.1850	\$	406,954,058		231,939
2011	\$	1.0400	\$	0.2299	\$	391,555,083		-
1000 Totals							\$	800,557

20	31	32	40	50
Current Year's Total Levy	Maintenance Total Collected	Debt Service Total Collected	Entire Year's Adjustments	Ending Balance 8/31/11
\$ -	\$ 6,937	\$ 1,140	(4,089)	\$ 127,333
-	1,789	-	(154)	27,714
-	2,781	171	(173)	34,776
-	2,781	338	(468)	39,428
-	7,846	961	(801)	37,731
-	11,840	1,498	282	44,778
-	15,867	2,645	404	57,150
-	29,569	5,402	458	103,602
-	70,347	12,514	549	149,627
<u>4,972,358</u>	<u>3,899,288</u>	<u>861,893</u>	<u>-</u>	<u>211,177</u>
<u><u>\$ 4,972,358</u></u>	<u><u>\$ 4,049,045</u></u>	<u><u>\$ 886,562</u></u>	<u><u>\$ (3,992)</u></u>	<u><u>\$ 833,316</u></u>

CROCKETT
INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES FOR COMPUTATION OF
INDIRECT COSTS FOR 2012-2013
GENERAL AND SPECIAL REVENUE FUNDS - EXHIBIT J - 2
For the Year Ended August 31, 2011

Account Number		(1) 702	(2) 703	(3) 701
		School Board	Tax Collection	Superintendent's Office
611X-6146	Payroll costs	\$ -	\$ -	\$ 91,854
6211	Legal services	-	-	131,792
6212	Audit services	-	-	-
6213	Tax appraisal/collection	-	151,733	-
621X	Other professional services	-	-	-
6230	Education service centers	-	-	1,550
6240	Maintenance and repairs	-	-	-
6260	Rentals	-	-	4,321
6290	Miscellaneous contracts	1,207	-	181,374
63XX	Other supplies	-	-	10,467
6410	Travel, subsistence, and stipends	2,391	-	1,535
6420	Insurance and bonding	17,574	-	-
6430	Election expense	937	-	-
6490	Miscellaneous operating	-	-	6,146
6000	Totals	<u>\$ 22,109</u>	<u>\$ 151,733</u>	<u>\$ 429,039</u>

Other Information:

Total expenditures for general and special revenue funds (Exhibit C-2) (9) \$ 14,474,081

Less: deductions of unallowed costs:

Fiscal Year

Total capital outlay (6600)	(10)	-	
Total debt and lease (6500)	(11)	66,237	
Plant maintenance (function 51, 6100-6400)	(12)	1,646,608	
Food (function 35, 6341 and 6499)	(13)	883,589	
Stipends (6413)	(14)	-	
Column (4) above - total indirect cost		<u>259,412</u>	
Subtotal			<u>2,855,846</u>
Net Allowable Direct Cost			<u><u>\$ 11,618,235</u></u>

Note A: The following expenditures are included in this report on administrative costs:

(8a)	Function 53 expenditures	\$ -
(8b)	Function 99 expenditures for appraisal district costs	151,733

(4) 750	(5) 720	(6) (Other)	(7)
Indirect Cost	Direct Cost	Miscellaneous	Total
\$ 186,189	\$ -	\$ -	\$ 278,043
-	-	-	131,792
20,500	-	-	20,500
-	-	-	151,733
23,955	-	-	23,955
7,914	-	-	9,464
2,181	-	-	2,181
-	-	10,593	14,914
-	-	-	182,581
5,634	-	-	16,101
1,144	-	-	5,070
4,713	-	-	22,287
-	-	-	937
7,182	-	25,066	38,394
<u>\$ 259,412</u>	<u>\$ -</u>	<u>\$ 35,659</u>	<u>\$ 897,952</u>

Cumulative

Total cost of buildings before depreciation (1520)	(15) \$	26,729,138
Historical cost of buildings over 50 years old	(16) \$	50,120
Amount of federal money in building cost (Net of 16)	(17) \$	-
Total cost of furniture and equipment before depreciation (1530 and 1540)	(18) \$	2,147,594
Historical cost of furniture and equipment over 16 years old	(19) \$	138,734
Amount of federal money in furniture and equipment (Net of 19)	(20) \$	-

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CROCKETT
INDEPENDENT SCHOOL DISTRICT
FUND BALANCE AND CASH FLOW CALCULATION SCHEDULE (UNAUDITED)
GENERAL FUND - EXHIBIT J-3
August 31, 2011

1. Total general fund balance at year end (Exhibit C-1, object 3000 for the general fund only)	\$ 200,774
2. Total non-spendable fund balance at year end (Exhibit C-1, objects 341x-344x for the general fund only)	15,476
3. Total restricted fund balance (Exhibit C-1, objects 345x-349x for the general fund only)	-
4. Total committed fund balance (Exhibit C-1, objects 351x-354x for the general fund only)	-
5. Total assigned fund balance (Exhibit C-1, objects 355x-359x for the general fund only)	-
6. Estimated amount needed to cover fall cash flow deficits in general fund (net of borrowed funds and funds representing deferred revenues)	1,399,412
7. Estimate of two months' average cash disbursements during the fiscal year	1,999,525
8. Estimate of delayed payments from state sources (58XX) including August payment delays	-
9. Estimate of underpayments 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. General fund optimum fund balance and cash flow (2+3+4+5+6+7+8+9+10+11)	3,414,413
13. Excess or (deficit) unassigned general fund balance (1-12)	\$ (3,213,639)

CROCKETT
INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM - EXHIBIT J-4
For the Year Ended August 31, 2011

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
	<u>Revenues</u>				
5700	Local, intermediate, and out-of-state	\$ 119,193	\$ 202,780	\$ 121,710	\$ (81,070)
5800	State program revenues	4,808	6,393	4,808	(1,585)
5900	Federal program revenues	690,407	602,083	716,202	114,119
5020	Total Revenues	<u>814,408</u>	<u>811,256</u>	<u>842,720</u>	<u>31,464</u>
	<u>Expenditures</u>				
0035	Food service	814,408	878,804	881,433	* (2,629)
6030	Total Expenditures	<u>814,408</u>	<u>878,804</u>	<u>881,433</u>	<u>(2,629)</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(67,548)</u>	<u>(38,713)</u>	<u>28,835</u>
	<u>Other Financing Sources (Uses)</u>				
7915	Transfers in	-	-	36,003	36,003
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>36,003</u>	<u>36,003</u>
1200	Net Change in Fund Balances	-	(67,548)	(2,710)	64,838
0100	Beginning Fund Balances	2,710	2,710	2,710	-
3000	Ending Fund Balances	<u>\$ 2,710</u>	<u>\$ (64,838)</u>	<u>\$ -</u>	<u>\$ 64,838</u>

Notes to Other Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounts principles.
2. *Expenditures exceeded appropriations at the legal level of control.

CROCKETT
INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE - EXHIBIT J-5
For the Year Ended August 31, 2011

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
	<u>Revenues</u>				
5700	Local, intermediate, and out-of-state	\$ 837,376	\$ 837,376	\$ 955,148	\$ 117,772
5800	State program revenues	100,100	100,100	106,114	6,014
5020	Total Revenues	<u>937,476</u>	<u>937,476</u>	<u>1,061,262</u>	<u>123,786</u>
	<u>Expenditures</u>				
0071	Debt service	937,476	937,476	937,475	1
6030	Total Expenditures	<u>937,476</u>	<u>937,476</u>	<u>937,475</u>	<u>1</u>
1200	Net Change in Fund Balances	-	-	123,787	123,787
0100	Beginning Fund Balances	320,198	320,198	320,198	-
3000	Ending Fund Balances	<u>\$ 320,198</u>	<u>\$ 320,198</u>	<u>\$ 443,985</u>	<u>\$ 123,787</u>

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FEDERAL AWARDS SECTION

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

To the Board of Trustees of the
Crockett Independent School District:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Crockett Independent School District (the "District"), as of and for the year ended August 31, 2011, which collectively comprise the District's basic financial statements and have issued our report there on dated January 6, 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 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 opinions 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of 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 management the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BELT HARRIS PECHACEK, LLP

Belt Harris Pechacek, LLP
Certified Public Accountants
Houston, Texas
January 6, 2012

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

To the Board of Trustees of the
Crockett Independent School District:

Compliance

We have audited Crockett Independent School District's (the "District") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2011. The District's major federal programs are identified in the summary of auditors' 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 Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe 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, 2011.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the 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 in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion 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, the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Belt Harris Pechacek, LLP
Certified Public Accountants
Houston, Texas
January 6, 2012

CROCKETT
INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended August 31, 2011

A. SUMMARY OF PRIOR YEAR AUDIT FINDINGS

None

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CROCKETT
INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2011

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Crockett Independent School District.
2. Significant deficiencies in internal control were not disclosed by the audit of the basic financial statements.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. Significant deficiencies in internal control over major federal award programs were not disclosed by the audit.
5. The auditors' report on compliance for the major federal award programs expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the District are reported in Part C of this schedule.
7. The programs included as major programs are:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553 & 10.555	Child Nutrition Cluster
84.010 & 84.389	Title I Cluster
84.027, 84.173, 84.391 & 84.392	IDEA B Cluster
84.394	State Fiscal Stabilization Funds

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The District did qualify as a low-risk auditee.

B. FINDINGS – BASIC FINANCIAL STATEMENT AUDIT

None

C. FINDINGS – FEDERAL AUDIT AWARDS

None

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CROCKETT
INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - EXHIBIT K-1
For the Year Ended August 31, 2011

(1)	(2)	(2A)	(3)
Federal Grantor/Pass Through Grantor/Program or Cluster Title	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through State Department of Education</i>			
ESEA Title I, Part A*	84.010	11691001113901	\$ 793,967
IDEA B, Formula Grant*	84.027	116600011139016000	391,618
IDEA B, - Preschool*	84.173	116610011139016000	8,271
Title III, Part A	84.365	11671001113901	7,856
ESEA Title I, Part C	84.011	11615001113901	3,698
ESEA Title IV, Part B	84.358	11691001113901	30,822
Career and Technical, Basic Grant	84.048	11420006113901	32,194
Education Jobs Fund	84.410	11550101113901	255,790
Title II, Part A, Teacher and Principal	84.367	11694501113901	116,745
ARRA Title II, Part D Technology	84.386	10553001113901	3,598
ARRA Title I, Part A*	84.389	10551001113901	153,278
ARRA IDEA-B, Formula*	84.391	10554001113901	109,143
ARRA Title XIV, SFSF	84.394	11557001113901	410,763
TOTAL U.S. DEPARTMENT OF EDUCATION			2,317,743
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Substance Abuse and Mental Health Services	93.243	113901	98,059
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			98,059
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through State Department of Education</i>			
School Breakfast Programs*	10.553	71401101	168,625
National School Lunch*	10.555	71301101	509,847
USDA Commodities	10.565	113901	37,730
TOTAL U.S. DEPARTMENT OF AGRICULTURE			716,202
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 3,132,004

* Indicates clustered program under OMB Circular A-133 Compliance Supplement
The accompanying notes are an integral part of this schedule.

Federal revenue per SEFA	\$ 3,132,004
SHARS	160,483
E-RATE	34,985
C-2 Federal revenue	<u>\$ 3,327,472</u>

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CROCKETT
INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2011

NOTE 1: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Crockett Independent School District, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

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CROCKETT
INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO
SELECTED SCHOOL FIRST INDICATORS - EXHIBIT L-1
For the Year Ended August 31, 2011

<u>Data Control Codes</u>		<u>Responses</u>
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	What was the total accumulated accretion on capital appreciation bonds included in the government-wide financial statements at fiscal year end?	\$ <u> - </u>

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