

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended August 31, 2012



Beaumont Independent School District
Beaumont, Texas

Beaumont Independent School District

Beaumont, Texas



Comprehensive Annual Financial Report

For the Year Ended August 31, 2012

Prepared by Financial Services

Dr. Shirley Bonton

Deputy Superintendent for Financial
Services & Elementary Education

Devin McCraney

Director of Finance

Sharika Allison

Comptroller

Laura Klock

Property and Employee
Benefits Manager

Belinda Klock

Budget Supervisor



BEAUMONT INDEPENDENT SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
<u>INTRODUCTORY SECTION</u>		
Transmittal Letter		3
GFOA Certificate of Achievement for Excellence in Financial Reporting		9
Board of Trustees		10
Certificate of Board		11
District Organization Chart		12
<u>FINANCIAL SECTION</u>		
Independent Auditor's Report		13
Management's Discussion and Analysis		15
Basic Financial Statements		
Government-wide Financial Statements:		
Statement of Net Assets	A-1	26
Statement of Activities	A-2	27
Fund Financial Statements:		
Balance Sheet - Governmental Funds	B-1	28
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	B-1R	29
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	B-2	30
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	B-2R	31
Statement of Net Assets - Proprietary Funds	C-1	32
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	C-2	33
Statement of Cash Flows - Proprietary Funds	C-3	34
Statement of Fiduciary Net Assets - Fiduciary Funds	D-1	36
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	D-2	37
Notes to the Financial Statements		38
Required Supplementary Information		
Budgetary Comparison Schedules:		
Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual - General Fund	E-1	61
Notes to Required Supplementary Information		62
Combining and Individual Fund Information and Other Supplementary Information:		
Combining Balance Sheet - Non-major Governmental Funds	F-1	68
Combining Statement of Revenues, Expenses and Changes in Net Assets - Non-major Governmental Funds	F-2	78
Combining Balance Sheet - Internal Service Funds	F-3	88
Combining Statement of Revenues, Expenses and Changes in Net Assets - Internal Service Funds	F-4	89
Combining Balance Sheet - Fiduciary Funds	F-5	90
Combining Statement of Revenues, Expenses and Changes in Fund Balances - Agency Funds	F-6	91
Combining Statement of Net Assets - Private Purpose Trust Funds	F-7	92
Combining Statement of Revenues, Expenses and Changes in Net Assets - Private Purpose Trust Funds	F-8	93

BEAUMONT INDEPENDENT SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
Budgetary Comparison Schedules:		
Schedule of Revenues, Expenditures and Changes in Fund Balances-		
Budget and Actual - National School Breakfast and Lunch Program	F-9	94
Budget and Actual - Debt Service Fund	F-10	95
Capital Assets Used in the Operation of Governmental Funds:		
Schedule of Function and Activity	G-1	96
Schedule of Changes by Function and Activity	G-2	97
Schedule by Location	G-3	98
 <u>STATISTICAL SECTION - UNAUDITED</u>	 <u>TABLE</u>	 <u>PAGE</u>
Statistical Section Contents		101
Governmental Activities Net Assets	1	103
Changes in Net Assets	2	104
Fund Balances of Governmental Funds	3	107
Changes in Fund Balances of Governmental Funds	4	108
Assessed Value - Real and Personal Property	5	110
Property Tax Rates - Direct and Overlapping Governments	6	111
Principal Property Taxpayers	7	112
Property Tax Levies and Collections	8	113
Ratios of Outstanding Debt by Type	9	114
Ratios of Net General Obligation Bonded Debt Outstanding	10	115
Computation of Direct and Overlapping Debt	11	116
Legal Debt Margin Information	12	117
Demographic and Economic Statistics	13	118
Total Enrollment and Average Daily Attendance	14	119
Principal Employers	15	120
Full Time Equivalent Employees by Position	16	121
Operating Statistics	17	122
Teacher Salary Data	18	123
School Building Information	19	124
Fund Balance and Cash Flow Calculation Worksheet	20	130
District Map	21	131
 <u>COMPLIANCE SECTION</u>		
Schedule of Delinquent Taxes Receivable	H-1	134
Schedule of Expenditures of Federal Awards	H-2	136
Notes on Accounting Policies for Federal Awards		139
Long Term Debt Schedule	H-3	140
Schedule of Expenditures for Computation of Indirect Cost for 2011-2012	H-4	142

INTRODUCTORY SECTION



Beaumont Independent School District

January 18, 2013

Board of Trustees
Beaumont Independent School District
3395 Harrison Street
Beaumont, Texas 77706-5009

Dear Board Members:

The Texas Education Code requires that all school districts file a complete set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the Beaumont Independent School District (the District) for the year ended August 31, 2012.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. In order to provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed to protect the District's assets from loss, theft or misuse. Additionally, the internal control framework is designed to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable assurance rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The financial statements of the District have been audited by Gayle W. Botley, CPA, a firm licensed as a certified public accountant. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the year ended August 31, 2012, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

Board of Trustees
Beaumont Independent School District
January 18, 2013

The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the year ended August 31, 2012, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statement is part of a broader, federally mandated "Single Audit" designed to meet the special need of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District's separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Profile of the District

The original Beaumont Independent School District was established in 1913 and reached its current configuration through a consolidation of the former Beaumont Independent School District and South Park Independent School District on September 1, 1984. Located within the City of Beaumont and totally in Jefferson County, Texas, it encompasses 153.34 square miles and has a population of approximately 118,296. Residents of the district elect a seven-member Board of Trustees (the Board), each of whom serves for three years. Monthly meetings of the Board are posted and advertised as prescribed under state law so that the Board may fulfill its charge to the students, parents, staff, and taxpayers of the District. Special meetings or work sessions are scheduled as needed. The board has final control over all school matters except as limited by state law.

The Beaumont Independent School District Public Facility Corporation (Corporation) was organized as a non-profit corporation under the Public Facility Corporation Act, Article 717s, of Vernon's Texas Civil Statutes. Articles of Incorporation were adopted on October 21, 1999 with the Board of Trustees of the District serving as Directors of the Corporation. The Corporation was formed for the construction of improvements and purchase of necessary land to be leased by the District for use in its operations. Detailed information regarding the Corporation is found in the notes to the financial statements.

The financial statements of the reporting entity include those of the District, the primary government, and the Corporation, its component unit. All funds of the District are included in this report.

The District employs 2,860 persons, with 1,705 classified as professional employees and 1,155 classified as support personnel. These employees adequately provide educational services for the 19,887 students enrolled in the District's sixteen elementary schools (pre-kindergarten through fifth grade), seven middle schools (sixth through eighth grade), three high schools (ninth through

twelfth grade), one career center, and one recovery learning center as a dropout recovery campus. All District schools are fully accredited by the Texas Education Agency.

The District provides a full range of educational services appropriate to the grade levels pre-kindergarten through twelfth grade. In addition to the basic instructional programs, the District provides gifted and talented, bilingual/ESL, special education for handicapped students, remedial, college preparatory, and career and technology programs. These programs are supplemented by a wide variety of offerings in the fine arts, athletics, and other extracurricular programs.

The mission of the District is to guarantee that its graduates possess the necessary skills, values and knowledge to compete successfully as productive citizens in a diverse global society through an educational system characterized by:

- Expectation of success for each person;
- Optimum application of technology;
- An appreciation of various cultures;
- Full involvement of parents, teachers and the community
- Respect and care for each other.

Factors Affecting Financial Conditions

Local Economy. The Beaumont Independent School District is located in the City of Beaumont, Texas. Beaumont is the major city in a region with nearly 400,000 residents. Economic development is a major thrust of the Beaumont Chamber of Commerce as evidenced by expansions of commercial sites, hospitals and the Port of Beaumont. Interstate highways, rails, a deep-water port and regional airport benefit area businesses. Having one of the fastest-growing technical colleges in the State of Texas and an outstanding university adds to the strengths of our region.

Abundant raw materials and a great variety of man-made materials are also available in the Beaumont area. Along the Texas Gulf Coast, a maze of pipelines delivers feedstock for the manufacture of an unlimited number of products, most of which are hydrocarbons derived from Texas' abundant oil and natural gas. A healthy agricultural economy includes rice, soybeans, blueberries, crawfish, wheat, corn, grain, sorghum and livestock.

Growth History. The Beaumont Independent School District has maintained a steady enrollment only experiencing slight fluctuations over the last 10 years and is projected to trend upward slightly in the future due to new industry relocating to the Beaumont area.

Future Planning. The current method of funding public education in Texas has caused Beaumont ISD to make key budget adjustments for the 2012-2013 school year. The District's approach to coping with the challenges of a restricted funding environment with increasing academic standards has been to ensure that the budget process is instructionally driven and guided by the Goals of the District. The major budget priorities are to provide adequate staff for any fluctuations in student growth and increased accountability;

to ensure that quality staff is retained and competitive hiring practices continue by providing competitive salaries and benefit packages including fully funding employee health insurance coverage; to provide ongoing professional development resources; and to provide additional funding for utilities and maintenance supplies associated with the ongoing implementation of the bond program. The Board and Administration review the Goals of the District every year, focusing on aligning the allocation of resources, both personnel and financial, with the accomplishment of the goals and objectives. This facilitates identification of target areas for both operating cost reductions and increases.

Financial Information. The Beaumont Independent School District's accounting records reflect generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board. This is also required under state regulations by the Texas Education Agency.

The District's accounting system is organized and operated on the basis of funds, each of which is a separate accounting entity with a self-balancing set of accounts.

In developing and evaluating the District's accounting system, consideration is given to the adequacy of its internal control structure. An internal control structure is designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records used for preparing financial statements and accounting for assets. The concept of reasonable assurance recognizes that the cost of an internal control structure should not exceed the benefits to be derived and that these evaluations occur within this framework. The management of the District is convinced that the internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

An encumbrance system maintains budgetary control. As purchase orders are issued, corresponding amounts of appropriations are reserved by the use of encumbrances for later payment so that appropriations may not be overspent. No substantial amounts that exceed the budget are expended prior to the Board of Trustees amending the budget.

The annual budget serves as the foundation for the District's financial planning and control. The budgeting process for Beaumont Independent School District allows for input from teachers, community leaders, principals, administrators and ancillary personnel. Budget workshops are held with the Board of Trustees regularly during the budget process. The budget for 2011-2012 was formally prepared for adoption for all governmental fund types by August 18, 2011. The Board of Trustees formally adopted the budget at a duly advertised public meeting prior to the expenditure of funds. The budget was properly amended as required throughout the year.

The District's administration reviews the budget throughout the year and recommends amendments to the Board as necessary. The Board approves amendments to the budget that are required when a change is made to any one of the functional expenditure categories or revenue object accounts defined by the Texas Education Agency ("TEA"). Expenditures may not legally exceed appropriations, as amended, at the function level, by fund.

Major Initiatives and Accomplishments

The 2011-12 structure of the Beaumont Independent School District provided support to accomplish the following results:

- The District removed numerous temporary buildings as school campuses that were slated to receive new schools moved into their new facilities. The district also purchased land, demolition work was started and various other construction projects were also jump started in an effort to complete its fourth year of a four year building program.
- The District completed the construction of Caldwold Elementary, Sallie Curtis Elementary and South Park Middle Schools, along with a new gymnasium at Dishman Elementary School and the James F. Jackson Center for Performing Arts at Ozen High School.

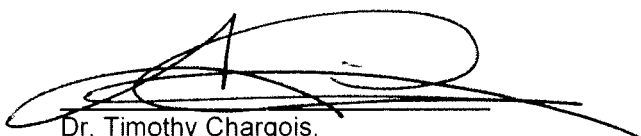
Awards and Acknowledgements

- The Beaumont Independent School District participates in the Certificate of Achievement for Excellence in Financial Reporting Award program sponsored by the Government Finance Officers Association (GFOA). Receiving this prestigious award is the result of achieving the highest standards in governmental accounting and financial reporting. Fiscal year ended August 31, 2011 marked the sixteen consecutive year the District received this annual award. We believe that our fiscal year ended August 31, 2012. CAFR continues to meet the program requirements and are submitting it to GFOA for consideration.
- Of Beaumont ISD's twenty-eight ratable schools the Texas Education Agency has rated seven schools as exemplary, ten as recognized, and ten as academically acceptable.
- Business Review USA Magazine named Beaumont ISD to its national list of "Top 10 School Districts."
- Beaumont ISD is home to three Blue Ribbon Schools as well as three ACT model schools and one Texas Business Education Coalition Honor Roll School.
- The Houston Chronicle named Beaumont ISD as #33 on the 2012 list of "Top 100 Workplaces."

Board of Trustees
Beaumont Independent School District
January 18, 2013

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated efforts of the entire staff of Financial Services and the Print Shop. We would like to express our sincere appreciation to the members of these departments who assisted and contributed to the preparation of this report. The Superintendent and Financial Services staff of the Beaumont Independent School District wishes to express its appreciation to the Board of Trustees for their concern in providing fiscal accountability to the patrons of the District and thereby its support in the financial management of the District. Finally, we would like to thank the residents of the district for their support of and belief in our public schools and the principals and teachers who provide the quality of education for which the District is known.

Respectfully submitted,



Dr. Timothy Chargois.
Superintendent of Schools



Dr. Shirley Bonton.
Deputy Superintendent for Financial Services
& Elementary Administration



Devin McCraney
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Beaumont
Independent School District
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
August 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Moirrell

President

Jeffrey R. Enner

Executive Director

BEAUMONT INDEPENDENT SCHOOL DISTRICT
Beaumont, Texas

Board of Trustees

Woodrow Reece, President

Janice Brassard, *Vice President*

Terry D. Williams, *Secretary*

Zenobia Bush, Member

Gwen Ambres, Member

Mike Neil, Member

Tom B. Nield Sr., Member



Dr. Timothy Chargois
Superintendent of Schools

Dr. Shirley Bonton
Deputy Superintendent for Financial Services & Elementary Education

Patricia Lambert
Assistant Superintendent Curriculum & Instruction & Secondary Administration

Phillip Brooks
Assistant Superintendent for Administration and Operations

Dr. Dwaine Augustine
Assistant Superintendent for Research, Evaluation

Sybil Comeaux
Executive Director of Human Resources

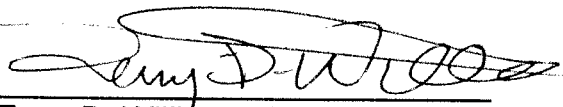
Jessie Haynes
Special Assistant for Communications

CERTIFICATE OF BOARD

Beaumont Independent School District
Name of School District

Jefferson
County

We, the undersigned, certify that the attached annual financial reports of the above named school district was reviewed and ✓ approved _____ disapproved for the year ended August 31, 2012 at a meeting of the board of school trustees of such school district on the 26 January 2013.

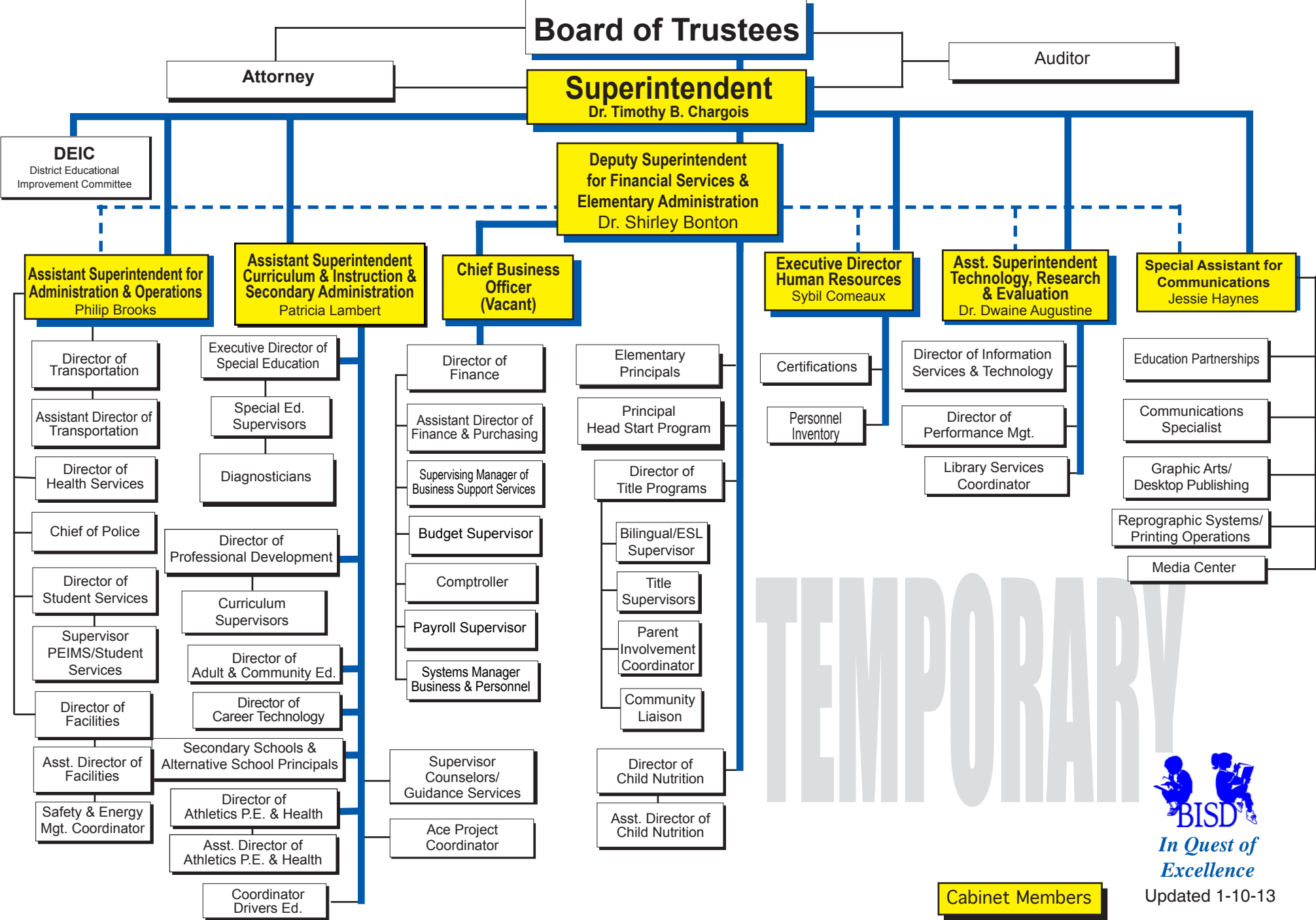


Terry D. Williams, Secretary



Woodrow Reece, President

Beaumont Independent School District Organization Chart



TEMPORARY

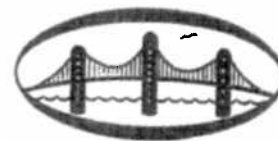


In Quest of Excellence

Cabinet Members

Updated 1-10-13

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Beaumont Independent School District
3395 Harrison Avenue
Beaumont, Texas 77706

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

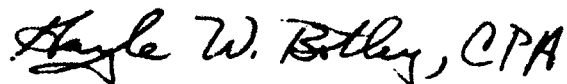
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

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

In accordance with *Governmental Auditing Standards*, we have also issued our report dated January 18, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents 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, combining and individual non-major fund financial statements and schedules, capital assets used in the operation of governmental funds, compliance schedules, and statistical section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major fund financial statements and schedules, capital assets used in the operation of governmental funds and compliance schedules 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 and statistical sections 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.

A handwritten signature in black ink that reads "Gayle W. Botley, CPA". The signature is written in a cursive, flowing style.

Gayle W. Botley, CPA
Port Arthur, Texas

January 18, 2013

BEAUMONT INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2012

In this section of the Comprehensive Annual Financial Report, we, the managers of the Beaumont Independent School District (the District), discuss and analyze the District's financial performance for the fiscal year ended August 31, 2012. We encourage readers to consider the information presented here in conjunction with our transmittal letter on page 3, the independent auditors' report on page 13, and the District's Basic Financial Statements that begin on page 26.

FINANCIAL HIGHLIGHTS

- The District's assets exceeded its liabilities at the close of the most recent period by \$114,458,548 (net assets). Of this amount, \$31,046,051 (unrestricted net assets) may be used to meet the District's ongoing obligations.
- The District's total net assets decreased by \$34,260,911. See table II on page 19.
- At August 31, 2012, the District's governmental funds reported combined ending fund balances of \$52,726,564 a decrease of \$89,123,142 or 63% from the prior year restated balance.
- At August 31, 2012, \$29,204,679 or 18% of total General Fund expenditures is available for spending at the government's discretion (*unassigned fund balance*).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements include of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

This report also contains certain required supplementary information, which includes this management's discussion and analysis.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. They include the Statement of Net Assets and the Statement of Activities that provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

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

The *Statement of Activities* presents information showing how the government's net assets changed during the current fiscal year. All changes in net assets are reported for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (*governmental activities*) as opposed to *business-type activities* that are intended to recover all or a significant portion of their costs through user fees and charges. The District has *no business-type activities* but includes one blended component unit for which it is financially accountable. The government-wide financial statements can be found on pages 26 -27 of this report.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2012

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The fund financial statements provide detailed information about the District's most significant funds, *not* the District as a whole.

All of the funds of the district can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances available at end of each fiscal year.

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

The District maintains several individual governmental funds organized according to their type (special revenue, debt service, and capital projects). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the District's most significant funds. The District's major governmental funds are the General Fund and Local Capital Projects Fund. Data for the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The Texas Education Agency also requires the District to present a budgetary comparison statement for one of its special revenue funds (food service) and the debt service fund.

- **Proprietary Funds.** Proprietary funds reported by the District are generally used to account for services for which the District charges its employees or internal units. The District maintains Internal Service funds to accumulate and allocate costs internally among the District's various functions. The District used internal service funds to account for its self-insurance program for workers' compensation, and the District's program for providing employee health insurance benefits. The activities and balances of these funds have been included with governmental activities in the government-wide financial statements.
- **Fiduciary Funds.** The District is the trustee, or fiduciary, for money raised by student activities and alumnae scholarship programs. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 36 - 37. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements. The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38 - 58 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* that further explains and supports the information in the financial statements. Required supplementary information can be found on pages 61 - 62 of this report.

Combining Statements. The combining statements for non-major governmental funds contain information about the District's individual funds. Combining and individual fund statements and schedules are presented on pages 68 - 87 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the Net Assets (Table I) and Changes in Net Assets (Table II) of the District's governmental activities.

As noted earlier, net assets may serve as a useful indicator of a government's financial position. Table I is a condensed version of the District's Statement of Net Assets and reports that assets exceeded liabilities by approximately \$114.4 million at the close of the fiscal year ended August 31, 2012, which was a decrease of \$34.2 million. The largest portion of the District's net assets (58% or \$66.6 million) reflects its investment in capital assets (primarily school facilities and related furniture and fixtures and equipment); net of outstanding debt used to acquire or construct capital assets. An additional portion of the District's net assets. (15% or \$16.7 million) represents resources that are subject to external constraints (example: constraints imposed by creditors, grantors or by law.) Unrestricted net assets (27% or \$31.0 million) can be used to meet the District's ongoing obligations to creditors and to provide programs to its students.

Net assets of the District's governmental activities for the current year decreased \$34,260,911. This is an indication that the government's overall financial position has decreased. Beginning net assets were \$148.7 million. Ending net assets for the year were \$114.4 million. Exhibit B-2R details the reasons for the decrease in net assets.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2012

Governmental Activities.

Governmental activities decreased the District's net assets by \$34,260,911 for the current year.

- Property tax revenue increased by approximately \$441,196 during the year due to an increase in property tax values.
- Revenues from Grants and Contributions decreased approximately \$21 million due to a decrease in grant funding.
- Miscellaneous Local and Intermediate saw the most significant decrease of approximately \$83.0 million due to an decrease in state funding from the Texas Education Agency, which reduced funding weights and eliminated funding of the full day Pre-K program, along with the elimination of proceeds received from the settlement of a law suit related to hurricane losses in the prior year.
- The total cost of all *governmental activities* this year was \$299,904,416 significantly less than the prior year by \$65,680,254 due to the completion of many construction projects.
- Instruction and Instructional support expenses decreased by \$5,360,401 between the 2011-2012 fiscal year and 2010-2011 fiscal year which represents a 4.0 percent decrease.
- Plant maintenance and operations decreased \$63,486,543 as a result of numerous construction and capital outlay projects being completed around the district.
- Student Pupil Transportation increased \$1,404,947 due to a reduction in overtime and the decrease of fuel cost for additional transportation for the after school tutorial program ACE, along with other after school tutorial and enrichment programs through the district which allows for the transport of participates from their home school campus to the tutorial program site and from the site to their individual homes each day. By eliminating extra buses and combining routes.

Table I
Beaumont Independent School District
Net Assets

	August 31, 2012	August 31, 2011
Current and Other Assets	\$ 73,858,709	\$ 175,063,602
Capital Assets	479,581,742	419,225,211
Total Assets	553,440,451	594,288,813
Long-term debt		
Principal	418,252,800	423,628,005
Accreted Interest	1,748,340	1,728,623
Other Liabilities	19,290,763	20,212,726
Total Liabilities	439,291,903	445,569,354
Net Assets:		
Invested in Capital		
Assets, Net of Related		
Debt	66,637,122	45,074,262
Restricted for Debt Service	16,775,375	75,362,365
Unrestricted Net Assets	31,046,051	28,282,832
Total Net Assets	\$ 114,458,548	\$ 148,719,459

BEAUMONT INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2012

Key elements of the governmental activities of the District are reflected in the following table.

Table II
Beaumont Independent School District
Changes in Net Assets

	August 31, 2012	August 31, 2011
Revenues:		
Program Revenues:		
Charges for Services	\$ 16,854,670	\$ 13,172,542
Operating Grants and Contributions	41,855,717	52,003,974
General Revenues:		
Maintenance and Operations Taxes	91,678,449	91,237,253
Debt Service Taxes	25,003,259	23,847,140
State Aid - Formula Grants		
Grants and Contributions - Not Restricted to		
Specific Functions	19,557,084	40,579,973
Investment Earnings	305,082	463,188
Miscellaneous	70,389,244	153,396,308
Total Revenue	<u>265,643,505</u>	<u>374,700,378</u>
Expenses:		
Instruction	\$ 108,290,034	112,860,852
Instructional Resources and Media Services	2,220,616	2,798,831
Curriculum/Instructional Development	1,655,063	2,212,411
Instructional Leadership	4,853,642	5,635,824
School Leadership	10,070,311	10,784,759
Guidance and Counseling Services	4,915,089	5,135,076
Social Work Services	809,853	916,205
Health Services	1,874,905	2,008,140
Student (Pupil) Transportation	9,896,788	11,301,735
Food Services	10,648,365	11,302,793
Cocurricular/Extracurricular Activities	4,273,265	4,488,196
General Administration	7,415,083	12,200,086
Plant Maintenance and Operations	107,803,461	171,290,004
Security and Monitoring Services	2,765,351	2,553,114
Data Processing Services	1,546,248	1,595,652
Community Services	1,146,572	1,524,411
Debt Services - Interest on Long Term Debt	19,373,896	6,230,000
Debt Services - Bond Issuance Cost & Fees	13,320	405,557
Shared Service Arrangement/Deaf Program	201,304	157,274
Juvenile Justice Alternative Education	131,250	183,750
Total Expenses	<u>299,904,416</u>	<u>365,584,670</u>
Decrease in Net Assets	(34,260,911)	9,115,708
Net Assets - September 1 (Beginning)	<u>148,719,459</u>	<u>139,603,751</u>
Net Assets - August 31 (Ending)	<u>\$ 114,458,548</u>	<u>\$ 148,719,459</u>

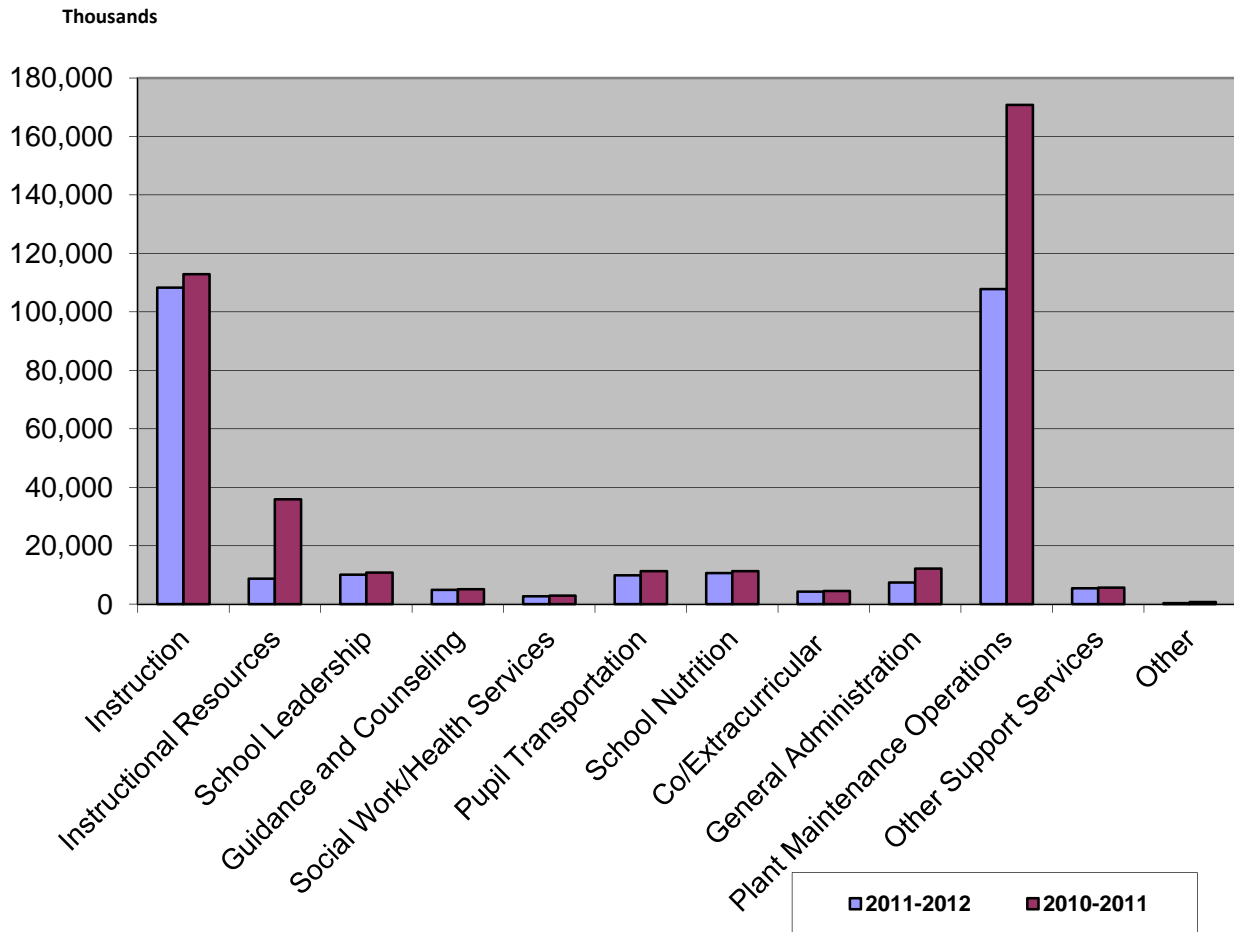
BEAUMONT INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2012

Key elements of the District's governmental activities are further illustrated in the following charts:

Comparison of Expenditures - Current to Prior Year



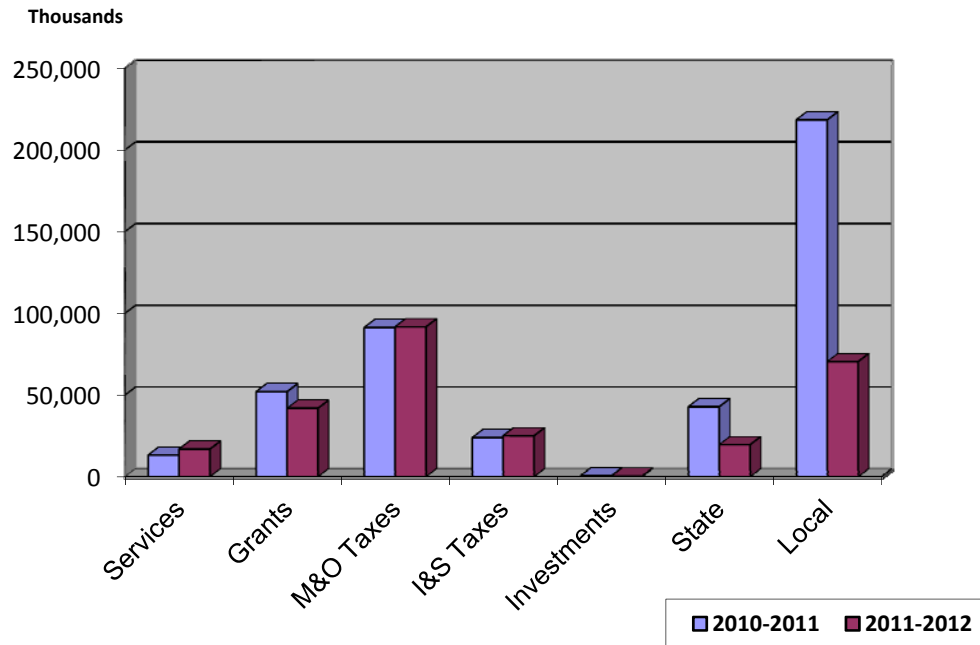
Other support services include security and monitoring services and data processing services. Other includes community services, debt service interest and fees, shared service arrangements, juvenile justice alternative education and depreciation expense.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2012

Comparison of Revenues by Source - Current to Prior Year



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near term inflows, outflows, and balances of dependable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As the District completed the year, its governmental funds (as presented in the balance sheet on page 28 reported a combined fund balance of \$52,726,564 a decrease of \$89,123,142 from the prior year restated balance. Of this total \$29,204,679 represents unassigned resources available for spending at the District's discretion. Resources committed for other purposes total \$1,750,000. The remainder of the fund balances are nonspendable or restricted to indicate that they are not available for new spending (1) to liquidate contracts and purchase orders of the prior period (\$14,264,244), (2) to liquidate the related expenditures that will be recognized when inventories are eventually consumed, (\$926,300), (3) to make debt service payments, (\$2,511,130), (4) for food service, (\$2,087,743) (5) for prepaid items, (\$1,982,468). Please reference Exhibit B-1.

The General Fund is the primary operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$29,204,679, while the total fund balance of the General Fund was \$33,746,109. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total General Fund expenditures. Unassigned fund balance represents 18% of total General Fund expenditures of \$163,822,633. Total fund balance represents 20% of that same amount.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2012

The Debt Service funds have a total fund balance of \$2,511,131 all of which is reserved for the payment of debt service. The net increase in the debt service fund balance during the current year of \$321,342 was primarily attributable to increased earnings along with refunds from the federal government for interest payments made through the QSCAB program.

The major capital projects bond fund has a total fund balance of \$14,264,244 all of which is assigned or restricted for authorized constructions projects. This fund decreased by approximately \$72,651,932 due to the construction of 3 new schools, along with one gymnasium, a performing arts center, and several new parking lots, classroom additions and various other construction projects throughout the district. The major local capital projects fund decreased by approximately \$6,714,377 due to the purchase of land, along with renovations and various other construction projects throughout the district.

Proprietary Funds. As of August 31, 2012, the unrestricted net assets for the internal service funds, which are used to account for certain governmental activities were \$1,841,372. The net change in assets of the fund is eliminated and allocated to governmental expenses in the government-wide financial statements.

Fiduciary Funds. The District reports fiduciary fund activity for Private Purpose Trust Funds (scholarships) and Agency Funds (student activity). Changes to these funds were immaterial for the fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District recommended and the Board approved several revisions to budgeted revenue and expenditures. These amendments fall into the following categories:

- Amendments approved shortly after the beginning of the new fiscal year for amounts reserved and designated in the prior year
- Amendments in early and late spring to revise estimates for local and state revenue based on the latest information on student attendance numbers and tax collections
- Amendments throughout the year for transfers to and from other funds and federal indirect cost calculations
- Amendments during the year for unexpected occurrences

Significant differences between the original budget and the final amended budget of the General Fund can be briefly summarized as follows:

Budgeted revenue:

- \$7,230,185 decrease in local revenues due to the district not receiving insurance proceeds from Hurricane Ike, along with an increase in the Foreign Trade Zone Value and revenues from a new Natural Gas well that has entered production on district property
- 1,472,930 in state revenue due to an increase in additional state aid funding

Budgeted expenditures:

- \$2,532,211 decrease in instruction cost due to the closing/combining of several schools.
- \$2,994,711 increase in student (pupil) transportation cost due the refurbishing of several buses, increase in fuel cost, an increase in student enrollment, along with the expansion of the after school tutorial program ACE and the other after school programs.
- \$4,522,733 increase in plant maintenance and operations due to the acquisition of land along with increased insurance cost and numerous capital improvements throughout the district.

Reallocations within budgets to reflect campus plan updates and changes in needs.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2012

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Capital Assets. At August 31, 2012, the District had \$479.3 million (net of depreciation) invested in a broad range of capital assets, including land, buildings, furniture and equipment used for instruction, transportation, athletics, administration, and maintenance.

Beaumont Independent School District
Capital Assets
Governmental Activities

	August 31, 2012	August 31, 2011
Land	14,672,206	13,317,689
Construction in Progress	19,852,778	60,226,129
Building and Improvements	494,213,288	388,085,522
Furniture and Equipment	32,093,446	30,761,201
Totals at Historical Costs	<u>560,831,718</u>	<u>492,390,541</u>
Less Accumulated Depreciation:		
Buildings and Improvements	(68,004,840)	(62,309,685)
Furniture and Equipment	(13,245,138)	(10,855,645)
Total Accumulated Depreciation	<u>(81,249,978)</u>	<u>(73,165,330)</u>
Net Capital Assets	<u><u>479,581,740</u></u>	<u><u>419,225,211</u></u>

Major capital assets events during the current fiscal year include the following:

- The District completed the construction of Caldwood Elementary, Sallie Curtis Elementary and South Park Middle Schools, along with a new gymnasium at Dishman Elementary School and the James F. Jackson Center for Performing Arts at Ozen High School.
- The District completed additions and renovations at numerous locations throughout the District.

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to August 31, 2012. Fund financial statements record capital asset purchases as expenditures. See Notes 1 and 4 in the Notes to the Financial Statements for further information regarding capital assets.

Long-Term Debt. At year-end, the District had \$409,075,000 in bonds and tax notes outstanding. Of this amount, \$405,525,000 is general obligation bonds backed by the full faith of the State of Texas Permanent School fund, and \$3,550,000 in lease revenue bonds backed by the general revenue of the District.

The District's general obligation bond rating is very favorable with a Standard & Poor's rating of "AAA" and a Moody's Investor Services rating of "Aaa".

The District has no authorized, unissued bonds.

More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2012

Beaumont Independent School District Outstanding Debt

	<u>August 31, 2012</u>	<u>August 31, 2011</u>
Governmental activities:		
Bonds Payable:		
General obligations bonds	\$ 405,525,000	\$ 410,515,000
Accumulated accretion	1,748,340	1,629,639
Less deferred amounts:		
On refunding	(1,099,624)	(1,099,624)
Lease Revenue Bonds	3,550,000	4,610,000
Total bonds payable	<u>409,723,716</u>	<u>415,655,015</u>
Compensated absences	<u>8,529,084</u>	<u>7,972,990</u>
Total	<u>\$ 418,252,800</u>	<u>\$ 423,628,005</u>

ECONOMIC FACTORS AND NEW YEAR'S BUDGETS AND RATES

The District's elected officials considered many factors when adopting the fiscal year 2012 budgets and tax rates. Of primary concern was their desire to adopt a balanced budget for the General Fund. General and specific factors affecting the Board's budgeting decisions included:

- Unemployment in the area is 7.1%, which compares to the State's average unemployment rate of 7.1 %.
- The District's enrollment is expected to remain stable.
- The District's student attendance rate is expected to remain stable at 95.10%.
- The taxable assessed value increased by \$280.1 million or 3% from the prior year.
- The District has estimated revenues and other sources of \$160,158,539 and appropriated expenditures and other uses of \$160,158,539 representing a balanced budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances as well as demonstrate accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Director of Finance, Beaumont I.S.D., 3395 Harrison, Beaumont, Texas 77706-5009.

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS

AUGUST 31, 2012

Data	Primary Government	
Control	Governmental	
Codes	Activities	
Assets		
1110	Cash and Cash Equivalents	\$ 59,464,641
1220	Property Taxes Receivable (Delinquent)	9,900,034
1230	Allowance for Uncollectible Taxes	(4,268,745)
1240	Due from Other Governments	5,175,487
1290	Other Receivables, Net	216,823
1310	Inventories - Supplies and Materials	926,300
1490	Other Current Assets	2,444,169
	Capital Assets (Net of Accumulated Depreciation):	
1510	Land	14,672,207
1520	Buildings and Improvements	426,208,448
1530	Furniture and Equipment	18,848,309
1580	Construction In Progress	19,852,778
1000	Total Assets	553,440,451
Liabilities		
2110	Accounts Payable and Accrued Expenses	7,703,658
2140	Interest Payable	1,748,340
2150	Payroll Deductions and Withholdings Payable	2,023,543
2160	Accrued Wages Payable	6,296,761
2300	Unearned Revenues	3,266,801
	Long Term Liabilities:	
2501	Due Within One Year	9,940,000
2502	Due in More Than One Year	408,312,800
2000	Total Liabilities	439,291,903
Net Assets		
3800	Invested in Capital Assets, Net of Related Debt	66,637,122
3850	Restricted for Debt Service	2,511,131
3860	Restricted for Capital Projects	14,264,244
3900	Unrestricted Net Assets	31,046,051
3000	Total Net Assets	\$ 114,458,548

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

BEAUMONT INDEPENDENT SCHOOL DISTRICT

EXHIBIT A-2

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

Data Control Codes		Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
			Charges for Services	Operating Grants and Contributions	
					Governmental Activities
	Governmental Activities				
0011	Instruction	\$ 108,290,034	\$ 870,213	\$ 22,941,029	\$ (84,478,792)
0012	Instructional Resources & Media Services	2,220,616	-	146,863	(2,073,753)
0013	Curriculum/Instructional Development	1,655,063	-	934,418	(720,645)
0021	Instructional Leadership	4,853,642	-	2,588,273	(2,265,369)
0023	School Leadership	10,070,311	-	802,735	(9,267,576)
0031	Guidance and Counseling Services	4,915,089	-	541,709	(4,373,380)
0032	Social Work Services	809,853	-	310,162	(499,691)
0033	Health Services	1,874,905	-	214,937	(1,659,968)
0034	Student (Pupil) Transportation	9,896,788	-	304,894	(9,591,894)
0035	Food Services	10,648,365	2,056,648	10,610,666	2,018,949
0036	Cocurricular/Extracurricular Activities	4,273,265	249,474	161,221	(3,862,570)
0041	General Administration	7,415,083	-	182,985	(7,232,098)
0051	Plant Maintenance and Operations	107,803,461	13,235,556	822,257	(93,745,648)
0052	Security and Monitoring Services	2,765,351	-	165,714	(2,599,637)
0053	Data Processing Services	1,546,248	-	115,152	(1,431,096)
0061	Community Services	1,146,572	442,779	1,012,702	308,909
0072	Debt Service - Interest on Long Term Debt	19,373,896	-	-	(19,373,896)
0073	Debt Service - Bond Issuance Cost & Fees	13,320	-	-	(13,320)
0093	Shared Service Arrangements/Local Deaf	201,304	-	-	(201,304)
0095	Juvenile Justice Alternative Education	131,250	-	-	(131,250)
TP	Total Primary Government:	<u>\$ 299,904,416</u>	<u>\$ 16,854,670</u>	<u>\$ 41,855,717</u>	<u>\$ (241,194,029)</u>
Data					
Control	General Revenues:				
Codes	Taxes:				
MT	Property Taxes, levied for general purposes				91,678,449
DT	Property Taxes, levied for debt service				25,003,259
GC	Grants and Contributions not restricted				19,557,084
IE	Investment Earnings				305,082
MI	Miscellaneous Local and Intermediate				70,389,244
TR	Total General Revenues				<u>206,933,118</u>
CN	Change in Net Assets				<u>(34,260,911)</u>
NB	Net Assets - September 1 (Beginning)				<u>148,719,459</u>
NE	Net Assets - August 31 (Ending)				<u>\$ 114,458,548</u>

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

BEAUMONT INDEPENDENT SCHOOL DISTRICT

EXHIBIT B-1

BALANCE SHEET

GOVERNMENTAL FUNDS

AUGUST 31, 2012

Data Control Codes		10 General Fund	60 Major Local Capital Projects	60 Major Capital Project Bond	Other Funds	Total Governmental Funds
Assets						
1110	Cash and Temporary Investments (market)	\$24,608,067	\$ 270,707	\$24,252,556	\$ 5,103,347	\$ 54,234,677
1220	Property Taxes - Delinquent	7,855,427	-	-	2,044,607	9,900,034
1230	Allowance for Uncollectible Taxes (credit)	(4,126,058)	-	-	(142,687)	(4,268,745)
1240	Due from Other Governments	-	-	-	5,175,487	5,175,487
1260	Due from Other Funds	13,104,365	-	-	-	13,104,365
1290	Other Receivables	146,595	-	-	70,228	216,823
1310	Inventories, at Cost	808,956	-	-	117,344	926,300
1490	Other Current Assets	1,982,468	-	-	-	1,982,468
1000	Total Assets	<u>\$44,379,821</u>	<u>\$ 270,707</u>	<u>\$24,252,556</u>	<u>\$12,368,326</u>	<u>\$ 81,271,410</u>
Liabilities						
2110	Accounts Payable	\$ 2,022,704	\$ 270,707	\$ 1,253,617	\$ 306,347	\$ 3,853,374
2150	Payroll Deduction and Withholdings Payable	2,023,325	-	-	218	2,023,543
2160	Accrued Wages Payable	5,555,693	-	-	741,069	6,296,762
2170	Due to Other Funds	-	-	8,734,695	4,369,670	13,104,365
2180	Due to State	-	-	-	-	-
2190	Due to Student Groups	-	-	-	-	-
2200	Accrued Expenditures	-	-	-	-	-
2300	Deferred Revenues	1,031,996	-	-	2,234,805	3,266,801
2000	Total Liabilities	<u>\$10,633,718</u>	<u>\$ 270,707</u>	<u>\$ 9,988,312</u>	<u>\$ 7,652,109</u>	<u>\$ 28,544,845</u>
Fund Balance						
Nonspendable:						
3410	Investments in Inventory	\$ 808,956	\$ -	\$ -	\$ 117,344	\$ 926,300
3430	Prepaid Items	1,982,468	-	-	-	1,982,468
Restricted for:						
3450	Federal/State Grant	-	-	-	2,087,743	2,087,743
3480	Debt Service	-	-	-	2,511,130	2,511,130
Committed to:						
3545	Other Purposes	1,750,000	-	-	-	1,750,000
Assigned to:						
3570	Capital Acquisitions	-	-	14,264,244	-	14,264,244
3600	Unassigned	29,204,679	-	-	-	29,204,679
3000	Total Fund Balance	<u>\$33,746,103</u>	<u>\$ -</u>	<u>\$14,264,244</u>	<u>\$ 4,716,217</u>	<u>\$ 52,726,564</u>
4000	Total Liabilities and Fund Balance	<u>\$44,379,821</u>	<u>\$ 270,707</u>	<u>\$24,252,556</u>	<u>\$12,368,326</u>	<u>\$ 81,271,410</u>

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

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

Total Fund Balances - Governmental Funds	\$ 52,726,565
The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate function in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. The net effect of this consolidation is to increase net assets	1,841,372
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The net effect of capital assets net of (accumulated depreciation) which includes the cost of the beginning of the year assets, the cost of these assets was \$492,390,541 and the accumulated depreciation was (\$73,165,330). In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The total debt outstanding as of the beginning of the year was \$423,628,005. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net assets.	(4,402,794)
Current year capital outlays of \$79,573,856 net of retirement and long-term debt principal payments of \$7,145,000 are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. Long term liabilities related to vacation and sick leave were adjusted to reflect the net change accrued during the year. Amortization of bond premium of \$136,172 increased net assets. Decreases in net assets occurred due to amortization of capitalized bond and debt issuance costs of (\$179,158). Additionally, net assets decreased due to the disposal of assets and related accumulated depreciation for a net total of (\$135,932,536). The net effect of including the 2012 capital outlays and debt principal payments along with new debt issued and changes in other long term liabilities is to (decrease) net assets.	(49,259,666)
The 2012 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.	(10,315,698)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue of \$3,266,801 as revenue, eliminating interfund transactions, recognizing the liabilities associated with maturing long-term debt and interest of \$120,601,968. The net effect of these reclassifications and recognitions is to increase net assets.	123,868,769
Net Assets of Governmental Activities	<u>\$ 114,458,548</u>

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

Data Control Codes	10 General Fund	60 Major Local Capital Projects	60 Major Capital Project Bond	Other Funds	Total Governmental Funds
Revenues					
5700 Local Sources	\$ 101,011,076	\$ -	\$ 207,546	\$ 29,879,935	\$ 131,098,557
5800 State Program Revenues	51,679,207	-	-	1,738,030	53,417,237
5900 Federal Program Revenues	1,347,386	-	-	31,863,644	33,211,030
5020 Total Revenues	<u>154,037,669</u>	<u>-</u>	<u>207,546</u>	<u>63,481,609</u>	<u>217,726,824</u>
Expenditures					
0011 Instruction	88,168,427	-	-	19,241,700	107,410,127
0012 Instructional Resources and Media Services	2,181,754	-	-	56,974	2,238,728
0013 Curriculum and Instructional Development	746,243	-	-	913,112	1,659,355
0021 Instructional Leadership	2,390,347	-	-	2,484,254	4,874,601
0023 School Leadership	9,799,637	-	-	359,903	10,159,540
0031 Guidance and Counseling Services	4,628,440	-	-	329,422	4,957,862
0032 Social Work Services	515,073	-	-	297,359	812,432
0033 Health Services	1,753,418	-	-	137,159	1,890,577
0034 Student (Pupil) Transportation	9,957,780	-	-	368	9,958,148
0035 Food Services	42,000	-	-	10,607,087	10,649,087
0036 Cocurricular/Extracurricular Activities	4,217,927	-	-	73,095	4,291,022
0041 General Administration	7,418,765	-	-	6,816	7,425,581
0051 Plant Maintenance and Operations	27,316,480	-	-	250,963	27,567,443
0052 Security and Monitoring Services	2,734,040	-	-	53,851	2,787,891
0053 Data Processing Services	1,488,177	-	-	67,645	1,555,822
0061 Community Services	131,571	-	-	1,014,617	1,146,188
Debt Service					
0071 Debt Service - Principal on long-term debt	-	-	-	8,295,000	8,295,000
0072 Debt Service - Interest on long-term debt	-	-	-	19,373,896	19,373,896
0073 Debt Service - Bond Issuance Cost and Fees	-	-	-	10,341	10,341
Capital Outlay					
0081 Facilities Acquisition and Construction	-	6,714,377	72,859,478	-	79,573,855
Intergovernmental					
0093 Shared Service Arrangement/Deaf Program	201,304	-	-	-	201,304
0095 Juvenile Justice Alternative Education	131,250	-	-	-	131,250
6030 Total Expenditures	<u>163,822,633</u>	<u>6,714,377</u>	<u>72,859,478</u>	<u>63,573,562</u>	<u>306,970,050</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,784,964)</u>	<u>(6,714,377)</u>	<u>(72,651,932)</u>	<u>(91,953)</u>	<u>(89,243,226)</u>
Other Financing Sources (Uses):					
7911 Sale of Bonds	-	-	-	-	-
7912 Sale of Real and Personal Property	120,084	-	-	-	120,084
7915 Transfers In	-	375,513	-	1,290,740	1,666,253
8911 Transfers Out	(1,666,253)	-	-	-	(1,666,253)
7080 Total Other Financing Sources (Uses)	<u>(1,546,169)</u>	<u>375,513</u>	<u>-</u>	<u>1,290,740</u>	<u>120,084</u>
1200 Net Change in Fund Balances	(11,331,132)	(6,338,864)	(72,651,932)	1,198,787	(89,123,141)
0100 Fund Balance - September 1 (Beginning)	<u>45,759,664</u>	<u>6,338,864</u>	<u>95,650,871</u>	<u>3,517,749</u>	<u>151,267,148</u>
1300 Prior Period Adjustment	<u>(682,428)</u>	<u>-</u>	<u>(8,734,695)</u>	<u>(318)</u>	<u>(9,417,441)</u>
0100 Fund Balance - September 1 (Restated)	<u>45,077,236</u>	<u>6,338,864</u>	<u>86,916,176</u>	<u>3,517,431</u>	<u>141,849,707</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 33,746,103</u>	<u>\$ -</u>	<u>\$ 14,264,244</u>	<u>\$ 4,716,218</u>	<u>\$ 52,726,565</u>

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

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

Total Net Change in Fund Balances - Governmental Funds \$ (89,123,141)

The District uses internal service funds to charge the costs of certain activities, such as self insurance and printing, to appropriate functions in other funds. The net income (loss) of internal service funds is reported with governmental activities. The net effect of this consolidation is to decrease net assets. 1,220,604

Current year capital outlays of \$79,573,856 net of retirement and long-term debt principal payments of \$7,145,000 are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. Long term liabilities related to vacation and sick leave were adjusted to reflect the net change accrued during the year. Amortization of bond premium of \$136,172 increased net assets. Decreases in net assets occurred due to amortization of capitalized bond and debt issuance costs of (\$179,158). Additionally, net assets decreased due to the disposal of assets and related accumulated depreciation for a net total of (\$135,932,536). The net effect of including the 2012 capital outlays and debt principal payments along with new debt issued and changes in other long term liabilities is to (decrease) net assets. (49,259,666)

Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net assets (10,315,698)

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include increasing current year revenue by \$113,976,407 eliminating interfund transactions, and recognizing the liabilities associated with interest accrued on long-term debt (\$759,417). The net effect of these reclassifications and recognitions is to increase net assets 113,216,990

Change in Net Assets of Governmental Activities \$ (34,260,911)

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

STATEMENT OF NET ASSETS

INTERNAL SERVICE FUNDS

AUGUST 31, 2012

Data Control Codes	Internal Service Funds
Assets	
Current Assets:	
1110	Cash and Cash Equivalents \$ 5,229,964
1490	Receivables 461,701
	Total Current Assets 5,691,665
	Total Assets 5,691,665
Liabilities	
Current Liabilities:	
2110	Accounts Payable 3,850,283
2150	Payroll Liabilities Payable 10
	Total Current Liabilities 3,850,293
	Total Liabilities 3,850,293
Net Assets	
3900	Unrestricted Net Assets 1,841,372
	Total Net Assets \$ 1,841,372

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR FISCAL ENDED AUGUST 31, 2012

	Internal Service Funds
Operating Revenues	
Local and Intermediate Sources	\$ 1,768,994
Total Operating Revenues	<u>1,768,994</u>
Operating Expenses	
Insurance Claims and Expenses	<u>557,514</u>
Total Operating Expenses	<u>557,514</u>
Operating Income	<u>1,211,480</u>
Nonoperating Revenues (Expenses)	
Interest Earnings	<u>9,124</u>
Total Nonoperating Revenue (Expense)	<u>9,124</u>
Transfers Out	<u>-</u>
Change in Net Assets	1,220,604
Total Net Assets - September 1 (Beginning)	620,809
Prior Period Adjustment	<u>(41)</u>
Total Net Assets - September 1 (Restated)	<u>620,768</u>
Total Net Assets - August 31 (Ending)	<u><u>\$ 1,841,372</u></u>

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

STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

	Internal Service Funds
Cash Flows from Operating Activities:	
Cash Received from Other Funds	1,768,994
Cash Payments For Insurance Claims	(545,535)
Cash Payments For Prepaid Insurance	(11,979)
Net Cash Provided by (Used for) Operating Activities	<u>1,211,480</u>
Cash Flows from Non-Capital Financing Activities:	
Increase in Short Term Loan	
Transfer Out	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>-</u>
Cash Flows from Investing Activities:	
Interest and Dividends on Investments	<u>9,124</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,220,604
Cash and Cash Equivalents at Beginning of the Year:	4,009,401
Prior Period Adjustment to Cash	<u>(41)</u>
Cash and Cash Equivalents at End of the Year:	<u><u>\$ 5,229,964</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:	
Operating Income (Loss):	1,211,480
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Prepaid Expenses	-
Increase (decrease) in Accounts Payable	-
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ 1,211,480</u></u>

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



STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

AUGUST 31, 2012

	Private Purpose Trust Funds	Agency Fund
Assets		
Cash and Cash Equivalents	\$ 54,946	\$ 846,701
Due From Other Funds	-	-
Total Assets	54,946	846,701
Liabilities		
Accounts Payable	\$ 500	\$ -
Due to Student Groups	-	846,701
Total Liabilities	500	846,701
Net Assets		
Unrestricted Net Assets	54,446	-
Total Liabilities and Net Assets	\$ 54,946	\$ 846,701

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

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

EXHIBIT D-2

	Private Purpose Trust Funds
Additions	
Local and Intermediate Sources	\$ 13,138
Total Revenues	<u>13,138</u>
Deductions	
Other Operating Costs	<u>1,500</u>
Total Deductions	<u>1,500</u>
Change in Net Assets	11,638
Total Net Assets - September 1 (Beginning)	<u>42,807</u>
Total Net Assets - August 31 (Ending)	<u><u>\$ 54,445</u></u>

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of Presentation**

Beaumont Independent School District (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 that is elected by registered voters of the District. The District prepares its basic financial statements in conformity with Generally Accepted Accounting Principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in *Statement of Auditing Standards No. 69* of the American Institute of Certified Public Accountants. Additionally, the District complies with the requirements of the appropriate version of the Texas Education Agency (TEA) *Financial Accountability System Resource Guide* (FASRG) and the requirements of contracts and grants of agencies from which it receives funds.

A. Reporting Entity

The District was formed in April 1913 by a special act of the Texas State Legislature. The District is an independent public educational agency operating under applicable laws and regulations of the State of Texas. The Board of the District is elected by its residents to staggered three-year terms; has the authority to make decisions, appoint administrators and managers; significantly influence operations; and has the primary accountability for fiscal matters. Therefore, the District is not included in any other governmental "reporting entity" as defined by the GASB Statement No. 14, "*The Financial Reporting Entity*".

In accordance with GASB Statement 14, a financial reporting entity consists of the primary government and its component units. Component units are legally separate organizations for which the elected officials of the District are financially accountable, or for which the relationship to the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. The District's blended component unit, although a legally separate entity, is in substance part of the District's operations, and so data from this unit is combined with data of the primary government.

The criteria used to determine whether an organization is a component unit of the District includes: financial accountability of the District for the component unit, appointment of a voting majority, ability to impose the District's will on the component unit, and whether there is a financial benefit or burden to the District.

For financial reporting purposes, the Beaumont Independent School District Public Facility Corporation (Public Facility Corporation) is included in the operations and activities of the District because of the fiscal dependency criteria outline in GASB Statement 14. The members of the District Board of Trustees serve as the Board of the component unit.

The Public Facility Corporation is a public non-profit corporation, the creation of which was sponsored by the District pursuant to the Public Facility Corporation Act, Article 717s, Vernon's Texas Civil Statutes, as amended (the "Public Facility Corporation Act"). The Public Facility Corporation Act authorizes school districts to create and utilize public facility corporations to issue bonds to provide for the acquisition, construction, furnishing and placing in service of public facilities of its governmental sponsor. It further authorizes the governmental sponsor to incur lease purchase obligations in favor of the corporation to serve as security for the bonds issued by the Public Facility Corporation.

The Board of Directors of the Public Facility Corporation issued lease revenue bonds in the principal amount of \$13,100,000 in August 2000, pursuant to a resolution. A Master Trust Agreement dated August 1, 2000 between the Public Facility Corporation and the J P Morgan Bank as trustee secures the bonds to finance the construction improvements and purchase of land. The Public Facility Corporation and the District entered into a "Lease with an Option to Purchase Relating to the Beaumont Independent School District Public School Facilities Project" for construction improvements and purchase of land. Pursuant to the terms of the lease, the District is paying to the Corporation such lease payments at such time and in such amounts as required to pay the principal of, premium, if any, and interest on the lease revenue bonds as they become due.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Reporting Entity, Continued

The Public Facility Corporation is reported as a debt service fund. As such the details are presented in the combining statements as Fund 500.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Changes in Net Assets) report information on all of the nonfiduciary activities of the primary government. Interfund services provided and used are not eliminated in the process of consolidation. All other inter-fund transactions between governmental funds and internal service funds are eliminated on the government-wide statements. Tax revenues and intergovernmental revenues support the governmental activities. The District has no *business-type activities* that rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function. They also include grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues as reported 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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., both measurable and available to finance expenditures of the fiscal period. Revenues are considered available when they are collectible within the current period or soon enough thereafter to be pay liabilities of the current period. For this purpose, the government considers revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when the payment is due.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State of Texas are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued**

The District reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund. Major revenue sources include local property taxes, state funding through the Foundation School Program, earnings from a Foreign Trade Zone agreement and interest earnings. Expenditures include all costs associated with the daily operations of the District except for specific programs funded by the federal or state government, food service, debt service, and capital projects.

The *Capital Projects Fund* is the government's primary fund to account for all financial resources that are restricted, committed, or assigned to expenditure for capital outlays. Major revenues sources for Local Capital Projects Fund are insurance proceeds, and transfers from other governmental funds, the Capital Projects Bonds Fund source of revenue is bond proceeds. Expenditures include all costs associated with major construction and renovation projects.

The District reports the following proprietary funds:

The *Internal Service Fund* accounts for the District's Workers' Compensation Funds and Health Insurance Fund. The Workers' Compensation Fund is intended to be self-supporting. All funds within the District that expend resources for salaries and wages contribute a percentage of salaries and wages expenditures to the workers' compensation program to fund the cost of workers' compensation claims, stop-loss insurance, and administrative fees. The Health Insurance fund is maintained to facilitate the operation of the District's health insurance program. The fund charges all other funds and programs that pay wages to employees eligible for health insurance benefits.

Proprietary funds distinguish between *operating* revenues and expenses and *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary funds principal ongoing operations.

Additionally, the District reports the following fiduciary funds:

The *Private-purpose Trust Fund* is used to account for scholarship funds that are received by the District that are to be awarded to current students for post-secondary education purposes.

The *Agency Fund* account for resources held in custodial capacity by the District and consists of funds that are the property of students or others. Agency funds are unlike all other types of funds, reporting only assets and liabilities. So agency funds cannot be said to have a measurement focus. Agency funds are accounted for on the accrual basis of accounting.

D. Assets, Liabilities, and Net Assets or Equity**Cash, Cash Equivalents and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, money market bank sweep accounts, and short-term investments with original maturities of three months or less from the date of acquisition. Investments for the District are reported at fair value.

For cash management purposes, the District's depository agreement with the bank includes arrangements for the District's bank account balances at the end of the day to be transferred (swept) into a sweep repurchase agreement managed by Bank of America and selected by the District. The cash is transferred back to the District the following day. The District has designated a sweep repurchase agreement, which invests in Government Securities, and these amounts in the sweep account are treated as cash and cash equivalents.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Liabilities, and Net Assets or Equity, Continued

Cash, Cash Equivalents and Investments, Continued

Funds of the District must be deposited and invested under the terms of a depository contract, contents of which are set out in the Depository Contract Law.

The depository bank may either place approved pledged securities for safekeeping and trust with the District's agent bank or file a corporate surety bond in an amount sufficient to protect District funds on a day-to-day basis during the term of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of FDIC insurance.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the non-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".

Property taxes are levied by October 1, on the assessed value listed as of the prior January 1, for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Code. Taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1 of the following year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

Property appraisal within the District is the responsibility of the Jefferson County Appraisal District (JCAD), an independent governmental unit with a board of directors appointed by the taxing jurisdictions within the county and funded from assessments against those taxing jurisdictions. JCAD is required under the Property Tax Code to assess property at 100% of its appraised value.

Real property must be reappraised at least every two years. Under certain circumstances taxpayers and taxing units, including the District, may challenge orders of the JCAD Review Board through various appeals and, if necessary, legal action. Under the Property Tax Code legislation, the District establishes tax rates for property within the District limits. If the new tax rate exceeds the effective tax rate for the previous year by more than eight percent (8%), after certain adjustments, qualified voters of the District may petition for an election to determine whether to limit the tax rate to no more than eight percent (8%) above the effective tax rate.

Tax collections are prorated between the General Fund and Debt Service Fund based on the tax rate approved by the Board of the District. For the year ended August 31, 2012, the rates were \$1.040 and \$.285, respectively, per \$100 of assessed value.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of levy. Allowances for uncollectible tax receivables within the General and Debt Service funds are based on historical experience in collecting property taxes.

Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. The property tax receivable allowance is equal to 23% of outstanding property taxes at August 31, 2012.

Under the consumption method of accounting for inventories, food service supplies and paper supplies are carried in an inventory account on the basis of the last invoice, which approximates the first-in first-out method, and subsequently charged to budgetary expenditures when consumed.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**D. Assets, Liabilities, and Net Assets or Equity, Continued****Inventories and Prepaid Items, Continued**

Inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and deferred revenue when received in the governmental funds. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.

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 \$5,000 or more and an estimated useful life in excess of two years.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

When assets are retired or otherwise disposed of, the related costs or other recorded amounts are removed.

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

<u>Assets</u>	<u>Years</u>
Buildings	50 - 60
Building Improvements	Remaining life of building or 20 years whichever is less
Furniture & Equipment	5 - 10
Automobiles & Trucks	3 - 5
Buses	10 - 12

Compensated Absences

The District has a vacation pay policy for twelve-month employees whereby eligible employees hired prior to July 1, 2001 shall receive vacation of ten to twenty days dependent upon the number of years of service. Effective July 1, 2001, a person hired by the District, or promoted by the District to a position normally requiring 240 days of service, earns vacation days during the first full year of employment on a pro rata basis depending on the date of hire; thereafter, 12 days of paid vacation are earned between July 1 to June 30 of each school year. All vacation days are forfeited if not taken by December 31 of the calendar year; therefore, the liability for unused vacation days at August 31, 2012 is not material to the financial statements.

Upon retirement or death of eligible employees, the District pays, within certain limitations, accrued sick leave in a lump sum to such employee or his/her estate. Beginning June 1, 1994, the reimbursement benefit applies only to leave benefits earned while employed by the District. Employees new to the District in the 1996-97 school year and thereafter shall not be eligible for this benefit.

A fund balance commitment of \$1,500,000 is accounted for in the General Fund. No other compensated absences are allowed under the District's personnel policies.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**D. Assets, Liabilities, and Net Assets or Equity, Continued****Compensated Absences, Continued**

A summary of changes in the accumulated sick leave liability follows:

	Sick Leave
Balance, September 1, 2011	\$ 7,972,990
Additions	1,144,251
Payments to Eligible Employees	(588,157)
Balance, August 31, 2012	<u>\$ 8,529,084</u>

Arbitrage Payable

The Federal Tax Reform Act of 1986 enacted section 148(f) which requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income received at yields that exceed the issuer's tax exempt borrowing rates. The Treasury requires payment for each issue every five years. The estimated liability is updated annually for all tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. The District had no arbitrage liability as of August 31, 2012.

Long Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Fund Equity

Beginning with fiscal year 2011, the Beaumont Independent School District implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Non spendable fund balance – amounts that are not in spendable form or are required to be maintained intact. As such, the inventory and prepaid items have been properly classified in the Governmental Funds Balance Sheet (Exhibit B-1).

Restricted fund balance – amounts that can be spent only for specific purposes because of local, state or federal laws, or eternally imposed conditions by grantors or creditors. With the exception of School Activity Funds, the fund balances of Grant Funds are classified as restricted. The fund balances for the Debt Service Fund and Capital Projects Funds are also classified as restricted.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**D. Assets, Liabilities, and Net Assets or Equity, Continued****Fund Equity, Continued**

Committed fund balance – amounts constrained for specific purposes by the District itself, using its highest level of decision-making authority (i.e. the Board of Trustees). To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. The District has committed fund balances in the General Fund. The detail is shown below:

<u>Committed for</u>	<u>General Fund</u>
Sick Pay/Compensated Absences	\$1,500,000
Other Commitments	250,000
Total	<u>\$1,750,000</u>

The District establishes (and modifies or rescinds) the fund balance commitments by passage of a resolution. A fund balance commitment is further indicated in the budget document as a commitment of the fund.

Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official or body to which the Board of Trustees delegates the authority.

Unassigned fund balance – amounts that are available for any legal expenditure. Positive amounts are reported only in the general fund.

Per Policy CE (local) assigned fund balances are established by the Board, Superintendent or his/her designee.

When expenditures are incurred for purposes 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 or which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Data Control Codes

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

Statistical Section

The statistical section presents detailed information, typically in ten-year trends, that assists users in utilizing the basic financial statements, notes to the basic financial statements, and required supplementary information to assess the economic condition of a government.

Note 2: DEPOSITS AND INVESTMENTS**Credit Risk**

In compliance with the District's investment policy, as of August 31, 2012 all of the District's investments in the Lonestar and Texpool Investment Pools were rated AAA and AAAM by Standard & Poor's and Moody's, respectively. The entity's investments in U.S. Treasuries are backed by the full faith and credit the U.S. Government. The investments in U.S. Agencies were rated AAA and Aaa by Standard & Poor's and Moody's respectively.

Note 2: DEPOSITS AND INVESTMENTS, Continued

Custodial Credit Risk: Demand Deposits

It is the policy of the District to collateralize deposits at 102% of balances less applicable depository insurance. Additionally, it is policy of the District that depository collateral be of an approved type and be held by an independent third party with whom the District has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) shall be supplied to the District and retained.

At August 31, 2012, the carrying amount of the District's demand deposits and cash on hand was \$3,705,772. The \$889,550 bank balance was covered by federal deposit insurance through the FDIC.

The District was not exposed to custodial credit risk at any point during the fiscal year ended August 31, 2012.

All cash balances and investments are held separately in each of its funds. Funds held at the depository bank were properly secured at all times, and the following was disclosed:

- a. Name of depository bank: Bank of America
- b. Amount of bond or securities pledged as of the date of the highest combined balance on deposit was \$0.00 (Entire bank balance was insured by the FDIC through the Dodd Frank Act.)
- c. Highest cash balance amounted to \$10,391,327 and occurred during the month of August 2012.
- d. Total amount of Federal Deposit Insurance Corporation ("FDIC") coverage at the time of the highest combined balance was \$10,391,327.

Custodial Credit Risk: Investment Securities

Certain types of investments which the District commonly utilize, including investment pools, are not subject to custodial credit risk because they are not evidenced by securities.

The District was not exposed to custodial credit risk during the course of the fiscal year.

Concentration of Credit Risk

It is the policy of the District to reduce risk associated with investments by diversification of the portfolio. The District was not exposed to concentration of credit risk during the course of the fiscal year.

Credit Risk: Credit Ratings

District investments conform to the District's banking and investment policies and are in accordance with laws and regulations of the State of Texas and TEA. It is the District's policy to limit its investments to not less than A or its equivalent by a nationally recognized firm. Statutes of the State of Texas and policies mandated by the District's Board authorize the District to invest in obligations of the U.S. Government or its agencies, repurchase agreements, commercial paper, public funds investment pools, mutual funds and money market accounts.

Investments

The State Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. It requires the District to adopt, implement, and publicize an investment policy.

Note 2: DEPOSITS AND INVESTMENTS, Continued

Investments, Continued

The investment policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the United States Treasury, certain

United States agencies, and obligations of the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. Management of the District believes it is in compliance with the requirements of the Act and with local policies. The District's investments in public funds investment pools and money market mutual funds include those with the Lone Star Investment Pool (LSIP) and TexPool.

LSIP is a public funds investment pool administered by First Public (formerly known as the Texas Association of School Board Financial Service). LSIP is a public funds investment pool created under the authorization of the Interlocal Cooperation Act of the State of Texas, Article 4413 (32c), Vernon's Texas Civil Statutes, as amended. It is designed to provide participating local governments with investment vehicles for (1) local funds that are not required to be spent immediately and are available for investment in securities with maturities and returns generally greater than those for money market instruments and (2) local funds which provide daily liquidity. The objective of the LSIP is to provide participating local governments with the highest possible rate of return for such funds, while maintaining safety of principal.

To achieve its objective, the LSIP invests primarily in obligations issued or secured by the U.S. Government, its agencies and instrumentalities, and in commercial paper. Standish Mellon Asset Management and AMR Investments provide investment advisory services. Each fund within the Pool has received the highest rating that of AAA, from Standard & Poor's as required by the Public Funds Investment Act. LSIP operates three distinct funds, of which the District invests in two.

The District's investment in the LSIP Corporate Overnight Fund, Government Overnight Fund and the Corporate Overnight Plus Fund as of August 31, 2012 was \$120; 124,526 and \$50,695,138 respectively. The fair value of the position in LSIP is the same as the value of LSIP shares.

TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company to provide a safe environment for the placement of local government funds. The State Comptroller of Texas administers TexPool. Lehman Brothers and Federated Investors manage the daily operations of the pool under a contract with the Comptroller. TexPool operated in a manner consistent with the Security and exchange Commission's Rule 2a7 of the Investment Company Act of 1940.

TexPool uses amortized cost rather than fair value to report net assets to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. TexPool is rated as AAAM money market fund by Standard & Poor's. This rating indicates excellent safety and a superior capacity to maintain principal value and limit exposure to loss. As of August 31, 2012, the District's investment in TexPool was \$5,840,732.

The overall objective of the District's investment policy is to ensure that District financial assets are properly safeguarded, provide sufficient liquidity, and produce a reasonable rate of return while enabling the District to react to changes in economic conditions.

BEAUMONT INDEPENDENT SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS**

AUGUST 31, 2012

Note 2: DEPOSITS AND INVESTMENTS, Continued**Investments, Continued**

The District's investments have been recorded at fair value based upon quoted market prices as of August 31, 2012, with the difference between the purchase price and market price being recorded as interest income. None of the District's investments have been reported at amortized cost.

A summary of investments at August 31, 2012 is as follows:

Type	Carrying Amount	Fair Value	Maturity
Investments not subject to categorization			
TexPool	5,840,732	5,840,732	Weighted average < 60 days
LoneStar	50,819,784	50,819,784	Weighted average <120 days
Total Investments	<u>\$ 56,660,516</u>	<u>\$ 56,660,516</u>	

Interest Rate Risk

In compliance with the district's policy, the District concentrates its investment portfolio in short and intermediate term securities to limit market risk caused by changes in interest rates. The District attempts to match its investments with anticipated cash flow requirements.

Note 3: RECEIVABLES

Receivables as of August 31, 2012, for the government's individual major funds and non major, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Other Funds	Total
Taxes	\$ 7,855,427	\$ 2,044,607	\$ 9,900,034
Due from Other Governments	-	5,175,485	5,175,485
Due from Other Funds	13,104,365	-	13,104,365
Other Receivables	146,595	70,228	216,823
Gross Receivables	21,106,387	7,290,320	28,396,707
Less: Allowance for Uncollectibles	(4,126,058)	(142,687)	(4,268,745)
Net Total Receivables	<u>\$ 16,980,329</u>	<u>\$ 7,147,633</u>	<u>\$ 24,127,962</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2012

Note 3: RECEIVABLES, Continued

Other receivables as listed in the General Funds in the amount of \$146,595 are explained as follows:
\$146,595 due to the District from 60 day tax collection payments.

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

At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable
Delinquent Property Taxes Receivable (General Fund)	\$ 1,031,996
Delinquent Property Taxes Receivable (Debt Service Fund)	559,436
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 1,591,432</u>

Note 4: CAPITAL ASSETS

Prior to GASB Statement No. 34, the District was not required to calculate depreciation expense for reporting capital assets. In accordance with the implementation of GASB Statement No. 34, capital assets have been adjusted to reflect historical cost for the purpose of calculating depreciation.

Capital asset activity for the governmental activities for the year ended August 31, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 13,317,689	\$ 1,354,518		\$ 14,672,207
Construction in Progress	60,226,128	19,852,778	(60,226,128)	19,852,778
Total Capital Assets, Not Being Depreciated:	73,543,817	21,207,296	(60,226,128)	34,524,985
Capital Assets, Being Depreciated:				
Building & Improvements	388,085,522	107,856,076	(1,728,310)	494,213,288
Furniture & Equipment	30,761,202	1,834,985	(502,740)	32,093,447
Total Capital Assets, Being Depreciated:	418,846,724	109,691,061	(2,231,050)	526,306,735
Less Accumulated Depreciation				
Building & Improvements	(62,309,685)	(7,423,465)	1,728,310	(68,004,840)
Furniture & Equipment	(10,855,645)	(2,892,233)	502,740	(13,245,138)
Total Accumulated Depreciation	(73,165,330)	(10,315,698)	2,231,050	(81,249,978)
Total Capital Assets, Being Depreciated, Net	345,681,394	99,375,363	-	445,056,757
Governmental Activities Capital Assets, Net	<u>\$ 419,225,211</u>	<u>\$ 120,582,659</u>	<u>\$ (60,226,128)</u>	<u>\$ 479,581,742</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS**

AUGUST 31, 2012

Note 4: CAPITAL ASSETS, Continued

At September 1, 2001, the District also implemented a capitalization policy for assets, defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. The District will continue to maintain a controllable asset inventory for items not capitalized in order to safeguard district assets.

Depreciation expense of the governmental activities was charged to functions/programs as follows:

Instruction	\$ 6,883,498
Instructional Resources & Media Services	139,317
Current Development and Staff Development	6,263
Instructional Leadership	304,435
School Leadership	701,832
Guidance, Counseling & Evaluation Services	384,319
Social Work Services	45,243
Health Services	140,793
Student (Pupil) Transportation	317,594
Food Services	273,099
Cocurricular Activities	8,678
General Administration	236,779
Plant Maintenance & Operations	684,034
Security	60,534
Data Processing Services	85,285
Community Services	43,995
Total Depreciation Expense	<u>\$ 10,315,698</u>

Note 5: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivables and payables are short-term transactions between funds that are accounted for in the appropriate interfund receivable and payable accounts. Interfund balances at August 31, 2012 consisted of the following individual fund receivables and payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Major Capital Projects Bond	\$ 8,734,695
General Fund	Special Revenue	4,369,670
		<u>\$ 13,104,365</u>

The receivables in the general fund total \$13,104,365 of which \$4,369,670 is due from special revenue, and the remaining \$8,734,695 is due from major capital projects bond which represents amounts due for reimbursement of expenditures paid by the general fund.

BEAUMONT INDEPENDENT SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS**

AUGUST 31, 2012

Note 5: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS, Continued

Interfund transfers are defined as “flows of assets without equivalent flows of assets in return and without a requirement for repayment”. Interfund transfers during the year ended August 31, 2012, were as follows:

<u>Transfer Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Special Revenue Funds	50,000
General Fund	Public Facility Corporation	1,240,740
General Fund	Local Capital Projects	375,513
		<u>\$ 1,666,253</u>

The general fund transferred a total of \$50,000 to special revenue funds. This transfer was to subsidize the Community Education Program. In addition, the general fund transferred \$1,240,740 to the Public Facility Corporation for payment of the lease which subsequently funds the payment of the PFC's lease revenue bonds. The General Fund transferred \$375,513 to the Local Capital Projects Fund for construction related expenditures.

Note 6: LEASE COMMITMENTSOperating Leases

The school district has entered into a number of operating leases for copiers, postage meters, and computers which contain cancellation provisions and are subject to annual appropriations. For the year ending August 31, 2012, rentals approximated \$2,648,152 for such leases. These leases primarily support governmental activities. The future minimum lease payments for these leases are as follows:

<u>Year Ending August 31</u>	<u>Amount</u>
2013	1,930,453
2014	1,548,581
2015	785,643
2016	785,643
Total	<u>\$ 5,050,320</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2012

Note 7: LONG-TERM DEBT

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for only governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. Current principal and interest requirements are payable solely from future revenues of the debt service fund which consists principally of property taxes collected by the District and interest earnings. Certain outstanding bonds may be redeemed at their par value prior to their normal maturity dates in accordance with the terms of the related bond indentures. The District has never defaulted on any principal or interest payment.

General obligation bonds payable at August 31, 2012, are summarized as follows:

Date of Issue	Original Issue	Final Maturity	Annual Installments	% Rate	Outstanding Balance
2003	8,660,000	2015	\$75,000 to \$1,310,000	2.5% - 3.40%	3,810,000
2004	17,810,000	2017	\$1,600,000 to \$2,480,000	2.75% - 3.00%	7,105,000
2005	11,900,000	2017	\$180,000 to \$2,285,000	3.0%-5.0%	6,805,000
2008	89,800,000	2038	\$100,000 to \$3,795,000	3.0%-5.25%	88,985,000
2008	9,815,000	2014	\$1,795,000 to \$2,135,000	3.17%-3.50%	4,180,000
2008	65,000,000	2038	\$3,243,400 to \$4,750,875	4.375%-5.0%	64,800,000
2009	116,570,000	2038	\$5,999,838 to \$8,787,988	3.0%-5.25%	115,680,000
2010	10,085,000	2019	\$405,000 to \$1,645,000	2.0%-5.0%	9,680,000
2010	59,490,000	2038	\$1,710,000 to \$4,710,000	4.49%-5.810%	59,490,000
2010	14,450,000	2026	\$960,000 to \$965,000	0%	13,490,000
2011	31,500,000	2038	\$500,000 to \$2,075,000	2.00-5.00%	31,500,000
					<u>\$ 405,525,000</u>

The Public Facility Corporation, a blended component unit, issued lease revenue bonds for the construction of Ozen High School. Lease Revenue Bonds outstanding at year end are as follows:

Date of Issue	Original Issue	Final Maturity	Annual Installments	% Rate	Outstanding Balance
2000	\$ 13,100,000	2015	\$580,000 to \$1,250,000	4.30%	<u>\$ 3,550,000</u>

Annual debt service requirements to maturity for the Lease Revenue Bonds are as follows:

Year Ending August 31	Principal	Interest	Total
2013	1,120,000	128,570	1,248,570
2014	1,215,000	52,953	1,267,953
2015	1,215,000	52,952	1,267,952
Total	<u>\$ 3,550,000</u>	<u>\$ 234,475</u>	<u>\$ 3,784,475</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2012

Note 7: LONG-TERM DEBT, Continued

Annual debt service requirements to maturity for the bonds are as follows:

Year Ending August 31	Principal	Interest	Total
2013	7,320,000	19,887,577	27,207,577
2014	9,270,000	18,769,317	28,039,317
2015	9,580,000	18,458,127	28,038,127
2016	9,905,000	18,131,489	28,036,489
2017-2037	343,195,000	238,168,421	581,363,421
2038	26,255,000	672,857	26,927,857
Total	<u>\$ 405,525,000</u>	<u>\$ 314,087,788</u>	<u>\$ 719,612,788</u>

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management of the District has indicated that the District is in compliance with all significant limitations and restrictions at August 31, 2012. Computation of the District's legal debt margin may be found in the Statistical Section of this report, page 116.

Changes in long-term liabilities

Long-term liability activity for the year ended August 31, 2012, was as follows

	Beginning Balance	Additions	Retirements/ Payments	Ending Balance	Due Within One Year
Governmental activities:					
Bonds Payable:					
*General obligations bonds	\$ 411,610,000	\$ -	\$ 6,085,000	\$ 405,525,000	\$ 7,320,000
*Accumulated accretion	1,728,623	19,717	-	1,748,340	-
On refunding	(1,099,624)	-	-	(1,099,624)	-
Lease Revenue Bonds	4,610,000	-	1,060,000	3,550,000	1,120,000
Total bonds payable	415,655,015	19,717	7,145,000	409,723,716	8,440,000
Compensated absences	7,972,990	1,144,251	588,157	8,529,084	1,500,000
Total	<u>\$ 423,628,005</u>	<u>\$ 1,163,968</u>	<u>\$ 7,733,157</u>	<u>\$ 418,252,800</u>	<u>\$ 9,940,000</u>

*Amounts revised due to new information received in June 2012 to account for Capital Appreciation Bonds.

All compensated absences liabilities are normally liquidated by the general fund. And is only comprised of one item sick leave pay outs

Note 8: RETIREMENT BENEFITS

Plan Description

The Beaumont Independent School District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas.

TRS operates primarily under the provision of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively.

TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading.

Funding Policy

State law provides a state contribution 6.0% for fiscal year, 2012, and 6.644% for fiscal years 2011 and 2010. The member contribution rate is 6.4%. In certain instances the reporting district (I.S.D., college, university, or state agency) is required to make all or a portion of the state's contribution.

Contribution requirements are not actuarially determined but are legally established each biennium pursuant to the following state funding policy: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10.0% of the aggregate annual compensation of all members of the system during that fiscal year. (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of the particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Types of Staff Covered

All staff members who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Subtitle C, Section 822.002 are covered.

Service retirement is as follows:

- | | |
|---------|---|
| Normal | <ul style="list-style-type: none">• any combination of age plus years of service which equals 80• age 65 with 5 years of service |
| Reduced | <ul style="list-style-type: none">• age 55 with at least 5 years of service• any age below 55 with 30 years of service |

A member is fully vested after 5 years of creditable service and entitled to any benefit for which eligibility requirements have been met.

BEAUMONT INDEPENDENT SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS**

AUGUST 31, 2012

Note 8: RETIREMENT BENEFITS, Continued

Contributions made by the State on behalf of the District are recorded in the financial statements as both revenues and expenditures. Contributions to TRS made on behalf of the District's employees for the years ended August 31, 2012, August 31, 2011 and August 31, 2010 were as follows:

	2012	2011	2010
District payroll	\$ 126,985,595	\$ 132,973,667	\$ 132,849,494
District TRS payroll	\$ 120,118,045	\$ 124,079,614	\$ 119,157,469
District Contributions	\$ 576,486	\$ 709,875	\$ 879,094
Federal Contributions	\$ 607,059	\$ 669,151	\$ 783,146
State contributions	\$ 7,207,083	\$ 8,243,850	\$ 7,840,561
State contribution rate	6.000%	6.644%	6.644%
Employee contributions	\$ 7,687,363	\$ 7,941,095	\$ 7,626,078
Employee contribution rate	6.40%	6.40%	6.40%

District Retiree Health Plan**Plan Description**

The Beaumont Independent School District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. The report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet Website, www.trs.state.tx.us, under the TRS Publications heading.

Funding Policy

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 aside at 0.55 percent for fiscal year 2012, 2011, and 2010. 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 staff members funded by federal programs, the federal programs are required to contribute 1.0 percents.

Contributions made by the State on behalf of the District are recorded in the governmental funds financial statements as both revenue and expenditures. State contributions to TRS made on behalf of the District's employees as well as the District's required contributions and federal grant program contributions for the years ended June 30, 2012, 2011, and 2010, are as follows:

BEAUMONT INDEPENDENT SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS**

AUGUST 31, 2012

Note 8: RETIREMENT BENEFITS, Continued

	2012	2011	2010
Required District contributions	\$ 660,653	\$ 701,630	\$ 655,367
Actual District contributions	660,653	701,630	655,367
Federal contributions	101,178	100,906	118,051
State contributions	1,201,180	1,263,480	76,261
Employee contributions	780,767	829,196	774,526

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, 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 received retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended August 31, 2012, 2011, and 2010, the subsidy payments received by TRS-Care on-behalf of the District were \$316,122, \$287,693, and \$298,274, respectively. The information for the year ended August 31, 2012 is an estimate provided by the Teacher Retirement System. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Note 9: RISK MANAGEMENT**Property, Casualty and Liability Insurance**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of property; errors and omissions; and natural disasters for which the District carries commercial insurance. Settled claims have not exceeded insurance coverage in any of the previous three years. There has not been any significant reduction in insurance coverage from that of the previous year. The District retains the risk of the first \$50,000 in property insurance after which insurance is purchased.

Workman's Compensation

During the year ended August 31, 20112 Beaumont ISD met its statutory unemployment compensation obligations by participating as a self-funded member of 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 and Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

As a self-funded member of the TASB Risk Management Fund, the District is solely responsible for all claim costs, both reported and unreported.

The Fund provides administrative services to the District including claims administration and customer service. The Fund's audited financial statements as of August 31, 2012 are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

The Proprietary funds charge all other funds on the basis of contributions and payroll incurred by each fund in order to provide for claims of District employees.

Liabilities of the Proprietary fund 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 recent claim settlement trends.

Note 9: RISK MANAGEMENT, Continued

The Workers' Compensation Fund accounts for all transactions related to workers' compensation claims and the administration of the program. Risks associated with workers' compensation liabilities are retained by the District, after which stop loss insurance is purchased. The District liability is \$400,000 per incident.

Changes in the Workers' Compensation Fund's claim liability (including an estimate for claims incurred but not reported) were:

	Year Ended August 31, 2012	Year Ended August 31, 2011
Liability for claims September 1	\$ 3,850,293	\$ 3,850,293
Current year claims and changes in estimates	512,043	2,219,231
Claim payments	(512,043)	(2,219,231)
Liability for claims August 31	<u>\$ 3,850,293</u>	<u>\$ 3,850,293</u>

All liabilities have the potential of becoming due within 12 months.

Note 10: FUND BALANCE

The District committed a portion of the August 31, 2012 General Fund balance to provide resources for future expenditures.

Sick Pay/Compensated Absences	\$ 1,500,000
Other Commitments	250,000
Total	<u>\$ 1,750,000</u>

As of August 31, 2012 the fund balance in the Food and Nutrition Special Revenue Fund of \$2,087,743 was restricted for use in future food service operations. The District's Debt Service Fund equity at August 31, 2012 of \$2,511,130, including \$6,159 of the Public Facility Corporation, is restricted for retirement of bonded indebtedness. The District has assigned \$14,264,244 for authorized construction projects in future years.

Note 11: COMMITMENTS AND CONTINGENCIES

The District received significant financial assistance from federal and state governmental agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies and the TEA. Any disallowed claims resulting from such audits could become a liability of the General Fund. However, in the opinion of management, such disallowed claims, if any, will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at August 31, 2012.

In the case of all known contingencies, the District accrues a liability when the loss is probable and the amount is reasonably estimable. These liabilities are not reduced for potential insurance recoveries. Based on currently available information, the District believes that it is remote that future costs related to known contingent liability exposures will exceed current accruals by an amount that would have a material adverse impact on the District's financial statements.

Note 11: COMMITMENTS AND CONTINGENCIES, Continued

As facts concerning contingencies become known to the District, the District reassesses its position both with respect to accrued liabilities and other potential exposures. Estimated future costs related to legal matters are subject to change as events evolve, and as additional information becomes available during the administrative and litigation process. From time to time the District is a defendant in other legal proceedings relating to its operations as a school district for which, in some instances, no provisions have been made.

As of August 31, 2012, \$22,982,451 had been restricted for the various construction projects throughout the District.

Note 12: SHARED SERVICE ARRANGEMENTS

The District is the fiscal agent for a Shared Service Arrangement ("SSA") which provides services to the member districts listed below. All services are provided by the fiscal agent.

The member districts provide the funds to the fiscal agents. According to guidance provided in TEA's Resource guide, The District has accounted for the fiscal agent's activities for the SSA in a special revenue fund and will be accounted for using Model 2 in the SSA section of the Resource Guide.

Expenditures of the SSA are summarized below:

<u>Member Districts:</u>	<u>Local Services for the Deaf</u>
Beaumont ISD	\$ 201,304
Bridge City ISD	29,920
Buna ISD	1,870
Colmesneil ISD	-
Deweyville ISD	14,960
Evadale ISD	14,960
Hamshire-Fannett ISD	10,090
Hardin-Jefferson ISD	14,960
Kountze ISD	33,061
Little-Cypress Mauriceville CISD	37,400
Lumberton ISD	18,700
Nederland ISD	48,360
Newton ISD	21,920
Orangefield ISD	22,440
Port Arthur ISD	95,680
Port-Neches Groves ISD	49,620
Silsbee ISD	22,440
Vidor ISD	282
West Hardin CISD	76,889
West Orange Cove CISD	22,180
Woodville ISD	20,570
Total	<u>\$ 757,606</u>

Note 13: PRIOR PERIOD ADJUSTMENT'S

The adjustment of the, remaining balance of the prior fiscal year due from state receivable, which was for payments expected from the Texas Education Agency. This was the result of an adjustment in prior years funding payments due to reduced funding by the state due to, reduced attendance numbers. Additionally there was a due to state payable on the books from prior years that have never been fully reduced. The final adjustment to the General Fund for prior periods was for the Public Facilities Corporation. The net effect of these adjustments reduces the General Fund's prior period fund balance by \$682,428.

Major Capital Projects Bond also had a prior period adjustment of (\$8,734,695), by increasing the due to other funds account, which was the result of the fund incurring expenses that had not been reimbursed to the General Fund.

In addition to the prior period adjustments in the General and Major Capital Projects Bond funds, there was prior period adjustment is to correct Special Revenue Fund 492 – by increasing deferred revenue for future periods in the amount of \$318.

The final prior period adjustment was to the Workers Compensation Fund which had a prior period adjustment of (\$41) due to a computational error that caused the Beginning Balance to be over stated

An itemized explanation is listed below for all adjustments that contributed to the prior year balances being restated

Itemized Listing of Prior Period Adjustments	
Governmental Funds	
General Fund reduction of due from state revenues	\$ (843,666)
General Fund reduction due to state payable	164,418
General Fund reduction to Public Facilities Corporation	(3,180)
Major Capital Projects increase due to other funds	(8,734,695)
Special Revenue increase deferred	(318)
Total Governmental Funds Prior Period Adjustments	<u>\$ (9,417,441)</u>
Internal Service	
Workers Compensation Fund reduce Beginning Balance	\$ (41)
Total Amount of Prior Period Adjustments	<u>\$ (9,417,482)</u>



REQUIRED SUPPLEMENTARY INFORMATION

BEAUMONT INDEPENDENT SCHOOL DISTRICT

EXHIBIT E-1

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
	Revenues				
5700	Local Sources	\$ 107,741,262	\$ 108,241,262	\$ 101,011,076	\$ 7,230,186
5800	State Program Revenues	50,206,277	50,527,431	51,679,207	(1,151,776)
5900	Federal Program Revenues	950,000	950,000	1,347,386	(397,386)
5020	Total Revenues	158,897,539	159,718,693	154,037,669	5,681,024
	Expenditures				
	Current				
0011	Instruction	90,700,638	88,794,147	88,168,427	625,720
0012	Instructional Resources & Media Svcs	2,240,886	2,344,096	2,181,754	162,342
0013	Curriculum and Instructional Development	783,893	780,876	746,243	34,633
0021	Instructional Leadership	2,734,570	2,513,365	2,390,347	123,018
0023	School Leadership	11,200,717	9,959,879	9,799,637	160,242
0031	Guidance and Counseling Services	4,640,041	4,647,183	4,628,440	18,743
0032	Social Work Services	390,684	518,027	515,073	2,954
0033	Health Services	1,986,638	2,025,109	1,753,418	271,691
0034	Student (Pupil) Transportation	6,963,069	9,979,934	9,957,780	22,154
0035	Food Services	42,870	42,870	42,000	870
0036	Cocurricular/Extracurricular Activities	4,059,539	4,233,301	4,217,927	15,374
0041	General Administration	6,034,411	7,446,612	7,418,765	27,847
0051	Plant Maintenance and Operations	22,793,747	28,411,228	27,316,480	1,094,748
0052	Security and Monitoring Services	2,227,573	2,809,230	2,734,040	75,190
0053	Data Processing Services	1,603,994	1,638,143	1,488,177	149,966
0061	Community Services	157,329	152,329	131,571	20,758
0093	Shared Service Arrangements/Deaf Program	155,000	201,305	201,304	1
0095	Juvenile Justice Alternative Education	157,500	157,500	131,250	26,250
6030	Total Expenditures	158,873,099	166,655,134	163,822,633	2,832,501
	Excess (Deficiency) of Revenues Over (Under) Expenditures	24,440	(6,936,441)	(9,784,964)	2,848,523
	Other Financing Sources (Uses):				
7912	Sale of Real Property	1,000	1,000	120,084	(119,084)
7915	Operating Transfers In	1,260,000	1,260,000	-	1,260,000
8911	Operating Transfers Out	(1,285,440)	(1,666,253)	(1,666,253)	-
7080	Total Other Financing Sources (Uses)	(24,440)	(405,253)	(1,546,169)	1,140,916
1200	Net Changes in Fund Balance	-	(7,341,694)	(11,331,132)	3,989,439
0100	Fund Balance - September 1 (Beginning)	45,759,664	45,759,664	45,759,664	-
1300	Prior Period Adjustment	-	-	(682,428)	(682,428)
0100	Fund Balance - September 1 (Restated)	45,759,664	45,759,664	45,077,236	(682,428)
3000	Fund Balance - August 31 (Ending)	\$ 45,759,664	\$ 38,417,970	\$ 33,746,103	\$ 3,307,011

NOTE 1: Stewardship, Compliance and Accountability

Budgetary Information

The Board of Trustees adopts an “appropriated budget” on a basis consistent with GAAP for the General Fund, Debt Service Fund and Food Service Fund, which is included in Special Revenue Funds. At a minimum, the District is required to present the original and the final amended budgets for revenues and expenditures compared to actual revenues and expenditures for these three funds.

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

- Prior to August 20th the district prepares a budget for the next fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
- After one or more budget workshops with the Board, a meeting is called for the purpose of adopting the proposed budget. At least ten (10) days but no more than thirty (30) days public notice for the meeting is required.
- Prior to August 31st, the Board of Trustees legally adopts the budget for the General Fund, Debt Service Fund and Food Service Fund through passage of a resolution.

After the budget is approved, it can only be amended at the function and fund level by approval of a majority of the Board. Amendments are presented to the Board at its regular meetings for their approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Total expenditures may not exceed total appropriations, as amended, by fund at the function level. Because the District has a policy of careful budgetary control, several budgetary amendments were necessary throughout the year.

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in order to reserve that portion of the applicable appropriation, is used in all governmental funds. Encumbrances outstanding at year-end are commitments that do not constitute expenditures or liabilities, but are reported as assignments, commitments, or restrictions of fund balance depending on the source and strength of the constraints placed on them. Since appropriations lapse at the end of each year, outstanding encumbrances are provided for in the subsequent fiscal year's budget. For fiscal year ending August 31, 2012, the district had significant encumbrances as detailed below:

Major Capital Project Bond Fund

Assigned to:

Capital Acquisitions of \$5,221,277

Non-Major Governmental Funds

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

Head Start – To account for grant awarded funds to be used by 510 three and four year olds for Comprehensive Child Development Program, providing education, health, nutrition, psychological services and special services to children with disabilities to include social services and parent involvement.

Education for Homeless Children & Youth - To account for the grant awarded funds to be used to offer educational and related services to homeless children and youth to promote the enrollment, attendance, and academic success of homeless children and youth in schools.

ESEA Title I Part A Improving Basic Programs – To account for grant awarded funds to be used to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging state content standards and to meet the state performance standards developed for all children.

ESEA Title I Part D Prevention & Intervention – To account for grant awarded funds to maintain and improve educational achievement for students attending Jefferson County Juvenile Detention.

Title II AEFLA Section 225 Corrections & Institutionalized – To account for grant awarded funds to be used for undereducated adults in Corrections and Institutions.

IDEA Part B Formula – To account for grant awarded funds to be used by students with specific learning disabilities who have been evaluated for individual educational plan.

IDEA Part B Preschool – To account for grant awarded funds to be used by individuals with specific learning disabilities under three years of age who have been evaluated for early intervention services.

IDEA Part B Discretionary Deaf – To account for grant awarded funds to be used by students with specific learning disabilities who have been evaluated for an individual educational plan.

IDEA Part B Discretionary Residential – To account for grant awarded funds to be used by students who reside in a private residential placement with specific learning disabilities who have been evaluated for an individual educational plan.

IDEA Part B Formula Regional Day School Programs for the Deaf– To account for grant awarded funds to be used by students with specific learning disabilities who have been evaluated for an individual educational plan.

IDEA Part B Preschool Deaf – To account for grant awarded funds to be used by student with specific learning disabilities under three years of ages who have been evaluated for early intervention services.

National School Breakfast and Lunch Program – To account for grant awarded funds for student breakfast and lunch programs.

SPECIAL REVENUE FUNDS, Continued

Fresh Fruit and Vegetable Program – To account for grant awarded funds that can be an important catalyst for change in our efforts to combat childhood obesity by helping children learn more healthful eating habits. The Program has been successful in introducing school children to a variety of produce that they otherwise might not have the opportunity to sample.

Career & Technical Education – To account for grant awarded funds to be used for career and technology education.

IDEA Part C Early Childhood Intervention – To account for grant awarded funds to be used by individuals with specific learning disabilities under three years of age who have been evaluated for early intervention services.

ESEA Title II Part A Teacher Principal Training Recruitment (TPTR)– To account for grant awarded funds for professional development and hiring to campuses (a) with the lowest proportion of highly qualified teachers, (b) with the largest average class size or (c) identified for improvement under Title I, Part A.

Title I Part B Capacity Building Sites in Reading – To account for grant awarded funds to establish reading programs for students in kindergarten through grade three, to ensure that every student can read at grade level or above not later than the end of grade three. Schools being served are as follows: Amelia, Curtis, Fehl, Field, Guess, Ogden, Regina and Dishman Elementary.

ESEA Title III Part A Language Enhancement – To account for grant awarded funds to improving the English proficiency and academic achievement for LEP children.

21st Century Community Learning Grant – To account for grant awarded funds that provide a high-quality extended learning opportunity outside the regular school day to students in need of academic assistance.

Medicaid Administrative Claim Program – To account for federal grant funds used to reimburse eligible administrative expenditures attributed to the implementation of the Medicaid state plan and to improve access to health-related services for students.

FEMA – Hurricane Grants- To account for grant awarded from Federal Emergency Management Assistance to cover costs disallowed by insurance.

ARRA Texas Title I Priority School – To account for grant awarded funds for improvement, corrective action, or restructuring of eligible campuses that demonstrate the greatest need for the fund and the strongest commitment to use the funds to provide adequate resources in order to raise substantially the achievement of their students so as to enable the schools to make adequate yearly progress and exit improvement status. Funding is made available under the American Recovery and Reinvestment Act of 2009.

ARRA Education Job Fund – To account for grant awarded funds to create education jobs for the 2010-2011 school year. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education.

Child Care Local Initiative Program – To account for grant awarded funds to provide an opportunity for teen parents to develop job skills that will allow them to make a smooth transition from school to the workplace.

SPECIAL REVENUE FUNDS, Continued

ARRA COPS Hiring Recovery – To account for federal grant awarded funds from US Department of Justice to hire one police officer for three years. Funding is made available under the American Recovery and Reinvestment Act of 2009.

Title II AEFLA Section 231 Federal – To account for grant awarded funds to effectively outreach undereducated adults who may be unaware of adult education and literacy services.

Adult Education Federal TANF – To account for grant awarded funds to ensure student participation and progress in effective and comprehensive adult education and literacy programs.

Non-Educational Community Based Support Services – To account for grant awarded funds for student services outside the students' instructional day.

Algebra Readiness Grant – To account for grant awarded funds to implement programs that increase the preparedness of middle school students to meet standards and pass future assessments in Algebra I.

Instructional Materials Allotment – To account for grant awarded for the purchase of instructional materials, technological equipment and technology-related services.

Statewide Tools for Teaching Excellence – To account for grant awarded funds geared at increasing student performance and staff success with data management.

Read to Succeed – To account for grant awarded funds from Texas Department of Transportation to provide educational materials for school libraries.

High School Allotment – To account for grant awarded funds for academically rigorous course work, advanced academic opportunities, college readiness programs which will improve student achievement in secondary schools.

District Award Teacher Excellence (DATE) – To account for grant awarded funds used to reward campus personnel who positively impact student academic improvement, growth, and/or achievement

Title II AEFLA State – To account for grant awarded funds to ensure student participation and progress in effective and comprehensive adult education and literacy programs.

Adult Education State TANF – To account for grant awarded funds to ensure student participation and progress in effective and comprehensive adult education and literacy programs.

Regional Day School for the Deaf State – To account for grant awarded funds to be used by students with specific learning disabilities who have been evaluated for an individual educational plan.

Regional Day School for the Deaf Local – To account for grant awarded funds to be used by students with specific learning disabilities who have been evaluated for an individual educational plan.

Natatorium Swim Program – To account for local program funds used to run a summer swim program for students.

After School Programs – To account for local program funds to be used to operate an after-school program.

Texas School Ready Project – To account for local program funds used for the Texas Early Education Model (TEEM) project funded by The University of Texas at Austin.

SPECIAL REVENUE FUNDS, Continued

Community Education – To account for local program funds which help operate the community education program.

Adult Education GED Testing – To account for local program funds which operate the GED testing program.

Entergy Grants – To account for local program funds to be used at Odom Academy.

Thomas Center Scoreboard – To account for local program funds that fund the advertisement and local booster clubs run the concession.

Davinci Minds – To account for local program funds geared at increasing student performance and staff success with data management.

Learn to Read Program – To account for local program funds to purchase personalized books for second grade students.

Texas Data Champions - To account for local program funds geared at increasing student performance and staff success with data management.

DEBT SERVICE FUNDS

The Debt Service Funds are devoted to the payment of interest and principal on all long-term general obligation debt. A brief description of each fund follows:

Debt Service Fund – To accumulate resources for the payment of interest and principal on all long-term general obligation debt of the District.

Public Facilities Corporation – To account for the authorized lease revenue bond principal and interest payments for the Corporation.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2012

		205	206	211	211
Data Control Codes			Education for Homeless Children & Youth	ESEA Title I Part A Improving Basic Prgms	ESEA Title I Part D Prevention & Intervention
	Assets				
1110	Cash and Temporary Investments (market)	\$ 142,884	\$ -	\$ -	\$ -
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowances for Uncollectible Taxes (credit)	-	-	-	-
1240	Due from State/Federal Agencies	-	12,265	837,023	22,467
1290	Sundry Receivables	-	-	-	-
1310	Inventories	-	-	-	-
1000	Total Assets	<u>\$ 142,884</u>	<u>\$ 12,265</u>	<u>\$ 837,023</u>	<u>\$ 22,467</u>
	Liabilities				
2110	Accounts Payable	\$ 8,526	\$ 980	\$ 29,785	\$ -
	Payroll Deduction and Withholdings				
2150	Payable	-	218	-	-
2160	Accrued Wages Payable	134,358	2,552	154,912	-
2170	Interfund Payables	-	8,515	652,326	22,467
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	<u>142,884</u>	<u>12,265</u>	<u>837,023</u>	<u>22,467</u>
	Fund Balance				
	Nonspendable:				
3410	Investments in Inventory	-	-	-	-
	Restricted for:				
3450	Federal/State Grant	-	-	-	-
3480	Debt Service	-	-	-	-
3000	Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 142,884</u>	<u>\$ 12,265</u>	<u>\$ 837,023</u>	<u>\$ 22,467</u>

220	224	225	226	226	227	228
Title II AEFLA Section 225 Corrections & Institutionalized	IDEA Part B Formula	IDEA Part B Preschool	IDEA Part B Discretionary Deaf	IDEA Part B Discretionary Residential	IDEA Part B Formula RDSPD	IDEA Part B Preschool Deaf
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
15,245	567,017	11,758	4,753	-	23,184	967
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 15,245</u>	<u>\$ 567,017</u>	<u>\$ 11,758</u>	<u>\$ 4,753</u>	<u>\$ -</u>	<u>\$ 23,184</u>	<u>\$ 967</u>
\$ 374	\$ 23,498	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	82,560	2,960	2,273	-	-	130
14,871	460,959	8,798	2,480	-	23,184	837
-	-	-	-	-	-	-
<u>15,245</u>	<u>567,017</u>	<u>11,758</u>	<u>4,753</u>	<u>-</u>	<u>23,184</u>	<u>967</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 15,245</u>	<u>\$ 567,017</u>	<u>\$ 11,758</u>	<u>\$ 4,753</u>	<u>\$ -</u>	<u>\$ 23,184</u>	<u>\$ 967</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2012

		240	240	244	253
Data Control Codes		National School Breakfast & Lunch Prgm	Fresh Fruit & Vegetable Program	Career & Technical Education	IDEA Part C Early Childhood Intervention
Assets					
1110	Cash and Temporary Investments (market)	\$ 2,125,339	\$ -	\$ -	\$ -
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowances for Uncollectible Taxes (credit)	-	-	-	-
1240	Due from State/Federal Agencies	223,607	-	3,162	-
1290	Sundry Receivables	-	-	-	-
1310	Inventories	117,344	-	-	-
1000	Total Assets	\$ 2,466,290	\$ -	\$ 3,162	\$ -
Liabilities					
2110	Accounts Payable	\$ 138,739	\$ -	\$ -	\$ -
	Payroll Deduction and Withholdings				
2150	Payable	-	-	-	-
2160	Accrued Wages Payable	122,464	-	3,162	-
2170	Interfund Payables	-	-	-	-
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	261,203	-	3,162	-
Fund Balance					
	Nonspendable:				
3410	Investments in Inventory	117,344	-	-	-
	Restricted for:				
3450	Federal/State Grant	2,087,743	-	-	-
3480	Debt Service	-	-	-	-
3000	Total Fund Balance	2,205,087	-	-	-
4000	Total Liabilities and Fund Balance	\$ 2,466,290	\$ -	\$ 3,162	\$ -

255	261	263	265	272	282	286
ESEA Title II Part A TPTR	Title I Part B Capacity Building Sites in Reading	ESEA Title III Part A Language Enhancement	21st Century Community Learning Grant	Medicaid Administrative Claim Program	FEMA Hurricane Grants	ARRA Texas Title I Priority School
\$ -	\$ -	\$ -	\$ -	\$ 76,152	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
291,785	-	56,260	297,150	45,040	1,707,231	633,860
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 291,785</u>	<u>\$ -</u>	<u>\$ 56,260</u>	<u>\$ 297,150</u>	<u>\$ 121,192</u>	<u>\$ 1,707,231</u>	<u>\$ 633,860</u>
\$ 4,130	\$ -	\$ -	\$ 1,941	\$ -	\$ -	\$ 65,794
-	-	-	-	-	-	-
12,959	-	2,446	37,662	-	-	49,899
274,696	-	53,814	257,547	-	1,707,231	518,167
-	-	-	-	121,192	-	-
<u>291,785</u>	<u>-</u>	<u>56,260</u>	<u>297,150</u>	<u>121,192</u>	<u>1,707,231</u>	<u>633,860</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 291,785</u>	<u>\$ -</u>	<u>\$ 56,260</u>	<u>\$ 297,150</u>	<u>\$ 121,192</u>	<u>\$ 1,707,231</u>	<u>\$ 633,860</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2012

		287	288	289	309
Data Control Codes		ARRA Education Job Fund	Child Care Local Initiative Program	ARRA COPS Hiring Recovery	Title II AEFLA Section 231 Federal
Assets					
1110	Cash and Temporary Investments (market)	\$ -	\$ 10,290	\$ -	\$ -
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowances for Uncollectible Taxes (credit)	-	-	-	-
1240	Due from State/Federal Agencies	-	-	-	126,355
1290	Sundry Receivables	-	-	-	-
1310	Inventories	-	-	-	-
1000	Total Assets	\$ -	\$ 10,290	\$ -	\$ 126,355
Liabilities					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ 2,751
	Payroll Deduction and Withholdings				
2150	Payable	-	-	-	-
2160	Accrued Wages Payable	-	10,290	-	15,745
2170	Interfund Payables	-	-	-	107,859
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	-	10,290	-	126,355
Fund Balance					
	Nonspendable:				
3410	Investments in Inventory	-	-	-	-
	Restricted for:				
3450	Federal/State Grant	-	-	-	-
3480	Debt Service	-	-	-	-
3000	Total Fund Balance	-	-	-	-
4000	Total Liabilities and Fund Balance	\$ -	\$ 10,290	\$ -	\$ 126,355

312	392	404	410	427	427	428
Adult Education Federal TANF	Non-Educational Community Based Support Services	Algebra Readiness Grant	Instructional Materials Allotment	Statewide Tools for Teaching Excellence	Read To Succeed	High School Allotment
\$ -	\$ -	\$ -	\$ -	\$ 60,842	\$ -	\$ 142,198
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9,256	1,495	12,090	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 9,256</u>	<u>\$ 1,495</u>	<u>\$ 12,090</u>	<u>\$ -</u>	<u>\$ 60,842</u>	<u>\$ -</u>	<u>\$ 142,198</u>
\$ -	\$ -	\$ -	\$ -	\$ 244	\$ -	\$ -
-	-	-	-	-	-	-
4,063	-	4,576	-	-	-	-
5,193	1,495	7,514	-	-	-	-
-	-	-	-	60,598	-	142,198
<u>9,256</u>	<u>1,495</u>	<u>12,090</u>	<u>-</u>	<u>60,842</u>	<u>-</u>	<u>142,198</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 9,256</u>	<u>\$ 1,495</u>	<u>\$ 12,090</u>	<u>\$ -</u>	<u>\$ 60,842</u>	<u>\$ -</u>	<u>\$ 142,198</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2012

		429	431	432	435
Data Control Codes		District Awards Teacher Excellence	Title II AEFLA State	Adult Education State TANF	Regional Day School for the Deaf State
Assets					
1110	Cash and Temporary Investments (market)	\$ -	\$ -	\$ -	\$ -
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowances for Uncollectible Taxes (credit)	-	-	-	-
1240	Due from State/Federal Agencies	-	23,002	10,853	231,750
1290	Sundry Receivables	-	-	-	-
1310	Inventories	-	-	-	-
1000	Total Assets	\$ -	\$ 23,002	\$ 10,853	\$ 231,750
Liabilities					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ 10,134
2150	Payroll Deduction and Withholdings Payable	-	-	-	-
2160	Accrued Wages Payable	-	-	6,155	19,394
2170	Interfund Payables	-	23,002	4,698	202,222
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	-	23,002	10,853	231,750
Fund Balance					
Nonspendable:					
3410	Investments in Inventory	-	-	-	-
Restricted for:					
3450	Federal/State Grant	-	-	-	-
3480	Debt Service	-	-	-	-
3000	Total Fund Balance	-	-	-	-
4000	Total Liabilities and Fund Balance	\$ -	\$ 23,002	\$ 10,853	\$ 231,750

446	483	484	485	487	488	489
Regional Day School for the Deaf Local	Natatorium Swim Program	After School Programs	ExxonMobil Future Leaders	ExxonMobil Reading Initiative	Texas School Ready Project	Community Education
\$ 997,944	\$ 6,074	\$ 8,362	\$ 2,093	\$ 50,356	\$ 61,744	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
20,310	-	-	-	-	37,118	12,800
-	-	-	-	-	-	-
<u>\$ 1,018,254</u>	<u>\$ 6,074</u>	<u>\$ 8,362</u>	<u>\$ 2,093</u>	<u>\$ 50,356</u>	<u>\$ 98,862</u>	<u>\$ 12,800</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
30,310	6,074	4,948	-	-	30,172	1,005
-	-	-	-	-	-	11,795
987,944	-	3,414	2,093	50,356	68,690	-
<u>1,018,254</u>	<u>6,074</u>	<u>8,362</u>	<u>2,093</u>	<u>50,356</u>	<u>98,862</u>	<u>12,800</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,018,254</u>	<u>\$ 6,074</u>	<u>\$ 8,362</u>	<u>\$ 2,093</u>	<u>\$ 50,356</u>	<u>\$ 98,862</u>	<u>\$ 12,800</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2012

		490	491	492	493	494
Data Control Codes		Adult Education GED Testing	Entergy Grants	Thomas Center Scoreboard	DaVinci Minds	Learn to Read Program
	Assets					
1110	Cash and Temporary Investments (market)	\$ 1,852	\$ 433	\$ 221,054	\$ 7,321	\$ 500
1220	Property Taxes - Delinquent	-	-	-	-	-
1230	Allowances for Uncollectible Taxes (credit)	-	-	-	-	-
1240	Due from State/Federal Agencies	-	-	-	-	-
1290	Sundry Receivables	-	-	-	-	-
1310	Inventories	-	-	-	-	-
1000	Total Assets	<u>\$ 1,852</u>	<u>\$ 433</u>	<u>\$ 221,054</u>	<u>\$ 7,321</u>	<u>\$ 500</u>
	Liabilities					
2110	Accounts Payable	\$ 1,842	\$ -	\$ 15,609	\$ -	\$ -
	Payroll Deduction and Withholdings					
2150	Payable	-	-	-	-	-
2160	Accrued Wages Payable	-	-	-	-	-
2170	Interfund Payables	-	-	-	-	-
2300	Deferred Revenues	10	433	205,445	7,321	500
2000	Total Liabilities	<u>1,852</u>	<u>433</u>	<u>221,054</u>	<u>7,321</u>	<u>500</u>
	Fund Balance					
	Nonspendable:					
3410	Investments in Inventory	-	-	-	-	-
	Restricted for:					
3450	Federal/State Grant	-	-	-	-	-
3480	Debt Service	-	-	-	-	-
3000	Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 1,852</u>	<u>\$ 433</u>	<u>\$ 221,054</u>	<u>\$ 7,321</u>	<u>\$ 500</u>

495		518	500		
Texas Data Champions	Total Non-Major Special Revenue Funds 2012	Debt Service Fund	Public Facilities Corporation	Total Non-Major Debt Service Funds 2012	Total Non-Major Governmental Funds 2012
\$ 25,175	\$ 3,940,613	\$ 1,156,575	\$ 6,159	\$ 1,162,734	\$ 5,103,347
-	-	2,044,607	-	2,044,607	2,044,607
-	-	(142,687)	-	(142,687)	(142,687)
-	5,167,575	7,912	-	7,912	5,175,487
-	70,228	-	-	-	70,228
-	117,344	-	-	-	117,344
<u>\$ 25,175</u>	<u>\$ 9,295,760</u>	<u>\$ 3,066,407</u>	<u>\$ 6,159</u>	<u>\$ 3,072,566</u>	<u>\$ 12,368,326</u>
\$ -	\$ 304,347	\$ 2,000	\$ -	\$ 2,000	\$ 306,347
-	218	-	-	-	218
-	741,069	-	-	-	741,069
-	4,369,670	-	-	-	4,369,670
25,175	1,675,369	559,436	-	559,436	2,234,805
<u>25,175</u>	<u>7,090,673</u>	<u>561,436</u>	<u>-</u>	<u>561,436</u>	<u>7,652,109</u>
-	117,344	-	-	-	117,344
-	2,087,743	-	-	-	2,087,743
-	-	2,504,971	6,159	2,511,130	2,511,130
<u>-</u>	<u>2,205,087</u>	<u>2,504,971</u>	<u>6,159</u>	<u>2,511,130</u>	<u>4,716,217</u>
<u>\$ 25,175</u>	<u>\$ 9,295,760</u>	<u>\$ 3,066,407</u>	<u>\$ 6,159</u>	<u>\$ 3,072,566</u>	<u>\$ 12,368,326</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

NON-MAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

Data Control Codes		205	206	211	211
		Head Start	Education for Homeless Children & Youth	ESEA Title I Part A Improving Basic Prgms	ESEA Title I Part D Prevention & Intervention
	Revenues				
5700	Local Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	3,009,759	47,739	5,589,361	91,055
5020	Total Revenues	<u>3,009,759</u>	<u>47,739</u>	<u>5,589,361</u>	<u>91,055</u>
	Expenditures				
	Current				
0011	Instruction	2,170,855	40,640	3,573,708	-
0012	Instructional Resources & Media Services	30,665	-	-	-
0013	Curriculum and Instructional Development	20,063	-	59,951	-
0021	Instructional Leadership	158,703	7,099	1,225,915	-
0023	School Leadership	234,450	-	64,924	-
0031	Guidance and Counseling Services	-	-	144,453	-
0032	Social Work Services	200,875	-	18,000	-
0033	Health Services	104,556	-	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Cocurricular/Extracurricular Activities	2,236	-	-	-
0041	General Administration	-	-	1,514	-
0051	Plant Maintenance and Operations	30,821	-	-	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	56,535	-	500,896	91,055
0071	Debt Service - Principal Retirement	-	-	-	-
0072	Debt Service - Interest and Fiscal Charges	-	-	-	-
0073	Debt Service - Bond Issuance Cost and Fees	-	-	-	-
6030	Total Expenditures	<u>3,009,759</u>	<u>47,739</u>	<u>5,589,361</u>	<u>91,055</u>
	Excess (Deficiency) of Revenues				
1100	Over (Under) Expenditures	-	-	-	-
	Other Financing Sources (Uses):				
7915	Transfers In	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1300	Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
0100	Fund Balance - September 1 (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

220	224	225	226	226	227	228
Title II AEFLA Section 225 Corrections & Institutionalized	IDEA Part B Formula	IDEA Part B Preschool	IDEA Part B Discretionary Deaf	IDEA Part B Discretionary Residential	IDEA Part B Formula RDSPD	IDEA Part B Preschool Deaf
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
60,868	3,757,591	83,622	54,466	101,530	37,876	2,886
60,868	3,757,591	83,622	54,466	101,530	37,876	2,886
60,868	3,626,576	83,622	54,466	101,530	37,876	2,886
-	-	-	-	-	-	-
-	39,267	-	-	-	-	-
-	34,147	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	55,205	-	-	-	-	-
-	2,396	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
60,868	3,757,591	83,622	54,466	101,530	37,876	2,886
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

Data Control Codes		240	240	244	253
		National School Breakfast & Lunch Prgm	Fresh Fruit & Vegetable Program	Career & Technical Education	IDEA Part C Early Childhood Intervention
	Revenues				
5700	Local Sources	\$ 2,101,159	\$ -	\$ -	\$ -
5800	State Program Revenues	67,624	-	-	-
5900	Federal Program Revenues	9,388,335	37,827	281,155	2,128
5020	Total Revenues	<u>11,557,118</u>	<u>37,827</u>	<u>281,155</u>	<u>2,128</u>
	Expenditures				
	Current				
0011	Instruction	-	-	276,247	2,128
0012	Instructional Resources & Media Services	-	-	-	-
0013	Curriculum and Instructional Development	-	-	3,745	-
0021	Instructional Leadership	-	-	-	-
0023	School Leadership	-	-	-	-
0031	Guidance and Counseling Services	-	-	1,163	-
0032	Social Work Services	-	-	-	-
0033	Health Services	-	-	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	10,565,056	37,827	-	-
0036	Cocurricular/Extracurricular Activities	-	-	-	-
0041	General Administration	-	-	-	-
0051	Plant Maintenance and Operations	114,617	-	-	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	-	-	-	-
0071	Debt Service - Principal Retirement	-	-	-	-
0072	Debt Service - Interest and Fiscal Charges	-	-	-	-
0073	Debt Service - Bond Issuance Cost and Fees	-	-	-	-
6030	Total Expenditures	<u>10,679,673</u>	<u>37,827</u>	<u>281,155</u>	<u>2,128</u>
	Excess (Deficiency) of Revenues				
1100	Over (Under) Expenditures	<u>877,445</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Other Financing Sources (Uses):				
7915	Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net Change in Fund Balance	<u>877,445</u>	<u>-</u>	<u>-</u>	<u>-</u>
0100	Fund Balance - September 1 (Beginning)	<u>1,327,642</u>	<u>-</u>	<u>-</u>	<u>-</u>
1300	Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
0100	Fund Balance - September 1 (Restated)	<u>1,327,642</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ 2,205,087</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

255	261	263	265	272	282	286
ESEA Title II Part A TPTR	Title I Part B Capacity Building Sites in Reading	ESEA Title III Part A Language Enhancement	21st Century Community Learning Grant	Medicaid Administrative Claim Program	FEMA Hurricane Grants	ARRA Texas Title I Priority School
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
983,648	1,420	182,300	2,076,045	17,643	100,037	1,876,919
983,648	1,420	182,300	2,076,045	17,643	100,037	1,876,919
334,759	1,420	69,072	1,877,011	-	-	1,295,401
-	-	-	-	-	-	26,254
314,435	-	46,039	33,570	-	-	249,410
256,032	-	8,180	130,072	-	-	123,343
20,774	-	-	-	-	-	32,540
-	-	-	-	-	-	110,582
-	-	-	-	-	-	-
-	-	-	12,564	17,643	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	4,204
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	100,037	5,051
-	-	-	-	-	-	-
17,016	-	-	14,924	-	-	-
40,632	-	59,009	7,904	-	-	30,134
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
983,648	1,420	182,300	2,076,045	17,643	100,037	1,876,919
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BEAUMONT INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

NON-MAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

		287	288	289	309
Data Control Codes		ARRA Education Job Fund	Child Care Local Initiative Program	ARRA COPS Hiring Recovery	Title II AEFLA Section 231 Federal
	Revenues				
5700	Local Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	3,310,390	74,529	53,851	587,153
5020	Total Revenues	<u>3,310,390</u>	<u>74,529</u>	<u>53,851</u>	<u>587,153</u>
	Expenditures				
	Current				
0011	Instruction	3,310,390	-	-	516,658
0012	Instructional Resources & Media Services	-	-	-	-
0013	Curriculum and Instructional Development	-	-	-	3,916
0021	Instructional Leadership	-	-	-	58,079
0023	School Leadership	-	-	-	-
0031	Guidance and Counseling Services	-	-	-	-
0032	Social Work Services	-	23,279	-	-
0033	Health Services	-	-	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Cocurricular/Extracurricular Activities	-	-	-	-
0041	General Administration	-	-	-	-
0051	Plant Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	-	53,851	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	-	51,250	-	8,500
0071	Debt Service - Principal Retirement	-	-	-	-
0072	Debt Service - Interest and Fiscal Charges	-	-	-	-
0073	Debt Service - Bond Issuance Cost and Fees	-	-	-	-
6030	Total Expenditures	<u>3,310,390</u>	<u>74,529</u>	<u>53,851</u>	<u>587,153</u>
	Excess (Deficiency) of Revenues				
1100	Over (Under) Expenditures	-	-	-	-
	Other Financing Sources (Uses):				
7915	Transfers In	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	-	-	-
1300	Prior Period Adjustment	-	-	-	-
0100	Fund Balance - September 1 (Restated)	-	-	-	-
3000	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

312	392	404	410	427	427	428
Adult Education Federal TANF	Non-Educational Community Based Support Services	Algebra Readiness Grant	Instructional Materials Allotment	Statewide Tools for Teaching Excellence	Read To Succeed	High School Allotment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	2,695	365,132	341,756	19,935	55	14,562
53,511	-	-	-	-	-	-
53,511	2,695	365,132	341,756	19,935	55	14,562
52,478	-	341,163	331,466	11,289	-	6,412
-	-	-	-	-	55	-
1,033	-	20,834	-	61	-	-
-	-	-	5,405	6,039	-	-
-	-	3,135	4,080	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	368	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	8,150
-	-	-	-	-	-	-
-	-	-	437	-	-	-
-	-	-	-	-	-	-
-	-	-	-	2,546	-	-
-	2,695	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
53,511	2,695	365,132	341,756	19,935	55	14,562
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BEAUMONT INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

NON-MAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

Data Control Codes		429	431	432	435
		District Awards Teacher Excellence	Title II AEFLA State	Adult Education State TANF	Regional Day School for the Deaf State
	Revenues				
5700	Local Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	113,682	124,131	28,015	660,443
5900	Federal Program Revenues	-	-	-	-
5020	Total Revenues	<u>113,682</u>	<u>124,131</u>	<u>28,015</u>	<u>660,443</u>
	Expenditures				
	Current				
0011	Instruction	3,853	85,466	28,015	560,826
0012	Instructional Resources & Media Services	-	-	-	-
0013	Curriculum and Instructional Development	109,829	-	-	10,959
0021	Instructional Leadership	-	38,665	-	15,434
0023	School Leadership	-	-	-	-
0031	Guidance and Counseling Services	-	-	-	73,224
0032	Social Work Services	-	-	-	-
0033	Health Services	-	-	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Cocurricular/Extracurricular Activities	-	-	-	-
0041	General Administration	-	-	-	-
0051	Plant Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	-	-	-	-
0071	Debt Service - Principal Retirement	-	-	-	-
0072	Debt Service - Interest and Fiscal Charges	-	-	-	-
0073	Debt Service - Bond Issuance Cost and Fees	-	-	-	-
6030	Total Expenditures	<u>113,682</u>	<u>124,131</u>	<u>28,015</u>	<u>660,443</u>
	Excess (Deficiency) of Revenues				
1100	Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Other Financing Sources (Uses):				
7915	Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
0100	Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1300	Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
0100	Fund Balance - September 1 (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

446	483	484	485	487	488	489
Regional Day School for the Deaf Local	Natatorium Swim Program	After School Programs	ExxonMobil Future Leaders	ExxonMobil Reading Initiative	Texas School Ready Project	Community Education
\$ 442,779	\$ 35,555	\$ 66,042	\$ 13,066	\$ 48,577	\$ 303,508	\$ 12,800
-	-	-	-	-	-	-
-	-	-	-	-	-	-
442,779	35,555	66,042	13,066	48,577	303,508	12,800
329,146	-	-	-	48,577	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
113,633	-	-	-	-	303,508	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	35,555	-	-	-	-	-
-	-	-	5,302	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	66,042	7,764	-	-	62,800
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
442,779	35,555	66,042	13,066	48,577	303,508	62,800
-	-	-	-	-	-	(50,000)
-	-	-	-	-	-	50,000
-	-	-	-	-	-	50,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

		490	491	492	493	494
Data Control Codes		Adult Education GED Testing	Entergy Grants	Thomas Center Scoreboard	DaVinci Minds	Learn to Read Program
	Revenues					
5700	Local Sources	\$ 29,401	\$ 217	\$ 27,154	\$ 6,679	\$ -
5800	State Program Revenues	-	-	-	-	-
5900	Federal Program Revenues	-	-	-	-	-
5020	Total Revenues	<u>29,401</u>	<u>217</u>	<u>27,154</u>	<u>6,679</u>	<u>-</u>
	Expenditures					
	Current					
0011	Instruction	-	217	-	6,679	-
0012	Instructional Resources & Media Services	-	-	-	-	-
0013	Curriculum and Instructional Development	-	-	-	-	-
0021	Instructional Leadership	-	-	-	-	-
0023	School Leadership	-	-	-	-	-
0031	Guidance and Counseling Services	-	-	-	-	-
0032	Social Work Services	-	-	-	-	-
0033	Health Services	-	-	-	-	-
0034	Student (Pupil) Transportation	-	-	-	-	-
0035	Food Services	-	-	-	-	-
0036	Cocurricular/Extracurricular Activities	-	-	27,154	-	-
0041	General Administration	-	-	-	-	-
0051	Plant Maintenance and Operations	-	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-	-
0053	Data Processing Services	-	-	-	-	-
0061	Community Services	29,401	-	-	-	-
0071	Debt Service - Principal Retirement	-	-	-	-	-
0072	Debt Service - Interest and Fiscal Charges	-	-	-	-	-
0073	Debt Service - Bond Issuance Cost and Fees	-	-	-	-	-
6030	Total Expenditures	<u>29,401</u>	<u>217</u>	<u>27,154</u>	<u>6,679</u>	<u>-</u>
	Excess (Deficiency) of Revenues					
1100	Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Other Financing Sources (Uses):					
7915	Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net Change in Fund Balance	-	-	-	-	-
0100	Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>318</u>	<u>-</u>	<u>-</u>
1300	Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>(318)</u>	<u>-</u>	<u>-</u>
0100	Fund Balance - September 1 (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

495		518	500		
	Total			Total	Total
Texas	Non-Major	Debt	Public	Non-Major	Non-Major
Data	Special	Service	Facilities	Debt	Governmental
Champions	Revenue Funds	Fund	Corporation	Service Funds	Funds
	2012			2012	2012
\$ 33,159	\$ 3,120,096	\$ 26,759,839	\$ -	\$ 26,759,839	\$ 29,879,935
-	1,738,030	-	-	-	1,738,030
-	31,863,644	-	-	-	31,863,644
33,159	36,721,770	26,759,839	-	26,759,839	63,481,609
-	19,241,700	-	-	-	19,241,700
-	56,974	-	-	-	56,974
-	913,112	-	-	-	913,112
-	2,484,254	-	-	-	2,484,254
-	359,903	-	-	-	359,903
-	329,422	-	-	-	329,422
-	297,359	-	-	-	297,359
-	137,159	-	-	-	137,159
-	368	-	-	-	368
-	10,607,087	-	-	-	10,607,087
-	73,095	-	-	-	73,095
-	6,816	-	-	-	6,816
-	250,963	-	-	-	250,963
-	53,851	-	-	-	53,851
33,159	67,645	-	-	-	67,645
-	1,014,617	-	-	-	1,014,617
-	-	7,235,000	1,060,000	8,295,000	8,295,000
-	-	19,198,456	175,440	19,373,896	19,373,896
-	-	8,020	2,321	10,341	10,341
33,159	35,894,325	26,441,476	1,237,761	27,679,237	63,573,562
-	827,445	318,363	(1,237,761)	(919,398)	(91,953)
-	50,000	-	1,240,740	1,240,740	1,290,740
-	50,000	-	1,240,740	1,240,740	1,290,740
-	877,445	318,363	2,979	321,342	1,198,787
-	1,327,960	2,186,609	3,180	2,189,789	3,517,749
-	(318)	-	-	-	(318)
-	1,327,642	2,186,609	3,180	2,189,789	3,517,431
\$ -	\$ 2,205,087	\$ 2,504,972	\$ 6,159	\$ 2,511,131	\$ 4,716,218

BEAUMONT INDEPENDENT SCHOOL DISTRICT

EXHIBIT F-3

COMBINING STATEMENT OF NET ASSETS

INTERNAL SERVICE FUNDS

AUGUST 31, 2012

	771	772	
	Health Insurance Fund	Workers Compensation Fund	Total Internal Service Funds
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 107,226	\$ 5,122,737	\$ 5,229,964
Other Current Assets	-	461,701	461,701
Total Assets	<u>107,226</u>	<u>5,584,439</u>	<u>5,691,665</u>
Liabilities			
Current Liabilities:			
Accounts Payable	-	3,850,283	3,850,283
Payroll Liabilities	-	10	10
Total Liabilities	<u>-</u>	<u>3,850,293</u>	<u>3,850,293</u>
Net Assets			
Unrestricted Net Assets	<u>\$ 107,226</u>	<u>\$ 1,734,146</u>	<u>\$ 1,841,372</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT

EXHIBIT F-4

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

	771	772	
	Health Insurance Fund	Workers Compensation Fund	Total Internal Service Funds
Operating Revenues			
Local and Intermediate Sources	\$ -	\$ 1,768,994	\$ 1,768,994
Total Operating Revenues	-	1,768,994	1,768,994
Operating Expenses			
Other Operating Costs	-	557,514	557,514
Total Operating Expenses	-	557,514	557,514
Operating Income	-	1,211,480	1,211,480
NonOperating Revenues (Expenses)			
Earnings from Temporary Deposits & Investments	320	8,804	9,124
Total Nonoperating Revenues (Expenses)	320	8,804	9,124
Income Before Transfers	320	1,220,284	1,220,604
Transfers Out	-	-	-
Change in Net Assets	320	1,220,284	1,220,604
Total Net Assets - September 1 (Beginning)	106,907	513,902	620,809
Prior Period Adjustment		(41)	(41)
Fund Balance - September 1 (Restated)		513,861	620,768
Total Net Assets - August 31 (Ending)	107,227	1,734,145	1,841,372

BEAUMONT INDEPENDENT SCHOOL DISTRICT

EXHIBIT F-5

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

	771	772	
	Health Insurance Fund	Workers Compensation Fund	Total Internal Service Funds
Cash Flows from Operating Activities			
Cash Received from User Charges	\$ -	\$ -	\$ -
Cash Received from Assessments - Other Funds		1,768,994	1,768,994
Cash Payments for Insurance Claims	-	(545,535)	(545,535)
Cash Payments for Other Operating Expenses	-	(11,979)	(11,979)
Net Cash Provided by Other Operating Activities	-	1,211,480	1,211,480
Cash Flows from Non-Capital Financing Activities			
Increase (decrease) in Short-term Loans	-	-	-
Operating Transfer Out	-	-	-
Net Cash used for Non-Capital Financing Activities	-	-	-
Cash Flows from Investing Activities			
Interest and Dividends on Investments	320	8,804	9,124
Net Increase (Decrease) in Cash and Cash Equivalents	320	1,220,284	1,220,604
Cash and Cash Equivalents at Beginning of Year	106,907	3,902,494	4,009,401
Prior Period Adjustment to Cash	-	(41)	(41)
Cash and Cash Equivalents at End of Year	107,227	5,122,737	5,229,964
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	-	1,211,480	1,211,480
Effect of Increases and Decreases in Current Assets and Liabilities:			
Decrease (increase) in Prepaid Expenses	-	-	-
Increase (decrease) in Accounts Payable	-	-	-
Net Cash provided by Operating Activities	\$ -	\$ 1,211,480	\$ 1,211,480

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

	Balance September 1, 2011	Increases	Decreases	Balance August 31, 2012
STUDENT ACTIVITY ACCOUNTS				
Assets				
Cash and Temporary Investments	\$ 824,453	\$ 2,484,693	\$ (2,462,444)	\$ 846,701
Due From Other Funds	10,212	-	(10,212)	-
Total Assets	<u>834,665</u>	<u>2,484,693</u>	<u>(2,472,656)</u>	<u>846,701</u>
Liabilities				
Due to Student Groups	834,665	2,484,693	(2,472,656)	\$ 846,701
Total Liabilities	<u>834,665</u>	<u>2,484,693</u>	<u>(2,472,656)</u>	<u>846,701</u>
ALL AGENCY FUNDS				
Assets				
Cash and Temporary Investments	824,453	2,484,693	(2,462,444)	846,701
Due From Other Funds	10,212	-	(10,212)	-
Total Assets	<u>834,665</u>	<u>2,484,693</u>	<u>(2,472,656)</u>	<u>846,701</u>
Liabilities				
Due to Student Groups	834,665	2,484,693	(2,472,656)	846,701
Total Liabilities	<u>\$ 834,665</u>	<u>\$ 2,484,693</u>	<u>\$ (2,472,656)</u>	<u>\$ 846,701</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT

EXHIBIT F-7

COMBINING STATEMENT OF NET ASSETS

PRIVATE PURPOSE TRUST FUNDS

AUGUST 31, 2012

	836	837	838	839	841	842	
	Alex Durley Scholarship	Joe Tonahill Scholarship	Mike Taylor Scholarship	Charles Weinbaum Scholarship	Paul Brown Scholarship	Wells, Peyton, Greenberg & Hunt Scholarship	Total Private Purpose Trust Funds
ASSETS							
Current Assets							
Cash and Cash Equivalents	\$ 17,779	\$ 20,446	\$ 3,546	\$ 1,056	\$ 10,119	\$ 2,000	\$ 54,946
Total Assets	17,779	20,446	3,546	1,056	10,119	2,000	54,946
LIABILITIES							
Current Liabilities:							
Accounts Payable	-	-	-	-	-	500	500
Total Liabilities	-	-	-	-	-	500	500
NET ASSETS							
Unrestricted Net Assets	17,779	20,446	3,546	1,056	10,119	1,500	54,446
Total Net Assets	\$ 17,779	\$ 20,446	\$ 3,546	\$ 1,056	\$ 10,119	\$ 1,500	\$ 54,446

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

PRIVATE PURPOSE TRUST FUNDS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

	836	837	838	839	841	842	
	Alex Durley Scholarship	Joe Tonahill Scholarship	Mike Taylor Scholarship	Charles Weinbaum Scholarship	Paul Brown Scholarship	Wells, Peyton, Greenberg & Hunt Scholarship	Total Private Purpose Trust Funds
Additions							
Local and Intermediate Sources	\$ 50	\$ 57	\$ 9	\$ 903	\$ 10,119	\$ 2,000	\$ 13,138
Total Additions	50	57	9	903	10,119	2,000	13,138
Deductions							
Other Operating Costs	-	-	-	-	-	1,500	1,500
Total Deductions	-	-	-	-	-	1,500	1,500
Change in Net Assets	50	57	9	903	10,119	500	11,638
Net Assets - September 1 (Beginning)	17,729	20,389	3,537	153	-	1,000	42,808
Net Assets - August 31 (Ending)	<u>\$ 17,779</u>	<u>\$ 20,446</u>	<u>\$ 3,546</u>	<u>\$ 1,056</u>	<u>\$ 10,119</u>	<u>\$ 1,500</u>	<u>\$ 54,446</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT

EXHIBIT F-9

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

Data Control Codes		Budgeted Amounts			Variance with Final Budget Positive (Negative)
		Original	Final	Actual	
Revenues					
5700	Local Sources	\$ 4,426,857	\$ 4,426,857	\$ 2,101,159	\$ (2,325,698)
5800	State Program Revenues	69,625	69,625	67,624	(2,001)
5900	Federal Program Revenues	10,217,841	10,217,841	9,388,335	(829,506)
5020	Total Revenues	14,714,323	14,714,323	11,557,118	(3,157,205)
Expenditures					
0035	Food Services	14,588,001	14,588,001	10,565,056	4,022,945
0051	Plant Maintenance and Operations	126,322	126,322	114,617	11,705
6030	Total Expenditures	14,714,323	14,714,323	10,679,673	4,034,650
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	877,445	877,445
1200	Net Changes in Fund Balance	-	-	877,445	877,445
0100	Fund Balance - September 1 (Beginning)	1,327,642	1,327,642	1,327,642	-
3000	Fund Balance - August 31 (Ending)	\$ 1,327,642	\$ 1,327,642	\$ 2,205,087	\$ 877,445

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL - DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
	Revenues				
5700	Local Sources	\$ 26,475,282	\$ 27,631,684	\$ 26,759,839	\$ (871,845)
5020	Total Revenues	26,475,282	27,631,684	26,759,839	(871,845)
	Expenditures				
0071	Debt Service - Principal on long-term debt	7,235,000	7,235,000	7,235,000	-
0072	Debt Service - Interest on long-term debt	18,042,054	19,198,456	19,198,456	-
0073	Debt Service - Bond Issuance Cost and Fees	55,000	55,000	8,020	46,980
6030	Total Expenditures	25,332,054	26,488,456	26,441,476	46,980
	Excess (Deficiency) of Revenues				
1100	Over (Under) Expenditures	1,143,228	1,143,228	318,363	(824,865)
1200	Net Changes in Fund Balance	1,143,228	1,143,228	318,363	(824,865)
0100	Fund Balance - September 1 (Beginning)	2,186,609	2,186,609	2,186,609	-
3000	Fund Balance - August 31 (Ending)	\$ 3,329,837	\$ 3,329,837	\$ 2,504,972	\$ (824,865)

BEAUMONT INDEPENDENT SCHOOL DISTRICT

EXHIBIT G-1

SCHEDULE BY FUNCTION AND ACTIVITY

FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

Activity	Land	Building & Improvements	Furniture & Equipment	Construction In Progress	Balance August 31, 2012
High Schools	\$ 3,186,054	\$ 110,819,524	\$ 2,366,381	\$ 16,428,797	\$ 132,800,756
Middle Schools	2,067,095	89,325,476	2,118,328	2,261,930	95,772,829
Elementary Schools	3,331,600	227,234,767	5,302,591	32,852	235,901,810
Other Campuses	900,603	9,127,322	15,772,402	378,853	26,179,180
Administration	503,949	10,252,275	3,022,899	-	13,779,123
Stadium	4,328,592	45,005,400	1,932,590	750,346	52,016,928
Maintenance Complex and Other Sites	<u>354,314</u>	<u>2,448,524</u>	<u>1,578,256</u>	<u>-</u>	<u>4,381,094</u>
Total Capital Assets	<u><u>\$ 14,672,207</u></u>	<u><u>\$ 494,213,288</u></u>	<u><u>\$ 32,093,447</u></u>	<u><u>\$ 19,852,778</u></u>	<u><u>\$ 560,831,720</u></u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT
EXHIBIT G-2
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012**

Function and Activity	Balance September 1, 2011	Increases	Decreases	Balance August 31, 2012
High Schools				
Land	\$ 3,186,054	\$ -	\$ -	\$ 3,186,054
Buildings and Improvements	88,312,507	22,554,967	(47,950)	110,819,524
Furniture and Equipment	2,261,769	115,544	(10,932)	2,366,381
Construction in Progress	22,134,360	5,457,147	(11,162,710)	16,428,797
Total High Schools	115,894,690	28,127,658	(11,221,592)	132,800,756
Middle Schools				
Land	2,067,095	-	-	2,067,095
Buildings and Improvements	60,523,315	29,877,898	(1,075,737)	89,325,476
Furniture and Equipment	1,335,629	782,699	-	2,118,328
Construction in Progress	18,723,607	1,327,145	(17,788,822)	2,261,930
Total Middle Schools	82,649,646	31,987,742	(18,864,559)	95,772,829
Elementary Schools				
Land	2,348,455	1,190,855	(207,710)	3,331,600
Buildings and Improvements	180,758,856	50,728,381	(4,252,470)	227,234,767
Furniture and Equipment	4,707,364	938,294	(343,067)	5,302,591
Construction in Progress	19,117,939	32,852	(19,117,939)	32,852
Total Elementary Schools	206,932,614	52,890,382	(23,921,186)	235,901,810
Other Campuses				
Land	757,211	143,392	-	900,603
Building and Improvements	8,737,891	420,998	(31,567)	9,127,322
Furniture and Equipment	15,828,901	28,800	(85,299)	15,772,402
Construction in Progress	-	378,853	-	378,853
Total Other Campuses	25,324,003	972,043	(116,866)	26,179,180
Administration				
Land	439,630	64,319	-	503,949
Building and Improvements	5,165,356	5,094,642	(7,723)	10,252,275
Furniture and Equipment	3,144,937	-	(122,038)	3,022,899
Construction in Progress	250,223	-	(250,223)	-
Total Administration	9,000,146	5,158,961	(379,984)	13,779,123
Stadium				
Land	4,328,592	-	-	4,328,592
Building and Improvements	44,515,104	490,296	-	45,005,400
Furniture and Equipment	1,889,614	42,976	-	1,932,590
Construction in Progress	-	750,346	-	750,346
Total Stadium	50,733,310	1,283,618	-	52,016,928
Maintenance Complex and Other Sites				
Land	190,652	163,662	-	354,314
Building and Improvements	72,493	2,376,031	-	2,448,524
Furniture and Equipment	1,592,987	163,640	(178,371)	1,578,256
Total Maintenance Complex	1,856,132	2,703,333	(178,371)	4,381,094
Total Capital Assets	\$ 492,390,541	\$123,123,737	\$ (54,682,558)	\$ 560,831,720

BEAUMONT INDEPENDENT SCHOOL DISTRICT

EXHIBIT G-3

SCHEDULE BY LOCATION

FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

Location	Land	Buildings and Improvements	Furniture and Equipment	Construction in Progress	Balance August 31, 2012
High Schools					
Central	\$ 1,119,297	\$ 30,946,025	\$ 518,899	\$ -	\$ 32,584,221
Ozen	1,460,718	51,228,296	690,512	-	53,379,526
West Brook	579,690	24,261,885	732,037	16,428,797	42,002,409
Alternative Learning	13,350	846,709	115,969		976,028
Career Ctr	12,999	3,536,609	308,964		3,858,572
Total High Schools	3,186,054	110,819,524	2,366,381	16,428,797	132,800,756
Middle Schools					
Austin	410,097	26,254,856	167,687	-	26,832,640
Smith	260,831	8,722,871	253,706	-	9,237,408
King	487,935	13,859,621	155,855	-	14,503,411
South Park	476,518	14,806,497	960,967	-	16,243,982
Marshall	60,751	9,493,458	95,685	-	9,649,894
Odom	64,073	7,161,320	358,473	2,261,930	9,845,796
Vincent	306,890	9,026,853	125,955	-	9,459,698
Total Middle Schools	2,067,095	89,325,476	2,118,328	2,261,930	95,772,829
Elementary Schools					
Amelia	241,218	18,502,860	419,146	-	19,163,224
Blanchette	94,876	14,489,392	407,661	-	14,991,929
Caldwood	37,278	17,442,834	406,490	-	17,886,602
Curtis	14,895	17,389,593	520,486	-	17,924,974
Fletcher	456,184	10,849,755	209,416	-	11,515,355
Guess	23,067	6,007,373	148,886	32,852	6,212,178
Martin	135,507	18,964,257	456,595	-	19,556,359
Price	78,484	2,862,668	101,429	-	3,042,581
Regina	248,335	18,665,297	549,866	-	19,463,498
Southerland	9,263	530,538	108,346	-	648,147
Homer Drive	-	7,398,335	133,666	-	7,532,001
Pietzsch-MacArthur	38,365	13,947,494	147,721	-	14,133,580
Dishman	49,773	12,209,560	91,904	-	12,351,237
Jones-Clark	14,616	19,171,246	419,392	-	19,605,254
Charlton-Pollard	319,952	20,296,782	479,610	-	21,096,344
Fehl-Price	48,152	18,653,731	557,950	-	19,259,833
Bingman Pre K	295,116	6,858,762	31,658	-	7,185,536
Lucas Pre K	35,663	2,991,790	112,369	-	3,139,822
Delaware Extension	1,190,856	2,500	-	-	1,193,356
Total Elementary Schools	3,331,600	227,234,767	5,302,591	32,852	235,901,810

(CONTINUED)

BEAUMONT INDEPENDENT SCHOOL DISTRICT
SCHEDULE BY LOCATION
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

EXHIBIT G-3
(CONTINUED)

Location	Land	Buildings and Improvements	Furniture and Equipment	Construction in Progress	Balance August 31, 2012
Other Campuses					
Oaks	-	1,342,349	144,916	-	1,487,265
Brown Ctr	-	667,843	127,912	-	795,755
Planetarium	-	338,404	-	-	338,404
Annex/Title Program	-	-	-	-	-
Police Department	-	367,227	604,108	1,878	973,213
Outdoor Education Ctr	150,064	116,179	9,000	-	275,243
Adult Education Ctr	150,692	328,509	-	376,975	856,176
Our Mother of Mercy	-	37,212	-	-	37,212
Cradles N Cribs	-	42,007	-	-	42,007
Grounds & Operations	6,559	87,172	33,313	-	127,044
Warehouse	-	326,074	9,110	-	335,184
Transportation	445,105	567,867	14,681,266	-	15,694,238
Transportation Annex	60,831	3,395,884	42,170	-	3,498,885
Tyrrell Park	13,500	-	-	-	13,500
Ag Farm	73,852	1,510,595	75,315	-	1,659,762
Apprentice Program	-	-	45,292	-	45,292
Total Other Campuses	900,603	9,127,322	15,772,402	378,853	26,179,180
Administration					
Harrison	96,592	4,581,165	2,924,333	-	7,602,090
Annex	407,357	5,671,110	98,566	-	6,177,033
Total Administration	503,949	10,252,275	3,022,899	-	13,779,123
Stadium					
Babe Zaharias	637,108	2,073,858	30,132	750,346	3,491,444
West Brook	-	146,052	-	-	146,052
South Park	-	378,470	-	-	378,470
Athletic Complex	3,691,484	42,407,020	1,902,458	-	48,000,962
Total Stadium	4,328,592	45,005,400	1,932,590	750,346	52,016,928
Maintenance Complex and Other Sites					
Maintenance	189,252	32,825	1,578,256	-	1,800,333
Clubb Road	163,662	2,376,030	-	-	2,539,692
Live Oak	1,400	39,669	-	-	41,069
Total Maintenance Complex	354,314	2,448,524	1,578,256	-	4,381,094
Total Capital Assets	\$ 14,672,207	\$ 494,213,288	\$ 32,093,447	\$ 19,852,778	\$ 560,831,720

STATISTICAL SECTION

Statistical Section

Contents	Page
Financial Trends	103
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	110
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
Debt Capacity	114
These schedules presents information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	118
These schedules offer demographic and economic indicators to help the reader understand the environment within the District's financial activities take place.	
Operating Information	119
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the district provides and the activities it performs.	



BEAUMONT INDEPENDENT SCHOOL DISTRICT

Table 1

GOVERNMENTAL ACTIVITIES NET ASSETS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012
Last Ten Fiscal Years
Accrual Basis of Accounting

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities:										
Invested in Capital Assets, Net										
of Related Debt	\$ 69,107,537	\$ 74,644,255	\$ 68,033,072	\$ 73,351,368	\$ 93,795,169	\$ 90,548,198	\$ 49,318,250	\$ 34,181,927	\$ 45,074,262	\$ 70,856,817
Restricted	699,733	1,800,916	3,506,599	19,248,834	12,823,033	13,408,664	57,241,190	76,964,232	75,362,365	23,265,553
Unrestricted	29,565,445	25,799,842	38,329,765	45,631,852	39,201,038	42,698,101	33,417,591	28,457,592	28,282,832	28,944,849
Total Governmental Activities										
Net Assets	<u>\$ 99,372,715</u>	<u>\$ 102,245,013</u>	<u>\$ 109,869,436</u>	<u>\$ 138,232,054</u>	<u>\$ 145,819,240</u>	<u>\$ 146,654,963</u>	<u>\$ 139,977,031</u>	<u>\$ 139,603,751</u>	<u>\$ 148,719,459</u>	<u>\$ 123,067,219</u>

Source: District records

BEAUMONT INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET ASSETS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

Last Ten Fiscal Years

Accrual Basis of Accounting

Expenses

Governmental Activities:

	2003	2004	2005	2006
Instruction	\$ 86,655,498	\$ 87,197,531	\$ 94,222,095	\$ 99,969,897
Instructional Resources & Media Services	1,908,547	1,923,421	2,018,056	1,943,954
Curriculum/Instructional Development	1,488,407	1,760,598	2,094,889	1,941,536
Instructional Leadership	3,619,597	3,673,182	3,961,434	4,184,249
School Leadership	8,489,520	8,551,433	8,677,465	8,866,919
Guidance and Counseling Services	4,132,555	4,173,304	4,021,938	4,294,372
Social Work Services	642,714	665,766	757,951	752,504
Health Services	1,654,509	1,681,833	1,681,737	1,700,798
Student (Pupil) Transportation	4,902,479	5,195,890	5,740,116	6,123,182
Food Services	8,866,256	9,390,651	9,584,703	9,735,469
Cocurricular/Extracurricular Activities	2,890,131	3,100,520	3,288,016	3,595,946
General Administration	4,421,110	4,387,277	4,964,051	5,116,589
Plant Maintenance and Operations	15,513,220	16,725,792	18,201,566	30,567,767
Security and Monitoring Services	658,050	872,250	858,181	842,714
Data Processing Services	964,855	1,062,722	982,919	1,154,888
Community Services	1,092,696	1,231,297	1,217,787	1,388,959
Debt Service - Principal on Long Term Debt	3,193,188	2,760,660	2,522,017	2,079,165
Debt Service - Interest on Long Term Debt	50,305	48,637	81,965	55,923
Facilities Acquisition and Construction	-	-	-	-
Shared Service Arrangements/Deaf Program	79,781	66,150	64,925	60,025
Juvenile Justice Alternative Education	169,475	180,802	183,750	157,500
Total Primary Government Expenses	151,392,893	154,649,716	165,125,561	184,532,356

Program Revenues

Governmental Activities:

Charge for Services	596,495	841,534	627,889	820,349
Food Service	2,681,026	2,670,197	2,391,184	2,247,982
Cocurricular/Extracurricular Activities	296,723	307,752	396,043	237,114
Operating Grants and Contributions	32,020,843	30,657,357	41,362,726	63,027,893
Total Primary Government Program Revenues	35,595,087	34,476,840	44,777,842	66,333,338

Net (Expense) Revenue

Total Primary Government Net Expense	(115,797,806)	(120,172,876)	(120,347,719)	(118,199,018)
--------------------------------------	---------------	---------------	---------------	---------------

General Revenues and Other Changes in Net Assets

Governmental Activities:

Taxes

Property Taxes, Levied for General Purposes	89,875,257	93,107,048	98,582,406	102,831,369
Property Taxes, Levied for Debt Service	4,626,714	5,466,813	4,706,192	5,284,420
Grants and Contributions not Restricted	21,915,188	24,454,582	19,232,365	22,502,642
Investment Earnings	536,600	538,650	1,465,636	2,680,222
Miscellaneous Local and Intermediate	2,660,266	4,949,934	2,609,863	12,599,983
Transfers in (Out)	-	-	1,375,680	-
Total Primary Government	119,614,025	128,517,027	127,972,142	145,898,636

Extraordinary/Special Items:

Arbitrage Rebate	-	(558,984)	-	-
Tornado Damage	728,022	-	-	-
Total Extraordinary/Special Items	728,022	(558,984)	-	-

Change in Net Assets

Total Primary Government	\$ 4,544,241	\$ 7,785,167	\$ 7,624,423	\$ 27,699,618
---------------------------------	---------------------	---------------------	---------------------	----------------------

Source: District records

Table 2

2007	2008	2009	2010	2011	2012
\$ 102,101,509	\$ 104,716,029	\$ 102,660,468	\$ 111,752,028	\$ 112,860,852	\$ 108,290,034
2,010,398	2,063,757	2,152,432	2,138,246	2,798,831	2,220,616
1,549,275	1,270,571	1,220,354	1,908,921	2,212,411	1,655,063
4,225,454	4,539,014	4,367,504	5,120,505	5,635,824	4,853,642
8,941,721	9,933,140	9,432,091	10,198,627	10,784,759	10,070,311
4,398,695	4,384,381	4,953,384	4,552,286	5,135,076	4,915,089
712,069	692,000	748,251	773,993	916,205	809,853
1,851,722	1,871,990	1,851,847	1,919,799	2,008,140	1,874,905
6,833,720	7,899,569	7,496,742	9,488,566	11,301,735	9,896,788
9,592,718	10,276,767	10,101,937	10,759,322	11,302,793	10,648,365
4,060,489	3,768,755	3,993,416	4,289,662	4,488,196	4,273,265
5,652,254	5,479,772	5,717,417	6,683,933	12,200,086	7,415,083
25,126,672	24,916,353	33,819,061	26,659,314	171,290,004	107,803,461
1,429,383	1,739,002	1,973,097	2,321,161	2,553,114	2,765,351
1,331,766	1,255,150	1,150,850	1,313,045	1,595,652	1,546,248
1,206,622	1,150,074	1,249,504	1,502,498	1,524,411	1,146,572
2,056,679	1,645,808	11,229,764	16,193,121	6,230,000	19,373,896
116,190	66,692	1,355,501	459,134	405,557	13,320
1,556,795	2,799,052	60,451,964	106,307,087	-	-
62,475	47,162	43,488	127,031	157,274	201,304
157,500	183,750	183,750	183,750	183,750	131,250
184,974,106	190,698,788	266,152,822	324,652,029	365,584,670	299,904,416
1,629,610	1,230,012	8,631,379	3,497,931	10,406,308	14,548,548
2,380,886	2,275,735	1,916,639	2,135,377	2,371,058	2,056,648
359,366	269,436	26,705	330,983	395,176	249,474
44,344,745	40,454,169	63,306,488	54,479,701	52,003,974	41,855,717
48,714,607	44,229,352	73,881,211	60,443,992	65,176,516	58,710,387
(136,259,499)	(146,469,436)	(192,271,611)	(264,208,037)	(300,408,154)	(241,194,029)
99,145,147	85,044,151	85,792,449	90,837,563	91,237,253	91,678,449
4,169,321	5,474,407	2,839,727	19,400,000	23,847,140	25,003,259
31,143,008	50,939,061	59,308,435	46,537,431	40,579,973	19,557,084
4,662,542	4,134,907	2,362,623	903,170	463,188	305,082
4,726,667	1,712,634	35,290,444	102,991,403	153,396,308	70,389,244
-	-	-	-	-	-
143,846,685	147,305,160	185,593,678	260,669,567	309,523,862	206,933,118
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 7,587,186	\$ 835,724	\$ (6,677,933)	\$ (3,538,470)	\$ 9,115,708	\$ (34,260,911)



BEAUMONT INDEPENDENT SCHOOL DISTRICT

Table 3

FUND BALANCES OF GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012
Last Ten Fiscal Years
Modified Accrual Basis of Accounting

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Assigned	\$ 740,172	\$ 1,195,583	\$ 3,271,637	\$ 10,605,990	\$ 3,963,254	\$ 2,473,256	\$ 3,038,973	\$ 2,591,711	\$ 3,444,424	\$ 4,541,424
Unassigned	19,311,317	22,276,892	23,180,077	23,984,940	31,143,099	33,457,330	34,267,077	41,666,143	42,315,239	29,204,679
Total General Fund	<u>\$ 20,051,489</u>	<u>\$ 23,472,475</u>	<u>\$ 26,451,714</u>	<u>\$ 34,590,930</u>	<u>\$ 35,106,353</u>	<u>\$ 35,930,586</u>	<u>\$ 37,306,050</u>	<u>\$ 44,257,854</u>	<u>\$ 45,759,663</u>	<u>\$ 33,746,103</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 181,769	\$ 117,344
Restricted	-	-	-	-	-	-	-	-	98,986,533	4,598,873
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	3,708,026	3,740,139	3,253,306	3,939,961	8,288,736	3,685,315	3,000,360	140,340,791	6,338,865	14,264,244
Unassigned	286,650	291,664	1,996,257	16,624,847	10,187,780	76,719,772	236,305,740	91,016,543	-	-
Total All Other Governmental Funds	<u>\$ 3,994,676</u>	<u>\$ 4,031,803</u>	<u>\$ 5,249,563</u>	<u>\$ 20,564,808</u>	<u>\$ 18,476,516</u>	<u>\$ 80,405,087</u>	<u>\$ 239,306,100</u>	<u>\$ 231,357,334</u>	<u>\$ 105,507,167</u>	<u>\$ 18,980,461</u>

Source: District records

Increase in Fund Balances are explained in Management Discussion and Analysis section of this CAFR.
Due to implementation of GASB 54 Fund Balance Reporting and Governmental Fund Type Definition is available for 2010-11 school year.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

Last Ten Fiscal Years

Modified Accrual Basis of Accounting

	2003	2004	2005	2006
Revenues:				
Local Sources	\$ 101,691,751	\$ 107,525,652	\$ 112,982,898	\$ 121,661,153
State Program Revenues	31,786,672	32,060,783	28,902,726	28,885,403
Federal Program Revenues	22,000,911	22,567,261	28,870,075	53,845,231
Total Revenues	155,479,334	162,153,696	170,755,699	204,391,787
Expenditures:				
Governmental Activities:				
Instruction	85,043,104	85,898,510	91,143,470	99,615,665
Instructional Resources & Media Services	1,905,966	1,923,689	1,988,114	1,961,810
Curriculum/Instructional Development	1,533,017	1,751,294	2,094,889	1,932,461
Instructional Leadership	3,516,287	3,669,252	3,839,973	4,063,700
School Leadership	8,292,064	8,403,807	8,321,592	8,699,821
Guidance and Counseling Services	3,989,709	4,210,718	3,790,886	4,223,284
Social Work Services	594,911	657,711	704,828	733,704
Health Services	1,622,211	1,639,856	1,640,213	1,738,450
Student (Pupil) Transportation	5,780,683	6,143,671	7,272,574	7,231,376
Food Services	8,920,375	10,009,783	9,829,897	9,743,770
Cocurricular/Extracurricular Activities	2,905,111	3,119,702	3,338,978	3,657,317
General Administration	4,378,403	4,592,139	4,870,248	5,060,586
Plant Maintenance and Operations	15,485,967	16,854,071	18,292,811	30,826,043
Security and Monitoring Services	658,050	879,026	858,182	842,715
Data Processing Services	928,951	1,213,490	1,059,575	2,067,951
Community Services	1,059,871	1,239,545	1,192,402	1,395,485
Debt Service - Principal on Long Term Debt	4,079,419	4,280,611	4,032,287	4,405,000
Debt Service - Interest on Long Term Debt	3,147,969	2,720,643	2,393,353	1,909,724
Debt Service - Bond Issuance Cost and Fees	184,293	59,028	52,564	191,811
Facilities Acquisition and Construction	1,323,962	3,008,880	969,161	3,504,081
Shared Service Arrangements/Deaf Program	79,781	66,150	64,925	60,025
Juvenile Justice Alternative Education	169,474	180,802	183,750	157,500
Total Expenditures	155,599,578	162,522,378	167,934,672	194,022,279
Excess (Deficiency) of Revenues Over (Under) Expenditures	(120,244)	(368,682)	2,821,027	10,369,508
Other Financing Sources (Uses):				
Proceeds from Issuance of Refunding of Bonds	9,381,436	18,292,808	-	12,287,011
Sale of Real and Personal Property	8,880	3,722	292	1,557
Proceeds from Capital Lease	247,062	-	-	-
Maintenance Tax Notes	-	4,145,000	-	-
Transfer In	2,515,118	4,416,909	4,324,620	27,780,038
Premium or Discount on Bonds	17,717	503,368	-	133,343
Prepaid Interest	-	-	-	-
Other Resources - Insurance Proceeds	-	-	-	10,000,000
Transfer Out	(2,515,118)	(4,416,909)	(2,948,940)	(25,519,957)
Other Uses - Payment to Refunded Bond Escrow Agent	(9,237,523)	(18,559,119)	-	(12,260,039)
Total Other Financing Sources (Uses):	417,572	4,385,779	1,375,972	12,421,953
Extraordinary or Special Item:				
Extraordinary Item - Tornado Damage	728,022	-	-	-
Special Item - Arbitrage Rebate	-	(558,984)	-	-
Total Extraordinary or Special Item	728,022	(558,984)	-	-
Net Change in Fund Balances	\$ 1,025,350	\$ 3,458,113	\$ 4,196,999	\$ 22,791,461
Debt Service as a percentage of Noncapital Expenditures	4.76%	4.34%	3.86%	3.35%

Source: District records

Table 4

2007	2008	2009	2010	2011	2012
\$ 120,397,458	\$ 102,584,935	\$ 131,562,230	\$ 139,954,107	\$ 135,925,040	\$ 131,098,557
40,022,210	59,229,413	78,413,469	56,740,924	73,016,272	53,417,237
31,654,288	28,990,724	32,619,729	42,707,216	39,355,726	33,211,030
192,073,956	190,805,072	242,595,428	239,402,247	248,297,037	217,726,824
100,959,842	103,570,318	104,159,992	114,790,134	113,399,261	107,410,127
1,961,835	2,069,415	2,246,564	2,237,619	2,802,234	2,238,728
1,561,813	1,267,870	1,218,960	1,908,141	2,212,489	1,659,355
4,117,857	4,536,112	4,340,032	5,106,885	5,648,356	4,874,601
8,719,054	9,841,177	9,662,006	10,602,634	10,827,679	10,159,540
4,271,000	4,310,730	4,993,197	4,588,532	5,150,626	4,957,862
705,841	678,529	742,114	769,764	916,625	812,432
1,804,471	1,858,160	1,897,663	1,984,384	2,020,142	1,890,577
11,754,137	8,909,762	8,278,859	10,276,106	11,422,640	9,958,148
9,834,173	10,164,614	10,112,954	10,701,487	11,302,874	10,649,087
4,072,233	3,861,842	4,117,713	4,426,434	4,574,909	4,291,022
5,608,167	5,503,631	5,755,568	6,903,204	12,214,882	7,425,581
25,161,101	25,413,699	34,862,605	27,512,059	30,180,520	27,567,443
1,836,686	1,733,706	2,217,773	2,422,906	2,574,520	2,787,891
1,669,481	1,256,741	1,170,953	1,447,502	1,606,600	1,555,822
1,196,955	1,134,461	1,243,152	1,482,233	1,533,953	1,146,188
4,200,000	4,925,000	5,160,000	4,769,250	6,730,000	8,295,000
2,300,556	1,518,582	10,707,011	16,193,121	19,636,298	19,373,896
71,763	190,197	1,526,741	459,134	(202,771)	10,341
4,844,418	28,650,606	51,992,165	101,147,640	160,448,247	79,573,856
62,475	47,163	43,488	127,031	157,274	201,304
157,500	183,750	183,750	183,750	183,750	131,250
196,871,358	221,626,065	266,633,260	330,039,951	405,341,107	306,970,050
(4,797,402)	(30,820,993)	(24,037,832)	(90,637,704)	(157,044,070)	(89,243,226)
-	99,815,000	187,654,970	83,845,205	31,500,000	-
23,655	135	-	-	-	120,084
-	-	-	-	-	-
-	-	-	-	-	-
5,878,373	4,910,333	16,372,983	2,702,894	5,114,255	1,666,253
-	146,955	1,108,499	425,000	1,080,000	-
-	-	321,856	-	98,984	-
-	-	1,496,888	737,522	17,045	-
(2,677,493)	(11,298,160)	(22,323,802)	(1,552,153)	(5,114,255)	(1,666,253)
-	-	-	-	-	-
3,224,535	93,574,263	184,631,394	86,158,468	32,696,029	120,085
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ (1,572,867)	\$ 62,753,270	\$ 160,593,562	\$ (4,479,235)	\$ (124,348,041)	\$ (89,123,141)
3.34%	2.99%	6.52%	6.49%	6.45%	9.02%

BEAUMONT INDEPENDENT SCHOOL DISTRICT

TABLE 5

ASSESSED VALUE - REAL AND PERSONAL PROPERTY

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Real Property			Total Real Property (1)	Personal Property (1)	Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Value	Assessed Value to Total Estimated Actual Value
	Residential Property (1)	Commercial Property (1)	Mineral Rights (1)						
2003	1,886,438,013	3,035,300,003	27,003,840	4,948,741,856	1,374,333,400	6,323,075,256	1.54	6,823,272,956	92.7%
2004	2,105,738,000	3,078,164,946	22,274,380	5,206,177,326	1,334,674,050	6,540,851,376	1.54	7,065,379,796	92.6%
2005	2,293,801,989	3,162,549,620	44,490,670	5,500,842,279	1,414,583,020	6,915,425,299	1.54	7,471,580,381	92.6%
2006	2,471,289,342	3,387,587,773	27,582,210	5,886,459,325	1,496,790,550	7,373,249,875	1.54	7,919,990,403	93.1%
2007	2,376,148,579	3,782,424,926	34,103,940	6,192,677,445	1,634,555,890	7,827,233,335	1.36	8,563,675,095	91.4%
2008	2,855,319,199	3,926,030,879	36,599,830	6,817,949,908	1,687,815,251	8,505,765,159	1.095	9,350,957,803	91.0%
2009	3,257,315,288	4,104,416,680	30,987,250	7,392,719,218	1,951,324,134	9,344,043,352	1.1925	10,248,703,265	91.2%
2010	3,446,157,720	3,382,526,915	364,401,400	7,193,086,035	1,891,759,180	9,084,845,215	1.2625	9,850,122,135	92.2%
2011	3,432,863,326	3,537,149,899	262,692,570	7,232,705,795	2,041,064,560	9,273,770,355	1.325	10,027,417,355	92.5%
2012	3,418,291,306	3,685,594,571	160,446,420	7,264,332,297	2,245,855,410	9,510,187,707	1.325	10,246,948,463	92.8%

Sources:

(1) Jefferson County Appraisal District

(2) District records

BEAUMONT INDEPENDENT SCHOOL D

TABLE 6

PROPERTY TAX RATES (Per \$100 Valuation)
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
(Unaudited)

August 31,	Tax Rates Per \$100 of Assessed Valuation									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Beaumont Ind School District	1.54	1.54	1.54	1.54	1.3629	1.095	1.1925	1.31	1.325	1.325
City of Beaumont	0.670	0.670	0.659	0.659	0.659	0.659	0.640	0.64	0.64	0.64
Jefferson County	0.365	0.365	0.400	0.400	0.390	0.390	0.365	0.365	0.365	0.365
Jefferson Co Drainage Dist No. 6	0.200039	0.200039	0.200039	0.200039	0.195587	0.195587	0.195587	0.205587	0.205587	0.205587
Jefferson Co Drainage Dist No. 7	0.188100	0.188100	0.160000	0.160000	0.000	0.139650	0.138977	0.138977	0.138977	0.140949
Jefferson Co Drainage Dist No.10	0.370988	0.370990	0.335167	0.335167	0.294193	0.244705	0.280000	0.313015	0.296573	0.318348
Northwest Forest MUD	0.759377	0.767898	0.3767	0.3767	0.00	0.377599	0.00	0.00	0.44187	0.50620
Port of Beaumont	0.090300	0.085750	0.079121	0.079121	0.074437	0.068757	0.074675	0.074025	0.071292	0.07080
Port of Port Arthur	0.130870	0.130870	0.128150	0.128150	0.128150	0.128150	0.128150	0.128150	0.128150	0.128150
City of Port Arthur	0.775	0.775	0.775	0.775	0.076	0.760	0.792	0.792	0.792	0.792
<u>District Direct Rates Componets</u>										
Maintenance & Operations	1.465	1.455	1.47	1.475	1.3079	1.040	1.0400	1.04	1.040	1.040
Interest & Sinking	0.075	0.085	0.07	0.065	0.055	0.055	0.1525	0.27	0.285	0.285
Total District Direct Rate	<u>1.54</u>	<u>1.54</u>	<u>1.54</u>	<u>1.54</u>	<u>1.3629</u>	<u>1.095</u>	<u>1.1925</u>	<u>1.31</u>	<u>1.325</u>	<u>1.325</u>

Source: Entities noted above and District records

BEAUMONT INDEPENDENT SCHOOL DISTRICT

TABLE 7

PRINCIPAL PROPERTY TAXPAYERS

January 1, 2012 (1)

(Unaudited)

Name	Type of Property	2012			2003		
		2011 Taxable Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value (2)	2002 Taxable Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value (3)
ExxonMobil Refining & Supply Co.	Chemical Properties	\$ 1,640,699,040	1	16.012%	\$ 1,465,509,450	1	23.339%
Goodyear Tire & Rubber Co.	Chemical Properties	241,598,230	2	2.358%	274,656,680	2	4.374%
Entergy Texas Inc.	Electric Utility	189,307,700	3	1.847%	141,182,620	3	2.248%
BASF Corporation	Chemical Properties	94,648,600	4	0.924%	111,641,370	5	1.778%
Golden Triange Storage	Storage Facilities	91,665,500	5	0.895%	-	-	-
Amoco Pipe Line Company	Pipe Line Contractor	90,979,850	6	0.888%	-	-	-
Arkema inc	Chemical Properties	88,894,970	7	0.868%	-	-	-
Martin Marine Inc	Oil & Gas Investments	88,175,520	8	0.861%	-	-	-
Oiltanking Beaumont Partnership	Tank Storage Provider	82,949,990	9	0.810%	-	-	-
Chevron Phillips Chemical Co	Chemical Properties	69,371,620	10	0.677%	-	-	-
Centana Energy Marketing Co.	Chemical Properties	69,067,580	11	0.674%	80,911,060	7	1.289%
Premcor Refining Group Inc	Chemical Properties	68,427,090	12	0.668%	-	-	-
Cimarex Energy Co	Oil & Gas Produciton	60,594,100	13	0.591%	-	-	-
Phelan A M & Harry Phelan	Real Estate	45,939,810	14	0.448%	-	-	-
OCI Beaumont LLC	Methanol & Ammonia	44,519,110	15	0.434%	-	-	-
Lucite International	Chemical Properties	43,252,200	16	0.422%	-	-	-
Enterprise Texas Pipeline	Pipe Line Contractor	41,693,860	17	0.407%	-	-	-
Parkdale Mall Associates	Shopping Center	39,929,060	18	0.390%	-	-	-
American Valve & Hydrant Mfg	Hydrant Manufactor	38,731,380	19	0.378%	-	-	-
E.I. DuPont De Nemours Co.	Chemical Properties	35,696,720	20	0.348%	139,803,210	4	2.226%
Southwestern Bell Telephone	Telephone Utility	-	-	-	79,196,000	9	1.261%
Beaumont Methanol Corp.	Chemical Properties	-	-	-	87,458,510	6	1.393%
INEOS	Chemical Properties	-	-	-	80,896,570	8	1.288%
American Petrofina Mkt	Chemical Properties	-	-	-	74,847,130	10	1.192%
		<u>\$ 3,166,141,930</u>		<u>30.898%</u>	<u>\$ 2,536,102,600</u>		<u>40.389%</u>

Source: Jefferson County Appraisal District

(1) Assessed (taxable) value equals appraised value after exemptions.

(2) Total 2012 taxable assessed value equals \$9,510,187,707.

(3) Total 2003 taxable assessed value equals \$6,279,246,000.

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

(Unaudited)

August 31,	Total Tax Levy	Collected Within Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	95,469,199	93,276,201	97.70%	1,389,835	94,666,036	99.16%
2004	97,962,621	96,039,031	98.04%	1,614,636	97,653,667	99.68%
2005	103,557,849	101,346,431	97.86%	1,323,856	102,670,287	99.14%
2006	110,809,149	108,659,700	98.06%	1,262,799	109,922,499	99.20%
2007	104,723,765	101,900,788	97.30%	1,097,312	102,998,100	98.35%
2008	90,597,583	88,691,939	97.90%	926,506	89,618,445	98.92%
2009	107,821,001	105,068,181	97.45%	1,379,625	106,447,806	98.73%
2010	109,390,724	106,552,769	97.41%	1,406,262	107,959,031	98.69%
2011	114,577,187	114,183,537	99.66%	1,704,626	115,888,163	101.14%
2012	118,676,449	116,243,110	97.95%	-	116,243,110	97.95%

Source: Jefferson County Tax Office and District records.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

TABLE 9

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

(Unaudited)

August 31,	General Obligation Debt	Contractual Obligations	Maintenance Tax Notes	Lease Revenue Bonds	Total	Ratio of Total Debt to Assessed Value (1)	Total Debt Per Capita (2)	Total Debt Per Personal Income (2)	Total Debt Per ADA (2)
2003	48,400,000	1,185,000	-	11,265,000	60,850,000	0.96%	535	1,878	3,176
2004	46,085,000	-	4,145,000	10,585,000	60,815,000	0.93%	534	1,887	3,163
2005	43,605,000	-	3,395,000	9,865,000	56,865,000	0.82%	509	1,759	3,035
2006	40,775,000	-	2,580,000	9,105,000	52,460,000	0.71%	460	1,441	2,892
2007	39,290,000	-	1,745,000	8,300,000	49,335,000	0.63%	433	1,302	2,758
2008	125,640,000	-	885,000	7,450,000	133,975,000	1.58%	1,184	3,407	7,624
2009	305,630,000	-	-	7,412,362	313,042,362	3.35%	2,820	7,617	17,225
2010	384,745,000	-	-	5,610,000	390,355,000	4.30%	3,428	11,989	21,090
2011	410,115,000	-	-	4,610,000	414,725,000	4.47%	3,642	10,447	22,103
2012	405,525,000	-	-	3,550,000	409,075,000	4.30%	3,458	NA	22,560

Source: Jefferson County Appraisal District and District records

(1) See Table 5 for assessed value data.

(2) See Table 13 for population, personal income and student enrollment data.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

TABLE 10

RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

(Unaudited)

August 31,	Assessed Value	Gross Bonded Debt (1)	Less Reserve for Retirement of Funded Debt	Net Bonded Debt	Ratio of Net Bonded to Assessed Value	Net Bonded Debt Per Capita (2)	Net Bonded Debt Per ADA (2)
2002	6,399,544,998	50,560,000	1,487,112	49,072,888	0.77%	431	2,538
2003	6,323,075,256	48,400,000	544,112	47,855,888	0.76%	420	2,498
2004	6,540,851,376	46,085,000	749,716	45,335,284	0.69%	398	2,358
2005	6,915,425,299	43,605,000	1,295,093	42,309,907	0.61%	379	2,258
2006	6,915,425,299	40,775,000	1,758,914	39,016,086	0.56%	342	2,151
2007	7,827,233,335	38,290,000	1,792,338	36,497,662	0.47%	320	1,978
2008	8,505,765,159	125,640,000	1,926,435	123,713,565	1.45%	1,093	7,040
2009	9,344,043,352	305,630,000	2,495,908	303,134,092	3.24%	2,731	16,680
2010	9,084,845,215	384,745,000	2,998,663	381,746,337	4.20%	3,439	21,005
2011	9,273,770,355	410,115,000	2,186,609	407,928,391	4.40%	3,583	21,741
2012	9,510,187,707	409,075,000	2,692,195	406,382,805	4.27%	3,435	22,411

Source: District Financial Statements.

(1) Gross Bonded Debt includes all long-term general obligation debt.

(2) See Table 13 for population and student enrollment data.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

TABLE 11

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

GENERAL OBLIGATION BONDS

End of Fiscal Year

(Unaudited)

	Net Debt		Percent Overlapping (4)	Amount Overlapping
	Amount	As of		
<u>Overlapping</u>				
Beaumont, City of	\$194,680,500	9/30/2012	100.00%	\$ 194,680,500
Jefferson County	53,270,000	8/31/2012	50.35%	26,821,445
Jefferson County Water District No. 10	5,290,000	6/30/2012	14.91%	788,739
Port of Beaumont	10,910,000	8/31/2012	94.12%	10,268,492
Port of Port Arthur	34,885,000	8/31/2012	1.00%	348,850
Port Arthur, City of	71,155,000	9/30/2012	1.00%	<u>711,550</u>
Total Overlapping Debt				233,619,576
<u>Direct</u>				
Beaumont ISD (1)				
General Obligation Bonds	405,525,000			
Accumulated accretion	1,748,340			
On refunding	(1,099,624)			
Lease Revenue Bonds	3,550,000			
Net Outstanding Debt	<u>409,723,716</u>	8/31/2012	100.00%	\$ 409,723,716
Total Direct and Overlapping Debt				<u>\$ 643,343,292</u>
Ratio of Total Direct and Overlapping Debt to 2012 Assessed Valuation (2)				6.76%
Total Direct and Overlapping Debt per capita (3)				\$ 5,438
2012 Assessed Valuation per Capita (3)				\$ 80,393.15

Source: Entities noted above

(1) District financial records.

(2) The assessed valuation as of 08-31-12 is \$ 9,510,187,707.

(3) The City's population was 118,296 at the 2010 census.

(4) The percentage of overlapping debt is estimated using taxable assessed property values. Percentages were estimated by determining the portion of the overlapping taxing authority's taxable assessed value that is within the District's boundaries and dividing it by the overlapping taxing authority's total taxable assessed value.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

Table 12

LEGAL DEBT MARGIN INFORMATION

FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

Last Ten Fiscal Years

(In Thousands of Dollars)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Maximum Debt Limit	\$ 619,915	\$ 650,226	\$ 674,847	\$ 687,755	\$ 736,183	\$ 685,365	\$ 623,864	\$ 511,984	\$ 512,652	\$ 541,296
Total Net Debt Applicable to Limit	49,041	45,572	55,594	50,570	46,540	165,211	310,540	387,860	414,725	409,723
Legal Debt Margin	<u>\$ 570,874</u>	<u>\$ 604,654</u>	<u>\$ 619,253</u>	<u>\$ 637,185</u>	<u>\$ 689,643</u>	<u>\$ 520,154</u>	<u>\$ 313,324</u>	<u>\$ 124,124</u>	<u>\$ 97,927</u>	<u>\$ 131,573</u>

(a) The assessed value represents the certified value from The Jefferson County Appraisal District which The Board of Trustees uses to establish its property tax rate.

(b) The statutes of the State of Texas prescribe a legal debt limit of 10% of the assessed valuation.

Computation of Legal Debt Margin

Assessed Value (a)	\$ 9,510,187
Debt Limit (10% of assessed value) (b)	10%
Maximum Legal debt	<u>951,019</u>
Amount of debt Applicable to Debt Limit:	
Total Bonded Debt	409,723
Less: Reserve for Retirement of Bonded Debt	<u>0</u>
Total Amount of Debt Applicable to Debt Limit	<u>409,723</u>
Legal Debt Margin	<u><u>\$ 541,295.70</u></u>
Ratio of Total Amount of Debt Applicable to Debt Limit to Maximum Legal Debt	43.08%

BEAUMONT INDEPENDENT SCHOOL DISTRICT

TABLE 13

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

(Unaudited)

August 31,	(1) Population	Residential Units (2)	Assessed Value of Residential Units (2)	Average Assessed Value of Units	(3) Student Enrollment	(3) ADA	Per Capita Personal Income (4)	Personal Income Amounts expressed in tens of thousands	Unemployment Rate (4)
2002	113,826	39,032	1,805,747,182	46,263	20,935	19,336	31,540	359,007	6.1%
2003	113,826	39,158	1,886,438,013	48,175	20,795	19,160	32,410	368,910	6.6%
2004	113,826	39,192	2,105,738,000	53,729	20,760	19,228	32,230	366,861	5.7%
2005	111,661	39,360	2,293,801,989	58,277	20,449	18,736	32,330	361,000	5.1%
2006	114,000	37,497	2,471,289,342	65,906	19,570	18,138	36,410	415,074	5.1%
2007	114,000	39,450	1,718,414,760	43,559	19,517	18,448	37,880	431,832	5.3%
2008	113,152	39,493	2,855,319,199	72,299	19,170	17,573	39,320	444,912	6.7%
2009	111,000	39,638	3,257,315,288	82,177	19,124	18,174	41,100	456,210	8.0%
2010	113,866	39,553	3,446,157,720	87,128	19,443	18,509	32,559	370,736	8.3%
2011	113,866	39,440	3,432,863,326	87,040	19,718	18,763	39,699	452,037	8.5%
2012	118,296	39,782	3,418,291,306	85,926	19,887	18,133	NA	NA	7.1%

Sources:

(1) Beaumont Texas wikipedia website

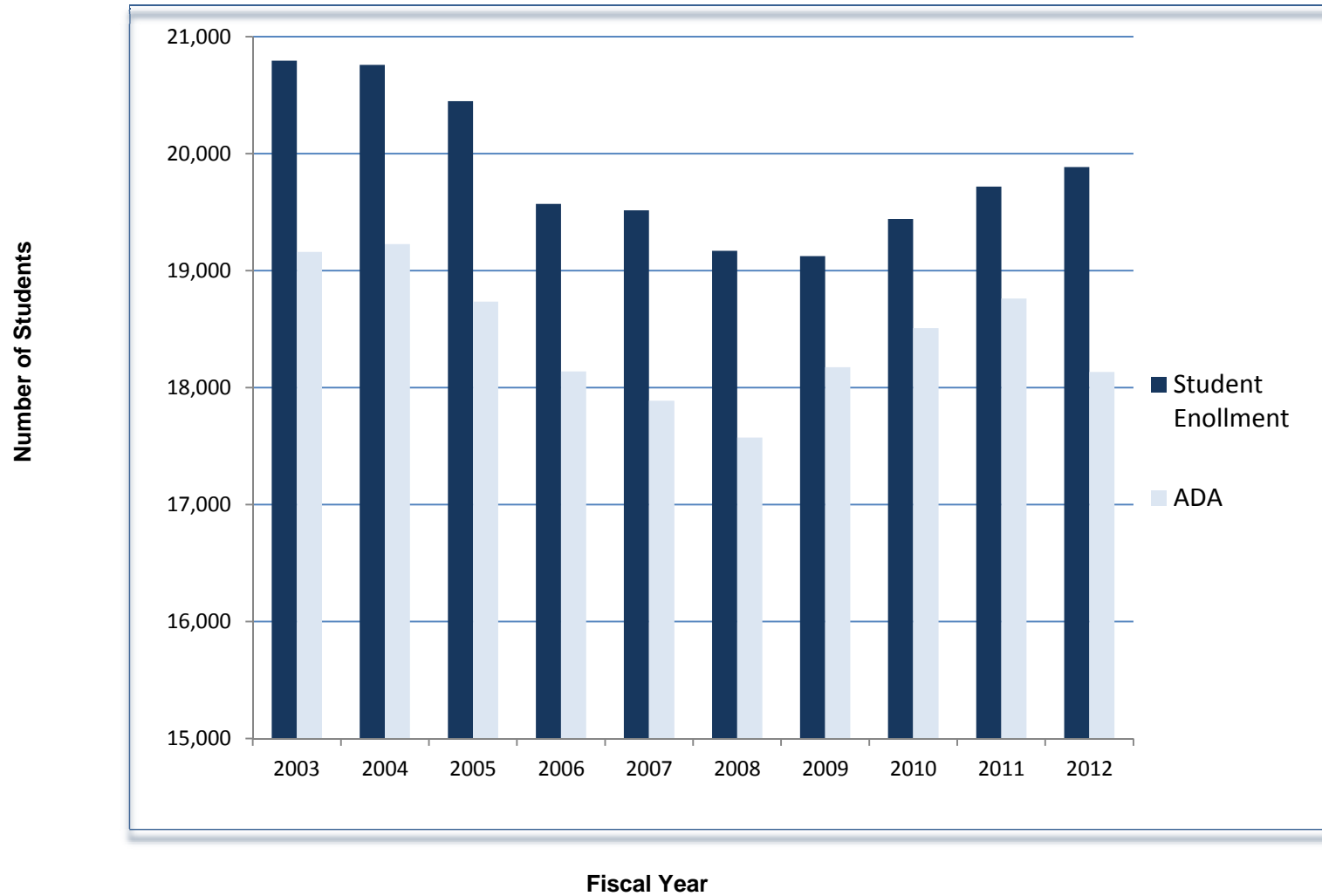
(2) Jefferson County Appraisal District

(3) District records

(4) US Department of Labor - Bureau of Labor Statistics website - www.bls.gov

BEAUMONT INDEPENDENT SCHOOL DISTRICT
TOTAL ENROLLMENT AND AVERAGE DAILY ATTENDANCE
LAST TEN YEARS (UNAUDITED)

TABLE 14



BEAUMONT INDEPENDENT SCHOOL DISTRICT

TABLE 15

PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
(Unaudited)

Principal Employer (1)	Description of Business	2012		2003	
		Number of Employees	Percentage of Total Employment (2)	Number of Employees (3)	Percentage of Total Employment (3)
Beaumont ISD	Education	2,860	5.3%	2,777	N/A
Memorial Hermann Baptist Hospital	Healthcare	1,621	3.0%	1000-1500	N/A
Christus St Elizabeth Hospital	Healthcare	1,602	3.0%	1000-1500	N/A
City of Beaumont	Government	1,314	2.4%	1000-1500	N/A
Lamar University	Education	1,174	2.2%	1000-1500	N/A
County of Jefferson	Government	1,093	2.0%	1000-1500	N/A
Goodyear Tire and Rubber	Manufacture	566	1.1%	-	N/A
Conn's Appliances Inc.	Retail Store	517	1.0%	-	N/A
ENGlobal Corporation	Energy Engineers	553	1.0%	-	N/A
West Corporation	Call Center	422	0.8%	-	N/A

Sources:

(1) Beaumont, Texas - City of Beaumont CAFR2011 records

(2) U S Census Bureau - Jefferson County, Texas

Percentage of total employment as follows:

Estimate of Labor Force	57,969
Beaumont Unemployment Rate	7.10%
Estimated Unemployment population	4,118
Estimated Employed population	53,851

(3) Employers are listed using a range of employee numbers, not exact figures. Therefore, percentage is not available for 2003.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

Table 16

FULL TIME EQUIVALENT EMPLOYEES BY POSITION

FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Administrator: superintendent and Assistant Supt	5	3	4	4	4	4	4	4	4	4
Executive directors and chief business officer	2	2	2	2	3	3	3	3	3	3
Coordinators and supervisors	38	38	43	43	44	47	36	36	36	40
Special Education Diagnosticians, Psychologist	16	13	16	18	18	18	18	18	18	18
Principals and assistant principals	71	70	71	71	65	65	72	72	72	77
Directors, assistants	18	19	16	18	25	25	25	25	22	25
Counselors, attendance officers, social workers	50	49	47	50	54	54	54	54	54	54
Librarians and paraprofessionals	46	44	45	46	45	45	45	45	45	45
School Nurses and aides	33	33	32	33	31	33	33	33	33	35
Classroom teachers	1,409	1,419	1,441	1,444	1,481	1,439	1,413	1,443	1,433	1,404
Classroom aides, special education , ESL, PE	301	283	268	264	309	325	317	317	313	315
School secretaries, attendance clerk, registrars	116	119	164	161	115	125	112	112	112	112
Administration: supervisors, secretaries, annex, clerks	69	88	86	89	73	91	95	95	90	95
Police Chief, officers and staff	-	-	-	-	19	19	23	23	23	23
Maintenance staff	82	85	87	87	92	92	95	95	90	95
Custodial staff	198	201	197	199	187	187	185	175	170	180
Food service staff	189	194	191	184	179	179	177	170	160	170
Transportation staff	134	147	138	146	145	145	155	150	145	165
Totals	<u>2,777</u>	<u>2,807</u>	<u>2,848</u>	<u>2,859</u>	<u>2,889</u>	<u>2,896</u>	<u>2,862</u>	<u>2,870</u>	<u>2,823</u>	<u>2,860</u>

Source: District records

BEAUMONT INDEPENDENT SCHOOL DISTRICT

TABLE 17

OPERATING STATISTICS

Last Ten Fiscal Years

(Unaudited)

August 31,	Average Daily Attendance	Governmental Operating Expenditures (1)	Cost Per Student	Percentage Change	Government Wide Expenses (2)	Cost Per Student	Percentage Change	Number of Teaching Staff	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program
2003	19,160	146,863,935	7,665	2.7%	151,392,893	7,902	0.1%	1,409	13.60	71.3%
2004	19,228	152,453,216	7,929	3.4%	154,649,716	8,043	1.8%	1,419	13.55	68.6%
2005	18,736	160,487,307	8,566	8.0%	165,125,561	8,813	9.6%	1,441	13.00	58.8%
2006	18,138	184,011,663	10,145	18.4%	184,532,356	10,174	15.4%	1,444	12.56	72.8%
2007	18,448	185,454,622	10,053	-0.9%	184,974,106	10,027	-1.4%	1,481	12.46	71.6%
2008	17,573	186,341,680	10,604	5.5%	190,698,788	10,852	8.2%	1,439	12.21	76.8%
2009	18,174	208,235,876	11,458	8.1%	266,152,822	14,645	35.0%	1,413	12.86	76.3%
2010	18,509	216,179,100	11,680	1.9%	324,652,029	17,540	19.8%	1,443	12.83	77.4%
2011	18,763	232,337,287	12,383	6.0%	365,584,670	19,484	11.1%	1,433	13.09	77.2%
2012	18,133	199,716,957	11,014	-11.1%	299,904,416	16,539	-15.1%	1,404	12.92	81.6%

Source: District records

(1) Governmental operating expenditures are total expenditures less debt service and capital outlay from Table 4.

(2) Government wide expenses are total governmental activities from Table 2.

TEACHER SALARY DATA

Last Ten Fiscal Years

(Unaudited)

August 31,	Minimum Salary (1)	Maximum Salary (1)	District Average Salary (2)	Region Average Salary (2)	State Average Salary (2)
2003	33,250	51,130	38,647	37,463	40,800
2004	33,250	51,130	37,996	38,411	40,800
2005	34,000	52,792	39,878	38,253	40,800
2006	34,500	53,848	39,164	38,381	40,800
2007	36,000	55,348	40,579	39,120	41,770
2008	38,000	57,847	46,438	42,531	44,270
2009	38,900	59,347	47,235	43,149	46,178
2010	40,100	55,332	46,278	46,213	47,158
2011	42,000	58,132	48,192	45,363	48,639
2012	42,000	58,132	47,926	45,208	48,375

Source:

(1) District records - Teacher Salary Schedule

(2) Texas Education Agency - Finance - Standard Reports

BEAUMONT INDEPENDENT SCHOOL DISTRICT

TABLE 19

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years
(Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
HIGH SCHOOLS										
Central (1929)										
Square Footage	278,728	278,728	278,728	278,728	278,728	278,728	319,093	358,210	485,601	485,601
Capacity	2,200	2,200	2,200	2,200	2,200	2,200	2,838	3,534	3,534	3,534
Enrollment (1)	1,412	1,302	1,398	1,395	1,480	1,434	1,460	1,565	1,678	1,750
Percent of enrollment to capacity	64%	59%	64%	63%	67%	65%	51%	44%	47%	50%
Ozen (1951)										
Square Footage	334,151	334,151	334,151	334,151	334,151	334,151	334,151	334,151	377,951	377,951
Capacity	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Enrollment (1)	1,628	1,699	1,665	1,540	1,361	1,199	1,194	1,176	1,093	1,160
Percent of enrollment to capacity	90%	94%	93%	86%	76%	67%	66%	65%	61%	64%
West Brook (1964)										
Square Footage	309,964	309,964	309,964	309,964	309,964	309,964	360,566	360,566	822,394	822,394
Capacity	2,400	2,400	2,400	2,400	2,400	2,400	3,104	3,104	3,104	3,104
Enrollment (1)	2,345	2,398	2,291	2,419	2,388	2,367	2,445	2,378	2,371	2,308
Percent of enrollment to capacity	98%	100%	95%	101%	100%	99%	79%	77%	76%	74%
Pathways Alternative (1926)										
Square Footage	23,340	23,340	23,340	23,340	23,340	23,340	23,340	23,340	23,340	23,340
Capacity	250	250	250	250	250	250	250	250	250	250
Enrollment (1)	101	285	231	21	177	195	132	103	158	114
Percent of enrollment to capacity	40%	114%	92%	8%	71%	78%	53%	41%	63%	46%
Brown Alternative (1952)										
Square Footage	42,594	42,594	42,594	42,594	42,594	42,594	42,594	42,594	42,594	42,594
Capacity	300	300	300	300	300	300	300	300	300	300
Enrollment (1)	202	178	201	195	190	164	163	126	131	113
Percent of enrollment to capacity	67%	59%	67%	65%	63%	55%	54%	42%	44%	38%
Taylor Career Center (1986)										
Square Footage	85,936	85,936	85,936	85,936	85,936	85,936	85,936	85,936	85,936	85,936
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment (1)	-	-	-	-	-	-	-	-	-	-
Percent of enrollment to capacity	-	-	-	-	-	-	-	-	-	-

BEAUMONT INDEPENDENT SCHOOL DISTRICT

TABLE 19

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years
(Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
MIDDLE SCHOOLS										
Austin (1957)										
Square Footage	115,537	115,537	115,537	115,537	115,537	115,537	115,537	131,627	251,138	251,138
Capacity	801	801	801	801	801	801	801	1,041	1,041	1,041
Enrollment (1)	609	531	655	611	547	519	463	452	371	297
Percent of enrollment to capacity	76%	66%	82%	76%	68%	65%	58%	43%	36%	29%
W R Smith (1952)										
Square Footage	160,490	160,490	160,490	160,490	160,490	160,490	160,490	160,490	160,490	160,490
Capacity	941	941	941	941	941	941	941	941	941	941
Enrollment (1)	401	384	335	295	390	411	433	459	502	531
Percent of enrollment to capacity	43%	41%	36%	31%	41%	44%	46%	49%	53%	56%
M L King (1997)										
Square Footage	146,500	146,500	146,500	146,500	146,500	146,500	146,500	152,500	301,112	301,112
Capacity	700	700	700	700	700	700	700	772	772	772
Enrollment (1)	487	475	458	440	429	464	449	433	365	340
Percent of enrollment to capacity	70%	68%	65%	63%	61%	66%	64%	56%	47%	44%
South Park (1922)										
Square Footage	103,579	103,579	103,579	103,579	103,579	103,579	103,579	103,579	103,579	142,890
Capacity	624	624	624	624	624	624	624	624	624	750
Enrollment (1)	501	532	510	440	437	388	358	339	325	396
Percent of enrollment to capacity	80%	85%	82%	71%	70%	62%	57%	54%	52%	53%
Marshall (1962)										
Square Footage	95,299	95,299	95,299	95,299	95,299	95,299	95,299	108,795	197,816	197,816
Capacity	850	850	850	850	850	850	850	970	970	970
Enrollment (1)	832	821	824	847	825	779	774	811	808	846
Percent of enrollment to capacity	98%	97%	97%	100%	97%	92%	91%	84%	83%	87%
Odom Academy (1968)										
Square Footage	112,223	112,223	112,223	112,223	112,223	112,223	112,223	112,223	149,763	149,763
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment (1)	839	840	802	824	754	737	767	814	861	872
Percent of enrollment to capacity	99%	99%	94%	97%	89%	87%	90%	96%	101%	103%

BEAUMONT INDEPENDENT SCHOOL DISTRICT

TABLE 19

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years
(Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
MIDDLE SCHOOLS, Continued										
Vincent (1960)										
Square Footage	105,486	105,486	105,486	105,486	105,486	105,486	105,486	121,576	221,436	221,436
Capacity	949	949	949	949	949	949	949	1,165	1,165	1,165
Enrollment (1)	941	935	904	832	905	858	825	786	793	748
Percent of enrollment to capacity	99%	99%	95%	88%	95%	90%	87%	67%	68%	64%
ELEMENTARY SCHOOLS										
Amelia (1913) New School (2010)										
Square Footage	68,091	68,091	68,091	68,091	68,091	68,091	68,091	68,091	93,500	93,500
Capacity	550	550	550	550	550	550	550	550	750	750
Enrollment (1)	526	473	463	431	437	411	359	393	717	660
Percent of enrollment to capacity	96%	86%	84%	78%	79%	75%	65%	71%	96%	88%
Bingman (1952) Renovated 2012 for Pre K Center										
Square Footage	49,632	49,632	49,632	49,632	49,632	49,632	49,632	49,632	49,632	117,133
Capacity	413	413	413	413	413	413	413	413	413	550
Enrollment (1)	326	302	323	243	226	190	196	-	-	511
Percent of enrollment to capacity	79%	73%	78%	59%	55%	46%	47%	0%	0%	93%
Blanchette (1938) New School (2011)										
Square Footage	47,974	47,974	47,974	47,974	47,974	47,974	47,974	47,974	85,593	85,593
Capacity	455	455	455	455	455	455	455	455	550	550
Enrollment (1)	296	280	265	273	241	193	160	398	469	528
Percent of enrollment to capacity	65%	62%	58%	60%	53%	42%	35%	87%	85%	96%
Caldwood (1958) New School (2012)										
Square Footage	57,095	57,095	57,095	57,095	57,095	57,095	57,095	57,095	57,095	85,593
Capacity	684	684	684	684	684	684	684	684	550	750
Enrollment (1)	701	680	664	587	549	583	593	585	546	701
Percent of enrollment to capacity	102%	99%	97%	86%	80%	85%	87%	86%	99%	93%
Charlton-Pollard - New School (2011)										
Square Footage	-	-	-	-	-	-	-	-	90,500	90,500
Capacity	-	-	-	-	-	-	-	-	750	750
Enrollment (1)	-	-	-	-	-	-	-	-	-	649
Percent of enrollment to capacity	0%	0%	0%	0%	0%	0%	0%	0%	0%	87%

BEAUMONT INDEPENDENT SCHOOL DISTRICT

TABLE 19

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years
(Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ELEMENTARY SCHOOLS, Continued										
Curtis (1956) New School (2012)										
Square Footage	46,820	46,820	46,820	46,820	46,820	46,820	46,820	46,820	46,820	85,593
Capacity	444	444	444	444	444	444	444	444	550	750
Enrollment (1)	552	574	581	536	573	512	500	536	511	547
Percent of enrollment to capacity	124%	129%	131%	121%	129%	115%	113%	121%	93%	73%
Dishman (1999)										
Square Footage	83,314	83,314	83,314	83,314	83,314	83,314	83,314	83,314	90,814	90,814
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment (1)	690	725	673	646	683	641	624	594	589	614
Percent of enrollment to capacity	99%	104%	96%	92%	98%	92%	89%	85%	84%	88%
Dunbar (1957) Demolition (2011)										
Square Footage	75,268	75,268	75,268	75,268	75,268	75,268	75,268	75,268	75,268	-
Capacity	428	428	428	428	428	428	428	428	428	-
Enrollment (1)	417	436	487	393	415	482	495	491	447	-
Percent of enrollment to capacity	97%	102%	114%	92%	97%	113%	116%	115%	104%	0%
Fehl (1952) Demolition (2011)										
Square Footage	46,141	46,141	46,141	46,141	46,141	46,141	46,141	46,141	46,141	-
Capacity	456	456	456	456	456	456	456	456	456	-
Enrollment (1)	442	418	405	382	344	301	232	223	248	-
Percent of enrollment to capacity	97%	92%	89%	84%	75%	66%	51%	49%	54%	0%
Fehl/Price 2011										
Square Footage	-	-	-	-	-	-	-	-	90,500	90,500
Capacity	-	-	-	-	-	-	-	-	750	750
Enrollment (1)	-	-	-	-	-	-	-	-	511	721
Percent of enrollment to capacity	0%	0%	0%	0%	0%	0%	0%	0%	68%	96%
Field (1952) Renovated (2012) Administration Annex										
Square Footage	46,370	46,370	46,370	46,370	46,370	46,370	46,370	46,370	46,370	-
Capacity	397	397	397	397	397	397	397	397	397	-
Enrollment (1)	342	351	300	315	300	329	493	318	361	-
Percent of enrollment to capacity	86%	88%	76%	79%	76%	83%	124%	80%	91%	0%

BEAUMONT INDEPENDENT SCHOOL DISTRICT

TABLE 19

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years
(Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ELEMENTARY SCHOOLS, Continued										
Fletcher (1983)										
Square Footage	50,085	50,085	50,085	50,085	50,085	50,085	79,442	107,855	162,651	172,651
Capacity	339	339	339	339	339	339	867	1,347	1,347	1,347
Enrollment (1)	532	538	541	652	707	750	734	761	757	676
Percent of enrollment to capacity	157%	159%	160%	192%	209%	221%	85%	56%	56%	50%
French (1956) Demolition (2011)										
Square Footage	84,338	84,338	84,338	84,338	84,338	84,338	84,338	84,338	84,338	-
Capacity	580	580	580	580	580	580	580	580	580	-
Enrollment (1)	364	346	321	374	415	456	456	512	473	-
Percent of enrollment to capacity	63%	60%	55%	64%	72%	79%	79%	88%	82%	0%
Guess (1985)										
Square Footage	83,865	83,865	83,865	83,865	83,865	83,865	83,865	83,865	83,865	83,865
Capacity	724	724	724	724	724	724	724	724	724	724
Enrollment (1)	817	852	761	710	695	680	669	661	662	632
Percent of enrollment to capacity	113%	118%	105%	98%	96%	94%	92%	91%	91%	87%
Homer Drive (1989)										
Square Footage	58,128	58,128	58,128	58,128	58,128	58,128	58,128	72,903	127,314	127,314
Capacity	547	547	547	547	547	547	547	787	787	787
Enrollment (1)	519	527	495	444	409	374	414	503	602	662
Percent of enrollment to capacity	95%	96%	90%	81%	75%	68%	76%	64%	76%	84%
Jones-Clark (2011)										
Square Footage	-	-	-	-	-	-	-	-	90,500	90,500
Capacity	-	-	-	-	-	-	-	-	750	750
Enrollment (1)	-	-	-	-	-	-	-	-	-	783
Percent of enrollment to capacity	0%	0%	0%	0%	0%	0%	0%	0%	0%	104%
Lucas (1956) PreK Center (2011)										
Square Footage	52,806	52,806	52,806	52,806	52,806	52,806	52,806	52,806	52,806	52,806
Capacity	447	447	447	447	447	447	447	447	447	447
Enrollment (1)	436	406	410	359	367	366	343	305	121	274
Percent of enrollment to capacity	98%	91%	92%	80%	82%	82%	77%	68%	27%	61%

BEAUMONT INDEPENDENT SCHOOL DISTRICT

TABLE 19

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years
(Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ELEMENTARY SCHOOLS, Continued										
Martin (1952) New School (2011)										
Square Footage	95,403	95,403	95,403	95,403	95,403	95,403	95,403	95,403	97,500	97,500
Capacity	780	780	780	780	780	780	780	780	750	750
Enrollment (1)	553	586	599	540	535	535	499	598	738	673
Percent of enrollment to capacity	71%	75%	77%	69%	69%	69%	64%	77%	98%	90%
Ogden (1912) Adult Education Center (2012)										
Square Footage	59,721	59,721	59,721	59,721	59,721	59,721	59,721	59,721	59,721	-
Capacity	454	454	454	454	454	454	454	454	454	-
Enrollment (1)	368	627	305	338	361	330	360	393	376	-
Percent of enrollment to capacity	81%	138%	67%	74%	80%	73%	79%	87%	83%	0%
Pietzsch-MacArthur (2000)										
Square Footage	182,000	182,000	182,000	182,000	182,000	182,000	182,000	182,000	183,600	183,600
Capacity	975	975	975	975	975	975	975	975	975	975
Enrollment (1)	975	938	886	926	939	1,005	1,030	1,107	1,045	954
Percent of enrollment to capacity	100%	96%	91%	95%	96%	103%	106%	114%	107%	98%
Price (1957) Closed as Elementary School (2012)										
Square Footage	52,511	52,511	52,511	52,511	52,511	52,511	52,511	52,511	52,511	-
Capacity	339	339	339	339	339	339	339	339	339	-
Enrollment (1)	224	247	241	202	190	253	346	348	316	-
Percent of enrollment to capacity	66%	73%	71%	60%	56%	75%	102%	103%	93%	0%
Regina Howell (1980) New School (2011)										
Square Footage	53,653	53,653	53,653	53,653	53,653	53,653	53,653	53,653	90,508	90,508
Capacity	573	573	573	573	573	573	573	573	750	750
Enrollment (1)	707	736	734	745	750	769	765	754	765	817
Percent of enrollment to capacity	123%	128%	128%	130%	131%	134%	134%	132%	102%	109%
Southerland Pre Kindergarten (1958) Demolition (2012)										
Square Footage	37,394	37,394	37,394	37,394	37,394	37,394	37,394	37,394	37,394	-
Capacity	525	525	525	525	525	525	525	525	525	-
Enrollment (1)	506	509	510	505	519	506	507	503	503	-
Percent of enrollment to capacity	96%	97%	97%	96%	99%	96%	97%	96%	96%	0%

Source: District Records

(2) During the years enrollment exceeded capacity the District used portable buildings to relieve overflow.

BEAUMONT INDEPENDENT SCHOOL DISTRICT
FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET
GENERAL FUND AS OF AUGUST 31, 2012
(Unaudited)







TABLE 20

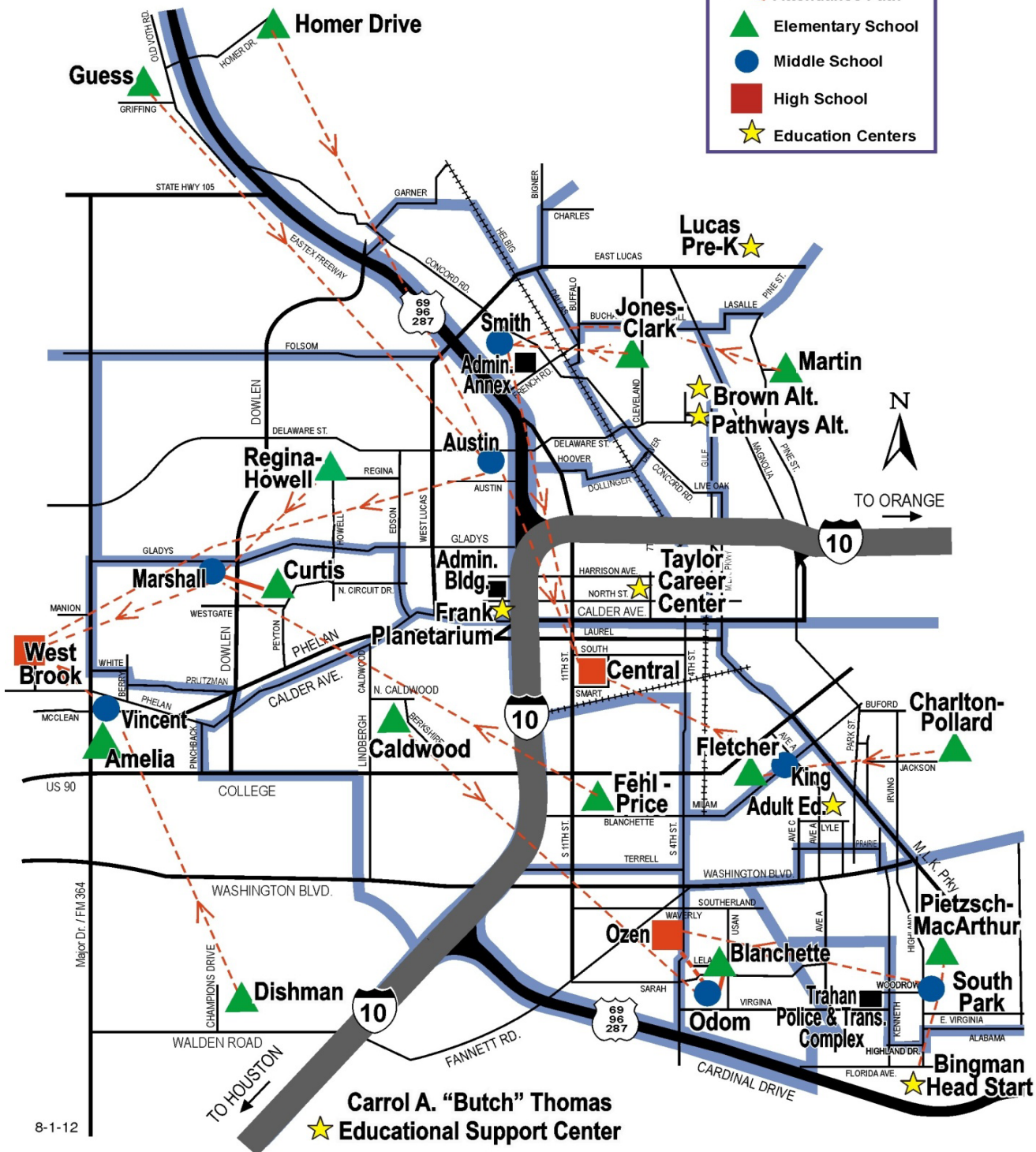
1	Total General Fund Balance 8/31/12 (Exhibit B-1 object 3000 for General Fund only)	\$ 33,746,103
2	Total Nonspendable Fund Balance (Exhibit B-1 total of object 3400s for the General Fund only)	\$ 2,791,425
3	Total Committed Fund Balance (from Exhibit B-1 total of object 3500s for the General Fund only).	\$ 1,750,000
4	Estimated amount needed to cover fall cash flow deficits in the General Fund (Net of borrowed funds and funds representing deferred revenues)	\$ 17,754,362
5	Estimate of one month's average cash disbursements during the regular school session (9/1/11 - 5/31/12)	\$ 25,580,833
6	Estimate of delayed payments from state sources (58XX) including August payment delays	\$ 6,781,001
7	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount	\$ -
8	Estimate of delayed payments from federal sources (59XX)	\$ 4,789,810
9	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	\$ -
10	Optimum Fund Balance and Cash Flow 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9	\$ 59,447,431
11	Excess/Deficit Unassigned General Fund Fund Balance (Line 1 minus Line 10)	\$ (25,701,328)

If item 11 is a positive number

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



-  Attendance Zone
-  Attendance Path
-  Elementary School
-  Middle School
-  High School
-  Education Centers





COMPLIANCE SECTION



BEAUMONT INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

Last Ten Years Ended August 31	Tax Rate*		Assessed/Appraised Value For School Tax Purposes
	Maintenance	Debt Service	
2003 and prior years	Various	Various	Various
2004	1.455	0.0850	6,359,481,988
2005	1.470	0.0700	6,748,474,727
2006	1.475	0.0650	7,368,263,580
2007	1.308	0.0550	7,853,566,235
2008	1.040	0.0550	8,500,936,329
2009	1.040	0.1525	9,344,043,352
2010	1.040	0.2225	9,164,709,866
2011	1.040	0.2700	9,084,485,215
2012	1.040	0.2850	9,279,574,505
Total			

* - Per \$100 of assessed valuation

10 Beginning Balance 09/01/11	20 Current Year's Total Levy	30 Maintenance Total Collections	30a Debt Service Total Collections	40 Entire Year's Adjustments	50 Ending Balance 08/31/12
3,176,463	-	40,258	1,947	(156,255)	2,978,003
356,467	-	12,563	734	(8,379)	334,792
424,193	-	24,043	1,145	(9,771)	389,234
496,185	-	32,405	1,428	(9,203)	453,149
461,432	-	36,567	1,538	(13,073)	410,254
529,995	-	83,267	4,404	(12,220)	430,105
796,123	-	175,626	25,752	(13,865)	580,879
1,308,092	-	353,420	75,612	(40,835)	838,226
2,715,944	-	662,042	171,876	(614,120)	1,267,906
-	118,676,449	91,239,871	25,003,239	(215,853)	2,217,487
<u>\$ 10,264,895</u>	<u>\$ 118,676,449</u>	<u>\$ 92,660,062</u>	<u>\$ 25,287,674</u>	<u>\$ (1,093,574)</u>	<u>\$ 9,900,034</u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed Through State Department of Education:			
Title I, Part A Cluster:			
ESEA Title I Part A Improving Basic Programs	84.010	12610103123910	5,481,335
ESEA Title I Part A Improving Basic Programs	84.010	13610101123910	174,769
Total ESEA Title I Part A Improving Basic Programs			5,656,104
ESEA Title I Part D Prevention and Intervention	84.010	12610103123910	91,055
Total ESEA Title I Part D Prevention and Intervention			91,055
Total Title I, Part A Cluster			5,747,159
Special Education Cluster (IDEA):			
IDEA Part B Formula	84.027	126600011239106600	3,700,736
IDEA Part B Formula	84.027	136600011239106600	102,195
Total IDEA Part B Formula			3,802,931
IDEA Part B Preschool	84.173	126610011239106610	77,745
IDEA Part B Preschool	84.173	136610011239106610	5,877
Total IDEA Part B Preschool			83,622
IDEA Part B Discretionary Deaf	84.027	126600021239106673	54,465
Total IDEA Part B Discretionary Deaf			54,465
IDEA Part B Discretionary Residential	84.027	126600021239106677	101,530
Total IDEA Part B Discretionary Residential			101,530
IDEA Part B Formula RDSPD	84.027	126600011239106601	37,876
Total IDEA Part B Formula RDSPD			37,876
IDEA Part B Preschool Deaf	84.173	126610011239106611	2,886
Total IDEA Part B Preschool Deaf			2,886
Total Special Education Cluster (IDEA)			4,083,310
Education for Homeless Children & Youth	84.196	MVP1-002	47,739
Total Education for Homeless Children & Youth			47,739
ESEA Title II Part A Teacher Principal Training Recruitment	84.367	12694501123910	955,138
ESEA Title II Part A Teacher Principal Training Recruitment	84.367	13694501123910	40,700
Total ESEA Title II Part A Teacher Principal Training Recruitment			995,838
ESEA Title III Part A Language Enhancement Program	84.365	12671001123910	182,029
ESEA Title III Part A Language Enhancement Program	84.365	13671001123910	2,446
Total ESEA Title III Part A Language Enhancement Program			184,475
IDEA Part C Early Intervention	84.181	123911011239103911	2,128
Total IDEA Part C Early Intervention			2,128
Career & Technical - Basic Grant	84.048	12420006123910	281,403
Career & Technical - Basic Grant	84.048	13420006123910	3,162
Total Career & Technical - Basic Grant			284,565
Title I Part B Capacity Building Sites in Reading	84.357	09645511711001	1,420
Total Title I Part B Grants			1,420

BEAUMONT INDEPENDENT SCHOOL DISTRICT

EXHIBIT H-2

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

(CONTINUED)

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed Through State Department of Education: (CONTINUED)			
21st Century Community Learning Center	84.287	126950147110008	2,031,713
21st Century Community Learning Center	84.287	126950177110008	44,332
Total 21st Century Community Learning Center			2,076,045
ARRA Education Jobs Fund	84.410	11550101123910	3,310,390
Total ARRA Education Jobs Fund			3,310,390
Title II AEFLA Section 225 Federal Corrections & Institutionalized	84.002	124100017110430	45,623
Title II AEFLA Section 225 Federal Corrections & Institutionalized	84.002	134100017110484	15,245
Title II AEFLA Section 231 Federal	84.002	124100017110430	529,046
Title II AEFLA Section 231 Federal	84.002	134100017110484	63,595
Total Title II AEFLA Section 231 Federal & Section 225 Federal			653,509
ARRA Title I Priority School	84.388	105520017110007	880,115
ARRA Title I Priority School	84.388	105520067110003	996,804
Total ARRA Title I Priority School			1,876,919
Statewide Longitudinal Data Systems (SLDS) - Classroom Link to Independent School District Systems (ISDS)	84.372	10635002123910	168
Total SLDS - Classroom Link to ISDS			168
TOTAL U.S. DEPARTMENT OF EDUCATION			19,263,665
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			
Direct Programs:			
Head Start	93.600	06CH129033	3,009,759
Total Head Start			3,009,759
Medicaid Administrative Claim Program	93.778	529-07-015700024	17,643
Total Direct Medicaid Administrative Claim Program			17,643
Passed Through Texas Education Agency:			
Adult Education Federal TANF	93.558	123625017110404	53,511
Total Adult Education Federal TANF			53,511
Passed Through Southeast Texas Workforce Development Board			
Child Care Local Initiative Program	93.596	05250Y51	74,529
Total Child Care Local Initiative Program			74,529
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			3,155,442
U.S. DEPARTMENT OF HOMELAND SECURITY			
Direct Programs:			
FEMA - Disaster Grants - Public Assistance	97.036	1791	100,037
Total Direct Programs			100,037
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			100,037

BEAUMONT INDEPENDENT SCHOOL DISTRICT

EXHIBIT H-2

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

(CONTINUED)

FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF JUSTICE			
Direct Programs:			
ARRA COPS Hiring Recovery Program	16.710	2009RKWX0839	53,851
Total ARRA COPS Hiring Recovery Program			53,851
TOTAL U.S. DEPARTMENT OF JUSTICE			53,851
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	2,433,295
National School Lunch Program	10.555	N/A	6,334,309
Total Child Nutrition Cluster			8,767,604
Commodity Supplemental Food Program	10.565	N/A	620,731
Total Commodity Supplemental Food Program			620,731
Fresh Fruit & Vegetable Program	10.582	NA	37,827
Total Fresh Fruit & Vegetable Program			37,827
TOTAL U.S. DEPARTMENT OF AGRICULTURE			9,426,162
TOTAL FEDERAL AWARDS			\$ 31,999,157

BEAUMONT INDEPENDENT SCHOOL DISTRICT

NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS

AUGUST 31, 2012

1. The District utilizes the fund types specified in the Resource Guide.

Special Revenue Funds – are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types and Private Purpose Trust Fund types are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in the Special Revenue Fund, a component of the Governmental Fund type. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

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

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period, extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H. Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Supplement updated as of June 2012.

BEAUMONT INDEPENDENT SCHOOL DISTRICT
LONG TERM DEBT SCHEDULE

FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

Date of Issue	Description	Interest Rate Payable	Amounts Original Issue	10 Amounts Outstanding 09/01/11	20 Issued Current Year	30 Retired Current Year
05/25/2003	Unlimited Tax Refunding Bonds Series 2003	2.5% - 3.40%				
	Current Interest Bonds		\$ 8,435,000	5,000,000	-	1,190,000
	Capital Appreciation Bonds		\$ 225,000	-	-	-
08/31/2004	Unlimited Tax Refunding Bonds Series 2004	2.75% - 3.00%				
	Current Interest Bonds		\$ 16,925,000	7,105,000	-	-
	Capital Appreciation Bonds		\$ 885,000	-	-	-
10/18/2005	Unlimited Tax Refunding Bonds Series 2005	3.0% - 5.0%				
	Current Interest Bonds		\$ 11,380,000	7,545,000	-	740,000
	Capital Appreciation Bonds		\$ 520,000	-	-	-
03/15/2008	Unlimited School Building Bonds Series 2008	3.00% - 5.25%	\$ 89,800,000	89,450,000	-	465,000
08/01/2008	Unlimited Tax Refunding Bonds Series 2008	3.17% - 3.5%	\$ 9,815,000	6,140,000	-	1,960,000
09/01/2008	** Unlimited School Building Bonds Series 2008 A	4.375% - 5.0%	\$ 65,365,000	64,865,000	-	65,000
05/01/2009	** Unlimited School Building Bonds Series 2009	3.00% - 5.25%	\$ 119,315,000	115,980,000	-	300,000
04/30/2010	Unlimited School Building Bonds Series 2010A	2.0% - 5.0%	\$ 10,085,000	10,085,000	-	405,000
04/30/2010	Unlimited School Building Bonds Series 2010B	4.449% - 5.810%	\$ 59,490,000	59,490,000	-	-
05/01/2010	Unlimited Tax Qualified School Construction Bonds Series 2010	0%	\$ 14,450,000	14,450,000	-	960,000
05/26/2011	Unlimited School Building Bonds Series 2011	2.0% - 5.0%	\$ 31,500,000	31,500,000	-	-
1000	Sub Total		\$ -	411,610,000	-	6,085,000
08/24/00	* Lease Revenue Bonds Series 2000	4.30%	\$ 13,100,000	4,610,000	-	1,060,000
1000	Totals			<u>\$ 416,220,000</u>	<u>\$ -</u>	<u>\$ 7,145,000</u>

* The Lease Revenue Bonds along with the Unlimited Tax Refunding Bonds Series 2004 were issued on an adjustable rate basis. On August 15, 2006, the Lease Revenue Bonds were converted to fixed rate bonds at a rate of 4.3%. And on August 17, 2009 the Unlimited Tax Refunding Bonds Series 2004 were converted to fixed rate bonds at a rate of 3%.

** Amounts revised due to new information received in June 2012 to account for Capital Appreciation Bonds.

40 Amounts Outstanding 08/31/12	50 Interest Current Year	Requirements				I 9/1/14 To Maturity Interest
		Year Ending 8/31/13		Year Ending 8/31/14		
		Principal	Interest	Principal	Interest	
3,810,000	144,404	1,230,000	106,130	1,270,000	65,495	22,270
-	-	-	-	-	-	-
7,105,000	207,488	-	207,488	-	207,488	323,344
-	-	-	-	-	-	-
6,805,000	292,181	760,000	266,394	775,000	239,144	423,223
-	-	-	-	-	-	-
88,985,000	4,315,615	900,000	4,293,433	1,000,000	4,256,308	63,678,250
4,180,000	180,600	2,045,000	110,513	2,135,000	37,363	-
64,800,000	3,178,400	145,000	3,408,400	510,000	3,133,200	46,766,500
115,680,000	6,841,438	80,000	6,326,438	530,000	5,718,488	87,640,741
9,680,000	458,950	700,000	444,400	1,370,000	399,650	940,750
59,490,000	3,304,006	-	3,304,006	-	3,304,006	54,886,874
13,490,000	-	960,000	-	960,000	-	-
31,500,000	1,425,376	500,000	1,420,376	720,000	1,408,176	20,748,947
405,525,000	20,348,458	7,320,000	19,887,578	9,270,000	18,769,318	275,430,899
3,550,000	175,440	1,120,000	1,120,000	1,180,000	92,920	31,563
\$ 409,075,000	\$ 20,523,898	\$ 8,440,000	\$ 21,007,578	\$ 10,450,000	\$ 18,862,238	\$ 275,462,462

6599 - Other Debt Service Fees \$ 13,320

BEAUMONT INDEPENDENT SCHOOL DISTRICT

EXHIBIT H-4

SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COST FOR 2011-2012
GENERAL, SPECIAL REVENUE, AND PRIVATE PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

Function 41 and Related Function 53 - General Administration

Account Number	1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (Other) Miscellaneous	7 Total
611X-6146 Payroll Costs	\$ 35	\$ -	\$ 832,229	\$ 2,124,609	\$ 754,902	\$ -	\$ 3,711,775
6149 Leave for Separating Employees in Fn 41 & 53				-			-
6149 Leave - Separating Employees not in 41 & 53				-			-
6211 Legal Services	-	-	1,090,167		-		1,090,167
6212 Audit Services				111,565			111,565
6213 Tax Appraisal and Collection		1,328,745					1,328,745
621X Other Professional Services	15,589	-	-	54,829	-	-	70,418
6220 Tuition and Transfer Payments						-	-
6230 Education Service Centers	-	-	-	-	-	-	-
6240 Contr. Maint. and Repair					35,871		35,871
6250 Utilities					-		-
6260 Rentals	-	-	9,699	10,519	-	-	20,218
6290 Miscellaneous Contracted	-	-	-	377,366	4,597	-	381,963
6320 Textbooks and Reading	-	-	-	-	-	-	-
6330 Testing Materials	-	-	-	-	-	-	-
63XX Other Supplies Materials	25,086	-	20,305	124,035	25,206	-	194,632
6410 Travel, Subsistence, Stipends	26,133	-	8,941	26,348	24,387	-	85,809
6420 Insurance and Bonding Costs	-	-	-	-	-	-	-
6430 Election Costs	10,615		-				10,615
6490 Miscellaneous Operating	32,867	-	16,227	44,954	282,939	-	376,987
6500 Debt Service						-	-
6600 Capital Outlay						-	-
6000- TOTAL	\$ 110,325	\$ 1,328,745	\$ 1,977,568	\$ 2,874,225	\$ 1,127,902	\$ -	\$ 7,418,765

Total expenditures/expenses for General and Special Revenue Funds: (9) \$ 199,716,958

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10)	\$ 450,784
Total Debt & Lease (6500)	(11)	-
Plant Maintenance (Function 51, 6100-6400)	(12)	29,011,033
Food (Function 35, 6341 and 6499)	(13)	-
Stipends (6413)	(14)	450
Column 4 (above) - Total Indirect Cost		<u>2,874,225</u>

Subtotal:

32,336,492

Net Allowed Direct Cost

\$ 167,380,466

CUMULATIVE

Total Cost of Buildings before Depreciation (1520)	(15)	\$ 493,697,972
Historical Cost of Buildings over 50 years old	(16)	\$ 29,228,800
Amount of Federal Money in Building Cost (Net of Above)	(17)	\$ 1,153,747
Total cost of Furniture & Equipment before Depreciation (1530 & 1540)	(18)	\$ 32,093,446
Historical Cost of Furniture & Equipment over 16 years old	(19)	\$ 6,740,513
Amount of Federal Money in Furniture & Equipment (Net of Above)	(20)	\$ 3,383,901

(8) Note A: No amounts in Function 53 expenditures are included in this report on administrative costs.