

**Comprehensive
Annual Financial Report
of the**

**SAN ANGELO
INDEPENDENT SCHOOL DISTRICT
San Angelo, Texas**

For The Year Ended August 31, 2009

**Prepared by
FINANCE DEPARTMENT**

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SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED AUGUST, 31, 2009

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CERTIFICATE OF BOARD

San Angelo Independent School District Tom Green 226903
Name of School District County Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) approved disapproved for the year ended August 31, 2009 at a meeting of the Board of Trustees of such school district on the 14th day of December, 2009.

Signed certificate on file with the District

Signature of Board Secretary

Signature of Board President

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

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INTRODUCTORY SECTION

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San Angelo Independent School District
Business Services
1621 University
San Angelo, Texas 76904
(325)947-3766 PHONE
(325)949-1415 FAX

December 9, 2009

Members of the Board of Trustees and Citizens of
San Angelo Independent School District

We are submitting this comprehensive annual financial report of the San Angelo Independent School District (the District) for the fiscal year ended August 31, 2009.

This report is presented in four sections as described below.

1. **Introductory Section** – This section includes this transmittal letter, a list of principal District officials, the District’s organization chart, and the ASBO Certificate of Excellence in Financial Reporting for the prior fiscal year comprehensive annual financial report.
2. **Financial Section** – This section includes the independent auditor’s report on the audit of the financial statements, management’s discussion and analysis of the District’s financial performance for the year, the District’s financial statements, notes to the financial statements, and supplementary statements and schedules.
3. **Statistical Section** – This section is not audited. It includes selected financial and demographic information, primarily in table form for multiple years.
4. **Single Audit Section** – This section includes the independent auditor’s reports on internal control and compliance with laws, regulations, and grant provisions. Related schedules and documents required by laws and regulations are also included as listed in the table of contents.

Management is fully responsible for the completeness and reliability of all the information included in this report. As a basis for making these representations, management of the District has established an internal control framework designed both to protect the District’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District’s financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the benefits of internal control should be more than their cost, the District’s internal control framework has been designed to provide reasonable rather than absolute assurance that the financial statements will not contain material misstatements. In our capacity as management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Texas Education Code requires an annual audit of the District’s financial statements. The Board of Trustees selected Webb & Webb, a firm of licensed certified public accountants to audit this year’s financial statements. The goal of an independent audit is to provide reasonable

assurance that the financial statements of the District for fiscal year ended August 31, 2008, are free of material misstatement. The audit involved 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. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended August 31, 2009, are fairly stated in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. The independent audit of the District's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs 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 in the fourth section, the single audit section.

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 transmittal letter is designed to complement MD&A and should be read in conjunction with it. The District's MD&A is in the financial section immediately following the independent auditor's report.

PROFILE OF THE DISTRICT

The District is located 210 miles west northwest of Austin, Texas in Tom Green County in the City of San Angelo, Texas. The District is empowered to levy property taxes on all real and personal property within its boundaries.

The District is governed by a seven member Board of Trustees (the Board) elected by the registered voters of the District. The Board is responsible, among other things, for adopting and amending the annual budget and hiring the District's superintendent. The superintendent is responsible for carrying out the policies of the Board and for overseeing the day-to-day operations of the District.

The District offers a standards-based curriculum to all of its students. The San Angelo Independent School District standards are locally derived and focused on the high levels of student performance. Through the District's pre-kindergarten through twelfth grade program, students receive instruction in over seventy different areas; from reading and language arts in the lower grades to advanced calculus and physics in the District's high schools. In addition to regular education programs, the District offers special programs such as special education, bilingual, gifted and talented, head start, early head start, and academic alternative education programs.

The annual budget is the foundation of the District's financial planning and control. After public hearings, the budget is legally enacted by Board resolution each year prior to September 1. Once

it is approved, the budget can only be changed at the function and fund level by amendments approved by a majority of the members of the Board. Budget-to-actual comparisons are provided in this report for the General Fund, the Food Service special revenue fund, and the Debt Service Fund. The comparison for the General Fund is presented in Exhibit G-1, and for the Food Service and Debt Service funds in Exhibits J-4 and J-5, respectively. Most of the other special revenue funds are controlled by project-length budgets approved by State and Federal grantor agencies, for which budget-to-actual comparisons are not included in this report. A project-length spending plan, as outlined in the ordinances, which authorized the bond issues, is used for the Capital Project Fund.

FACTORS AFFECTING FINANCIAL CONDITION

The financial statement information can be better understood when it is considered from the broad perspective of the specific environment within which the District operates.

Local economy – West Texas cities tend to be widely dispersed. San Angelo is one of the largest cities in West Central Texas and serves as the center of commerce, government, medicine, and religion for an expansive area. Three U. S. highways and one State highway serve San Angelo. The San Angelo Regional Airport (Mathis Field) also provides flights that link up with national and international airlines.

San Angelo continues to have a well-diversified economic base with major sectors that include manufacturing, medical care, education, trade, business services, and military. San Angelo is a regional service center for business and agriculture over a fourteen county area. Walmart, Inc./Sam's, AEP Texas North, The Ethicon division of Johnson and Johnson, Verizon Communications, San Angelo Community Medical Center, Shannon Medical Center, Goodfellow Air Force Base, and many other local businesses provide the economic potential of San Angelo.

There are three institutions of higher education in San Angelo. Angelo State University (ASU) offers baccalaureate programs in numerous arts, science, business, education, and medical fields. ASU offers Graduate degrees in seven fields of science, education, arts, and business. Howard Junior College has an extension campus in San Angelo, which concentrates predominately in the technical and occupational fields of study. American Commercial College is a private college serving career education through associated programs.

Long-term financial planning – The District began extensive facilities improvements with the issuance of \$47.9 million School Building Bonds in 1996 and 1997. Numerous facilities upgrades as well as new school buildings were completed. The bond capital projects fund was exhausted in fiscal 2005. The District continued to pursue a long range facility plan and gained approval in a November 2008 election to issue \$117,000,000 unlimited tax school building bonds to fund improvements at eight elementary, one middle school, and two high school campuses. The Bonds were issued April 23, 2009. Proceeds and activities to date on the bond projects are reported in a major capital projects fund.

Cash management policies and practices – Texas’ Public Funds Investment Act contains specific provisions regarding investment practices, management reports, and establishment of appropriate policies. It requires the District to adopt, implement, and publicize an investment policy. The policy must address the areas of safety and liquidity of investment principal, portfolio diversification, allowable investments, acceptable risk levels, rate of return, maximum allowable maturity of portfolio investments, and investment staff quality and capabilities. State statute authorizes a variety of allowable investments.

During the year, the District temporarily invested idle cash in state managed investment pools. The average investment yield was 1.05%, down from the average yield of 3.51% the prior year. The District also invested in U.S. Government Agency Securities with a maximum maturity of two years, earning interest rates ranging from 0.50% to 3.35%.

Risk management – The District purchases commercial insurance to cover its exposure to loss from theft, property damage, errors and omissions, and natural disasters. To provide health benefits to the employees and their families, the District has established a modified self-insurance plan. The District deposits employee and employer paid premiums into the Health Insurance internal service fund to cover claim payments. The District has contracted with a third party consultant to administer and process claims. A commercial excess claims insurance policy limits exposure to \$150,000 per individual per year with a lifetime maximum of \$1,000,000, and annual aggregate limit to \$11,136,620.

The District met its statutory workers compensation obligation in fiscal year 2009 with participation through an inter-local agreement with other school districts in the Texas Workers’ Compensation Solutions Program (TWCS or Program), which is accounted for in the Workers’ Compensation Insurance internal service fund. The District contributed its share of fixed program costs based on a pro-rata share of covered payroll costs, and placed on deposit with the TWCS 10% of the District’s maximum loss amount. Deposits with TWCS must be maintained at a level equal to at least 5% of the maximum loss projection. The Program purchases specific and aggregate re-insurance to protect the program in the event of claims in excess of member districts’ maximum loss funds.

Additional information on the District’s health insurance and workers compensation insurance plans is in Note IV.J. in the notes to the financial statements.

Pension benefits – The District provides pension benefits for its employees through the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer-defined benefit pension plan. The eligible employees contribute 6.4% of their compensation to the plan. The state matches the employee contributions with 6.58% of compensation up to the state minimum. Beginning in fiscal 2010 the state match is 6.4% The District makes matching contributions for salaries above the state minimum, and federal programs provide the matching contributions for employees working in the program. Legislation passed in 2003 requires school districts to contribute 0.55% of each member employee’s salary each month to fund the system’s medical insurance plan for retired members. Districts are subject to a surcharge of 12.98% of salary paid

Board of Trustees and Citizens
December 9, 2009

to TRS retirees who return to the workforce. Additional information is found in Note IV.I. in the notes to the financial statements.

AWARDS AND ACKNOWLEDGMENTS

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to San Angelo ISD for its comprehensive annual financial report for the fiscal year ended August 31, 2008. To be awarded a Certificate of Excellence, a school district must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Excellence is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Excellence Program's requirements and we are submitting it to the ASBO to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administrative departments. We express our appreciation to all of the staff members who assisted and contributed to the preparation of this report. Credit must also be given to the members of the Board of Trustees for their support and leadership.

Respectfully submitted,

Denise Huffman

Denise Huffman, Comptroller

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
DISTRICT OFFICIALS, STAFF AND CONSULTANTS
FOR THE YEAR ENDED AUGUST 31, 2009

Elected Officials – Board of Trustees

<u>Name and Title</u>	<u>Term Expires</u>	<u>Occupation</u>
Lanny Layman, President	May 2011	Manager, A-B Distributing
Max Parker, Secretary	May 2011	Attorney
Tim Archer, Treasurer	May 2010	Owner / Manager, Archer Floor Company
Daniel Baker, Vice President	May 2012	Owner / Operator, Regal Oil Inc. / Star Stop Food Mart
Art Hernandez, Trustee	May 2012	Funeral and Cemetery Family Service Counselor
Gerard Gallegos, Trustee	May 2011	Access Billing Rep. / Verizon, Inc.
Cookie Roberts, Trustee	May 2010	Property Manager

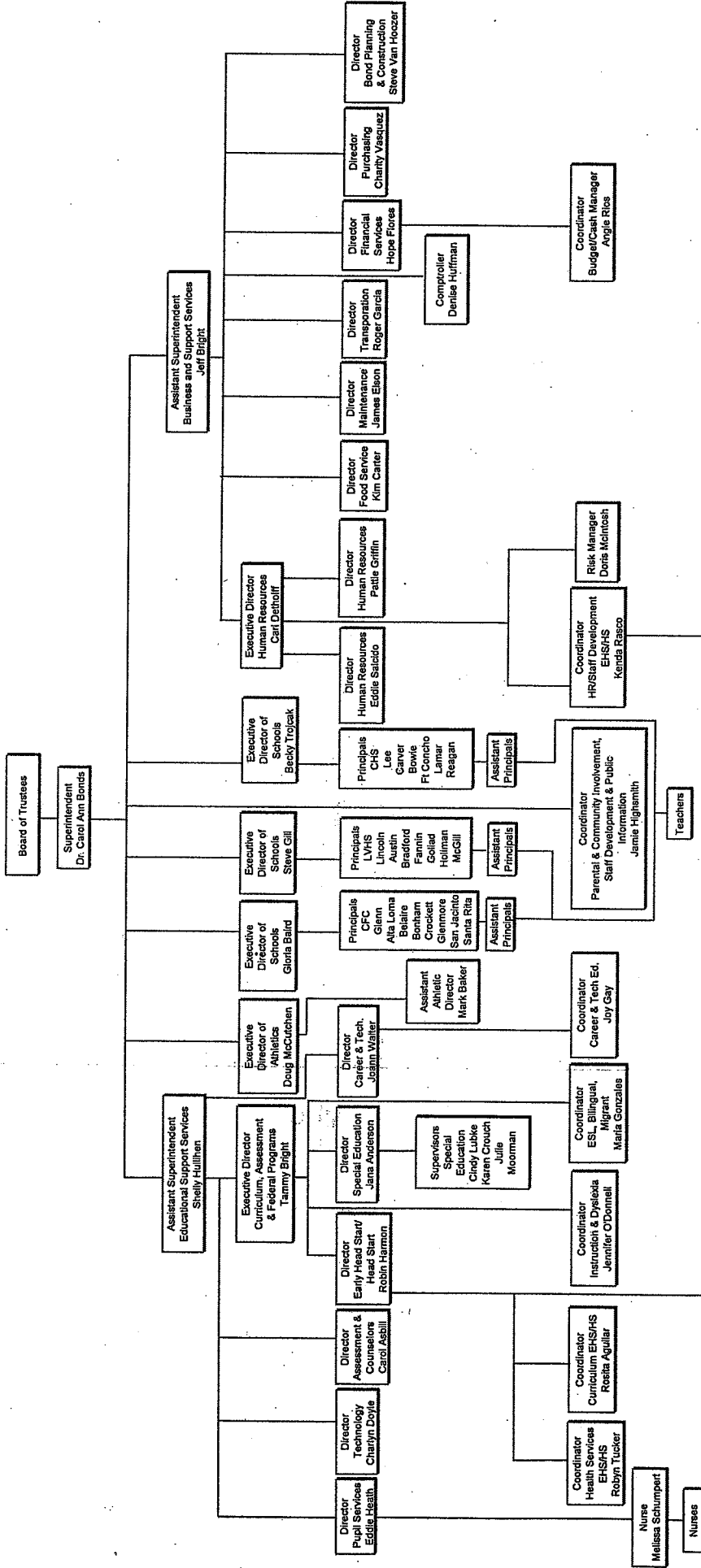
Selected Administrative Staff

<u>Name</u>	<u>Position</u>	<u>Length of Service</u>	<u>Total School District Service</u>
Dr. Carol Ann Bonds	Superintendent of Schools	3 Years	30 Years
Shelly Hullihen	Assistant Superintendent, Educational Support Services	2 Year	29 Years
Jeff Bright	Assistant Superintendent, Business & Support Services	6 Years	22 Years
Denise Huffman	Comptroller	7 Years	13 Years
Hope Flores	Director of Financial Services	11 Years	11 Years

Consultants and Advisors

Auditors.....	Webb and Webb Certified Public Accountants San Angelo, Texas
Bond Counsel.....	Fulbright & Jaworski, L.L.P. Dallas, Texas
Financial Advisor.....	First Southwest Company Dallas, Texas

San Angelo Independent School District
 Administrative Organizational Chart
 School Year 2008-2009



Revised
08/08

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

SAN ANGELO INDEPENDENT SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended August 31, 2008

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Angela Pitzman

President

John D. Quason

Executive Director

FINANCIAL SECTION

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**UNQUALIFIED OPINION ON BASIC FINANCIAL STATEMENTS
ACCOMPANIED BY REQUIRED SUPPLEMENTARY INFORMATION AND
OTHER SUPPLEMENTARY INFORMATION INCLUDING THE
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Independent Auditor's Report

Board of Trustees
San Angelo Independent School District
1621 University
San Angelo, Texas 76904

Members of the Board:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of San Angelo Independent School District (the District) as of and for the year ended August 31, 2009, 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 administrators. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, 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, the business-type activities, each major fund, and the aggregate remaining fund information of San Angelo Independent School District as of August 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis and budgetary comparison immediately following this report and immediately following the notes to the financial statements, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

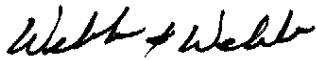
In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and 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 *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise San Angelo Independent School District's basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section, combining and other statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and other statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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



December 9, 2009

Management's Discussion and Analysis San Angelo Independent School District

In this section of the Annual Financial and Compliance Report, we, the managers of San Angelo Independent School District, discuss and analyze the District's financial performance for the fiscal year ended August 31, 2009. Please read it in conjunction with, the independent auditors' report immediately preceding this report, and the District's Basic Financial Statements, which begin with Exhibit A-1.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Assets and the Statement of Activities (Exhibits A-1 and B-1). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting with Exhibit C-1) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the district.

The notes to the financial statements (immediately after Exhibit E-2) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining and other statements for nonmajor funds contain even more information about the District's individual funds. These are not required by TEA. The sections labeled Compliance Schedules (Required by Texas Education Agency) and Single Audit Section contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Assets and the Statement of Activities

The analysis of the District's overall financial condition and operations begins with Exhibit A-1. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Assets includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the district, food service revenues, rents, and curriculum sales (program revenues), and revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net assets and changes in them. The District's net assets (the difference between assets and liabilities) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider non-financial factors as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

In the Statement of Net Assets and the Statement of Activities, we divide the District into two kinds of activities:

- Governmental activities— Most of the District's basic services are reported here, including the instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.
- Business-type activities— The District charges a fee to “customers” to help it cover all or most of the cost of services it provides in the concessions activity. The District has transferred the rights to sell advertising on a jumbo-tron scoreboard at the District’s athletic stadium as payment for installation of the jumbo-tron.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements begin with Exhibit C-1 and provide detailed information about the most significant funds—not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the Elementary and Secondary Education Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities) The District's two kinds of funds, governmental and proprietary, use different accounting approaches.

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

- Proprietary funds – The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Assets and the Statement of Activities. The District's enterprise funds, one category of proprietary funds, are the business-type activities reported in the government-wide statements but contain more detail and additional information, such as cash flows. The internal service funds (the other category of proprietary funds) reports activities that provide services for the District's other programs and activities through the District's self-insurance programs.

THE DISTRICT AS TRUSTEE

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for money raised by student activities and alumnae scholarship programs. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets, Exhibits E-1 and E-2. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net assets (Table I) and changes in net assets (Table II) of the District's governmental and business-type activities.

Table I
San Angelo Independent School District
Net Assets
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets:						
Current and Other Assets	\$172,739	\$46,029	\$171	\$154	\$172,910	\$46,183
Capital Assets	88,595	83,170	316	370	88,911	83,540
Total Assets	261,334	129,199	487	524	261,821	129,723
Liabilities:						
Current Liabilities	23,623	7,631	58	74	23,681	7,705
Long Term Liabilities	141,448	24,271	310	339	141,758	24,610
Total Liabilities	165,071	31,902	368	413	165,439	32,315
Net Assets:						
Invested in capital assets, net of related debt	59,757	59,894	6	31	59,763	59,925
Restricted	3,060	2,684	0	0	3,060	2,684
Unrestricted	33,446	34,719	113	80	33,559	34,799
Total Net Assets	\$96,263	\$97,297	\$119	\$111	\$96,382	\$97,408

Net Assets. The District's governmental activities net asset position decreased by \$1 million to \$96.2 million as expenses exceeded revenues in the governmental activities by \$1.2 million and a prior period adjustment added \$0.2 million. The District issued bonds totaling \$117 million to begin renovations on eleven of the District's school campuses. Additionally, \$4 million in Refunding Bonds were issued to refund the Series 1997 School Building Bonds. The District completed \$5.5 million in other facility improvements and \$3.6 million on capital outlay. Those increases netted with current year depreciation of \$3.7 million generated a \$5.4 increase in capital assets. Consideration of accrued interest on the new bonds brought a slight reduction in the District's investment in capital assets net of related debt. At year-end \$1.9 million remains restricted for long-term debt, \$0.7 million is restricted for food service operations, and \$0.4 million is contractually restricted for instructional technology. \$33.4 million is unrestricted and available for appropriation.

In the business-type activities, current operations of the concessions fund were profitable. In the fourth year of a projected ten year payout in the enterprise fund established to satisfy the cost of installation of a jumbo-tron, current charges for interest and depreciation exceeded current advertising revenues generated. Net assets of the business type activities are unrestricted.

The results of the governmental and business-type activities compared to the results from the prior year are summarized in Table II.

Table II
San Angelo Independent School District
Changes in Net Assets
(in thousands)

	Governmental Activities		Business- type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for Services	\$3,470	\$3,754	\$187	\$199	\$3,657	\$3,953
Operating Grants & Contributions	23,731	22,919	0	0	23,731	22,919
General Revenues:						
Maint & Oper Taxes	30,011	28,131	0	0	30,011	28,131
Debt Service Taxes	2,020	1,893	0	0	2,020	1,893
State Aid Formula Grants	59,683	60,271	0	0	59,683	60,271
Grants, Contrib not restricted to specific functions	974	931	0	0	974	931
Investment Earnings	1,368	1,624	0	0	1,368	1,624
Miscellaneous	887	546	0	0	887	546
Total Revenues	\$122,144	\$120,069	\$187	\$199	\$122,331	\$120,268

Expenses:

Instruction, Curriculum, Media	\$73,375	\$70,337	\$ 0	\$ 0	\$73,375	\$70,337
Instructional/School Leadership	8,093	7,612	0	0	8,093	7,612
Guidance, Social Work, Health, &Transportation	9,158	8,678	0	0	9,158	8,678
Child Nutrition	6,380	6,078	0	0	6,380	6,078
Co-curricular Activities	4,501	3,855	0	0	4,501	3,855
General Administration	2,333	2,572	0	0	2,333	2,572
Plant Maint, Security, Data Proc	15,268	17,543	0	0	15,268	17,543
Community Services	367	365	0	0	367	365
Debt Service	3,165	1,087	0	0	3,165	1,087
Other Intergovernmental Charges	740	782	0	0	740	782
Other: Business-type Activities	0	0	179	183	179	183
Total Expenses	123,380	118,909	183	183	123,559	119,092
Change in Net Assets	(1,236)	1,160	8	16	1,228	1,176
Prior Period adjustment	202	339	0	0	202	339
Net Assets at September 1	97,297	95,798	111	95	97,408	95,893
Net Assets at August 31	\$96,263	\$97,297	\$119	\$111	\$96,382	\$97,408

Changes in Net Assets. Governmental revenues increased \$2 million over fiscal 2008 while expenses increased \$4.4 million. The District's operations tax rate remained at \$1.04 and the debt tax rate remained at \$.07, however increased property values brought a slight increase in tax revenues. Significant expenditure increases over the prior year were attributed to salary and benefits district-wide and debt service costs pursuant to the 2009 bond issue. Daily interest accrual of \$1.9 million on the new bond issue (not due for payment until February 2010) is a factor in the reduction in net assets because the revenues to service the debt service payment will be generated by taxes to be assessed and collected in fiscal year 2010.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds. The District's governmental funds reported a decrease in fund balance of \$2.2 million in the general fund and an increase of \$0.9 million in the other governmental funds. The general fund is the maintenance and operations fund of the district. Tax revenues increased slightly due to property tax values but were offset by reduced investment earnings due to market interest rate decline. In the general fund, salaries and benefits comprised 82% of the expenditure budget and increased \$2.3 million over the prior year. A reduction in capital expenditures of \$3.6 million and a \$0.7 million reduction in other professional and contract costs combined with the increased salary costs to create an overall \$2 million reduction in expenditures from the prior year. Additionally, the General Fund made a \$2.5 million operating transfer to a capital projects fund for a project in progress to renovate the District's stadium field-house facility.

At the end of the 2009 fiscal year, the general fund reported fund balances legally or contractually reserved for specific use of \$8.7 million. The Board of Trustees has designated \$4.7 million for future construction and renovations. The Board has also designated \$1.4 million to be used for other purposes such as, self insurance, property insurance deductibles and implementation of technology upgrades planned as part of an E-Rate funded technology project. The remaining \$14.1 million fund balance is unreserved and available for financing District operations.

In the other funds (which include special revenue grant funds, capital project funds and the debt service fund) revenues increased \$1.2 million and expenditures increased \$6.2 million compared to fiscal 2008. Local revenues increased slightly due to property tax valuations as in the general fund but revenues from state grants decreased. Federal grant revenues increased in entitlement programs and student nutrition programs. Federal funding under the American Recovery and Reinvestment Act added \$0.3 million to educational programs. Expenditures increased in the other governmental funds corresponding to the elevated grant funding. Capital expenditures increased with the progression of the field-house project. Debt service expenditures increased with the Refunding of the 1997 bonds. In the other governmental funds, \$1.9 million is reserved for debt service and \$1.2 million is reserved for nutrition programs. The remaining \$1.1 million is un-reserved and is available for use within the programs that generated the revenues.

Proceeds from the 2009 School Building Bonds issued are reported in a major capital projects fund. Projects on eleven school campuses will span three years culminating years of facility evaluation and planning to enhance the learning environment for the students of the District.

Proprietary Funds. The District's risk management strategy uses internal service funds to report the accumulation of reserves for self-insurance of employee health benefits and workers' compensation benefits. The reserves are accumulated through payroll charges to the governmental funds based on actuarial estimates of the relevant claims liabilities. The internal service funds are consolidated into the governmental activities in the government-wide financial statements. In the health insurance fund, revenues decreased slightly as less of the claims experienced were subject to re-insurance coverage. Claims costs rose sharply leaving the fund with a \$1.6 million reduction in net assets. Health fund ending net assets of \$0.2 million are reserves for future claims liabilities or claims run-off should the District change its risk management strategy. In the workers' compensation fund, reserves accumulated from the initial four years of fund operations were reclassified in a prior period adjustment from claims liabilities to net assets based on reductions in an actuarial projection of claims incurred. Those assets are being used to reduce current fringe benefit charges to the other funds (operating revenue to the proprietary fund) to pay claims and fixed administrative costs of the workers comp program. Both internal service funds had declines in investment earnings due to interest rate declines. Additional information about the internal service funds is found in note IV.J. of this report.

The funds reported in the government wide financial statements as business-type activities are the District's enterprise funds. The business-type activities are relatively insignificant to the overall operations of the District. The concession fund reported net revenue on concession services. In fiscal 2005, the District negotiated an agreement to finance installation of a jumbotron scoreboard at the District's athletic stadium by transferring the rights to sell advertising on the board. The transaction is reported as a capital lease asset acquisition in an enterprise fund. Advertising revenue sold will satisfy repayment of the cost of the board with expected payout in approximately ten years. Current charges for interest and depreciation exceeded current advertising revenues in the fund to reduce the net assets of the fund and of the overall business activities for the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's Board of Trustees adopts the general fund, debt service, and food service fund budgets annually. Over the course of the year, the Board of Trustees revised the District's general fund budget several times. These budget amendments fall into three categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the year and reflect actual beginning balances (versus the amounts estimated in August 2008). The second category includes changes that the Board made during the year. The third category involved amendments that moved funds from programs that did not need all the resources originally appropriated to programs with resource needs.

Local revenues were amended for increased state formula revenues. The principal expenditure amendments were for construction projects funded from fund balance and instructional technology purchases funded by reserved funds from WADA sale gains. In the general fund, actual revenues reported were 100.5% of the amended budget and actual expenditures were 99.3% of the amended budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2009 the District had \$88.5 million (net of accumulated depreciation) invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance in the governmental activities. This amount represents an increase of \$5.4 million from the prior year. Additional information regarding capital assets is presented in note IV.F. to the financial statements.

The increases and decreases to investment in capital assets are shown below (**in thousands**):

Increases:

Land	\$ 200	
Furniture and Equipment	921	
Vehicles	596	
Buildings & Site Improvements	1,962	
Construction Work in Progress		
Project Costs incurred	\$7,629	
Projects completed – increasing other categories:		
Stadium Paving	(1,356)	
Paving- 3 campuses	(246)	
Athletic fields turf improvement	(221)	
Land swap with the City of San Angelo	(64)	
Item costs below \$5,000 capitalization limit	(249)	
	<u>5,493</u>	\$ 9,172

Decreases:

Vehicles Sold	265	
Less accumulated Depreciation	(265)	
Current year depreciation	<u>3,747</u>	
		<u>3,747</u>
Net increase to capital assets (governmental activities):		<u>\$ 5,425</u>

In the business-type activity, current year depreciation expense reduced the investment in capital assets by \$53 thousand.

Debt

At year-end, the District's debt service fund had a \$1.9 million fund balance. Bonds payable totaling \$138 million have maturities scheduled into 2034 with fixed interest rates ranging from 2.5% to 5%. The 2009 Bonds are rated AAA by Standard and Poor's Rating Services and AAA by Fitch by virtue of a municipal bond insurance policy issued by Assured Guaranty. The Bonds and other outstanding tax supported debt of the District are rated AA- by Standard and Poor's and AA- by Fitch without regard to credit enhancement. The District also has issues outstanding which are rated AAA by Standard and Poor's by virtue of the guarantee of the Permanent School Fund of the State of Texas. Other obligations of the district include accrued benefits for unused vested sick leave. Detailed information about the District's long-term liabilities is presented in Note IV.H to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

As the District prepared its 2010 budget, the district maintained its local maintenance and operating property tax rate at \$1.04 for maintenance and operations and increased the debt tax rate to \$0.3125. Projections for the general fund indicated a slight increase in state support and an increase in tax collections from increased property values. Enrollment decline is still a major factor in determining revenues for the district as funding formulas are driven by average daily student attendance. Although enrollment experienced a slight gain in the 2009 year, the 2010 projections forecast a slight enrollment decline. Budgeted revenues available for appropriation in the general fund budget are \$96.3 million, an increase of 1% of actual 2009 revenues of \$95.2 million. The fiscal 2010 budget included a 2% to 3% salary increase under the TASB salary model. Total budgeted 2009 general fund costs of \$96.2 million increased 1% from actual fiscal 2009 expenditures of \$94.8 million in the general fund. Texas Education Agency reclassified \$4.2 million in state funding as federal stimulus funds requiring transfer to a federal special revenue fund after the budget adoption.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office at San Angelo Independent School District, 1621 University, San Angelo, Texas 76904.

BASIC FINANCIAL STATEMENTS

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SAN ANGELO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
AUGUST 31, 2009

Data Control Codes	1	2 Primary Government	3
	Governmental Activities	Business Type Activities	Total
ASSETS			
1110 Cash and Cash Equivalents	\$ 103,091,274	\$ 171,603	\$ 103,262,877
1120 Current Investments	10,265,550	-	10,265,550
1220 Property Taxes Receivable (Delinquent)	1,810,440	-	1,810,440
1230 Allowance for Uncollectible Taxes	(74,229)	-	(74,229)
1240 Due from Other Governments	3,858,909	-	3,858,909
1250 Accrued Interest	177,443	-	177,443
1290 Other Receivables, net	1,538,853	-	1,538,853
1300 Inventories	750,120	-	750,120
1410 Deferred Expenses	578,773	-	578,773
1420 Capitalized Bond and Other Debt Issuance Costs	2,003,218	-	2,003,218
Capital Assets:			
1510 Land	5,680,413	-	5,680,413
1520 Buildings, Net	67,624,132	-	67,624,132
1530 Furniture and Equipment, Net	7,500,452	-	7,500,452
1540 Idle Facilities, Net	712,157	-	712,157
1550 Leased Property Under Capital Leases, Net	-	316,542	316,542
1580 Construction in Progress	7,077,964	-	7,077,964
1800 Restricted Assets	345,281	-	345,281
1910 Long Term Investments	48,392,953	-	48,392,953
1000 Total Assets	<u>261,333,703</u>	<u>488,145</u>	<u>261,821,848</u>
LIABILITIES			
2110 Accounts Payable	2,755,337	615	2,755,952
2140 Interest Payable	1,911,794	-	1,911,794
2150 Payroll Deductions & Withholdings	127,411	-	127,411
2160 Accrued Wages Payable	3,622,547	-	3,622,547
2180 Due to Other Governments	106	-	106
2190 Due to Student Groups	1,227	-	1,227
2200 Accrued Expenses	1,197,282	-	1,197,282
2300 Unearned Revenue	14,007,406	57,900	14,065,306
Noncurrent Liabilities			
2501 Due Within One Year	2,340,000	112,395	2,452,395
2502 Due in More Than One Year	139,107,787	197,736	139,305,523
2000 Total Liabilities	<u>165,070,897</u>	<u>368,646</u>	<u>165,439,543</u>
NET ASSETS			
3200 Invested in Capital Assets, Net of Related Debt	59,756,813	6,411	59,763,224
Restricted for:			
3850 Restricted for Debt Service	1,898,914	-	1,898,914
3890 Restricted for Other Purposes	1,161,220	-	1,161,220
3900 Unrestricted Net Assets	33,445,859	113,088	33,558,947
3000 Total Net Assets	<u>\$ 96,262,806</u>	<u>\$ 119,499</u>	<u>\$ 96,382,305</u>

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes	1	Program Revenues	
		3	4
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 69,866,593	\$ 368,070	\$ 14,061,513
12 Instructional Resources and Media Services	1,794,081	-	104,926
13 Curriculum and Instructional Staff Development	1,714,766	-	685,164
21 Instructional Leadership	1,612,794	5,140	438,438
23 School Leadership	6,480,282	359,739	687,184
31 Guidance, Counseling and Evaluation Services	5,038,544	-	1,367,557
32 Social Work Services	781,189	-	232,880
33 Health Services	651,877	-	189,059
34 Student (Pupil) Transportation	2,686,420	-	118,015
35 Food Services	6,380,281	2,032,920	4,529,424
36 Extracurricular Activities	4,501,260	284,288	97,562
41 General Administration	2,333,118	-	90,781
51 Plant Maintenance and Operations	12,550,670	419,868	788,667
52 Security and Monitoring Services	265,218	-	3,705
53 Data Processing Services	2,451,835	-	106,557
61 Community Services	367,348	-	229,993
72 Debt Service - Interest on Long Term Debt	3,111,666	-	-
73 Debt Service - Bond Issuance Cost and Fees	53,228	-	-
99 Other Intergovernmental Charges	739,774	-	-
[TG] Total Governmental Activities:	<u>123,380,944</u>	<u>3,470,025</u>	<u>23,731,424</u>
BUSINESS-TYPE ACTIVITIES:			
01 Concession Fund	98,840	116,047	-
02 Jumbo-Tron Fund	80,617	71,651	-
[TB] Total Business-Type Activities:	<u>179,457</u>	<u>187,698</u>	<u>-</u>
[TP] TOTAL PRIMARY GOVERNMENT:	<u>\$ 123,560,401</u>	<u>\$ 3,657,723</u>	<u>\$ 23,731,424</u>
Data Control Codes	General Revenues:		
	Taxes:		
MT	Property Taxes, Levied for General Purposes		
DT	Property Taxes, Levied for Debt Service		
SF	State Aid - Formula Grants not Restricted		
GC	Grants and Contributions not Restricted		
IE	Investment Earnings		
MI	Miscellaneous Local and Intermediate Revenue		
TR	Total General Revenues		
CN	Change in Net Assets		
NB	Net Assets--Beginning		
PA	Prior Period Adjustment		
NE	Net Assets--Ending		

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

Net (Expense) Revenue and Changes in Net Assets		
6	7	8
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (55,437,010)	\$ -	\$ (55,437,010)
(1,689,155)	-	(1,689,155)
(1,029,602)	-	(1,029,602)
(1,169,216)	-	(1,169,216)
(5,433,359)	-	(5,433,359)
(3,670,987)	-	(3,670,987)
(548,309)	-	(548,309)
(462,818)	-	(462,818)
(2,568,405)	-	(2,568,405)
182,063	-	182,063
(4,119,410)	-	(4,119,410)
(2,242,337)	-	(2,242,337)
(11,342,135)	-	(11,342,135)
(261,513)	-	(261,513)
(2,345,278)	-	(2,345,278)
(137,355)	-	(137,355)
(3,111,666)	-	(3,111,666)
(53,228)	-	(53,228)
(739,774)	-	(739,774)
<u>(96,179,495)</u>	<u>-</u>	<u>(96,179,495)</u>
-	17,207	17,207
-	(8,966)	(8,966)
-	8,241	8,241
<u>(96,179,495)</u>	<u>8,241</u>	<u>(96,171,254)</u>
30,010,886	-	30,010,886
2,019,977	-	2,019,977
59,682,867	-	59,682,867
973,798	-	973,798
1,368,623	-	1,368,623
887,619	-	887,619
<u>94,943,770</u>	<u>-</u>	<u>94,943,770</u>
(1,235,725)	8,241	(1,227,484)
97,296,965	111,258	97,408,223
201,566	-	201,566
<u>\$ 96,262,806</u>	<u>\$ 119,499</u>	<u>\$ 96,382,305</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2009

Data Control Codes	10 General Fund	60 2008 Bond Fund	Other Funds	Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 29,740,347	\$ 68,116,757	\$ 4,060,011	\$ 101,917,115
1120 Investments - Current	5,264,000	5,001,550	-	10,265,550
1220 Property Taxes - Delinquent	1,682,663	-	127,777	1,810,440
1230 Allowance for Uncollectible Taxes (Credit)	(68,990)	-	(5,239)	(74,229)
1240 Due from Other Governments	2,206,125	-	1,652,784	3,858,909
1250 Accrued Interest	20,172	157,271	-	177,443
1260 Due from Other Funds	1,332,621	-	635	1,333,256
1290 Other Receivables	768,134	-	152,191	920,325
1300 Inventories	-	-	750,120	750,120
1410 Deferred Expenditures	430,239	-	90,370	520,609
1900 Long-Term Investments	7,007,515	41,385,438	-	48,392,953
1000 Total Assets	<u>\$ 48,382,826</u>	<u>\$ 114,661,016</u>	<u>\$ 6,828,649</u>	<u>\$ 169,872,491</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
2110 Accounts Payable	\$ 726,687	\$ 1,231,329	\$ 656,993	\$ 2,615,009
2150 Payroll Deductions and Withholdings Payable	127,411	-	-	127,411
2160 Accrued Wages Payable	3,622,547	-	-	3,622,547
2170 Due to Other Funds	4,795	35,692	1,297,564	1,338,051
2180 Due to Other Governments	-	-	106	106
2190 Due to Student Groups	-	-	1,227	1,227
2300 Deferred Revenues	14,842,661	-	641,499	15,484,160
2000 Total Liabilities	<u>19,324,101</u>	<u>1,267,021</u>	<u>2,597,389</u>	<u>23,188,511</u>
Fund Balances:				
Reserved For:				
3410 Investments in Inventory	-	-	564,571	564,571
3420 Retirement of Long Term Debt	1,127,281	-	1,898,914	3,026,195
3430 Prepaid Items	133,491	-	-	133,491
3440 Outstanding Encumbrances	9,750	-	-	9,750
3450 Food Service	-	-	691,408	691,408
3490 Other Purposes	7,477,327	41,385,438	-	48,862,765
Unreserved Designated For:				
3510 Construction	3,000,000	-	-	3,000,000
3540 Self Insurance	250,000	-	-	250,000
3590 Other Purposes	2,900,000	-	-	2,900,000
Unreserved and Undesignated:				
3600 Reported in the General Fund	14,160,876	-	-	14,160,876
3610 Reported in Special Revenue Funds	-	-	1,129,850	1,129,850
3620 Reported in Capital Projects Funds	-	72,008,557	(53,483)	71,955,074
3000 Total Fund Balances	<u>29,058,725</u>	<u>113,393,995</u>	<u>4,231,260</u>	<u>146,683,980</u>
4000 Total Liabilities and Fund Balances	<u>\$ 48,382,826</u>	<u>\$ 114,661,016</u>	<u>\$ 6,828,649</u>	<u>\$ 169,872,491</u>

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
AUGUST 31, 2009

Total Fund Balances - Governmental Funds	\$	146,683,980
1 The District uses internal service funds to charge the costs of self-insurance, to appropriate functions 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.		700,859
2 Capital assets used in governmental activities are not financial resources and are not reported in governmental funds. In addition, long-term liabilities, are not due and payable in the current period, and are not reported as liabilities in the funds. Beginning of year balances: Capital assets - \$134,831,498; Accumulated depreciation - \$(51,661,188); Long term debt - \$(24,270,569); Accrued interest payable on long term debt - \$(42,450); Capitalized debt issuance costs - \$191,270. The net effect of including the beginning balances for capital assets (net of depreciation), long-term debt, and debt issuance costs in the governmental activities is to increase net assets.		59,048,561
3 Current year capital outlays, long-term debt principal payments, and bond issuance costs are expenditures in the fund financial statements, but are increases in capital assets and capitalized debt issuance costs, and reductions in long-term debt in the government-wide financial statements. Additionally, proceeds of long term debt issued are other financing sources in the fund financial statements, but are increases in long term debt in the government-wide financial statements. Current year amounts are: Capital outlay - \$9,421,830; Debt principal payments - \$6,220,000; Bond issuance costs - \$1,860,080; Refunding bonds issued - \$(4,090,000); School building bonds issued - \$(116,999,985); Premium on issuance of bonds - \$(2,109,526). The net effect of including the 2009 capital outlays, debt principal payments, bond issuance costs, and proceeds of debt issued is to decrease net assets.		(105,697,601)
4 The 2009 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.		(3,747,406)
5 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to the full accrual basis of accounting, as follows: Write off construction in progress noncapital items - \$(249,616); Amortize bond premium & refunding difference - \$(107,410); Record increase in accrued interest payable on debt - \$(1,869,344); Amortize bond issuance costs - \$(48,132); Record increase in compensated absences liability - \$(90,297); Convert property taxes to full accrual basis - \$1,639,212. The net effect of these reclassifications and recognitions is to decrease net assets.		(725,587)
19 Net Assets of Governmental Activities	\$	96,262,806

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes	10 General Fund	60 2008 Bond Fund	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 31,360,811	\$ 485,447	\$ 5,506,681	\$ 37,352,939
5800 State Program Revenues	62,933,578	1,614	3,467,492	66,402,684
5900 Federal Program Revenues	920,656	-	17,061,326	17,981,982
5020 Total Revenues	<u>95,215,045</u>	<u>487,061</u>	<u>26,035,499</u>	<u>121,737,605</u>
EXPENDITURES:				
Current:				
0011 Instruction	55,410,011	-	11,236,614	66,646,625
0012 Instructional Resources and Media Services	1,685,225	-	35,409	1,720,634
0013 Curriculum and Instructional Staff Development	1,022,716	-	659,615	1,682,331
0021 Instructional Leadership	1,177,385	-	395,649	1,573,034
0023 School Leadership	5,443,836	-	764,082	6,207,918
0031 Guidance, Counseling and Evaluation Services	3,748,809	-	1,177,335	4,926,144
0032 Social Work Services	530,765	-	200,808	731,573
0033 Health Services	468,670	-	164,697	633,367
0034 Student (Pupil) Transportation	2,654,252	-	5,121	2,659,373
0035 Food Services	-	-	6,151,043	6,151,043
0036 Extracurricular Activities	4,312,721	-	-	4,312,721
0041 General Administration	2,294,087	-	4,572	2,298,659
0051 Facilities Maintenance and Operations	11,852,365	-	455,203	12,307,568
0052 Security and Monitoring Services	204,838	-	3,705	208,543
0053 Data Processing Services	2,304,663	-	22,037	2,326,700
0061 Community Services	96,972	-	260,406	357,378
Debt Service:				
0071 Debt Service - Principal on Long Term Debt	-	-	6,220,000	6,220,000
0072 Debt Service - Interest on Long Term Debt	-	-	1,134,912	1,134,912
0073 Debt Service - Bond Issuance Cost and Fees	-	1,806,417	58,759	1,865,176
Capital Outlay:				
0081 Facilities Acquisition and Construction	922,920	4,093,499	3,090,522	8,106,941
Intergovernmental:				
0099 Other Intergovernmental Charges	739,774	-	-	739,774
6030 Total Expenditures	<u>94,870,009</u>	<u>5,899,916</u>	<u>32,040,489</u>	<u>132,810,414</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>345,036</u>	<u>(5,412,855)</u>	<u>(6,004,990)</u>	<u>(11,072,809)</u>
OTHER FINANCING SOURCES (USES):				
7901 Refunding Bonds Issued	-	-	4,090,000	4,090,000
7911 Capital Related Debt Issued (Regular Bonds)	-	116,999,985	-	116,999,985
7912 Sale of Real and Personal Property	11,827	-	-	11,827
7915 Transfers In	-	-	2,500,000	2,500,000
7916 Premium on Issuance of Bonds	-	1,806,865	302,661	2,109,526
8911 Transfers Out (Use)	(2,500,000)	-	-	(2,500,000)
7080 Total Other Financing Sources (Uses)	<u>(2,488,173)</u>	<u>118,806,850</u>	<u>6,892,661</u>	<u>123,211,338</u>
1200 Net Change in Fund Balances	(2,143,137)	113,393,995	887,671	112,138,529
0100 Fund Balance - September 1 (Beginning)	<u>31,201,862</u>	<u>-</u>	<u>3,343,589</u>	<u>34,545,451</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 29,058,725</u>	<u>\$ 113,393,995</u>	<u>\$ 4,231,260</u>	<u>\$ 146,683,980</u>

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED AUGUST 31, 2009

Total Net Change in Fund Balances - Governmental Funds	\$	112,138,529
<p>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 are reported with governmental activities. The net effect of this consolidation is to decrease net assets.</p>		
		(1,932,899)
<p>Current year capital outlays, long-term debt principal payments, and bond issuance costs are expenditures in the fund financial statements, but are increases in capital assets and capitalized debt issuance costs, and reductions in long-term debt in the government-wide financial statements. Additionally, proceeds of long term debt issued are other financing sources in the fund financial statements, but are increases in long term debt in the government-wide financial statements. Current year amounts are: Capital outlay - \$9,421,830; Debt principal payments - \$6,220,000; Bond issuance costs - \$1,860,080; Refunding bonds issued - \$(4,090,000); School building bonds issued - \$(116,999,985); Premium on issuance of bonds - \$(2,109,526). The net effect of removing the 2009 capital outlays and debt principal payments is to decrease net assets.</p>		
		(105,697,601)
<p>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.</p>		
		(3,747,406)
<p>Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to the full accrual basis of accounting, as follows: Write off construction in progress noncapital items - \$(249,616); Amortize bond premium & refunding difference - \$(107,410); Record increase in accrued interest payable on debt - \$(1,869,344); Amortize bond issuance costs - \$(48,132); Record increase in compensated absences liability - \$(90,297); Convert property taxes to full accrual basis - \$368,452. The net effect of these reclassifications and recognitions is to decrease net assets.</p>		
		(1,996,348)
Change in Net Assets of Governmental Activities	\$	(1,235,725)

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AUGUST 31, 2009

EXHIBIT D-1

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 171,603	\$ 1,174,159
Due from Other Funds	-	4,795
Other Receivables	-	618,528
Deferred Expenses	-	58,164
Total Current Assets	171,603	1,855,646
Noncurrent Assets:		
Capital Assets:		
Leased Property Under Capital Leases	535,000	-
Depreciation on Capital Leases	(218,458)	-
Restricted Assets	-	345,281
Total Noncurrent Assets	316,542	345,281
Total Assets	488,145	2,200,927
LIABILITIES		
Current Liabilities:		
Accounts Payable	615	140,328
Accrued Expenses	-	1,197,282
Unearned Revenue	57,900	162,458
Total Current Liabilities	58,515	1,500,068
Noncurrent Liabilities:		
Capital Leases Payable - Due Within One Year	112,395	-
Capital Leases Payable - Due in More than One Year	197,736	-
Total Noncurrent Liabilities	310,131	-
Total Liabilities	368,646	1,500,068
NET ASSETS		
Investments in Capital Assets, Net of Debt	6,411	-
Unrestricted Net Assets	113,088	700,859
Total Net Assets	\$ 119,499	\$ 700,859

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 187,698	\$ 10,937,029
Total Operating Revenues	<u>187,698</u>	<u>10,937,029</u>
OPERATING EXPENSES:		
Payroll Costs	54,897	-
Professional and Contracted Services	506	1,971,166
Supplies and Materials	43,437	94
Other Operating Costs	53,500	10,926,004
Total Operating Expenses	<u>152,340</u>	<u>12,897,264</u>
Operating Income (Loss)	<u>35,358</u>	<u>(1,960,235)</u>
NONOPERATING REVENUES (EXPENSES):		
Earnings from Temporary Deposits & Investments	-	27,336
Capital Lease Interest	(27,117)	-
Total Nonoperating Revenues (Expenses)	<u>(27,117)</u>	<u>27,336</u>
Change in Net Assets	8,241	(1,932,899)
Total Net Assets - September 1 (Beginning)	111,258	2,432,192
Prior Period Adjustment	-	201,566
Total Net Assets - August 31 (Ending)	<u>\$ 119,499</u>	<u>\$ 700,859</u>

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

EXHIBIT D-3

	Business-Type Activities	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 180,643	\$ 2,795,569
Cash Received from Assessments - Other Funds	-	7,539,333
Cash Payments to Employees for Services	(54,897)	-
Cash Payments for Insurance Claims	-	(10,411,840)
Cash Payments for Suppliers	(43,437)	(1,913,710)
Cash Payments (to) from Claims Loss Fund	-	(48,955)
Net Cash Provided by (Used for) Operating Activities	<u>82,309</u>	<u>(2,039,603)</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Increase(decrease) in Short-term Loans	-	4,332
<u>Cash Flows from Capital & Related Financing Activities:</u>		
Retirement of Long-Term Debt	(28,832)	-
Interest Paid on Long-Term Debt	(27,117)	-
Net Cash Provided by (Used for) Capital & Related Financing Activities	<u>(55,949)</u>	<u>-</u>
<u>Cash Flows from Investing Activities:</u>		
Interest and Dividends on Investments	-	27,336
Net Increase (Decrease) in Cash and Cash Equivalents	26,360	(2,007,935)
Cash and Cash Equivalents at Beginning of the Year:	145,243	3,182,094
Cash and Cash Equivalents at the End of the Year:	<u>\$ 171,603</u>	<u>\$ 1,174,159</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided by (Used for) Operating Activities:</u>		
Operating Income (Loss):	\$ 35,358	\$ (1,960,235)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:		
Depreciation	53,500	-
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Receivables	8,647	(600,709)
(Increase) in Restricted Assets	-	(48,955)
(Increase) in Prepaid Expenses	-	(58,164)
Increase in Accounts Payable	506	115,714
Increase in Accrued Expenses	-	514,164
(Decrease) in Unearned Revenue	(15,702)	(1,418)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 82,309</u>	<u>\$ (2,039,603)</u>

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
AUGUST 31, 2009

EXHIBIT E-1

	Scholarship Fund	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 62,611	\$ 380,959
Other Receivables	-	1,279
Total Assets	62,611	\$ 382,238
LIABILITIES		
Accounts Payable	-	\$ 54
Due to Student Groups	-	382,184
Total Liabilities	-	\$ 382,238
NET ASSETS		
Restricted for Scholarships	62,611	
Total Net Assets	\$ 62,611	

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF CHANGES IN FIDUCIARY FUND NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2009

	Scholarship Fund
<hr/>	
ADDITIONS:	
Local and Intermediate Sources	\$ 1,198
Total Additions	<u>1,198</u>
DEDUCTIONS:	
Other Operating Costs	<u>2,900</u>
Total Deductions	<u>2,900</u>
Change in Net Assets	(1,702)
Total Net Assets - September 1 (Beginning)	<u>64,313</u>
Total Net Assets - August 31 (Ending)	<u><u>\$ 62,611</u></u>

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

San Angelo Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with U. S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in *Statement on Auditing Standards No. 69* of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

I.A. Reporting Entity

The Board of Trustees (the "Board") is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity". There are no component units included within the reporting entity.

I.B. Government-Wide and Fund Financial Statements

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the San Angelo Independent School District nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, State foundation funds, grants and other intergovernmental revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the district, school lunch charges, etc. The "grants and contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act. If a revenue is not a program revenue, it is a general revenue used to support all of the District's functions. Taxes are always general revenues.

Interfund activities between governmental funds and between governmental funds and proprietary funds that represent lending/borrowing arrangements outstanding at year-end appear as due to/due from other funds on the Governmental Fund Balance Sheet, the Proprietary Fund Statement of Net Assets, and the Statement of Fiduciary Net Assets. For the government-wide financial statements, all interfund activities between governmental funds and between governmental funds and internal service funds, except interfund services provided and used, are eliminated. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide Statement of Net Assets as internal balances. Interfund activities between governmental funds and fiduciary funds remain as due to/from on the government-wide Statement of Activities.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories; governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009

cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental and enterprise funds major and reports their financial position and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are nonoperating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are nonoperating.

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

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

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The District considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

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

The Proprietary Fund Types and Fiduciary Funds, except Agency Funds, are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. Agency Funds also utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. For Enterprise Funds the District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009

before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Assets. The fund equity is segregated into invested in capital assets net of related debt, restricted net assets, and unrestricted net assets.

I.D. Fund Accounting

The District reports the following major governmental funds:

1. The General Fund – The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
2. 2008 Bond Fund – This fund is used to account for the acquisition and construction of capital assets from the proceeds of the Unlimited School Building Bonds issued in fiscal 2009.

Additionally, the District reports the following fund types:

Governmental Funds:

1. Special Revenue Funds – The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most federal and some state financial assistance are accounted for in special revenue funds, and sometimes unused balances must be returned to the grantor at the close of specified project periods.
2. The Capital Project Funds – The capital project funds are used to account for acquisition and construction of major capital assets from the proceeds of general obligation bonds and/or gifts, contributions and designated local resources. The District's nonmajor capital project funds include the San Angelo Stadium Paving project and the San Angelo Fieldhouse project which were funded with maintenance and operations funds.
3. Debt Service Fund – The District accounts for resources accumulated and payments made for principal and interest on general obligation long-term debt of governmental funds in a debt service fund.

Proprietary Funds:

4. Enterprise Funds – The District's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund. The District has two non-major enterprise funds. The concessions fund reports sales of concessions at athletic events. The Jumbo Tron fund reports advertising revenues being collected by Daktronics, Inc. as payments on a "capital lease" for a jumbo tron electronic scoreboard installed at San Angelo Stadium
5. Internal Service Funds – Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund. The District's two internal service funds are the health insurance fund and the workers compensation fund.

Fiduciary Funds:

1. Private Purpose Trust Funds – The District accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District in a private purpose trust fund. The District's private purpose trust fund is the scholarship fund.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009

2. Agency Funds – The District accounts for resources held for others in a custodial capacity in agency funds. The District's agency fund is student activity.

I.E. Other Accounting Policies

1. For purposes of the statement of cash flows for proprietary and similar fund-types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

2. Investments are carried at fair value and temporary investments are reported in cash and cash equivalents in the financial statements. U. S. Treasury and State of Texas obligations are valued at the last reported sales price on a national exchange. State managed local government investment pools operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, and use amortized cost instead of fair value to report net assets to compute share prices. Accordingly, the fair value of the position in the pools is the same as the value of the shares. The State Comptroller of Public Accounts exercises oversight responsibility over the pools. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both pool participants and other persons who do not have a business relationship with the pools. The advisory board members review the investment policy and management fee structure. Year to year changes in the fair value of investments, if any, are shown as an adjustment to investment income. Additional investment information is presented in Note IV.A.

3. The District reports inventories of cafeteria food products and supplies at weighted average cost. Food products and supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. 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. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.

4. In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, issuance costs, and difference on advance refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and difference on advance refunding. 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, along with accrued interest between debt date and issue date, 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.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2009

5. It is the District's policy to permit some employees to accumulate earned but unused sick pay benefits. The liability for unpaid accumulated sick leave is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Additional information is disclosed in Note IV.H.

6. Capital assets, which include land, buildings, furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the statements of net assets of proprietary fund financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life 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 District does not have any significant infrastructure assets.

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

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Site Improvements	20
Vehicles	10
Equipment	10
Computer Equipment	3

7. The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Liability and vehicle damage risks are covered by participation in the Property and Casualty Alliance of Texas (PCAT). The District has established a modified self-insurance plan to provide health benefits to the employees and their dependents. The plan is accounted for in an internal service fund. Risks from employee injuries on the job are provided through participation in Texas Workers Compensation Solutions. The District's reserves for workers compensation are accounted for in an internal service fund. Unemployment compensation risk is provided for by participation in the Texas Association of School Boards (TASB) Risk Management Funds. Additional disclosures are in Notes IV.J and IV.K.

8. Since Internal Service Funds support the operations of governmental funds, they are consolidated with the governmental funds in the government-wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are adjusted for their prorata share of the Internal Service Funds' operating income or loss to avoid "grossing up" the revenues and expenses of the District as a whole.

9. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Exhibit C-1 reports amounts reserved and / or designated for "Other Purposes". The details of these amounts at the current year-end are as follows:

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009

Reserved for Other Purposes:	
Long Term Investments	\$ 48,392,953
Instructional Technology - Under terms of the agreement with the purchasing district, the gain on the sale of weighted average daily attendance (WADA) can only be expended for instructional technology. The unexpended balance at year-end is reserved.	<u>469,812</u>
Total Reserved for Other Purposes	<u><u>\$ 48,862,765</u></u>
Designated for Other Purposes:	
Insurance deductible	\$ 200,000
Central High School revitalization project	350,000
PE gymnasium renovations	1,000,000
Stadium restroom renovations	100,000
Lincoln Middle School "School Improvement" requirements	250,000
E-Rate Funding Project	<u>1,000,000</u>
Total Designated for Other Purposes	<u><u>\$ 2,900,000</u></u>

10. In the government-wide statement of net assets, Exhibit A-1, net assets restricted for "Other Purposes" is composed of the following:

Food Service	\$ 691,408
Instructional Technology	<u>469,812</u>
	<u><u>\$ 1,161,220</u></u>

11. In the government-wide statement of net assets, Exhibit A-1, and proprietary funds statement of net assets, Exhibit D-1, Invested in Capital Assets, Net of Related Debt is calculated as follows:

	Governmental Activities	Business-Type Activities / Enterprise Funds
Capital assets, net of depreciation	\$ 88,595,118	\$ 316,542
Accrued interest on long term debt	(1,911,794)	-
Bonds payable	(140,320,506)	-
Unexpended debt proceeds	113,393,995	
Capital lease payable	-	(310,131)
	<u>\$ 59,756,813</u>	<u>\$ 6,411</u>

12. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first unless unrestricted assets will have to be returned because they were not used.

13. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
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amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

14. The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide data base for policy development and funding plans.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

II.A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

Exhibit C-2 provides the reconciliation between the fund balances for total governmental funds on the governmental fund balance sheet (Exhibit C-1) and the net assets for governmental activities as reported in the government-wide statement of net assets (Exhibit A-1). The details of the elements are presented in Exhibit C-2 and need no further explanation.

II.B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

Exhibit C-4 provides details of the reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances (Exhibit C-3) and the changes in net assets of governmental activities as reported on the government-wide statement of activities (Exhibit B-1). No further explanations are needed.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

III.A Deficit Fund Equity

The following fund had deficit fund equity:

Jumbo Tron enterprise fund	\$ (51,489)
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The enterprise fund's deficit net assets will be covered by future operating revenues.

IV. DETAILED NOTES ON ALL FUNDS

IV.A. Deposits and Investments

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

The District's cash deposits at August 31, 2009 and during the year ended August 31, 2009, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name, except on August 4, 2009 when \$11,124,320 proceeds of 2 called securities were wired to the

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District's account. This caused the balance at the bank to exceed FDIC coverage and pledged collateral by \$1,099,753. On August 5, 2009, the District wired \$11,000,000 to Texas Daily for investment.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The district is in substantial compliance with the requirements of the Act and with local policies.

Additional policies governing deposits and investments for San Angelo Independent School District are specified below.

Credit Risk

As of August 31, 2009, the districts investments were diversified in U.S. Treasury securities, governmental agency securities and local government investment pools rated no lower than AAA or AAAM by at least one nationally recognized rating service as required by the District's investment policy, which follows the Public Funds Investment Act Sec. 2256.016. Ratings of Investments held at 8/31/09 were:

TexPool	Standard & Poor's AAAM
Lone Star Investment Pool Liquidity Plus Fund	Standard & Poor's AAAM
MBIA Texas CLASS	Standard & Poor's AAAM
Texas TERM Texas Daily Fund	Standard & Poor's AAAM

Interest Rate Risk

District investment policy is designed to manage interest rate risk by limiting stated maturity for individual investments to two years unless specifically authorized by the board. The maximum maturity of investments held is 2 years. The investment portfolio is structured to have sufficient liquidity to meet anticipated cash flow requirements.

Custodial Credit Risk

All securities purchased are held in the District's name by the District or its agent. District policy requires clearly marked receipts providing proof of the District's ownership. Policy allows investment pools to hold legal title as custodian of investments purchased by the investment pool with District funds.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
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Concentration of Credit Risk

Investments are diversified as required by District policy in terms of maturity scheduling, class of investment, and specific issuer.

The District's investments on August 31, 2009, are shown below. The carrying value is the same as fair value.

Governmental Activities

	Fair Value	Investment Maturities	
		Under 1 yr	1 - 5 yrs
Investments:			
Investment Pools	\$ 103,030,301	\$ 103,030,301	\$ -
Certificates of Deposit	\$ 5,264,000	5,264,000	-
U.S. Agency Bonds	\$ 53,394,503	5,001,550	48,392,953
Total Investments	<u>\$ 161,688,804</u>	<u>\$ 113,295,851</u>	<u>\$ 48,392,953</u>
Presented on Balance Sheet / Statement of Net Assets:			
Included in Cash and Cash Equivalents	\$ 103,030,301	\$ 103,030,301	\$ -
Current Investments	10,265,550	10,265,550	-
Long Term Investments	48,392,953	-	48,392,953
Total Investments	<u>\$ 161,688,804</u>	<u>\$ 113,295,851</u>	<u>\$ 48,392,953</u>

Proprietary and Fiduciary Funds

The district's proprietary and fiduciary funds had investments in local government investment pools, which are included in cash and cash equivalents. Carrying value is the same as fair value.

At August 31, 2009 those funds' investments were:

Internal Service Funds	\$ 1,238,539
Fiduciary Funds	\$ 297,285

IV.B. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

IV.C. Delinquent Taxes Receivable

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

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IV.D. Due from Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita programs. Due from other governments at year end were as follows:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
Federal Grants	\$ 167,006	\$ 30,750	\$ -	\$ 197,756
Federal Arbitrage Refund	-	-	197,807	197,807
Federal Payroll Tax Refund	15,344	-	-	15,344
State Entitlements	2,017,778	1,096,294	33,481	3,147,553
City of San Angelo	5,997	-	-	5,997
Concho Valley Council of Governments	-	294,452	-	294,452
	<u>\$ 2,206,125</u>	<u>\$ 1,421,496</u>	<u>\$ 231,288</u>	<u>\$ 3,858,909</u>

IV.E. Interfund Receivables and Payables / Transfers

1. Interfund balances at August 31, 2008 consisted of the following:

	Due from Other Funds	Due to Other Funds
General Fund:		
2008 Bond Fund	\$ 35,692	\$ -
Nonmajor Governmental funds	1,296,929	-
Internal Service Funds	-	4,795
	<u>1,332,621</u>	<u>4,795</u>
2008 Bond Fund:		
General Fund	-	35,692
Nonmajor Governmental funds:		
General Fund	-	1,296,929
Nonmajor Governmental funds	635	635
	<u>635</u>	<u>1,297,564</u>
Total Governmental funds	<u>1,333,256</u>	<u>1,338,051</u>
Internal Service funds:		
General Fund	4,795	-
Total Internal Service funds	<u>4,795</u>	<u>-</u>
Total All Funds	<u>\$ 1,338,051</u>	<u>\$ 1,338,051</u>

Purposes of the inter-fund balances:

\$35,692 due to General Fund from the 2008 Bond Fund is for legal fees paid from the General Fund; and \$1,296,929 due to the General Fund from nonmajor governmental funds is for cash overdrafts in the pooled cash account pending transfer from the General Fund or receipt of reimbursements from granting agencies.

\$4,795 due to Internal Service funds from the General Fund is for fringe benefit charges for health insurance premiums.

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\$635 due to non-major special revenue funds from nonmajor special revenue funds is for dual credit tuition from Campus Activity Fund to High School Allotment Fund.

2. Interfund transfers for the current fiscal year consisted of \$2,500,000 from the General Fund to the Capital Projects Fund for construction of the San Angelo Stadium Field-house.

IV.F. Capital Asset Activity

Governmental Activities

	Beginning Balance	Additions	Reclassifi- cations	Dispositions	Ending Balance
<u>Assets Not Being Depreciated</u>					
Land	\$ 5,480,613	\$ 135,970	\$ 63,830		\$ 5,680,413
Idle facility - Old Lincoln JH	712,157				712,157
Construction in Progress	1,585,359	7,628,881	(2,136,276)		7,077,964
Total Not Being Depreciated	<u>7,778,129</u>	<u>7,764,851</u>	<u>(2,072,446)</u>	<u>-</u>	<u>13,470,534</u>
<u>Assets Being Depreciated</u>					
Buildings & Improvements	109,576,180	139,332	1,822,830		111,538,342
Furniture and Equipment	17,217,404	1,517,647		(265,948)	18,469,103
	<u>126,793,584</u>	<u>1,656,979</u>	<u>1,822,830</u>	<u>(265,948)</u>	<u>130,007,445</u>
<u>Accumulated Depreciation</u>					
Buildings & Improvements	(41,777,637)	(2,136,573)			(43,914,210)
Furniture and Equipment	(9,623,766)	(1,610,833)		265,948	(10,968,651)
	<u>(51,401,403)</u>	<u>(3,747,406)</u>	<u>-</u>	<u>265,948</u>	<u>(54,882,861)</u>
Total Being Depreciated, Net	<u>7,392,181</u>	<u>(2,090,427)</u>	<u>1,822,830</u>	<u>-</u>	<u>75,124,584</u>
Total Capital Assets, Net	<u>\$83,170,310</u>	<u>\$ 5,674,424</u>	<u>\$ (249,616)</u>	<u>\$ -</u>	<u>\$88,595,118</u>

The "reclassifications" column above is to reclassify completed construction in progress projects. The \$249,616 is the total of items not meeting the capitalization policy, and which has been charged to appropriate functional expenses in the government-wide statement of activities.

The ending construction in progress consists of the following:

Fieldhouse at San Angelo Stadium	\$2,990,120
Central High School Fire Alarms	100,538
Telpro Phone Systems-multiple campuses	117,267
Bond Funded Construction Projects	3,870,038
	<u>\$7,077,963</u>

Business-Type Activities

	Beginning Balance	Additions	Dispositions	Ending Balance
<u>Assets Being Depreciated</u>				
Furniture and Equipment acquired by capital lease	\$ 535,000	\$ -	\$ -	\$535,000
<u>Accumulated Depreciation</u>				
Furniture and Equipment acquired by capital lease	(164,958)	(53,500)	-	(218,458)
Total Capital Assets, Net	<u>\$ 370,042</u>	<u>\$ (53,500)</u>	<u>\$ -</u>	<u>\$316,542</u>

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Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
Instruction	\$ 1,873,809
Instructional Resources	46,510
Curriculum Development & Staff Development	20,202
Instructional Leadership	25,334
School Leadership	169,897
Guidance Counseling & Evaluation	46,002
Social Work Services	31,824
Health Services	7,121
Student Transportation	443,793
Food Service	100,799
Cocurricular/Extracurricular	199,154
General Administration	23,907
Plant Maintenance & Operations	307,451
Security & Monitoring Services	52,568
Data Processing Services	397,140
Community Services	1,895
Total Depreciation Expense - Governmental Activities	<u><u>\$ 3,747,406</u></u>

IV.G. Deferred / Unearned Revenue

Deferred / Unearned Revenue at year-end consisted of the following:

	General Fund	Special Rev Funds	Debt Svce Fund	Total
Net Property Taxes	\$ 1,521,674	\$ -	\$ 117,538	\$ 1,639,212
Season Ticket Sales	18,384	-	-	18,384
Rent, Fees, Bid Bond	506,250	-	-	506,250
Texas Unclaimed Property	2,236	-	-	2,236
State Revenues	12,794,117	328,004	-	13,122,121
Campus Miscellaneous Revenues	-	10,407	-	10,407
USDA Donated Commodities on Hand	-	185,550	-	185,550
Total Deferred Revenue Exhibit C-1	<u><u>\$ 14,842,661</u></u>	<u><u>\$ 523,961</u></u>	<u><u>\$ 117,538</u></u>	15,484,160
Internal Service Funds: Employee Medical Insurance Premiums				162,458
Enterprise Funds: Advertising Revenue for Subsequent Fiscal Year Athletic Events				57,900
Net Property Taxes Recognized in Government-Wide Financial Statements				(1,639,212)
Total Unearned Revenue Exhibit A-1				<u><u>\$ 14,065,306</u></u>

IV.H. Long-Term Debt

Long-term debt includes par bonds, capital appreciation bonds (CAB), vested sick leave benefits, and capital lease obligations.

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FOR THE YEAR ENDED AUGUST 31, 2009

The District has entered into a continuing disclosure undertaking whereby its financial advisor, First Southwest Company in Dallas, Texas provides the District's annual financial reports and material events notices to DisclosureUSA, an online repository. The disclosures can be accessed on the websites of DisclosureUSA, Texas Municipal Advisory Council, and First Southwest Company. This information is required under SEC Rule No. 240.15c2-12 to enable investors to analyze the financial conditions and operations of the District.

Following is a summary of changes in general long-term debt for the current fiscal year:

Governmental Activities

Description	Beginning	New Debt	Debt Retired	Ending	Due Within One Year
Par Bonds Payable - Face	\$23,135,000	\$ 121,089,985	\$ (6,220,000)	\$ 138,004,985	\$ 2,235,000
Bond Premiums	697,721	2,109,526	(163,734)	2,643,513	-
Interest Accretion CAB			140,667	140,667	-
Difference on Refunding	(599,135)	-	130,476	(468,659)	-
Net Bonds Payable	23,233,586	123,199,511	(6,112,591)	140,320,506	2,235,000
Vested Sick Leave	1,036,984	218,612	(128,315)	1,127,281	105,000
Totals	\$24,270,570	\$ 123,418,123	\$ (6,240,906)	\$ 141,447,787	\$ 2,340,000

Business-Type Activities

Description	Beginning	New Debt	Debt Retired	Ending	Due Within One Year
Capital Lease Payable	\$ 338,963	\$ -	\$ (28,832)	\$ 310,131	\$ 112,395

1. Bonds Payable

Bonded indebtedness of the District is accounted for internally in its General Long-Term Debt fund. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. Outstanding bonds payable at year-end are as follows (**amounts are in \$1,000's**):

Issue	Original Principal	Final Maturity	Interest Rate	Interest Curr. Yr.	Outstanding at Year-End				
					Face	Prem.	Ref. Diff.	CAB int	Net
Par Bonds:									
2004 Refunding Bonds	14,315	02/15/16	2.5-5.0%	\$ 525	11,460	467	(469)		11,458
2005 Refunding Bonds	6,970	02/15/21	3.6-4.5%	232	5,460	88	-		5,548
2009 School Bldg. Bond	117,000	02/15/21	3.6-4.5%	126	117,000	2,004	-	141	119,145
2009 Refunding Bonds	4,090	02/15/21	3.6-4.5%	97	4,085	85	-		4,170
Total Bonds Payable				\$ 980	\$ 138,005	\$ 2,644	\$ (469)	\$ 141	\$ 140,321

Debt service requirements for the four bond issues are as follows:

Year	Principal	Interest	Total
2010	\$ 2,235,000	\$ 8,120,386	\$ 10,355,386
2011	3,556,163	6,760,905	10,317,068
2012	3,523,822	6,857,408	10,381,230
2013	4,180,000	6,174,280	10,354,280
2014	4,320,000	6,025,355	10,345,355
2015-2019	22,240,000	27,336,460	49,576,460
2020-2024	25,120,000	21,963,477	47,083,477
2025-2029	31,800,000	14,786,800	46,586,800
2030-2034	41,030,000	5,558,163	46,588,163
	\$ 138,004,985	\$ 103,583,234	\$ 241,588,219

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\$1,898,914 is available in the Debt Service Fund for bonded debt service.

Current Refunding

On April 23, 2009 the District issued \$4,090,000 Unlimited Tax Refunding Bonds Series 2009 (authorized January 20, 2009) at a premium of \$100,082 to currently refund \$4,090,000 of the outstanding Unlimited Tax School Building Bonds, Series 1997. After payment of underwriter fees and other costs of issuance, net proceeds of \$4,090,000 principal plus \$39,742 for interest was deposited with an escrow agent for retirement of the remaining 1997 Series Bonds and interest on April 23, 2009. Because funding and redemption occurred within 90 days it is considered a current refunding. The cash flow savings of the debt service payments is \$377,153. The economic gain or net present value benefit is \$329,275.

There are a number of limitations and restrictions contained in the general obligation bond indentures. Management has indicated that the District is in compliance with all significant limitations and restrictions at August 31, 2009.

2. Vested Sick Leave

Upon retirement or death of certain employees, the District pays for a portion of accrued sick leave earned while employed by the District in a lump sum cash payment to such employee or his/her estate. Payments for and usage of vested sick leave has been typically accounted for in the General Fund.

Any additions for new entrants and salary increments and the deductions for payments to and use of prior accumulations are shown in the "New Debt" and "Debt Retired" columns, respectively, of the above summary of changes in general long-term debt. The District estimates that the amount of compensated absences due within one year is \$105,000, based on the payoffs budgeted in the next fiscal year.

3. Capital Leases

Equipment at a cost of \$535,000 was acquired in 2005 with a capital lease. Depreciation of \$218,458 has been taken on the equipment. The District entered into an agreement with Daktronics, Inc. (Daktronics) whereby the District received a Jumbo Tron electronic scoreboard in exchange for granting exclusive rights to advertising revenues sufficient to pay for the scoreboard to Daktronics over a period of ten years. The transaction is being reported in an enterprise fund as a capital lease. Interest of \$187,946 at 8% was included in the total \$722,946 minimum lease payments.

Debt service requirements for the capital lease are as follows:

Fiscal Year	Principal	Interest	Total
2010	\$ 112,395	\$ 24,810	\$ 137,205
2011	41,881	15,819	57,700
2012	45,232	12,468	57,700
2013	48,850	8,850	57,700
2014	52,758	4,942	57,700
2015	9,015	721	9,736
	<u>\$ 310,131</u>	<u>\$ 67,610</u>	<u>\$ 377,741</u>

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IV.I. Defined Benefit Pension Plan

Plan Description. San Angelo Independent School District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Art. XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by 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 established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% 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; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4% for fiscal years 2009, 2008, and 2007, and a state contribution rate of 6.58% for fiscal years 2009 and 2008, and 6.0% for fiscal year 2007. In certain instances the reporting district is required to make all or a portion of the state's 6.58% contributions for fiscal years 2009 and 2008, and 6.0% for fiscal year 2007. State contributions to TRS made on behalf of San Angelo Independent School District's employees for the years ended August 31, 2009, 2008 and 2007 were \$4,314,278, \$4,240,262, and \$3,808,964 respectively. San Angelo Independent School District paid additional state contributions for the years ended August 31, 2009, 2008, and 2007 in the amounts of \$1,732,898, \$1,617,747, and \$1,372,491 respectively, of federally funded contributions, on the portion of the employees' salaries that exceeded the statutory minimum, state contribution for new members in their first 90 days of employment, and an additional entity contribution of 0.55% on all TRS subject wages.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for Texas Public School Retired Employee Group Insurance Program (TRS-Care), administered by TRS, to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments totaled \$170,582, \$162,629, and \$145,512 for the years ended August 31, 2009, 2008, and 2007 respectively. The total on-behalf payments made by the State of Texas and the federal government amounted to \$4,484,860, \$4,402,891, and \$3,954,476 for the years ended August 31, 2009, 2008, and 2007 respectively.

IV.J. Self-Insurance Plans

1. Health Care Coverage

The District sponsors a modified self-insurance plan to provide health care benefits to staff members and

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their dependents. Transactions related to the plan are accounted for in the Health Insurance Fund (the "Fund"), an internal service fund of the District. Partial staff member contributions are required for personal coverage and total staff member contributions are required for coverage of dependents. The District obtained excess loss insurance which limited annual claims paid from the Fund for the year ended August 31, 2009, to \$150,000 with a lifetime maximum of \$1,000,000 for any individual participant; and an annual aggregate deductible of \$11,136,620 (increased from \$10,799,712 for the prior year). Stop loss reimbursements for claims in excess of the limits amounted to \$659,763, \$1,411,549, and \$698,440 during fiscal years ended August 31, 2009, 2008, and 2007, respectively.

2. Workers Compensation Coverage

Beginning with fiscal year 2004, the District's statutory workers compensation obligation was met with participation through inter-local agreement in the Texas Workers Compensation Solutions Program (TWCS or the Program). Transactions of this plan are accounted for in the Workers Compensation Fund, an internal service fund of the District. TWCS provides a non-profit contractual mechanism by which each Program member provides self-insurance to extend workers compensation benefits to its employees through an inter-local agreement with other Districts. The District must contribute to the Program its share of fixed program costs based on a pro-rata share of its covered payroll costs. The District places on deposit with the TWCS an amount equal to 10% of the District's maximum loss fund. The District must maintain at least a 5% balance in its claims fund at all times. The District's maximum possible loss and claims incurred are actuarially determined for each program year. Additionally, member districts would share proportionately in excess claims should any member exceed its maximum loss fund of the Program. The TWCS program purchases specific and aggregate re-insurance to protect the program if claims exceed the member districts' maximum loss funds. TWCS contracts annually for an independent audit of its financial statements and an actuarial study to provide estimates necessary for its financial statements and program operations. Then reports are presented and approved by the TWCS Board in January after its fiscal year end of August 31 and are available at the TWCS office located at 1002 Marble Heights Drive, Marble Falls Texas.

3. Changes in Claims Liabilities

Estimates of claims payable and of claims incurred, but not reported at August 31, 2009, are reflected as accounts and claims payable of the plans funds. The plans are funded to discharge liabilities of the funds as they become due.

Changes in the balances of claims liabilities during the past two years are as follows (see Note VI regarding a prior period adjustment for the Workers Compensation claims):

	Health Insurance	Workers Compensation	Total
August 31, 2007	\$ 474,417	\$ 217,669	\$ 692,086
FY 2008:			
Incurred Claims - Including IBNR	9,552,746	122,814	9,675,560
Claim Payments - Net of Stop Loss Reimbursements	(9,574,706)	(109,822)	(9,684,528)
August 31, 2008	452,457	230,661	683,118
FY 2009:			
Incurred Claims - Including IBNR	10,597,505	328,499	10,926,004
Claim Payments - Net of Stop Loss Reimbursements	(10,237,399)	(174,441)	(10,411,840)
August 31, 2009	<u>\$ 812,563</u>	<u>\$ 384,719</u>	<u>\$ 1,197,282</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009

IV.K. Participation in Risk Management Pools

1. Unemployment Compensation

During the year ended August 31, 2009, the District provided unemployment compensation coverage to its employees through participation in the Texas Association of School Boards (TASB) Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligations to the Texas Workforce Commission. Expenses are accrued each month until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop loss coverage for Unemployment Compensation pool members. There were no significant changes in coverages from the prior year. No claims exceeded the coverages in the past three years.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2008, are available at the TASB offices and have been filed with the Texas State Board of Insurance in Austin, Texas.

IV.L. Revenue from Local and Intermediate Sources

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

	General Fund	2008 Bond Fund	Nonmajor Spec. Rev. Funds	Debt Service Fund	Nonmajor Cap. Proj. Funds	Total
Property Taxes	\$29,620,965	\$ -	\$ -	\$ 1,991,354	\$ -	\$31,612,319
Penalty, Interest and Other						
Tax-Related Revenue	348,763	-	-	18,997	-	367,760
(Loss) From Sale of WADA	(6,577)	-	-	-	-	(6,577)
Tuition and Fees	54,502	-	120,769	-	-	175,271
Investment Earnings	635,846	485,447	6,382	217,037	-	1,344,712
Rental Revenues	127,591	-	-	-	-	127,591
Gifts and Bequests	6,269	-	-	-	279,388	285,657
Food Sales	-	-	2,013,359	-	-	2,013,359
Sale of Surplus Items	23,060	-	-	-	-	23,060
Co-curricular and Enterprising						
Activities	210,933	-	513,913	-	-	724,846
ESC Region XV Grant	-	-	195,898	-	-	195,898
E-Rate reimbursements	249,649	-	-	-	-	249,649
Other Local Revenues	89,810	-	60,895	12,891	75,798	239,394
Totals	<u>\$31,360,811</u>	<u>\$485,447</u>	<u>\$2,911,216</u>	<u>\$2,240,279</u>	<u>\$355,186</u>	<u>\$37,352,939</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2009

V. CONTINGENCIES

V.A. Federal Assistance Programs

Amounts received or receivable from grantor agencies are subject to adjustments by the grantor agencies, principally the federal government, upon review of audit reports on those programs. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantors, cannot be determined at this time.

VI. PRIOR PERIOD ADJUSTMENT

The current year actuarial study by TWCS for the Workers Compensation program indicated that the District's claims liabilities and expenses were overstated in prior fiscal years: 2004 by \$14,839; 2005 by \$23,802; 2006 by \$14,875; 2007 by \$109,827; and 2008 by \$38,223. The cumulative effect was an understatement of FY 2008 beginning net assets of \$163,343 and ending net assets of \$201,566. The claims liability at August 31, 2007 and claims incurred in FY 2008 in Note IV.J.3. above have been restated as follows:

	Previously		
	Reported	Restatement	Restated
August 31, 2007 liability	\$ 381,012	\$ (163,343)	\$ 217,669
FY 2008 incurred claims	161,037	(38,223)	122,814
FY 2008 claims paid - net	(109,822)	-	(109,822)
August 31, 2008 liability	<u>\$ 432,227</u>	<u>\$ (201,566)</u>	<u>\$ 230,661</u>

REQUIRED SUPPLEMENTARY INFORMATION

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SAN ANGELO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 32,360,000	\$ 31,360,000	\$ 31,360,811	\$ 811
5800 State Program Revenues	60,880,000	62,545,000	62,933,578	388,578
5900 Federal Program Revenues	745,000	745,000	920,656	175,656
5020 Total Revenues	93,985,000	94,650,000	95,215,045	565,045
EXPENDITURES:				
Current:				
0011 Instruction	55,245,765	55,550,106	55,410,011	140,095
0012 Instructional Resources and Media Services	1,717,689	1,703,637	1,685,225	18,412
0013 Curriculum and Instructional Staff Development	1,093,082	1,074,549	1,022,716	51,833
0021 Instructional Leadership	1,260,597	1,186,622	1,177,385	9,237
0023 School Leadership	5,520,898	5,451,095	5,443,836	7,259
0031 Guidance, Counseling and Evaluation Services	3,772,755	3,761,131	3,748,809	12,322
0032 Social Work Services	539,577	537,977	530,765	7,212
0033 Health Services	493,250	490,700	468,670	22,030
0034 Student (Pupil) Transportation	2,621,384	2,722,897	2,654,252	68,645
0036 Extracurricular Activities	4,202,735	4,342,515	4,312,721	29,794
0041 General Administration	2,479,231	2,372,181	2,294,087	78,094
0051 Facilities Maintenance and Operations	11,547,004	12,031,355	11,852,365	178,990
0052 Security and Monitoring Services	298,000	215,000	204,838	10,162
0053 Data Processing Services	2,345,265	2,349,865	2,304,663	45,202
0061 Community Services	97,768	102,139	96,972	5,167
Capital Outlay:				
0081 Facilities Acquisition and Construction	15,000	931,753	922,920	8,833
Intergovernmental:				
0099 Other Intergovernmental Charges	735,000	740,000	739,774	226
6030 Total Expenditures	93,985,000	95,563,522	94,870,009	693,513
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(913,522)	345,036	1,258,558
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	11,827	11,827
8911 Transfers Out (Use)	-	(2,500,000)	(2,500,000)	-
7080 Total Other Financing Sources (Uses)	-	(2,500,000)	(2,488,173)	11,827
1200 Net Change in Fund Balances	-	(3,413,522)	(2,143,137)	1,270,385
0100 Fund Balance - September 1 (Beginning)	-	31,201,862	31,201,862	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ 27,788,340	\$ 29,058,725	\$ 1,270,385

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2009

The Board of Trustees adopts an "appropriated budget" on the GAAP basis for the General Fund, the Debt Service Fund and the Child Nutrition Program Fund (a nonmajor Special Revenue Fund). The District is required to present the original adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund budget report appears in this section as Exhibit G-1 and the other two reports are in the T.E.A. Required Schedules as Exhibits J-4 and J-5.

BUDGETARY PROCESS

Prior to August 20, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.

A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.

Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. All budget appropriations lapse at year end. The budgets were amended shortly after the beginning of the year to adjust the beginning fund balances to actual after prior year end adjustments. The General Fund budget was also amended during the year to reflect revised revenue estimates and provide for supplemental appropriations and reallocations between functions (net increase in expenditures of \$1,578,522 and transfers out of \$2,500,000).

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

There were no expenditures in excess of appropriations for any function.

RECONCILIATION OF SPECIAL REVENUE FUND BALANCES

Nonappropriated Budget Funds:	
Summer Feeding Program	\$ 98,951
Child and Adult Care Feeding Program	60,303
Advanced Placement Incentives	29,823
High School Allotment Fund	542,372
AP / Read to Succeed	1,677
Campus Activity Funds	197,359
TX High School Project	3,467
ESC Region XV Grant	195,898
	<hr/>
	1,129,850
Appropriated Budget Fund – Child Nutrition Program	1,255,979
Total Special Revenue Fund Balances	<hr/> <hr/>
	\$ 2,385,829

COMBINING AND OTHER STATEMENTS

Included in this section are combining nonmajor funds financial statements, and agency fund statement of changes in assets and liabilities.

GOVERNMENTAL FUNDS

Following is a description of the purposes of governmental funds.
REPORTED AS MAJOR FUNDS IN THE BASIC FINANCIAL STATEMENTS

- General Fund is the District's primary operating fund. It is used to account for all financial resources not required to be reported in another fund. It is always a major fund.
- 2008 Bond Fund is used to account for the expenditure of the proceeds of general obligation bonds issued to fund projects as authorized in the bond election.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

- Funds 200 through 289 are used to account for the receipt and expenditure of federally funded programs. Revenues are generally recognized to the extent of eligible expenditures.
- Funds 380 through 429 are used to account for the State of Texas funded programs. Revenues are generally recognized to the extent of eligible expenditures.
- Funds 460 through 499 are used to account for the receipt and expenditure of local and intermediate source funded programs.

Debt Service Fund is used to account for the accumulation of resources and payment of principal and interest on general obligation bonds. Resources are provided by an annual ad valorem tax levy and State of Texas Foundation Program revenues. Proceeds of refunding bond issues are also accounted for in this fund.

Capital Project Funds

- San Angelo Stadium Paving Project is used to account for funds received for the purpose of paving the parking lot at the stadium.
- San Angelo Fieldhouse Project is used to account for funds received for the purpose of building a fieldhouse.

INTERNAL SERVICE FUNDS

Following is a description of the purpose of each internal service fund.

Health Insurance Fund – to account for health insurance claims for the District's employees and their dependents.

Workers Compensation Insurance Fund – to account for workers compensation coverage for the District employees.

ENTERPRISE FUNDS

A brief description of the purpose of each enterprise fund follows.

Concession Fund – to account for the concessions operations at athletic events.

Jumbo-Tron Fund – to account for advertising revenues and operating costs of an electronic scoreboard installed at San Angelo Stadium.

AGENCY FUND

Student Activity Accounts are used to account for funds which belong student groups.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2009

Data Control Codes	204 ESEA Title IV Safe & Drug Free Schools	205 Head Start	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Due from Other Governments	-	209,811	148,939	10,218
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Deferred Expenditures	-	-	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ 209,811</u>	<u>\$ 148,939</u>	<u>\$ 10,218</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
2110	Accounts Payable	\$ -	\$ 3,656	\$ -	\$ -
2170	Due to Other Funds	-	204,140	148,939	10,218
2180	Due to Other Governments	-	-	-	-
2190	Due to Student Groups	-	-	-	-
2300	Deferred Revenues	-	2,015	-	-
2000	Total Liabilities	<u>-</u>	<u>209,811</u>	<u>148,939</u>	<u>10,218</u>
Fund Balances:					
Reserved For:					
3410	Investments in Inventory	-	-	-	-
3420	Retirement of Long Term Debt	-	-	-	-
3450	Food Service	-	-	-	-
Unreserved and Undesignated:					
3610	Reported in Special Revenue Funds	-	-	-	-
3620	Reported in Capital Projects Funds	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 209,811</u>	<u>\$ 148,939</u>	<u>\$ 10,218</u>

224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program	242 Summer Feeding Program	243 Vocational Ed Technical Preparation	244 Vocational Ed Basic Grant	255 ESEA II,A Training and Recruiting	262 Title II, D Education Technology
\$ -	\$ -	\$ 659,001	\$ 100,096	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
160,512	343	114,470	-	-	32,700	15,683	-
-	-	-	-	-	-	-	-
-	-	2,490	-	-	-	-	-
-	-	750,120	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 160,512</u>	<u>\$ 343</u>	<u>\$ 1,526,081</u>	<u>\$ 100,096</u>	<u>\$ -</u>	<u>\$ 32,700</u>	<u>\$ 15,683</u>	<u>\$ -</u>
\$ 8,545	\$ -	\$ 84,552	\$ 1,145	\$ -	\$ 97	\$ -	\$ -
151,967	343	-	-	-	32,603	15,683	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	185,550	-	-	-	-	-
<u>160,512</u>	<u>343</u>	<u>270,102</u>	<u>1,145</u>	<u>-</u>	<u>32,700</u>	<u>15,683</u>	<u>-</u>
-	-	564,571	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	691,408	-	-	-	-	-
-	-	-	98,951	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>1,255,979</u>	<u>98,951</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 160,512</u>	<u>\$ 343</u>	<u>\$ 1,526,081</u>	<u>\$ 100,096</u>	<u>\$ -</u>	<u>\$ 32,700</u>	<u>\$ 15,683</u>	<u>\$ -</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2009

Data Control Codes	263 Title III, A English Lang. Acquisition	276 Title I SIP Academy Grant	283 IDEA, Pt. B Formula - ARRA	285 ESEA Title I, Part A - ARRA	
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ 1,637	\$ -	\$ -
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Due from Other Governments	-	23,511	92,389	249,137
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Deferred Expenditures	-	-	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ 25,148</u>	<u>\$ 92,389</u>	<u>\$ 249,137</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
2110	Accounts Payable	\$ -	\$ 1,637	\$ 11,065	\$ 27,497
2170	Due to Other Funds	-	23,511	81,324	221,640
2180	Due to Other Governments	-	-	-	-
2190	Due to Student Groups	-	-	-	-
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>25,148</u>	<u>92,389</u>	<u>249,137</u>
Fund Balances:					
Reserved For:					
3410	Investments in Inventory	-	-	-	-
3420	Retirement of Long Term Debt	-	-	-	-
3450	Food Service	-	-	-	-
Unreserved and Undesignated:					
3610	Reported in Special Revenue Funds	-	-	-	-
3620	Reported in Capital Projects Funds	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 25,148</u>	<u>\$ 92,389</u>	<u>\$ 249,137</u>

287	288	392	394	397	401	404	411
Early Headstart	Child / Adult Care Feeding	Non-Ed. Community Based Support	Pregnancy, Education and Parenting	Advanced Placement Incentives	Optional Extended Year Program	Student Success Initiative	Technology Allotment
\$ -	\$ 37,277	\$ -	\$ 22,925	\$ 31,712	\$ -	\$ -	\$ 282,435
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
84,641	23,650	-	-	-	10,559	50,133	21,471
-	-	-	-	-	-	-	-
-	-	100	1,496	-	-	-	500
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 84,641</u>	<u>\$ 60,927</u>	<u>\$ 100</u>	<u>\$ 24,421</u>	<u>\$ 31,712</u>	<u>\$ 10,559</u>	<u>\$ 50,133</u>	<u>\$ 304,406</u>
\$ -	\$ 624	\$ -	\$ -	\$ 1,889	\$ -	\$ -	\$ 822
84,491	-	100	-	-	10,559	50,133	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
150	-	-	24,421	-	-	-	303,584
<u>84,641</u>	<u>624</u>	<u>100</u>	<u>24,421</u>	<u>1,889</u>	<u>10,559</u>	<u>50,133</u>	<u>304,406</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	60,303	-	-	29,823	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>60,303</u>	<u>-</u>	<u>-</u>	<u>29,823</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 84,641</u>	<u>\$ 60,927</u>	<u>\$ 100</u>	<u>\$ 24,421</u>	<u>\$ 31,712</u>	<u>\$ 10,559</u>	<u>\$ 50,133</u>	<u>\$ 304,406</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2009

Data Control Codes	419 Head Start Ready To Read	426 Texas Educ Excellence Award Grant	428 High School Allotment	429 Read to Succeed
ASSETS				
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ 510,092	\$ 1,767
1220 Property Taxes - Delinquent	-	-	-	-
1230 Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240 Due from Other Governments	-	173,329	-	-
1260 Due from Other Funds	-	-	635	-
1290 Other Receivables	17,530	-	-	-
1300 Inventories	-	-	-	-
1410 Deferred Expenditures	120	-	90,250	-
1000 Total Assets	<u>\$ 17,650</u>	<u>\$ 173,329</u>	<u>\$ 600,977</u>	<u>\$ 1,767</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
2110 Accounts Payable	\$ -	\$ -	\$ 58,605	\$ 90
2170 Due to Other Funds	17,544	173,329	-	-
2180 Due to Other Governments	106	-	-	-
2190 Due to Student Groups	-	-	-	-
2300 Deferred Revenues	-	-	-	-
2000 Total Liabilities	<u>17,650</u>	<u>173,329</u>	<u>58,605</u>	<u>90</u>
Fund Balances:				
Reserved For:				
3410 Investments in Inventory	-	-	-	-
3420 Retirement of Long Term Debt	-	-	-	-
3450 Food Service	-	-	-	-
Unreserved and Undesignated:				
3610 Reported in Special Revenue Funds	-	-	542,372	1,677
3620 Reported in Capital Projects Funds	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>542,372</u>	<u>1,677</u>
4000 Total Liabilities and Fund Balances	<u>\$ 17,650</u>	<u>\$ 173,329</u>	<u>\$ 600,977</u>	<u>\$ 1,767</u>

461 Campus Activity Funds	495 Texas High School Project	498 ESC Region XV Grant	Total Nonmajor Special Revenue Funds	599 Debt Service Fund	619 San Angelo Stadium Paving Proj	630 San Angelo Fieldhouse Project	Total Nonmajor Governmental Funds
\$ 208,718	\$ 3,467	\$ 197,248	\$ 2,056,375	\$ 1,657,551	\$ -	\$ 346,085	\$ 4,060,011
-	-	-	-	127,777	-	-	127,777
-	-	-	-	(5,239)	-	-	(5,239)
-	-	-	1,421,496	231,288	-	-	1,652,784
-	-	-	635	-	-	-	635
-	-	-	22,116	5,075	-	125,000	152,191
-	-	-	750,120	-	-	-	750,120
-	-	-	90,370	-	-	-	90,370
<u>\$ 208,718</u>	<u>\$ 3,467</u>	<u>\$ 197,248</u>	<u>\$ 4,341,112</u>	<u>\$ 2,016,452</u>	<u>\$ -</u>	<u>\$ 471,085</u>	<u>\$ 6,828,649</u>
\$ 1,256	\$ -	\$ 1,350	\$ 202,830	\$ -	\$ -	\$ 454,163	\$ 656,993
635	-	-	1,227,159	-	70,405	-	1,297,564
-	-	-	106	-	-	-	106
1,227	-	-	1,227	-	-	-	1,227
8,241	-	-	523,961	117,538	-	-	641,499
<u>11,359</u>	<u>-</u>	<u>1,350</u>	<u>1,955,283</u>	<u>117,538</u>	<u>70,405</u>	<u>454,163</u>	<u>2,597,389</u>
-	-	-	564,571	-	-	-	564,571
-	-	-	-	1,898,914	-	-	1,898,914
-	-	-	691,408	-	-	-	691,408
197,359	3,467	195,898	1,129,850	-	-	-	1,129,850
-	-	-	-	-	(70,405)	16,922	(53,483)
<u>197,359</u>	<u>3,467</u>	<u>195,898</u>	<u>2,385,829</u>	<u>1,898,914</u>	<u>(70,405)</u>	<u>16,922</u>	<u>4,231,260</u>
<u>\$ 208,718</u>	<u>\$ 3,467</u>	<u>\$ 197,248</u>	<u>\$ 4,341,112</u>	<u>\$ 2,016,452</u>	<u>\$ -</u>	<u>\$ 471,085</u>	<u>\$ 6,828,649</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes	204 ESEA Title IV Safe & Drug Free Schools	205 Head Start	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	55,243	2,379,042	4,177,445	87,087
5020 Total Revenues	<u>55,243</u>	<u>2,379,042</u>	<u>4,177,445</u>	<u>87,087</u>
EXPENDITURES:				
Current:				
0011 Instruction	19,306	1,167,839	3,805,134	19,066
0012 Instructional Resources and Media Services	-	-	33,964	-
0013 Curriculum and Instructional Staff Development	19,535	114,746	102,373	-
0021 Instructional Leadership	-	-	159,112	67,773
0023 School Leadership	-	380,836	867	-
0031 Guidance, Counseling and Evaluation Services	12,956	57,788	-	-
0032 Social Work Services	-	151,920	-	-
0033 Health Services	-	125,596	2,777	-
0034 Student (Pupil) Transportation	-	1,521	-	-
0035 Food Services	-	70,735	-	-
0041 General Administration	-	-	4,330	-
0051 Facilities Maintenance and Operations	-	251,674	-	-
0052 Security and Monitoring Services	3,083	622	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	363	55,765	68,888	248
Debt Service:				
0071 Debt Service - Principal on Long Term Debt	-	-	-	-
0072 Debt Service - Interest on Long Term Debt	-	-	-	-
0073 Debt Service - Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	<u>55,243</u>	<u>2,379,042</u>	<u>4,177,445</u>	<u>87,087</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
7901 Refunding Bonds Issued	-	-	-	-
7915 Transfers In	-	-	-	-
7916 Premium on Issuance of Bonds	-	-	-	-
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>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program	242 Summer Feeding Program	243 Vocational Ed Technical Preparation	244 Vocational Ed Basic Grant	255 ESEA II,A Training and Recruiting	262 Title II, D Education Technology
\$ -	\$ -	\$ 2,028,209	\$ 8,261	\$ -	\$ -	\$ -	\$ -
-	-	128,673	-	-	-	-	-
3,147,150	116,642	3,881,923	138,932	1,468	220,257	982,918	33,337
3,147,150	116,642	6,038,805	147,193	1,468	220,257	982,918	33,337
2,087,044	116,642	-	-	1,468	118,029	851,219	-
-	-	-	-	-	-	-	-
79,718	-	-	-	-	41,005	49,460	10,631
90,640	-	-	-	-	3,507	60,847	-
214	-	-	-	-	-	-	-
863,738	-	-	-	-	57,716	-	-
-	-	-	-	-	-	-	-
23,452	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	5,602,088	114,918	-	-	-	-
-	-	-	-	-	-	-	-
-	-	182,394	5,242	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	21,967
2,344	-	-	-	-	-	21,392	739
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,147,150	116,642	5,784,482	120,160	1,468	220,257	982,918	33,337
-	-	254,323	27,033	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	254,323	27,033	-	-	-	-
-	-	1,001,656	71,918	-	-	-	-
\$ -	\$ -	\$ 1,255,979	\$ 98,951	\$ -	\$ -	\$ -	\$ -

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes	263 Title III, A English Lang. Acquisition	276 Title I SIP Academy Grant	283 IDEA, Pt. B Formula - ARRA	285 ESEA Title I, Part A - ARRA	
REVENUES:					
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	82,780	29,893	90,788	244,724
5020	Total Revenues	<u>82,780</u>	<u>29,893</u>	<u>90,788</u>	<u>244,724</u>
EXPENDITURES:					
Current:					
0011	Instruction	81,144	10,065	17,055	231,087
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	500	18,464	64,668	8,889
0021	Instructional Leadership	1,136	-	9,065	-
0023	School Leadership	-	1,364	-	-
0031	Guidance, Counseling and Evaluation Services	-	-	-	4,748
0032	Social Work Services	-	-	-	-
0033	Health Services	-	-	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0041	General Administration	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	-	-	-	-
Debt Service:					
0071	Debt Service - Principal on Long Term Debt	-	-	-	-
0072	Debt Service - Interest on Long Term Debt	-	-	-	-
0073	Debt Service - Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	-	-	-
6030	Total Expenditures	<u>82,780</u>	<u>29,893</u>	<u>90,788</u>	<u>244,724</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):					
7901	Refunding Bonds Issued	-	-	-	-
7915	Transfers In	-	-	-	-
7916	Premium on Issuance of Bonds	-	-	-	-
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>
3000	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

287	288	392	394	397	401	404	411
Early Headstart	Child / Adult Care Feeding	Non-Ed. Community Based Support	Pregnancy, Education and Parenting	Advanced Placement Incentives	Optional Extended Year Program	Student Success Initiative	Technology Allotment
\$ -	\$ -	\$ -	\$ 41,209	\$ -	\$ -	\$ -	\$ -
-	14,569	-	68,739	26,920	57,219	260,910	353,006
1,002,819	388,878	-	-	-	-	-	-
<u>1,002,819</u>	<u>403,447</u>	<u>-</u>	<u>109,948</u>	<u>26,920</u>	<u>57,219</u>	<u>260,910</u>	<u>353,006</u>
872,386	-	-	-	21,292	48,944	247,527	353,006
-	-	-	-	-	-	-	-
22,210	-	-	-	6,278	-	6,843	-
-	-	-	-	-	-	80	-
35,253	-	-	-	-	4,290	-	-
655	-	-	-	-	385	6,460	-
47,376	-	-	-	-	-	-	-
12,719	-	-	-	-	-	-	-
-	-	-	-	-	3,600	-	-
1,394	360,932	-	-	-	-	-	-
-	-	-	-	-	-	-	-
10,107	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
719	-	-	109,948	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,002,819</u>	<u>360,932</u>	<u>-</u>	<u>109,948</u>	<u>27,570</u>	<u>57,219</u>	<u>260,910</u>	<u>353,006</u>
-	42,515	-	-	(650)	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	42,515	-	-	(650)	-	-	-
-	17,788	-	-	30,473	-	-	-
<u>\$ -</u>	<u>\$ 60,303</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,823</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes	419 Head Start Ready To Read	426 Texas Educ Excellence Award Grant	428 High School Allotment	429 Read to Succeed
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ 120,769	\$ -
5800 State Program Revenues	66,187	173,329	1,033,811	66
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>66,187</u>	<u>173,329</u>	<u>1,154,580</u>	<u>66</u>
EXPENDITURES:				
Current:				
0011 Instruction	-	159,733	866,628	-
0012 Instructional Resources and Media Services	-	1,355	-	90
0013 Curriculum and Instructional Staff Development	66,187	-	42,091	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	5,286	-	-
0031 Guidance, Counseling and Evaluation Services	-	2,043	170,846	-
0032 Social Work Services	-	1,512	-	-
0033 Health Services	-	153	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	916	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	2,331	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Debt Service - Principal on Long Term Debt	-	-	-	-
0072 Debt Service - Interest on Long Term Debt	-	-	-	-
0073 Debt Service - Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	<u>66,187</u>	<u>173,329</u>	<u>1,079,565</u>	<u>90</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>75,015</u>	<u>(24)</u>
OTHER FINANCING SOURCES (USES):				
7901 Refunding Bonds Issued	-	-	-	-
7915 Transfers In	-	-	-	-
7916 Premium on Issuance of Bonds	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	75,015	(24)
0100 Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>467,357</u>	<u>1,701</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 542,372</u>	<u>\$ 1,677</u>

461 Campus Activity Funds	495 Texas High School Project	498 ESC Region XV Grant	Total Nonmajor Special Revenue Funds	599 Debt Service Fund	619 San Angelo Stadium Paving Proj	630 San Angelo Fieldhouse Project	Total Nonmajor Governmental Funds
\$ 516,870	\$ -	\$ 195,898	\$ 2,911,216	\$ 2,240,279	\$ -	\$ 355,186	\$ 5,506,681
-	-	-	2,183,429	1,284,063	-	-	3,467,492
-	-	-	17,061,326	-	-	-	17,061,326
<u>516,870</u>	<u>-</u>	<u>195,898</u>	<u>22,155,971</u>	<u>3,524,342</u>	<u>-</u>	<u>355,186</u>	<u>26,035,499</u>
138,435	3,565	-	11,236,614	-	-	-	11,236,614
-	-	-	35,409	-	-	-	35,409
333	5,684	-	659,615	-	-	-	659,615
3,489	-	-	395,649	-	-	-	395,649
333,669	2,303	-	764,082	-	-	-	764,082
-	-	-	1,177,335	-	-	-	1,177,335
-	-	-	200,808	-	-	-	200,808
-	-	-	164,697	-	-	-	164,697
-	-	-	5,121	-	-	-	5,121
60	-	-	6,151,043	-	-	-	6,151,043
242	-	-	4,572	-	-	-	4,572
3,455	-	-	455,203	-	-	-	455,203
-	-	-	3,705	-	-	-	3,705
70	-	-	22,037	-	-	-	22,037
-	-	-	260,406	-	-	-	260,406
-	-	-	-	6,220,000	-	-	6,220,000
-	-	-	-	1,134,912	-	-	1,134,912
-	-	-	-	58,759	-	-	58,759
-	-	-	-	-	123,857	2,966,665	3,090,522
<u>479,753</u>	<u>11,552</u>	<u>-</u>	<u>21,536,296</u>	<u>7,413,671</u>	<u>123,857</u>	<u>2,966,665</u>	<u>32,040,489</u>
<u>37,117</u>	<u>(11,552)</u>	<u>195,898</u>	<u>619,675</u>	<u>(3,889,329)</u>	<u>(123,857)</u>	<u>(2,611,479)</u>	<u>(6,004,990)</u>
-	-	-	-	4,090,000	-	-	4,090,000
-	-	-	-	-	-	2,500,000	2,500,000
-	-	-	-	302,661	-	-	302,661
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,392,661</u>	<u>-</u>	<u>2,500,000</u>	<u>6,892,661</u>
37,117	(11,552)	195,898	619,675	503,332	(123,857)	(111,479)	887,671
<u>160,242</u>	<u>15,019</u>	<u>-</u>	<u>1,766,154</u>	<u>1,395,582</u>	<u>53,452</u>	<u>128,401</u>	<u>3,343,589</u>
<u>\$ 197,359</u>	<u>\$ 3,467</u>	<u>\$ 195,898</u>	<u>\$ 2,385,829</u>	<u>\$ 1,898,914</u>	<u>\$ (70,405)</u>	<u>\$ 16,922</u>	<u>\$ 4,231,260</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 AUGUST 31, 2009

	753	770	
	Health	Workers	Total
	Insurance	Compensation	Internal
		Insurance	Service Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 625,868	\$ 548,291	\$ 1,174,159
Due from Other Funds	4,795	-	4,795
Other Receivables	618,528	-	618,528
Deferred Expenses	58,164	-	58,164
Total Current Assets	<u>1,307,355</u>	<u>548,291</u>	<u>1,855,646</u>
Noncurrent Assets:			
Restricted Assets	-	345,281	345,281
Total Noncurrent Assets	<u>-</u>	<u>345,281</u>	<u>345,281</u>
Total Assets	<u>1,307,355</u>	<u>893,572</u>	<u>2,200,927</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	87,000	53,328	140,328
Accrued Expenses	812,563	384,719	1,197,282
Unearned Revenue	162,458	-	162,458
Total Liabilities	<u>1,062,021</u>	<u>438,047</u>	<u>1,500,068</u>
NET ASSETS			
Unrestricted Net Assets	<u>245,334</u>	<u>455,525</u>	<u>700,859</u>
Total Net Assets	<u>\$ 245,334</u>	<u>\$ 455,525</u>	<u>\$ 700,859</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2009

	753	770	
	Health	Workers	Total
	Insurance	Compensation	Internal
		Insurance	Service Funds
OPERATING REVENUES:			
Local and Intermediate Sources	\$ 10,565,189	\$ 371,840	\$ 10,937,029
Total Operating Revenues	<u>10,565,189</u>	<u>371,840</u>	<u>10,937,029</u>
OPERATING EXPENSES:			
Professional and Contracted Services	1,655,741	315,425	1,971,166
Supplies and Materials	94	-	94
Other Operating Costs	<u>10,597,505</u>	<u>328,499</u>	<u>10,926,004</u>
Total Operating Expenses	<u>12,253,340</u>	<u>643,924</u>	<u>12,897,264</u>
Operating Income (Loss)	<u>(1,688,151)</u>	<u>(272,084)</u>	<u>(1,960,235)</u>
NONOPERATING REVENUES (EXPENSES):			
Earnings from Temporary Deposits & Investments	<u>22,321</u>	<u>5,015</u>	<u>27,336</u>
Total Nonoperating Revenues (Expenses)	<u>22,321</u>	<u>5,015</u>	<u>27,336</u>
Change in Net Assets	(1,665,830)	(267,069)	(1,932,899)
Total Net Assets - September 1 (Beginning)	1,911,164	521,028	2,432,192
Prior Period Adjustment	-	<u>201,566</u>	<u>201,566</u>
Total Net Assets - August 31 (Ending)	<u>\$ 245,334</u>	<u>\$ 455,525</u>	<u>\$ 700,859</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

	753	770	
	Health	Workers	Total
	Insurance	Compensation	Internal
		Insurance	Service Funds
<u>Cash Flows from Operating Activities:</u>			
Cash Received from User Charges	\$ 2,795,569	\$ -	\$ 2,795,569
Cash Received from Assessments - Other Funds	7,167,493	371,840	7,539,333
Cash Payments for Insurance Claims	(10,237,399)	(174,441)	(10,411,840)
Cash Payments for Suppliers	(1,626,999)	(286,711)	(1,913,710)
Cash Payments (to) from Claims Loss Fund	-	(48,955)	(48,955)
Net Cash Used For Operating Activities	<u>(1,901,336)</u>	<u>(138,267)</u>	<u>(2,039,603)</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>			
Increase(decrease) in Short-term Loans	<u>4,332</u>	<u>-</u>	<u>4,332</u>
<u>Cash Flows from Investing Activities:</u>			
Interest and Dividends on Investments	<u>22,321</u>	<u>5,015</u>	<u>27,336</u>
Net Decrease in Cash and Cash Equivalents	(1,874,683)	(133,252)	(2,007,935)
Cash and Cash Equivalents at Beginning of the Year:	<u>2,500,551</u>	<u>681,543</u>	<u>3,182,094</u>
Cash and Cash Equivalents at the End of the Year:	<u>\$ 625,868</u>	<u>\$ 548,291</u>	<u>\$ 1,174,159</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Used for Operating Activities:</u>			
Operating Income (Loss):	\$ (1,688,151)	\$ (272,084)	\$ (1,960,235)
Effect of Increases and Decreases in Current Assets and Liabilities:			
Decrease (increase) in Receivables	(600,709)	-	(600,709)
(Increase) in Restricted Assets	-	(48,955)	(48,955)
(Increase) in Prepaid Expenses	(58,164)	-	(58,164)
Increase in Accounts Payable	87,000	28,714	115,714
Increase in Accrued Expenses	360,106	154,058	514,164
(Decrease) in Unearned Revenue	(1,418)	-	(1,418)
Net Cash Used for Operating Activities	<u>\$ (1,901,336)</u>	<u>\$ (138,267)</u>	<u>\$ (2,039,603)</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 AUGUST 31, 2009

	711	712	Total
	Concession	Jumbo-Tron	Nonmajor
	Fund	Fund	Enterprise
			Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 171,603	\$ -	\$ 171,603
Total Current Assets	<u>171,603</u>	<u>-</u>	<u>171,603</u>
Noncurrent Assets:			
Capital Assets:			
Leased Property Under Capital Leases	-	535,000	535,000
Depreciation on Capital Leases	-	(218,458)	(218,458)
Total Noncurrent Assets	<u>-</u>	<u>316,542</u>	<u>316,542</u>
Total Assets	<u>171,603</u>	<u>316,542</u>	<u>488,145</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	615	-	615
Unearned Revenue	-	57,900	57,900
Total Current Liabilities	<u>615</u>	<u>57,900</u>	<u>58,515</u>
NonCurrent Liabilities:			
Capital Leases Payable - Due Within One Year	-	112,395	112,395
Capital Leases Payable - Due in More than One Year	-	197,736	197,736
Total Noncurrent Liabilities	<u>-</u>	<u>310,131</u>	<u>310,131</u>
Total Liabilities	<u>615</u>	<u>368,031</u>	<u>368,646</u>
NET ASSETS			
Investments in Capital Assets, Net of Debt	-	6,411	6,411
Unrestricted Net Assets	<u>170,988</u>	<u>(57,900)</u>	<u>113,088</u>
Total Net Assets	<u>\$ 170,988</u>	<u>\$ (51,489)</u>	<u>\$ 119,499</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2009

	711	712	Total Nonmajor Enterprise Funds
	Concession Fund	Jumbo-Tron Fund	
OPERATING REVENUES:			
Local and Intermediate Sources	\$ 116,047	\$ 71,651	\$ 187,698
Total Operating Revenues	<u>116,047</u>	<u>71,651</u>	<u>187,698</u>
OPERATING EXPENSES:			
Payroll Costs	54,897	-	54,897
Professional and Contracted Services	506	-	506
Supplies and Materials	43,437	-	43,437
Other Operating Costs	-	53,500	53,500
Total Operating Expenses	<u>98,840</u>	<u>53,500</u>	<u>152,340</u>
Operating Income	<u>17,207</u>	<u>18,151</u>	<u>35,358</u>
NONOPERATING REVENUES (EXPENSES):			
Capital Lease Interest	-	(27,117)	(27,117)
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>(27,117)</u>	<u>(27,117)</u>
Change in Net Assets	17,207	(8,966)	8,241
Total Net Assets - September 1 (Beginning)	<u>153,781</u>	<u>(42,523)</u>	<u>111,258</u>
Total Net Assets - August 31 (Ending)	<u>\$ 170,988</u>	<u>\$ (51,489)</u>	<u>\$ 119,499</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2009

	711	712	Total
	Concession	Jumbo-Tron	Nonmajor
	Fund	Fund	Enterprise
			Funds
<u>Cash Flows from Operating Activities:</u>			
Cash Received from User Charges	\$ 124,694	\$ 55,949	\$ 180,643
Cash Payments to Employees for Services	(54,897)	-	(54,897)
Cash Payments for Suppliers	(43,437)	-	(43,437)
Net Cash Provided by Operating Activities	<u>26,360</u>	<u>55,949</u>	<u>82,309</u>
<u>Cash Flows from Capital & Related Financing Activities:</u>			
Retirement of Long-Term Debt	-	(28,832)	(28,832)
Interest Paid on Long-Term Debt	-	(27,117)	(27,117)
Net Cash Used For Capital and Related Financing Activities	<u>-</u>	<u>(55,949)</u>	<u>(55,949)</u>
Net Increase in Cash and Cash Equivalents	26,360	-	26,360
Cash and Cash Equivalents at Beginning of the Year:	<u>145,243</u>	<u>-</u>	<u>145,243</u>
Cash and Cash Equivalents at the End of the Year:	<u><u>\$ 171,603</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 171,603</u></u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>			
Operating Income:	\$ 17,207	\$ 18,151	\$ 35,358
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	-	53,500	53,500
Effect of Increases and Decreases in Current Assets and Liabilities:			
Decrease (increase) in Receivables	8,647	-	8,647
Increase in Accounts Payable	506	-	506
(Decrease) in Unearned Revenue	-	(15,702)	(15,702)
Net Cash Provided by Operating Activities	<u><u>\$ 26,360</u></u>	<u><u>\$ 55,949</u></u>	<u><u>\$ 82,309</u></u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED AUGUST 31, 2009

	BALANCE SEPTEMBER 1 2008	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2009
STUDENT ACTIVITY FUNDS				
Assets:				
Cash and Temporary Investments	\$ 420,632	\$ 480,830	\$ 520,503	\$ 380,959
Other Receivables	1,511	3,421	3,653	1,279
Total Assets	<u>\$ 422,143</u>	<u>\$ 484,251</u>	<u>\$ 524,156</u>	<u>\$ 382,238</u>
Liabilities:				
Accounts Payable	\$ 159	\$ 31,947	\$ 32,052	\$ 54
Due to Student Groups	421,984	383,891	423,691	382,184
Total Liabilities	<u>\$ 422,143</u>	<u>\$ 415,838</u>	<u>\$ 455,743</u>	<u>\$ 382,238</u>
TOTAL AGENCY FUNDS				
Assets:				
Cash and Temporary Investments	\$ 420,632	\$ 480,830	\$ 520,503	\$ 380,959
Other Receivables	1,511	3,421	3,653	1,279
Total Assets	<u>\$ 422,143</u>	<u>\$ 484,251</u>	<u>\$ 524,156</u>	<u>\$ 382,238</u>
Liabilities:				
Accounts Payable	\$ 159	\$ 31,947	\$ 32,052	\$ 54
Due to Student Groups	421,984	383,891	423,691	382,184
Total Liabilities	<u>\$ 422,143</u>	<u>\$ 415,838</u>	<u>\$ 455,743</u>	<u>\$ 382,238</u>

COMPLIANCE SCHEDULES
(Required by Texas Education Agency)

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED AUGUST 31, 2009

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2000 and prior years	Various	Various	\$ 15,957,820,922
2001	1.421000	0.085540	1,924,809,623
2002	1.451540	0.055000	1,943,303,385
2003	1.500000	0.069130	1,990,448,037
2004	1.500000	0.067500	2,082,581,041
2005	1.500000	0.075250	2,179,369,700
2006	1.500000	0.072000	2,318,913,431
2007	1.370000	0.070000	2,567,976,619
2008	1.040000	0.070000	2,718,372,546
2009 (School year under audit)	1.040000	0.070000	2,888,797,097
1000 TOTALS			

(10) Beginning Balance 9/1/2008	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2009
\$ 273,425	\$ -	\$ 1,907	\$ 265	\$ 3,097	\$ 274,350
21,363	-	821	50	(1,281)	19,211
24,255	-	1,478	56	(1,605)	21,116
47,823	-	3,032	140	(3,004)	41,647
68,135	-	14,729	663	(4,227)	48,516
95,572	-	21,373	1,072	(6,741)	66,386
149,091	-	45,889	2,203	(6,974)	94,025
274,658	-	105,231	5,377	(11,474)	152,576
502,156	-	205,914	13,860	(38,157)	244,225
-	32,296,629	29,248,591	1,968,668	(230,982)	848,388
<u>\$ 1,456,478</u>	<u>\$ 32,296,629</u>	<u>\$ 29,648,965</u>	<u>\$ 1,992,354</u>	<u>\$ (301,348)</u>	<u>\$ 1,810,440</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COST FOR 2010-2011
 GENERAL AND SPECIAL REVENUE FUNDS
 AUGUST 31, 2009

FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION, 99 - APPRAISAL DISTRICT COST

Account Number	Account Name	1	2	3	4	5	6	7
		(702) School Board	(703) Tax Collections	(701) Supt's Office	(750) Indirect Cost	(720) Direct Cost	(other) Miscellaneous	Total
611X-6146	PAYROLL COSTS	\$ 46,837	\$ -	\$ 240,123	\$ 1,402,009	\$ 83,865	\$ -	\$ 1,772,834
6149	Leave for Separating Employees in Fn 41 & 53	-	-	-	22,822	-	-	22,822
6149	Leave - Separating Employees not in 41 & 53	-	-	-	-	-	-	-
6211	Legal Services	66,581	-	-	-	-	-	66,581
6212	Audit Services	-	-	-	48,431	-	-	48,431
6213	Tax Appraisal/Collection - Appraisal in Fn 99	-	739,774	-	-	-	-	739,774
621X	Other Professional Services	991	-	670	70,418	-	-	72,079
6220	Tuition and Transfer Payments	-	-	-	-	-	-	-
6230	Education Service Centers	-	-	-	-	-	-	-
6240	Contr. Maint. and Repair	-	-	-	-	27,277	-	27,277
6250	Utilities	-	-	-	-	-	-	-
6260	Rentals	-	-	-	35,065	1,146	-	36,211
6290	Miscellaneous Contr.	-	-	17,921	4,736	-	-	22,657
6320	Textbooks and Reading	-	-	2,092	533	6,280	-	8,905
6330	Testing Materials	-	-	-	-	-	-	-
63XX	Other Supplies Materials	13,438	-	5,997	80,301	12,150	-	111,886
6410	Travel, Subsistence, Stipends	1,603	-	2,693	40,547	2,812	-	47,655
6420	Ins. and Bonding Costs	-	-	-	-	34,152	-	34,152
6430	Election Costs	75	-	-	-	-	-	75
6490	Miscellaneous Operating	32,658	-	24,381	33,006	13,599	-	103,644
6500	Debt Service	-	-	-	-	-	-	-
6600	Capital Outlay	-	-	-	-	-	13,250	13,250
6000	TOTAL	\$ 162,183	\$ 739,774	\$ 293,877	\$ 1,737,868	\$ 181,281	\$ 13,250	\$ 3,128,233

Total expenditures/expenses for General and Special Revenue Funds: (9) \$ 116,406,308

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10)	\$ 2,547,103
Total Debt & Lease(6500)	(11)	-
Plant Maintenance (Function 51, 6100-6400)	(12)	11,879,824
Food (Function 35, 6341 and 6499)	(13)	1,961,721
Stipends (6413)	(14)	-
Column 4 (above) - Total Indirect Cost		<u>1,737,868</u>

SubTotal: 18,126,516

Net Allowed Direct Cost \$ 98,279,792

CUMULATIVE

Total Cost of Buildings before Depreciation (1520)	(15)	\$ 102,464,715
Historical Cost of Building over 50 years old	(16)	\$ 12,944,541
Amount of Federal Money in Building Cost (Net of #16)	(17)	\$ 137,018
Total Cost of Furniture & Equipment before Depreciation (1530 & 1540)	(18)	\$ 19,004,103
Historical Cost of Furniture & Equipment over 16 years old	(19)	\$ 1,172,502
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	\$ 1,659,681

(8) NOTE A: \$89,801 in Function 53 expenditures are included in this report on administrative costs.
 \$739,774 in Function 99 expenditures for appraisal district costs are included in this report on administrative costs.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET
 GENERAL FUND AS OF AUGUST 31, 2009

UNAUDITED

1	Total General Fund Balance as of 8/31/09 (Exhibit C-1 object 3000 for the General Fund Only)		\$ 29,058,725
2	Total Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund Only)	\$ 8,747,849	
3	Total Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund Only)	6,150,000	
4	Estimated amount needed to cover fall cash flow deficits in the General Fund (Net of borrowed funds and funds representing deferred revenues.)	-	
5	Estimate of one month's average cash disbursements during the regular school session (9/1/09-5/31/10).	8,020,975	
6	Estimate of delayed payments from state sources (58xx) including August payment delays	-	
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)	2,291,521	
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 (Lines 2+3+4+5+6+7+8+9)		<u>25,210,345</u>
11	Excess (Deficit) Undesignated Unreserved General Fund Balance (Line 1 minus Line 10)		<u>\$ 3,848,380</u>

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

The excess undesignated unreserved General Fund fund balance may be used to meet operational needs. District Board policy CE(local) states that in order for the District to maintain a strong financial position, it is the goal of the Board to maintain an undesignated unreserved fund balance between 20% and 25% of the current budget (2.5 to 3 months operating expenditures). That amount should be adequate to cover net cash outflows, protect against potential revenue shortfalls, and provide supplemental interest revenue for the general operating funds.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 2,006,807	\$ 2,056,807	\$ 2,028,209	\$ (28,598)
5800 State Program Revenues	44,000	44,000	128,673	84,673
5900 Federal Program Revenues	3,638,359	3,698,359	3,881,923	183,564
5020 Total Revenues	5,689,166	5,799,166	6,038,805	239,639
EXPENDITURES:				
0035 Food Services	5,493,966	5,603,966	5,602,088	1,878
0051 Facilities Maintenance and Operations	195,200	195,200	182,394	12,806
6030 Total Expenditures	5,689,166	5,799,166	5,784,482	14,684
1200 Net Change in Fund Balances	-	-	254,323	254,323
0100 Fund Balance - September 1 (Beginning)	-	1,001,656	1,001,656	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ 1,001,656	\$ 1,255,979	\$ 254,323

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 2,012,000	\$ 2,012,000	\$ 2,240,279	\$ 228,279
5800	State Program Revenues	1,135,000	1,135,000	1,284,063	149,063
5020	Total Revenues	3,147,000	3,147,000	3,524,342	377,342
EXPENDITURES:					
Debt Service:					
0071	Debt Service - Principal on Long Term Debt	2,125,000	6,215,000	6,220,000	(5,000)
0072	Debt Service - Interest on Long Term Debt	977,127	1,143,028	1,134,912	8,116
0073	Debt Service - Bond Issuance Cost and Fees	44,873	103,115	58,759	44,356
6030	Total Expenditures	3,147,000	7,461,143	7,413,671	47,472
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(4,314,143)	(3,889,329)	424,814
OTHER FINANCING SOURCES (USES):					
7901	Refunding Bonds Issued	-	4,087,901	4,090,000	2,099
7916	Premium on Issuance of Bonds	-	302,662	302,661	(1)
7080	Total Other Financing Sources (Uses)	-	4,390,563	4,392,661	2,098
1200	Net Change in Fund Balances	-	76,420	503,332	426,912
0100	Fund Balance - September 1 (Beginning)	-	1,395,582	1,395,582	-
3000	Fund Balance - August 31 (Ending)	\$ -	\$ 1,472,002	\$ 1,898,914	\$ 426,912

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STATISTICAL SECTION

(UNAUDITED - for Analytical Purposes Only)

This part of San Angelo Independent School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

TABLE

CONTENTS

Financial Trends

These tables contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Entity-wide information:

- 1 Net assets by component, last eight fiscal years
- 2 Changes in net assets, last eight fiscal years

Governmental Funds Information:

- 3 Fund balances, last ten fiscal years
- 4 Changes in fund balances, last ten fiscal years

Revenue Capacity

These tables contain information to help the reader assess the District's most significant local revenue source, the property tax.

- 5 Assessed value and actual value of taxable property, and Comptroller's valuation of standardized base, last ten fiscal years; and tax base distribution, last two tax years
- 6 Allocation of property tax rates and tax levies, last ten fiscal years
- 7 Direct and overlapping property tax rates, last ten fiscal years
- 8 Property use categories at gross appraised market value, tax year 2008
- 9 Principal property taxpayers, current year and nine years ago
- 10 Property tax levies and collections, last ten fiscal years

Debt Capacity

These tables present 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.

- 11 Ratios of outstanding debt by type, last ten fiscal years
- 12 Ratios of net general bonded debt outstanding, last ten fiscal years; and statement of legal debt margin
- 13 Direct and overlapping governmental activities debt as of August 31, 2009
- 14 Pledged revenue coverage, last four fiscal years

Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

- 15 Demographic and economic statistics, last ten calendar years
- 16 Principal employers, current year and nine years ago

Operating Information

These tables contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and activities it performs.

- 17 Staff information, last ten fiscal years
- 18 Student information, last ten fiscal years
- 19 Operating statistics, last ten fiscal years
- 20 Capital assets information, last ten fiscal years

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in fiscal year 2001-02; tables presenting entity wide information include information beginning in that year.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
NET ASSETS BY COMPONENT,
LAST EIGHT FISCAL YEARS
(UNAUDITED - accrual basis of accounting)

	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>
Governmental Activities:				
Invested in capital assets, net of related debt	\$ 59,756,813	\$ 59,894,274	\$ 56,027,686	\$ 51,638,749
Restricted	3,060,134	2,683,486	5,411,438	5,908,971
Unrestricted	33,445,859	34,719,205	34,359,236	31,029,257
Total Governmental Activities Net Assets	<u>\$ 96,262,806</u>	<u>\$ 97,296,965</u>	<u>\$ 95,798,360</u>	<u>\$ 88,576,977</u>
Business-Type Activities:				
Invested in capital assets, net of related debt	\$ 6,411	\$ 31,079	\$ 56,724	\$ 92,673
Unrestricted	113,088	80,179	37,797	18,161
Total Business-Type Activities Net Assets	<u>\$ 119,499</u>	<u>\$ 111,258</u>	<u>\$ 94,521</u>	<u>\$ 110,834</u>
Primary Government:				
Invested in capital assets, net of related debt	\$ 59,763,224	\$ 59,925,353	\$ 56,084,410	\$ 51,731,422
Restricted	3,060,134	2,683,486	5,411,438	5,908,971
Unrestricted	33,558,947	34,799,384	34,397,033	31,047,418
Total Primary Government Net Assets	<u>\$ 96,382,305</u>	<u>\$ 97,408,223</u>	<u>\$ 95,892,881</u>	<u>\$ 88,687,811</u>

NOTE: The District began to report accrual basis information when it implemented GASB Statement 34 in fiscal year 2001-02. This table will ultimately contain information for ten fiscal years.

TABLE 1

Fiscal Year			
2004-05	2003-04	2002-03	2001-02
\$ 49,308,846	\$ 47,946,035	\$ 46,587,772	\$ 31,658,338
6,366,179	3,179,815	3,277,146	14,238,262
29,993,404	28,436,998	25,440,099	20,125,211
<u>\$ 85,668,429</u>	<u>\$ 79,562,848</u>	<u>\$ 75,305,017</u>	<u>\$ 66,021,811</u>
\$ 120,955	\$ -	\$ -	\$ -
58,267	181,702	162,564	151,950
<u>\$ 179,222</u>	<u>\$ 181,702</u>	<u>\$ 162,564</u>	<u>\$ 151,950</u>
\$ 49,429,801	\$ 47,946,035	\$ 46,587,772	\$ 31,658,338
6,366,179	3,179,815	3,277,146	14,238,262
30,051,671	28,618,700	25,602,663	20,277,161
<u>\$ 85,847,651</u>	<u>\$ 79,744,550</u>	<u>\$ 75,467,581</u>	<u>\$ 66,173,761</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 CHANGES IN NET ASSETS,
 LAST EIGHT FISCAL YEARS
 (UNAUDITED - accrual basis of accounting)

	2008-09	2007-08	2006-07	2005-06
Expenses				
Governmental Activities:				
Instruction	\$ 69,866,593	\$ 66,730,115	\$ 62,891,886	\$ 59,995,560
Instructional resources and media services	1,794,081	1,752,858	1,731,854	1,686,587
Curriculum and instructional staff development	1,714,766	1,854,410	1,968,999	2,145,896
Instructional leadership	1,612,794	1,483,523	1,503,316	1,516,922
School leadership	6,480,282	6,128,517	5,506,764	5,356,399
Guidance, counseling and evaluation services	5,038,544	4,875,257	4,728,389	4,687,291
Social work services	781,189	687,144	881,673	853,070
Health services	651,877	642,762	642,670	530,031
Student (pupil) transportation	2,686,420	2,472,937	2,061,204	2,035,353
Food Services	6,380,281	6,078,305	5,637,225	5,571,653
Cocurricular / extracurricular activities	4,501,260	3,855,451	3,568,880	3,521,852
General Administration	2,333,118	2,571,825	2,306,466	2,156,444
Facilities maintenance and operation	12,550,670	13,258,884	12,063,215	12,631,582
Security and monitoring services	265,218	310,337	300,352	258,479
Data processing services	2,451,835	3,974,257	2,910,624	1,875,665
Community services	367,348	364,730	367,276	314,665
Interest and fees on long-term debt	3,164,894	1,087,381	1,179,872	1,280,628
Property tax appraisal and collection	739,774	782,194	749,415	707,984
Total Governmental Activities Expenses	123,380,944	118,910,887	111,000,080	107,126,061
Business-Type Activities:				
Concessions	98,840	99,653	93,721	97,059
Jumbo-tron (FY 2005-06 first year of operations)	80,617	82,845	84,249	91,082
Total Business-Type Activities Expenses	179,457	182,498	177,970	188,141
Total Primary Government Expenses	\$ 123,560,401	\$ 119,093,385	\$ 111,178,050	\$ 107,314,202
Program Revenues				
Governmental Activities:				
Charges for services:				
Instruction	\$ 368,070	\$ 635,338	\$ 499,170	\$ 418,821
Curriculum and staff development	-	40,843	83,735	11,614
Instructional leadership	5,140	5,427	9,362	9,237
School leadership	359,739	206,233	168,519	161,650
Health services	-	265,619	-	-
Food services	2,032,920	1,926,885	1,727,874	1,615,911
Cocurricular / extracurricular activities	284,288	254,284	191,127	171,161
General administration	-	-	-	-
Plant maintenance and operations	419,868	410,424	361,988	423,981
Security and monitoring services	-	8,854	-	-
Community services	-	-	-	-
Operating grants and contributions	23,731,424	22,919,311	21,459,740	21,744,178
Total Governmental Activities Program Revenues	27,201,449	26,673,218	24,501,515	24,556,553
Business-Type Activities:				
Concessions	116,047	118,184	99,106	116,260
Jumbo-tron (FY 2005-06 first year of operations)	71,651	81,051	62,551	72,051
Total Business-Type Activities Program Revenues	187,698	199,235	161,657	188,311
Total Primary Government Program Revenues	\$ 27,389,147	\$ 26,872,453	\$ 24,663,172	\$ 24,744,864

TABLE 2

Fiscal Year			
2004-05	2003-04	2002-03	2001-02
\$ 59,150,115	\$ 57,911,223	\$ 57,746,439	\$ 51,511,740
1,849,016	2,158,872	2,070,998	1,509,845
2,055,694	2,033,225	1,276,159	1,274,026
1,552,335	1,580,468	1,661,642	1,696,299
5,108,608	4,855,298	4,763,121	4,246,548
4,294,429	4,091,444	3,714,610	3,294,037
802,268	596,056	571,872	575,679
510,326	444,322	460,857	409,965
1,696,127	1,623,991	1,436,954	1,374,561
5,059,659	5,042,455	5,102,336	4,556,596
3,369,334	3,114,868	2,873,534	3,029,371
2,116,171	2,012,038	2,312,371	2,105,427
11,731,458	10,506,827	9,900,130	8,156,059
222,473	218,134	215,199	190,601
1,930,522	1,941,230	1,576,951	2,009,418
372,672	293,493	267,935	260,469
1,288,614	1,262,707	1,587,145	1,777,781
644,469	593,716	614,989	617,792
<u>103,754,290</u>	<u>100,280,367</u>	<u>98,153,242</u>	<u>88,596,214</u>
82,253	78,478	58,483	57,363
-	-	-	-
<u>82,253</u>	<u>78,478</u>	<u>58,483</u>	<u>57,363</u>
<u>\$ 103,836,543</u>	<u>\$ 100,358,845</u>	<u>\$ 98,211,725</u>	<u>\$ 88,653,577</u>
\$ 455,478	\$ 554,156	\$ 660,754	\$ 696,848
-	-	6,436	-
9,760	16,311	25,743	-
180,557	217,477	109,408	64,036
-	-	-	-
1,549,197	1,636,474	1,518,449	1,459,764
138,324	183,384	232,405	815,757
-	-	44,855	-
199,975	104,927	173,175	274,955
-	-	-	-
-	-	19,624	-
21,846,735	18,368,090	18,386,588	14,806,598
<u>24,380,026</u>	<u>21,080,819</u>	<u>21,177,437</u>	<u>18,117,958</u>
79,773	97,616	69,097	79,958
-	-	-	-
<u>79,773</u>	<u>97,616</u>	<u>69,097</u>	<u>79,958</u>
<u>\$ 24,459,799</u>	<u>\$ 21,178,435</u>	<u>\$ 21,246,534</u>	<u>\$ 18,197,916</u>

(Continued)

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 CHANGES IN NET ASSETS,
 LAST EIGHT FISCAL YEARS
 (UNAUDITED - accrual basis of accounting)

	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>
(Continued)				
Net (Expense) / Revenue				
Governmental Activities	\$ (96,179,495)	\$ (92,237,669)	\$ (86,498,565)	\$ (82,569,508)
Business-Type Activities	8,241	16,737	(16,313)	170
Total Primary Government Net Expense	<u>\$ (96,171,254)</u>	<u>\$ (92,220,932)</u>	<u>\$ (86,514,878)</u>	<u>\$ (82,569,338)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Property taxes	\$ 32,030,863	\$ 30,024,562	\$ 36,770,046	\$ 36,368,433
State aid - formula grants not restricted	59,682,867	60,271,087	52,935,269	43,436,664
Grants and contributions not restricted	973,798	931,001	972,650	644,935
Investment earnings	1,368,623	1,624,328	2,420,467	2,390,069
Miscellaneous	887,619	546,413	621,516	2,560,992
Special items	-	-	-	(470,639)
Transfers	-	-	-	68,558
Total Governmental Activities	<u>94,943,770</u>	<u>93,397,391</u>	<u>93,719,948</u>	<u>84,999,012</u>
Business-Type Activities:				
Transfers	-	-	-	(68,558)
Total Primary Government	<u>\$ 94,943,770</u>	<u>\$ 93,397,391</u>	<u>\$ 93,719,948</u>	<u>\$ 84,930,454</u>
Change in Net Assets				
Governmental Activities	\$ (1,235,725)	\$ 1,159,722	\$ 7,221,383	\$ 2,429,504
Business-Type Activities	8,241	16,737	(16,313)	(68,388)
Total Primary Government	<u>\$ (1,227,484)</u>	<u>\$ 1,176,459</u>	<u>\$ 7,205,070</u>	<u>\$ 2,361,116</u>

NOTE: The District began to report accrual basis information when it implemented GASB Statement 34 in fiscal year 2001-02. This table will ultimately contain information for ten fiscal years.

TABLE 2

Fiscal Year			
2004-05	2003-04	2002-03	2001-02
\$ (79,374,264)	\$ (79,199,548)	\$ (76,975,805)	\$ (70,478,256)
(2,480)	19,138	10,614	22,595
<u>\$ (79,376,744)</u>	<u>\$ (79,180,410)</u>	<u>\$ (76,965,191)</u>	<u>\$ (70,455,661)</u>
\$ 34,156,856	\$ 32,411,887	\$ 31,202,186	\$ 29,243,724
44,742,927	47,831,742	51,380,282	46,023,679
1,270,569	936,377	810,070	452,337
1,263,371	495,185	615,976	980,196
2,826,062	1,783,748	1,680,750	513,519
1,220,060	-	-	-
-	-	-	-
<u>85,479,845</u>	<u>83,458,939</u>	<u>85,689,264</u>	<u>77,213,455</u>
-	-	-	-
<u>\$ 85,479,845</u>	<u>\$ 83,458,939</u>	<u>\$ 85,689,264</u>	<u>\$ 77,213,455</u>
\$ 6,105,581	\$ 4,259,391	\$ 8,713,459	\$ 6,735,199
(2,480)	19,138	10,614	22,595
<u>\$ 6,103,101</u>	<u>\$ 4,278,529</u>	<u>\$ 8,724,073</u>	<u>\$ 6,757,794</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS,
 LAST TEN FISCAL YEARS
(UNAUDITED - modified accrual basis of accounting)

	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>
General Fund:				
Reserved	\$ 8,747,849	\$ 8,460,781	\$ 8,590,169	\$ 5,817,841
Unreserved	20,310,876	22,741,081	25,689,936	25,779,138
Total General Fund	<u>\$ 29,058,725</u>	<u>\$ 31,201,862</u>	<u>\$ 34,280,105</u>	<u>\$ 31,596,979</u>
All Other Governmental Funds:				
Reserved	\$ 44,540,331	\$ 2,397,238	\$ 2,095,258	\$ 1,838,468
Unreserved, reported in:				
Special revenue funds	1,129,850	764,498	804,841	286,953
Capital projects fund	71,955,074	181,853	-	-
Total All Other Governmental Funds	<u>\$ 117,625,255</u>	<u>\$ 3,343,589</u>	<u>\$ 2,900,099</u>	<u>\$ 2,125,421</u>
All Governmental Funds:				
Reserved	\$ 53,288,180	\$ 10,858,019	\$ 10,685,427	\$ 7,656,309
Unreserved, reported in:				
General Fund	20,310,876	22,741,081	25,689,936	25,779,138
Special revenue funds	1,129,850	764,498	804,841	286,953
Capital projects fund	71,955,074	181,853	-	-
Total All Governmental Funds	<u>\$ 146,683,980</u>	<u>\$ 34,545,451</u>	<u>\$ 37,180,204</u>	<u>\$ 33,722,400</u>

Note: Fund balances increase in Fiscal Year 2008-09 is due to issuance of school building bonds totaling \$117 million.

TABLE 3

Fiscal Year					
2004-05	2003-04	2002-03	2001-02	2000-01	1999-2000
\$ 5,901,721	\$ 1,894,039	\$ 973,562	\$ 1,515,809	\$ 517,899	\$ 526,484
24,821,132	25,297,851	23,026,439	17,662,004	14,335,443	13,874,401
<u>\$ 30,722,853</u>	<u>\$ 27,191,890</u>	<u>\$ 24,000,001</u>	<u>\$ 19,177,813</u>	<u>\$ 14,853,342</u>	<u>\$ 14,400,885</u>
\$ 2,574,615	\$ 2,740,547	\$ 3,627,926	\$ 3,734,169	\$ 4,329,636	\$ 4,328,370
209,128	221,609	219,906	293,207	260,831	336,972
-	949,331	7,727,091	10,942,546	15,199,305	21,635,339
<u>\$ 2,783,743</u>	<u>\$ 3,911,487</u>	<u>\$ 11,574,923</u>	<u>\$ 14,969,922</u>	<u>\$ 19,789,772</u>	<u>\$ 26,300,681</u>
\$ 8,476,336	\$ 4,634,586	\$ 4,601,488	\$ 5,249,978	\$ 4,847,535	\$ 4,854,854
24,821,132	25,297,851	23,026,439	17,662,004	14,335,443	13,874,401
209,128	221,609	219,906	293,207	260,831	336,972
-	949,331	7,727,091	10,942,546	15,199,305	21,635,339
<u>\$ 33,506,596</u>	<u>\$ 31,103,377</u>	<u>\$ 35,574,924</u>	<u>\$ 34,147,735</u>	<u>\$ 34,643,114</u>	<u>\$ 40,701,566</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
 LAST TEN FISCAL YEARS
 (UNAUDITED - modified accrual basis of accounting)

	2008-09	2007-08	2006-07	2005-06
Revenues				
Local and intermediate sources:				
Property taxes, penalty and interest	\$ 31,980,079	\$ 30,378,113	\$ 37,177,634	\$ 36,887,479
Gain (loss) from sale of WADA	(6,577)	18,433	33,459	1,968,604
Tuition and fees	175,271	162,899	123,464	39,555
Food services	2,013,359	1,918,031	1,727,874	1,615,911
Co-curricular and enterprising activities	724,846	726,169	659,236	633,019
Investment earnings	1,344,712	1,523,015	2,288,266	2,306,078
Insurance proceeds - property damage	-	-	-	-
Other revenues	1,121,249	1,058,919	669,701	632,371
Total local and intermediate sources	37,352,939	35,785,579	42,679,634	44,083,017
State program revenues	66,402,684	67,239,684	59,242,151	48,857,731
Federal program revenues	17,981,982	16,870,719	16,063,156	16,872,658
Total revenues	121,737,605	119,895,982	117,984,941	109,813,406
Expenditures				
Instruction	66,646,625	66,689,574	61,798,924	59,719,554
Instructional resources and media services	1,720,634	1,701,402	1,719,874	1,651,153
Curriculum and instructional staff development	1,682,331	1,831,746	1,941,101	2,121,540
Instructional leadership	1,573,034	1,465,325	1,473,094	1,510,357
School leadership	6,207,918	5,964,782	5,321,636	5,184,746
Guidance, counseling and evaluation services	4,926,144	4,819,169	4,679,206	4,639,941
Social work services	731,573	653,472	855,569	833,283
Health services	633,367	639,602	637,811	528,333
Student (pupil) transportation	2,659,373	2,557,399	2,210,572	2,245,154
Food Services	6,151,043	5,976,265	5,472,914	5,832,777
Cocurricular / extracurricular activities	4,312,721	4,430,190	3,440,628	3,382,414
General Administration	2,298,659	2,574,113	2,245,536	2,046,795
Facilities maintenance and operation	12,307,568	14,362,296	11,745,817	11,264,709
Security and monitoring services	208,543	430,212	257,293	423,028
Data processing services	2,326,700	2,374,291	2,466,624	2,401,726
Community services	357,378	361,770	362,671	313,337
Debt service:				
Principal	6,220,000	2,060,000	1,858,283	2,005,199
Interest and fees	3,000,088	1,067,260	1,304,324	1,229,926
Capital outlay	8,106,941	2,059,483	4,028,422	1,663,032
Property tax appraisal and collection	739,774	782,194	749,415	707,984
Total expenditures	132,810,414	122,800,545	114,569,714	109,704,988
Excess revenues over (under) expenditures	(11,072,809)	(2,904,563)	3,415,227	108,418
Other financing sources (uses)				
Proceeds of debt issued	121,089,985	-	-	-
Sale of real and personal property	11,827	269,810	42,577	38,828
Premium or (discount) on issuance of bonds	2,109,526	-	-	-
Prepaid interest	-	-	-	-
Transfers in	2,500,000	1,441,938	49,712	68,558
Transfers out	(2,500,000)	(1,441,938)	(49,712)	-
Payment to bond refunding escrow agent	-	-	-	-
Total other financing sources (uses)	123,211,338	269,810	42,577	107,386
Restatement of beginning fund balance	-	-	-	-
Net change in fund balances	\$ 112,138,529	\$ (2,634,753)	\$ 3,457,804	\$ 215,804
Debt service as a percentage of noncapital expenditures	7.4%	2.6%	2.9%	3.0%

Fiscal Year 2008-09 debt service included \$4.09 million bonds refunded and issuance costs on the total bonds issued.

TABLE 4

Fiscal Year					
2004-05	2003-04	2002-03	2001-02	2000-01	1999-2000
\$ 34,620,491	\$ 32,620,665	\$ 31,618,052	\$ 29,593,999	\$ 29,030,664	\$ 28,634,159
2,329,201	1,046,261	66,041	11,844	355,762	217,689
20,103	18,764	77,058	92,153	174,171	190,205
1,549,537	1,634,260	1,515,646	1,428,943	1,509,512	1,363,612
659,379	743,418	768,624	1,253,335	1,205,969	1,257,016
1,225,378	503,833	607,723	1,037,698	2,498,611	3,581,375
-	384,012	1,137,179	-	82,436	949,963
326,503	339,321	518,405	575,022	478,322	460,868
40,730,592	37,290,534	36,308,728	33,992,994	35,335,447	36,654,887
50,395,136	53,168,315	58,584,344	50,889,298	55,814,874	54,320,188
17,406,281	13,944,878	11,965,781	10,353,119	9,746,640	9,533,709
108,532,009	104,403,727	106,858,853	95,235,411	100,896,961	100,508,784
58,690,291	56,701,417	57,048,400	50,166,170	53,513,105	57,225,678
1,823,826	2,121,707	2,112,076	1,472,691	1,698,612	1,768,834
2,042,944	2,012,229	1,254,967	1,239,497	1,632,524	1,297,704
1,554,282	1,574,801	1,644,730	1,667,726	2,580,825	2,662,908
5,052,874	4,739,594	4,670,007	4,139,620	5,374,251	5,203,591
4,298,333	4,071,798	3,686,001	3,272,979	3,593,671	3,367,608
792,523	575,029	556,662	553,838	814,472	774,619
517,805	444,941	463,204	404,786	503,791	470,095
1,786,965	1,683,514	2,072,185	1,122,138	1,655,836	1,824,386
5,107,263	5,011,487	5,114,645	4,447,439	4,975,202	4,551,437
3,171,834	2,957,846	3,259,476	2,915,017	3,033,578	4,181,643
2,015,569	1,997,907	2,288,736	2,087,037	2,970,041	3,058,360
10,512,294	9,740,957	9,824,102	7,886,369	9,540,486	9,322,634
363,180	216,279	212,869	190,601	180,798	396,543
1,981,681	1,931,672	1,457,043	1,825,402	1,781,870	3,631,048
378,586	294,238	256,527	257,805	278,699	232,213
2,741,175	2,308,250	3,347,875	3,376,194	2,822,290	2,711,175
1,297,443	1,699,651	1,591,635	1,801,794	2,072,321	2,232,698
2,748,845	8,503,745	3,926,011	4,640,259	7,634,336	13,994,382
644,469	593,716	614,989	617,792	593,576	561,138
107,522,182	109,180,778	105,402,140	94,085,154	107,250,284	119,468,694
1,009,827	(4,777,051)	1,456,713	1,150,257	(6,353,323)	(18,959,910)
6,970,000	15,574,991	-	-	479,907	-
1,230,020	79,322	50,615	33,516	286,185	-
148,267	1,280,304	-	-	-	-
29,978	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(1,679,153)	-	-
(6,984,873)	(16,627,553)	-	-	-	-
1,393,392	307,064	50,615	(1,645,637)	766,092	-
-	(1,560)	(80,138)	-	(471,221)	(62,903)
\$ 2,403,219	\$ (4,471,547)	\$ 1,427,190	\$ (495,380)	\$ (6,058,452)	\$ (19,022,813)
3.9%	4.0%	5.0%	5.8%	5.0%	5.0%

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 AND COMPTROLLER'S VALUATION OF STANDARDIZED BASE,
 LAST TEN FISCAL YEARS;
 AND TAX BASE DISTRIBUTION, LAST TWO TAX YEARS
 (UNAUDITED)

Fiscal Year	Tax Year	Actual Value				Less: Exemptions	Net Assessed Taxable Value	Standardized Local Tax Base (Comptroller's Valuation)
		Real Property	Personal Property	Minerals	Total			
1999-00	1999	\$ 2,090,709,534	\$ 521,091,661	\$ 1,289,720	\$ 2,613,090,915	\$ 721,998,240	\$ 1,891,092,675	\$ 1,936,076,311
2000-01	2000	2,158,528,689	517,794,988	1,555,080	2,677,878,757	753,069,430	1,924,809,327	2,089,262,850
2001-02	2001	2,241,074,309	511,970,926	1,735,310	2,754,780,545	790,489,899	1,964,290,646	2,136,941,007
2002-03	2002	2,310,453,328	498,609,524	1,924,880	2,810,987,732	806,820,789	2,004,166,943	2,193,984,904
2003-04	2003	2,396,539,852	506,370,811	2,089,620	2,905,000,283	822,419,242	2,082,581,041	2,281,593,847
2004-05	2004	2,509,274,792	526,091,286	2,442,540	3,037,808,618	858,438,918	2,179,369,700	2,379,969,402
2005-06	2005	2,686,291,947	528,366,266	1,088,730	3,215,746,943	896,833,512	2,318,913,431	2,531,683,952
2006-07	2006	2,953,804,520	559,553,004	1,162,270	3,514,519,794	946,543,175	2,567,976,619	2,793,904,510
2007-08	2007	3,149,706,998	548,977,256	1,249,600	3,699,933,854	984,141,502	2,715,792,352	2,955,169,446
2008-09	2008	3,413,826,818	584,451,554	738,620	3,999,016,992	1,092,467,934	2,906,549,058	3,155,991,134

Tax Base Distribution

	2008 Tax Roll	2007 Tax Roll
Property Type:		
Real Property	\$ 3,413,826,818	\$ 3,149,706,998
Personal Property	584,451,554	548,977,256
Minerals	738,620	1,249,600
Total Gross Values	<u>3,999,016,992</u>	<u>3,699,933,854</u>
Less Exemptions:		
Agricultural Productivity	86,460,900	53,445,480
Freeport	7,524,274	8,938,921
Pollution Control	8,549,116	8,893,222
Mandatory Homestead	328,366,807	326,596,390
Mandatory Over 65	65,634,210	63,982,560
Mandatory Disabled	8,126,350	7,711,700
Mandatory Disabled Veteran	13,646,400	13,190,500
Optional 20% Homestead	375,728,962	355,879,416
Optional \$25,000 Disability	12,513,480	11,404,400
Over 65 Freeze Credit	108,019,045	102,724,668
Disabled Freeze Credit	4,047,697	3,556,220
Cap Credit (on Appraisals of Real Estate)	73,850,693	27,818,025
Total Exemptions	<u>1,092,467,934</u>	<u>984,141,502</u>
Total Net Valuation	<u>\$ 2,906,549,058</u>	<u>\$ 2,715,792,352</u>

Sources: Actual Value, Exemptions and Net Assessed Value - Tom Green County Appraisal District.
 Standardized Local Tax Base - TEA Academic Excellence Indicator System - PEIMS Data.

Notes: Property is assessed at full market value.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
ALLOCATION OF PROPERTY TAX RATES AND TAX LEVIES,
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	District's Direct Tax Rates (Per \$100 of Assessed Value)			District's Tax Levies		
	General Fund	Debt Service Fund	Total	General Fund	Debt Service Fund	Original Levy Total
1999-00	\$ 1.42380	\$ 0.09520	\$ 1.51900	\$ 26,925,386	\$ 1,800,321	\$ 28,725,707
2000-01	1.42100	0.08554	1.50654	27,351,519	1,646,508	28,998,027
2001-02	1.45154	0.05500	1.50654	28,512,395	1,080,434	29,592,829
2002-03	1.50000 *	0.06913	1.56913	30,062,512	1,385,472	31,447,984
2003-04	1.50000 *	0.06750	1.56750	31,238,723	1,405,770	32,644,493
2004-05	1.50000 *	0.07525	1.57525	32,690,550	1,639,975	34,330,525
2005-06	1.50000 *	0.07200	1.57200	34,783,702	1,669,617	36,453,319
2006-07	1.37000	0.07000	1.44000	35,181,280	1,797,584	36,978,864
2007-08	1.04000	0.07000	1.11000	28,244,254	1,901,057	30,145,311
2008-09	1.04000	0.07000	1.11000	30,259,904	2,036,725	32,296,629

* \$1.50 per \$100 of assessed value is the maximum rate allowed for maintenance and operations.

Source: Tom Green County Appraisal District.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES,
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Tax Year	District's Total Direct Rates	Overlapping Rates*	
			Tom Green County	City of San Angelo
1999-00	1999	\$ 1.51900	\$ 0.46500	\$ 0.86830
2000-01	2000	1.50654	0.47611	0.86830
2001-02	2001	1.50654	0.51360	0.86830
2002-03	2002	1.56913	0.52360	0.86830
2003-04	2003	1.56750	0.52285	0.86830
2004-05	2004	1.57525	0.52285	0.86830
2005-06	2005	1.57200	0.52285	0.85500
2006-07	2006	1.44000	0.52285	0.85000
2007-08	2007	1.11000	0.52582	0.84000
2008-09	2008	1.11000	0.52582	0.82750

* Includes rates for maintenance & operations and debt service.

Tax Due Dates and Penalties:

Tax statements are mailed in October and are considered delinquent on February 1. Penalties and interest begin to accrue on that date.

Source: Tom Green County Appraisal District.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
PROPERTY USE CATEGORIES AT GROSS APPRAISED MARKET VALUE
TAX YEAR 2008
(UNAUDITED)

Property Code	Property Use Category	Items		Gross Appraised Market Value
		Description	Number	
A	Single family residence	No. of properties	29,178	\$ 2,393,768,527
B	Multi-family residence	No. of properties	434	159,091,799
C	Vacant lots/tracts	No. of properties	4,228	57,041,353
D-1	Qualified Ag land	No. of acres	72,141	93,196,950
D-2	Non-qualified land	No. of acres	4,033	17,090,350
E	Farm and ranch improvements	No. of parcels	211	9,998,350
F-1	Real: Commercial	No. of properties	2,449	626,744,648
F-2	Real: Industrial	No. of properties	69	29,092,000
G-1	Minerals: Oil and gas	No. of leases	9	738,620
J	Real and personal: utilities	No. of companies	26	141,882,224
L-1	Personal: Commercial	No. of properties	3,452	340,671,866
L-2	Personal: Industrial	No. of properties	46	84,946,881
M-1	Mobile homes	No. of homes	656	7,668,388
O	Real property: Inventory	No. of properties	890	9,606,953
S	Special inventory	No. of accounts	50	27,478,083
Totals				\$ 3,999,016,992
			Total parcels in category D	963

Source: Tom Green County Appraisal District.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	Type of Business	Fiscal Year 2008-09			Fiscal Year 1999-00		
		Assessed Value	Rank	Percent of Total Assessed Value	Assessed Value	Rank	Percent of Total Assessed Value
Walmart, Inc. / Sam's	Discount Retail	\$ 63,794,755	1	2.11%	\$ 20,455,963	6	1.10%
AEP Texas North	Utility	51,222,770	2	1.70%	44,057,230	3	2.36%
Ethicon, Inc	Manufacturer	44,396,038	3	1.47%	66,329,539	2	3.55%
Angelo Community Medical	Hospital	41,443,925	4	1.37%	29,891,955	4	1.60%
Verizon Communications	Utility	37,855,782	5	1.25%	94,628,615	1	5.07%
Shannon Medical Center	Hospital	24,713,381	6	0.82%	29,458,548	5	1.58%
Sunset Mall LLP	Real Estate	22,926,430	7	0.76%	16,003,005	7	0.86%
Suddenlink Communications	Utility	22,569,616	8	0.75%	-	-	-
Alexander Properties	Real Estate	16,775,738	9	0.56%	-	-	-
Lowe's, Inc	Retail	13,823,126	10	0.46%	-	-	-
Lynn Alexander Auto	Auto Dealer	-	-	-	14,898,633	8	0.80%
Hirschfeld Steel, Inc	Manufacturer	-	-	-	10,679,240	9	0.57%
Town & Country Stores	Retail	-	-	-	10,566,640	10	0.57%
	Total	<u>\$ 339,521,561</u>		<u>11.25%</u>	<u>\$ 336,969,368</u>		<u>18.06%</u>
	Total Assessed Value	<u>\$3,018,615,800</u>			<u>\$1,867,989,531</u>		

Source: Tom Green County Appraisal District.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percent of Original Levy		Amount	Percent of Adjusted Levy
1999-00	\$ 28,725,707	\$ (338,762)	\$ 28,386,945	\$ 27,778,491	96.70%	\$ 573,279	\$ 28,351,770	99.88%
2000-01	28,998,027	(325,519)	28,672,508	28,128,599	97.00%	524,698	28,653,297	99.93%
2001-02	29,592,829	(374,746)	29,218,083	28,473,757	96.22%	723,210	29,196,967	99.93%
2002-03	31,447,984	(365,350)	31,082,634	30,488,051	96.95%	552,936	31,040,987	99.87%
2003-04	32,644,493	(256,940)	32,387,553	31,690,583	97.08%	648,454	32,339,037	99.85%
2004-05	34,330,525	(199,988)	34,130,537	33,488,062	97.55%	576,089	34,064,151	99.81%
2005-06	36,453,319	(91,913)	36,361,406	35,777,389	98.15%	489,992	36,267,381	99.74%
2006-07	36,978,864	(243,408)	36,735,456	36,192,868	97.87%	390,012	36,582,880	99.58%
2007-08	30,173,935	(166,943)	30,006,992	29,542,993	97.91%	219,774	29,762,767	99.19%
2008-09	32,296,629	(230,982)	32,065,647	31,217,259	96.66%	-	31,217,259	97.35%

Source: Tom Green County Appraisal District.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE,
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Governmental Activities				Business- Type Activities	Total Primary Government	Percent of Personal Income a	Per Capita a
	General Obligation Bonds	Contractual Obligations	Loans Payable	Capital Leases	Capital Leases			
1999-00	\$ 39,760,000	\$ 3,250,000	\$ 164,370	\$ -	\$ -	\$ 43,174,370	2.30%	\$ 489.26
2000-01	38,035,000	2,330,000	138,194	328,793	-	40,831,987	2.07%	461.70
2001-02	35,875,000	1,365,000	112,018	103,775	-	37,455,793	1.82%	425.95
2002-03	33,650,000	360,000	85,843	12,075	-	34,107,918	1.64%	387.77
2003-04	31,739,991	-	59,668	-	-	31,799,659	1.46%	360.04
2004-05	29,024,991	-	33,493	-	414,045	29,472,529	1.28%	334.49
2005-06	27,043,082	-	10,203	-	384,369	27,437,654	1.08%	311.74
2006-07	25,195,000	-	-	-	366,818	25,561,818	0.97%	289.49
2007-08	23,135,000	-	-	-	338,963	23,473,963	0.84%	259.43
2008-09	138,004,985	-	-	-	310,131	138,315,116	4.61%	1,505.39

Notes: Details of the District's outstanding debt are in the notes to the financial statements.

Fiscal year 2008-09 general obligation bonds include \$117 million school building bonds issued in that fiscal year.

a See Table 15 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING,
LAST TEN FISCAL YEARS;
AND STATEMENT OF LEGAL DEBT MARGIN
(UNAUDITED)

Fiscal Year	Net General Bonded Debt Outstanding				Net General Bonded Debt	Percent of Actual Value of Taxable Property a	Per Capita b
	General Obligation Bonds	Contractual Obligations	Total General Bonded Debt	Less: Amount in Debt Service Fund			
1999-00	\$ 39,760,000	\$ 3,250,000	\$ 43,010,000	\$ 1,771,711	\$ 41,238,289	1.58%	\$ 467.32
2000-01	38,035,000	2,330,000	40,365,000	2,426,117	37,938,883	1.42%	428.98
2001-02	35,875,000	1,365,000	37,240,000	1,766,962	35,473,038	1.29%	403.41
2002-03	33,650,000	360,000	34,010,000	1,888,659	32,121,341	1.14%	365.19
2003-04	31,739,991	-	31,739,991	970,459	30,769,532	1.06%	348.38
2004-05	29,024,991	-	29,024,991	794,708	28,470,468	0.94%	323.12
2005-06	27,043,082	-	27,043,082	995,655	26,047,427	0.81%	295.95
2006-07	25,195,000	-	25,195,000	1,238,235	23,956,765	0.68%	271.31
2007-08	23,135,000	-	23,135,000	1,395,582	21,739,418	0.59%	240.26
2008-09	138,004,985	-	138,004,985	1,898,914	136,106,071	3.40%	1,481.35

Notes: Details of the District's outstanding debt are in the notes to the financial statements.

a See Table 5 for property value data.

b See Table 15 for population data.

STATEMENT OF LEGAL DEBT MARGIN

The laws of the State of Texas do not prescribe any specific tax-supported debt limit for Texas school districts, therefore a statement of legal debt margin is not presented in this report. However, the Texas Education Code, Sec 45.0031, prescribes a limitation on issuance of such debt, as follows:

Before issuing bonds, the District must demonstrate to the Texas Attorney General that, with respect to the proposed issuance, the District has a projected ability to pay the principal of and interest on the proposed bonds and all previously issued bonds, other than bonds authorized to be issued at an election held on or before April 1, 1991, and issued before September 1, 1992, from a tax at a rate not to exceed \$0.50 per \$100 of valuation.

The District's current debt service tax rate is \$0.070 per \$100 valuation, indicating a margin to service debt of approximately seven times that currently being levied.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF AUGUST 31, 2009
 (UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>As of</u>	<u>Estimated Percentage Applicable</u> a	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes				
City of San Angelo	\$ 12,690,000	09/30/08	100.00%	\$ 12,690,000
Tom Green County	11,568,400	09/30/08	73.88%	8,546,734
Other Debt				
City of San Angelo: COs Serviced by 1/2 Cent Sales Tax	24,290,000	09/30/08	100.00%	24,290,000
Subtotal overlapping debt				<u>45,526,734</u>
District direct debt				b <u>138,004,985</u>
Total Direct & Overlapping Debt				<u><u>\$ 183,531,719</u></u>

Sources: Taxable value used to estimate applicable percentages provided by Tom Green County Appraisal District.
 Outstanding debt data provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This table estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

a The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's taxable value.

b See Table 11 for details of the District's direct governmental activities debt.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 PLEDGED REVENUE COVERAGE,
 LAST FOUR FISCAL YEARS
 (UNAUDITED)

Fiscal Year	Jumbo-Tron Capital Lease Payable						Coverage
	Advertising Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Total	
				Principal	Interest		
2005-06	\$ 72,051	\$ -	\$ 72,051	\$ 29,676	\$ 33,124	\$ 62,800	1.15 X
2006-07	62,551	-	62,551	17,551	30,749	48,300	1.30 X
2007-08	81,051	-	81,051	27,855	29,345	57,200	1.42 X
2008-09	71,651	-	71,651	28,832	27,117	55,949	1.28 X

Notes: The Jumbo-tron scoreboard was acquired at the end of fiscal year 2004-05. Fiscal year 2005-06 was the first year of operations.

Revenues from advertising on the scoreboard are pledged for debt service payments on the capital lease.

Operating expenses do not include interest, depreciation, or amortization expenses.

Details of the District's outstanding debt are in the notes to the financial statements.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS,
 LAST TEN CALENDAR YEARS
 (UNAUDITED)

Calendar Year	Population a	Personal Income [Calculated]	Per Capita Income b	Unemployment Rate c
1999	88,244	\$ 1,879,067,736	\$ 21,294	4.3%
2000	88,439	1,976,611,650	22,350	3.9%
2001	87,934	2,062,228,168	23,452	3.9%
2002	87,959	2,078,647,088	23,632	4.8%
2003	88,322	2,185,262,924	24,742	5.2%
2004	88,112	2,302,719,008	26,134	4.8%
2005	88,014	2,532,778,878	28,777	4.4%
2006	88,300	2,639,198,700	29,889	3.4%
2007	90,483	2,803,434,789	30,983	3.8%
2008	91,880	2,997,768,760	32,627	4.5%

Note: Information is for the City of San Angelo, Texas, since the geographic area is approximately the same.

Sources: **a** U.S. Census Bureau.

b U.S. Department of Commerce, Bureau of Economic Analysis for the San Angelo Metropolitan Statistical Area.

c Texas Workforce Commission and San Angelo Chamber of Commerce.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Employer	Fiscal Year 2008-09			Fiscal Year 1999-00		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
Goodfellow Air Force Base	6,648	1	15.90%	4,268	1	10.31%
Shannon Health System	2,250	2	5.38%	1,718	3	4.15%
San Angelo Independent School District	2,051	3	4.91%	2,187	2	5.28%
Angelo State University	1,477	4	3.53%	1,042	7	2.52%
City of San Angelo	953	5	2.28%	864	8	2.09%
Verizon, Inc.	900	6	2.15%	1,530	4	3.70%
San Angelo Community Medical Center	857	7	2.05%	737	9	1.78%
Tom Green County	755	8	1.81%	568	10	1.37%
SITEL, Inc.	744	9	1.78%	1,125	6	2.72%
Ethicon (Johnson & Johnson)	650	10	1.55%	1,455	5	3.52%
Totals	<u>17,285</u>		<u>41.34%</u>	<u>15,494</u>		<u>37.44%</u>
Total City of San Angelo Employment	<u>41,806</u>			<u>41,383</u>		

Sources: Principal Employers - San Angelo Chamber of Commerce.

Total City of San Angelo Employment - Texas Workforce Commission, Labor Market & Career Information.
Fiscal year 1999-00 estimated from San Angelo Metropolitan Statistical Area, January 2000. City information not available before 2005 and MSA information not available before January 2000.

Notes: Employment information is for the dates indicated:
Fiscal Year 2008-09 -- November 2008
Fiscal Year 1999-00 -- November 1999 (Estimated)

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
STAFF INFORMATION,
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
<u>Full-time-Equivalent Employees</u>										
Professional Staff:										
Teachers	984.1	979.6	968.0	965.6	957.1	971.1	1,001.0	981.5	1,059.6	1,115.4
Professional Support	178.8	176.6	169.1	161.1	160.1	152.3	152.3	160.3	184.1	166.4
Campus Administrators	45.5	44.8	45.3	43.2	43.3	44.8	55.2	49.2	54.0	53.3
Central Administrators	16.0	16.5	16.0	17.0	17.0	14.0	15.0	16.0	15.0	9.0
Educational Aides	238.0	228.4	228.9	233.6	242.1	163.5	156.3	153.9	180.9	163.3
Auxiliary Staff	491.1	490.1	499.5	508.5	501.0	490.6	496.6	512.6	655.9	670.3
Total Full-time-Equivalents	1,953.5	1,936.0	1,926.8	1,929.0	1,920.6	1,836.3	1,876.4	1,873.5	2,149.5	2,177.7
<u>Students per Teacher</u>	14.6	14.5	14.8	15.0	15.3	15.5	15.2	16.0	15.2	14.7
<u>Teachers by Years of Experience</u>										
Beginning Teachers	67.6	54.9	48.8	38.3	45.2	46.0	58.8	47.8	47.0	112.5
1-5 Years Experience	247.6	238.6	241.6	242.2	235.6	252.9	275.9	268.3	311.0	264.7
6-10 Years Experience	196.1	193.9	213.2	222.0	214.9	190.6	189.7	182.6	195.5	211.0
11-20 Years Experience	277.1	281.3	259.3	264.2	273.0	269.0	263.3	272.0	293.4	295.6
Over 20 Years Experience	195.7	210.8	205.2	198.9	188.3	212.6	213.4	210.8	212.7	231.6
<u>Average Teacher Salary by Years of Experience</u>										
Beginning Teachers	\$35,600	\$32,803	\$33,959	\$32,132	\$31,607	\$31,703	\$28,479	\$26,469	\$33,403	\$21,261
1-5 Years Experience	37,913	37,085	36,270	33,805	33,050	31,718	30,486	28,502	29,136	28,004
6-10 Years Experience	40,136	39,126	37,932	35,170	34,382	33,139	33,506	32,576	32,731	32,206
11-20 Years Experience	44,491	43,874	43,714	41,120	40,854	40,084	41,268	39,934	40,521	40,035
Over 20 Years Experience	53,264	52,363	51,263	48,608	47,645	47,418	47,838	46,017	46,165	44,910
<u>Turnover Rate for Teachers</u>	14.2%	11.2%	12.1%	10.8%	12.9%	13.8%	12.0%	15.5%	13.6%	14.6%
<u>Class Size Average:</u>										
Elementary:										
Kindergarten	19.2	17.9	17.1	18.1	19.0	18.4	18.1	17.8	17.9	18.7
Grade 1	17.4	18.4	17.1	17.3	17.8	18.0	17.3	17.0	17.3	19.8
Grade 2	19.6	18.8	17.2	16.6	17.6	17.8	17.9	18.5	17.1	18.3
Grade 3	17.6	19.5	16.4	16.6	18.1	17.8	18.1	18.4	18.6	18.5
Grade 4	16.9	19.1	17.6	17.8	16.9	18.1	18.3	20.0	18.3	18.8
Grade 5	19.9	20.7	19.6	19.0	20.0	21.2	23.5	23.5	23.1	23.1
Grade 6	21.9	20.1	20.5	21.6	21.2	22.6	22.6	24.0	23.8	23.9
Mixed Grades	N/A	45.3	N/A	N/A	50.0	N/A	41.0	25.2	22.7	19.8
Secondary:										
English	19.4	21.4	21.9	23.5	21.1	22.4	21.8	22.6	22.0	21.8
Foreign Language	21.3	23.0	23.0	24.5	23.2	23.1	25.0	24.1	23.3	23.3
Mathematics	18.8	20.5	19.4	22.3	19.5	20.6	21.4	22.4	21.8	21.7
Science	19.2	20.8	21.3	22.8	21.3	23.2	23.4	23.4	22.7	22.7
Social Studies	20.6	21.6	22.5	24.1	21.9	23.9	24.6	24.5	23.8	23.8

Source: TEA Academic Excellence Indicator System-PEIMS Data

N/A: Information not available

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
STUDENT INFORMATION,
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
Student Ethnic Distribution										
African American	812	782	819	851	912	952	965	1,017	1,037	996
Hispanic	7,447	7,259	7,205	7,214	7,213	7,267	7,229	7,290	7,325	7,462
White	5,884	5,937	6,102	6,235	6,331	6,685	6,867	7,174	7,530	7,753
Asian/Pacific Islander	195	171	173	165	165	160	170	186	177	168
Native American	29	27	34	27	32	30	24	18	23	26
Total	14,367	14,176	14,333	14,492	14,653	15,094	15,255	15,685	16,092	16,405
Economically Disadvantaged										
Limited English Proficient (LEP)	7,786	7,630	7,779	7,723	7,882	7,810	7,560	7,842	8,078	7,803
Students w/ disciplinary Placements	767	814	767	774	798	797	765	725	725	676
Percent of Students Eligible for Free or Reduced Meals	691	772	257	326	293	268	250	133	N/A	554
	54.2%	53.8%	54.3%	53.3%	53.8%	51.7%	49.6%	50.0%	50.2%	47.6%
Retention Rates by Grade (Non-Special Educ. Rates)										
Kindergarten	4.1%	4.3%	5.5%	5.1%	4.0%	3.9%	3.2%	2.2%	2.8%	1.7%
Grade 1	4.3%	3.3%	5.8%	6.3%	4.4%	3.8%	5.9%	4.5%	3.1%	3.8%
Grade 2	2.2%	2.6%	2.4%	3.1%	1.7%	2.0%	2.1%	1.9%	1.4%	1.5%
Grade 3	1.7%	0.2%	1.6%	1.9%	1.6%	1.6%	0.4%	0.9%	1.0%	0.9%
Grade 4	0.3%	0.2%	0.8%	0.8%	0.3%	0.4%	0.1%	0.3%	0.4%	0.7%
Grade 5	0.6%	0.6%	1.0%	3.2%	0.8%	0.4%	0.6%	0.5%	0.4%	0.4%
Grade 6	1.5%	0.4%	1.7%	1.4%	0.8%	0.6%	0.1%	0.1%	0.3%	0.4%
Grade 7	1.8%	2.3%	3.8%	4.8%	2.6%	3.0%	1.3%	2.8%	1.6%	3.6%
Grade 8	0.7%	2.9%	4.3%	3.9%	3.0%	2.1%	2.5%	3.0%	1.6%	3.0%
Attendance Rate	N/A	96.2%	96.1%	96.1%	96.0%	96.0%	96.1%	96.2%	96.0%	95.8%
Annual Dropout Rate Grades 7-12 - Method 1										
	N/A	0.5%	0.6%	0.6%	0.3%	0.1%	0.1%	1.3%	1.3%	1.4%
% Students Passing All Sections of the TAAS Exam or met TAKS Standard*										
Grade 3	84.0%	85.0%	81.0%	88.0%	78.0%	88.0%	87.3%	77.3%	75.7%	75.5%
Grade 4	83.0%	82.0%	78.0%	79.0%	74.0%	79.0%	76.7%	82.8%	84.1%	80.9%
Grade 5	78.0%	78.0%	76.0%	70.0%	61.0%	65.0%	62.6%	89.7%	84.2%	86.0%
Grade 6	77.0%	76.0%	78.0%	82.0%	77.0%	76.0%	74.8%	86.4%	88.3%	87.1%
Grade 7	74.0%	75.0%	70.0%	64.0%	60.0%	63.0%	62.4%	85.6%	81.5%	77.6%
Grade 8	62.0%	56.0%	56.0%	52.0%	58.0%	60.0%	62.7%	61.6%	66.1%	65.0%
Grade 10	53.0%	56.0%	53.0%	53.0%	36.0%	47.0%	42.3%	77.6%	72.9%	79.8%
Cumulative Pass Rate--Exit	85.0%	85.0%	81.0%	88.0%	89.0%	90.1%	90.7%	92.6%	93.2%	89.7%
SAT/ACT % Tested	N/A	59.0%	66.1%	61.8%	62.8%	58.7%	55.7%	61.3%	64.8%	61.2%
Mean SAT Score	N/A	1016	1000	994	987	1001	984	1022	1017	1004
Mean ACT Score	N/A	20.7	20.2	19.8	19.5	20.4	20.3	20.9	20.8	21.0

Source: TEA Academic Excellence Indicator System-PEIMS Data

N/A: Information not available

* First year for TAKS 2002-03

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS,
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Modified Accrual Basis			c Accrual Basis			Pupil-Teacher Ratio a, b
	Operating Expenditures	Cost per Pupil a	Percent Change	Expenses	Cost per Pupil a	Percent Change	
1999-00	\$ 94,014,190	\$ 5,731	9.31%	N/A	N/A	N/A	14.7
2000-01	92,518,333	5,749	0.31%	N/A	N/A	N/A	15.2
2001-02	84,222,322	5,370	-6.59%	\$ 88,596,214	\$ 5,648	N/A	16.0
2002-03	94,827,893	6,216	15.75%	98,153,242	6,434	13.92%	15.2
2003-04	96,773,234	6,411	3.14%	100,280,367	6,644	3.26%	15.5
2004-05	99,701,571	6,804	6.13%	103,754,290	7,081	6.58%	15.3
2005-06	101,616,792	7,012	3.06%	107,126,061	7,392	4.39%	15.0
2006-07	105,063,376	7,330	4.54%	111,000,080	7,744	4.76%	14.8
2007-08	112,460,305	7,933	8.23%	118,910,887	8,388	8.32%	14.5
2008-09	114,168,496	7,947	0.18%	123,380,944	8,588	2.38%	14.6

Notes: Operating expenditures are total expenditures less debt service and capital outlays capitalized.

N/A Not available. Information for accrual basis only available since GASBS No. 34 was implemented.

a See Table 18 for enrollment information.

b See Table 17 for teaching staff information.

c The District began to report accrual basis information when it implemented GASB Statement 34 in fiscal year 2001-02.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
Schools										
Elementary:										
Campuses	17	17	17	17	17	19	19	20	20	20
Square feet	809,850	809,850	809,850	809,850	809,850	844,125	844,125	876,796	876,796	876,796
Capacity	8,801	8,801	8,801	8,801	8,801	9,171	9,171	9,392	9,392	9,392
Enrollment	7,204	7,003	7,605	7,580	7,594	7,891	7,938	8,538	8,812	9,047
Middle:										
Campuses	3	3	3	3	4	4	4	4	4	4
Square feet	430,576	430,576	430,576	430,576	557,045	557,045	557,045	557,045	557,045	557,045
Capacity	3,115	3,115	3,115	3,115	3,865	3,865	3,865	3,865	3,865	3,865
Enrollment	2,950	2,946	2,370	2,581	3,444	3,537	3,542	3,586	3,706	3,525
High:										
Campuses	3	3	3	3	2	2	2	2	2	2
Square feet	800,979	800,979	800,979	798,815	672,346	672,346	672,346	672,346	672,346	672,346
Capacity	4,420	4,420	4,420	4,420	3,670	3,670	3,670	3,670	3,670	3,670
Enrollment	4,228	4,237	4,341	4,273	3,559	3,642	3,747	3,516	3,392	3,663
Head Start:										
Campuses	3	3	3	3	3	-	-	-	-	-
Square feet	98,901	98,901	98,901	98,901	98,901	-	-	-	-	-
Capacity	837	837	837	837	837	-	-	-	-	-
Enrollment	564	527	532	554	531	-	-	-	-	-
Alternative Learning:										
Campuses	2	1	1	1	1	1	1	1	2	2
Square feet	24,855	16,641	16,641	16,641	16,641	16,641	16,641	16,641	24,855	24,855
Capacity	230	110	110	110	110	110	110	110	230	230
Enrollment	47	62	68	62	73	56	53	59	164	170
Idle Facilities:										
Campuses	1	1	2	2	2	2	2	1	-	-
Square feet	50,575	50,575	76,630	76,630	76,630	59,256	59,256	26,585	-	-
Capacity	1,124	1,124	1,704	1,704	1,704	1,421	1,421	1,200	-	-
Administrative										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	42,295	42,295	42,295	42,295	42,295	42,295	42,295	42,295	42,295	42,295
Transportation										
Garages / buildings	1	1	1	1	1	1	1	1	1	1
Buses	80	80	80	80	85	79	78	74	77	81
Warehouses, Storage, Etc:										
Buildings	8	9	9	9	9	9	9	9	8	8
Square feet	38,279	46,493	46,493	46,493	46,493	46,493	46,493	46,493	38,279	38,279
Athletics										
Football/Soccer fields	15	15	15	15	13	13	13	13	10	10
Running tracks	2	2	2	2	2	2	2	2	2	2
Baseball / softball	5	5	5	5	5	5	5	5	5	5
Swimming pools	1	1	1	1	1	1	1	1	1	1
Playgrounds	31	31	31	31	31	29	29	29	29	29

Source: District records.

Notes:

- Prior to fiscal year 2005-06 typically: Elementary Schools were pre-K through 6th grade; Middle (Jr. High) Schools were grades 7 through 9; and High Schools were grades 10 through 12. Beginning with fiscal year 2005-06, transition was started to: Elementary Schools pre-K through 5th grade; Middle Schools grades 6 through 8; and High Schools grades 9 through 12.
- Portable buildings were extensively used prior to and during the construction and renovation of school buildings which began in fiscal year 1996-97, therefore enrollment exceed capacity in the permanent buildings in some of the fiscal years.
- Edison Junior High School was converted to the Central Freshmen campus in fiscal year 2005-06.
- Lamar Elementary School was completed and placed in service in fiscal year 2004-05, and Blackshear, Day and RioVista elementary schools were converted to Head Start Campuses. Day Elementary was temporarily idle in fiscal years 2003-04 and 2002-03.
- Old Lincoln Junior High became idle in fiscal year 2001-02, and Travis Elementary became idle in fiscal year 2004-05.
- Travis Elementary was sold in fiscal year 2007-08.
- Sixth graders moved to Lee and Glenn in fiscal 2008 under middle school concept.
- Pays campus (alternative learning) was opened in fy 2009. Student enrollment is still counted in the high schools.

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SINGLE AUDIT SECTION

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

Independent Auditor's Report

Board of Trustees
San Angelo Independent School District
1621 University
San Angelo, Texas 76904

Members of the Board:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of San Angelo Independent School District (the District) as of and for the year ended August 31, 2009. These collectively comprise the District's basic financial statements. We have issued our report on them dated December 9, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered San Angelo Independent School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of San Angelo Independent School District's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of San Angelo Independent School District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency or combination of control deficiencies that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principals such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether San Angelo Independent School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items FC09-01 and FC09-02.

We noted certain matters that we have reported to the administration of San Angelo Independent School District in a letter dated December 9, 2009.

San Angelo Independent School District's responses to the findings identified in our audit are described in the accompanying corrective action plan.

This report is intended for the information of the district's trustees, the finance / audit committee, the administration, Texas Education Agency, federal awarding agencies and pass-through entities, and is not intended to be used and should not be used by anyone other than these specified parties.



December 9, 2009

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Independent Auditor's Report

Board of Trustees
San Angelo Independent School District
1621 University
San Angelo, Texas 76904

Members of the Board:

Compliance

We have audited the compliance of San Angelo Independent School District with the types of compliance requirements described in the *U S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2009. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of San Angelo Independent School District's administrators. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, San Angelo Independent School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2009.

Internal Control Over Compliance

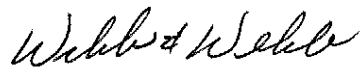
The administration of San Angelo Independent School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the District's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency or combination of control deficiencies that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency or a combination of significant deficiencies that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended for the information and use of the District's trustees, the finance / audit committee, the administration, Texas Education Agency, federal awarding agencies and pass-through entities and is not intended to be used and should not be used by anyone other than these specified parties.



December 9, 2009

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2009

I SUMMARY OF THE AUDITOR'S RESULTS:

- a. The type of report issued on the financial statements was an unqualified opinion.
- b. No significant deficiencies in internal control over financial reporting were disclosed by the audit.
- c. The audit did not disclose any noncompliance which is material to the financial statements of the auditee. However, the audit did disclose instances of noncompliance which are required to be reported under Government Auditing Standards, which are reported in Part II below.
- d. No significant deficiencies in internal control over major programs were disclosed by the audit.
- e. The type of report the auditor issued on compliance for major programs was an unqualified opinion.
- f. The audit did not disclose any audit findings that the auditor is required to report under Section ____510 (a).
- g. Major programs were: Special Education Cluster (IDEA):
 - 84.027A IDEA – Part B Formula
 - 84.173A IDEA – Part B Preschool
 - 84.391 IDEA – Part B Formula – ARRA
 - 84.367A ESEA Title II, Part A, Teacher/Principal Training
 - 10.558 Child / Adult Care Feeding
- h. The dollar threshold used to distinguish between Type A and Type B programs was \$524,142.
- i. The auditee qualified as a low-risk auditee.

II FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Finding FC09-01 – State Compensatory Education

Condition: Procedures conducted during the course of our audit revealed noncompliance with the requirements of the State Compensatory Education (SCE) program. Specifically, we noted that:

- 1. SCE allotment paid 100% of salaries for teachers providing homebound instruction to students that are not 100% at-risk as defined using the state criteria.
- 2. One salary paid with SCE funding was for non-supplemental personnel.

Criteria: Texas Education Code 42.152 and FASRG Chapter 9 contain guidance pertaining to the SCE program. According to FASRG Section 1.4.2.1., a district's direct expenditures pertaining to the SCE program must supplement the costs of the regular education program and may be used for costs of programs and/or services that are supplemental to the regular education program and are designed for students at risk of dropping out of school.

Context: Failure to use the allotment for direct supplemental instruction for at-risk students may result in TEA sanctions. As detailed in FASRG 9.5, sanctions can include informal monitoring, recommended training, recommended assistance from outside consultants, financial penalties, and accreditation actions.

Effect of Condition: Some monies from the 85% direct expenditure allotment were expended for non-supplemental or unallowable salaries.

Cause of Condition: Lack of familiarity of SCE compliance guidelines led to the use of SCE funding for non-supplemental and unallowable salaries.

Recommendation: Allowable salaries paid from SCE funding should be documented with time sheets or teacher schedules. Such records should be maintained by program personnel to support the expenditure of SCE funds for supplemental education. Salaries for staff that are not supplemental to basic instruction should not be paid with SCE funds.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2009

Finding FC09-02 – Bilingual Education

Condition: Procedures conducted during the course of our audit revealed noncompliance with the requirements of the State Bilingual Education program. Specifically, we noted that:

1. The District spent 77.84% of its Bilingual Education allocation for the current year.
2. The District's three-year average for Bilingual Education spending is 82.15%.

Criteria: Texas Education Code 42.152 contains guidance pertaining to the Bilingual Education program. According to FASRG Section 1.4.15, a district's direct expenditures pertaining to the Bilingual Education program must equal or exceed an average of 85% over a three-year period.

Effect of Condition: The District did not meet the 85% Bilingual Education direct expenditure requirement for either the fiscal year audited or the three-year period average.

Cause of Condition: The Program Director was given a budget for and spent 85% of the estimated allotment for the fiscal year. Financial personnel did not adjust the budget to reflect increases in the allotment received (as calculated by TEA and reported on the Summary of Finance).

Recommendation: Finance personnel should use either the TEA template or the Summary of Finance to monitor the allotment. Amendments to the program budget should be made to reflect changes in the allotment so program expenditures can be increased to meet the 85% direct expenditure requirement.

III FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS INCLUDING AUDIT FINDINGS AS DESCRIBED IN I.f. ABOVE

There are no findings to report.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2009

(Prepared by the District's Administration)

FINDING FC08-01 – State Compensatory Education Compliance

“Procedures conducted during the course of our audit revealed noncompliance with the requirements of the State Compensatory Education (SCE) program. Specifically, we noted that:

1. The District spent 77.43% of its SCE allocation for the current year.
2. The District’s three-year average for SCE spending is 75.64%.
3. Portions of the 85% SCE direct expenditure allocation were spent on non-supplemental or unallowable strategies and expenditures.
4. Some salaries paid with SCE funding do not have proper documentation to support the assertion that the provided services were supplemental to basic education.”

Contact Person: Tammy Bright, Executive Director of Curriculum, Assessment and Federal Programs, (325) 947-3838 Ext 749

Corrective action has been taken.

The District was in compliance with the 85% direct expenditure criteria for 2008-2009 though the three year average is still below 85%.

However, the District continues to spend part of its allocation on non-supplemental and unallowed strategies. There are salaries not supported by documentation that the services are supplemental to the basic education. Refer to current year finding FC 09-01.

FINDING FC08-2 – Expenditures in Excess of Appropriations

Corrective action has been adequately implemented.

FINDING CP08-1 – ESEA Title 1, Part A – Improving Basic Programs, CFDA 84.010A, Salary Charges Not Adequately Supported

Corrective action has been adequately implemented.

FINDING CP08-2 – ESEA Title 1, Part A – Improving Basic Programs, CFDA 84.010A, Comparability Standards Not Attained

Corrective action has been adequately implemented.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2009

(Prepared by the District's Administration)

FINDING FC09-01 – State Compensatory Education Compliance

State Compensatory Education (SCE) program expenditures made for non-supplemental or unallowable salaries.

Contact Person: Tammy Bright, Executive Director of Curriculum Assessment, and Federal Programs,
(325) 947-3838 Ext. 749

Corrective Action

1. SCE allotment paid 100% of salaries for teachers providing homebound instruction to students that are not 100% at-risk as defined using the state criteria.

In March 2009 the District Board of Trustees identified the homebound student as a local criteria for eligibility for compensatory education services. Sixty two students were served under the homebound program during 2009. Thirty nine of those students were eligible for compensatory education services under the regular at risk criteria and twenty three were eligible under the local criteria.

2. One salary paid with SCE funding was for non-supplemental personnel.

The salary in question was a portion of salary for a bus driver in a pregnancy related service program. The District will code the salary differently in the future.

Anticipated Completion Date

In fiscal year 2009-10

FINDING FC09-02 – Bilingual Education Compliance

The District did not meet the 85% Bilingual Education direct expenditure requirement for either the fiscal year audited or the three-year period average.

1. The District spent 77.84% of its Bilingual Education allocation for the current year.
2. The District's three-year average for Bilingual Education spending is 82.15%.

Contact Person: Tammy Bright, Executive Director of Curriculum Assessment, and Federal Programs,
(325) 947-3838 Ext. 749

Corrective Action

The District will consider the final allocation amounts for budget revisions to assure that program compliance can be met.

Anticipated Completion Date

In fiscal year 2009-10

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2009

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF DEFENSE			
<u>Direct Programs</u>			
Selected Res. Educ Assist Prog-ROTC (Note A)	12.000		\$ 139,093
Total Direct Programs			\$ 139,093
TOTAL DEPARTMENT OF DEFENSE			\$ 139,093
U.S. DEPARTMENT OF EDUCATION			
<u>Direct Programs</u>			
Impact Aid - P.L. 81.874 (Note A)	84.041		\$ 96,231
Total Direct Programs			\$ 96,231
<u>Passed Through Region XV Educ Service Center</u>			
Career and Technical - Technical Preparation	84.243A	TP-0506-16	\$ 1,468
Total Passed Through Region XV Educ Service Center			\$ 1,468
<u>Passed Through State Department of Education</u>			
ESEA Title I Part A - Improving Basic Programs	84.010A	09610101226903	\$ 4,119,562
ESEA Title I Part A - Improving Basic Programs	84.010A	10610101226903	20,475
ESEA Title I, School Improvement Program	84.010A	09610104226903043	50,650
ESEA Title I, School Improvement Program	84.010A	09610104226903045	51,197
Total CFDA Number 84.010A			4,241,884
ESEA Title I Part C - Educ of Migratory Children	84.011A	096150012026903	78,268
ESEA Title I Part C - Educ of Migratory Children	84.011A	10615001226903	10,218
Total CFDA Number 84.011A			88,486
IDEA - Part B Formula**	84.027A	096600012269036600	3,045,198
IDEA - Part B Formula**	84.027A	106600012269036000	151,527
Total CFDA Number 84.027A			3,196,725
Career & Technical - Basic Grant	84.048A	942000622690315	193,006
Career & Technical - Basic Grant	84.048A	10420006226903	30,798
Total CFDA Number 84.048A			223,804
IDEA - Part B Preschool**	84.173A	096610012269036610	118,343
ESEA Title IV Part A Safe & Drug Free Schools	84.186A	09691001226903	56,116
Title II Part D - Enhancing Ed Through Technology	84.318X	09630001226903	33,863
Title III Part A - English Language Acquisition	84.365A	09671001226903	84,088
ESEA Title II, Part A, Teacher/Principal Training	84.367A	09694501226903	991,296
ESEA Title II, Part A, Teacher/Principal Training	84.367A	10694501226903	7,169
Total CFDA Number 84.367A			998,465
Title I SIP Academy Grant	84.377A	09610701226903043	17,610
Title I SIP Academy Grant	84.377A	09610701226903045	12,283
Total CFDA Number 84.377A			29,893
Title I Part A - ARRA	84.389A	10551001226903	249,137
IDEA Part B, Formula - ARRA**	84.391	10554001226903	92,389
Total Passed Through State Department of Education			\$ 9,413,193
TOTAL DEPARTMENT OF EDUCATION			\$ 9,510,892

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2009

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Concho Valley Council of Govts.</u>			
Headstart	93.600	06CH7039/05	\$ 2,130,002
Headstart	93.600	06CH7039/06	249,040
Early Headstart	93.600	06CH7039/05	775,263
Early Headstart	93.600	06CH7039/06	227,556
Total CFDA Number 93.600			3,381,861
Total Passed Through Concho Valley Council of Govts.			\$ 3,381,861
<u>Passed Through Texas Dept of Human Services</u>			
Medicaid Administrative Claiming Program - MAC	93.778	PC1274C	\$ 29,827
Total Passed Through Texas Dept of Human Services			\$ 29,827
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 3,411,688
 U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through Texas Health & Human Services Comm.</u>			
Child / Adult Care Feeding	10.558	75-226-0017	\$ 356,121
Child / Adult Care Feeding	10.558	75-226-0017	32,757
Total CFDA Number 10.558			388,878
Summer Feeding Program*	10.559	7522008	138,932
Total Passed Through Texas Health & Human Services Comm.			\$ 527,810
<u>Passed Through the State Department of Agriculture</u>			
School Breakfast Program* (Note A)	10.553	71400601	\$ 635,111
National School Lunch Program* (Note A)	10.555	71300601	2,782,265
Food Distribution*	10.555	226004A	457,447
Equip Assist Grants for School Food Auth - ARRA*	10.555	070799721	7,100
Total CFDA Number 10.555			3,246,812
Total Passed Through the State Department of Agriculture			\$ 3,881,923
TOTAL DEPARTMENT OF AGRICULTURE			\$ 4,409,733
 TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 17,471,406

Clustered Programs as required by Compliance Supplement March, 2009: * Child Nutrition Cluster: ** Special Education Cluster (IDEA)

Note A - ROTC and Impact Aid revenues are accounted for in the General Fund, and the National School Breakfast and Lunch programs revenues are accounted for in a Special Revenue Fund. Expenditures for these programs are not specifically attributable to the federal revenue source and are shown on this schedule in an amount equal to revenue for reporting purposes only.

Note B - Reconciliation to Exhibit C-3 Federal Program Revenues:

\$17,471,406 total federal awards per this schedule

508,931 School Health Related Services in General Fund but not in this schedule

1,645 Flood Control revenue in General Fund but not in this schedule

\$17,981,982 Federal Program Revenues per Exhibit C-3

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2009

1. For all Federal programs, the District uses the fund types specified in Texas Education Agency's *Financial Accountability System Resource Guide*. Special revenue funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types and Expendable Trust Funds are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in either a Special Revenue Fund or the General Fund which are Governmental Fund types. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.
3. The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.
4. Federal grant funds are generally 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.
5. 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 Statement - Provisional 6/97.
6. CFDA number 10.550 pertains to food commodities distributed by USDA under the following categorical programs (as applicable): the National School Lunch Program (CFDA 10.555). USDA deleted this number from the CFDA on May 6, 2008. The audit covering San Angelo Independent School District fiscal year beginning September 1 2008, and future audits, will therefore identify commodity assistance by the CFDA numbers of the programs under which USDA donated the commodities.

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