

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2010

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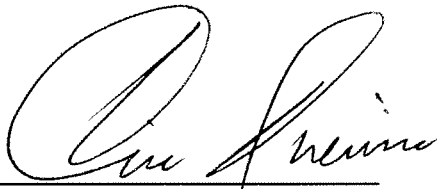
CERTIFICATE OF BOARD

Edinburg Consolidated Independent School District
Name of District


Hidalgo
County

108-904
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, 2010 at a meeting of the Board of Trustees of such school district on the 14th day of December 2010.



Signature of Board Secretary
Ciro Trevino



Signature of Board President
David Torres

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

LUIS C OROZCO
CERTIFIED PUBLIC ACCOUNTANT
208 W. Ferguson Unit 3 – Suite 1
Pharr, TX 78577
lcocpa@lcocpa.com

**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
EDINBURG CONSOLIDATED SCHOOL DISTRICT
411 North 8th Avenue
EDINBURG, Texas 78540

Members of the Board:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of EDINBURG CONSOLIDATED SCHOOL DISTRICT (the District) as of and for the year ended August 31, 2010, 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 [also] includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of EDINBURG CONSOLIDATED SCHOOL DISTRICT as of August 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof, [and the respective budgetary comparison for the general fund, debt service and child Nutrition for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis not a required part of the basic financial statements but is 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 10, 2010 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.

LUIS C OROZCO
CERTIFIED PUBLIC ACCOUNTANT
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lcocpa@lcocpa.com

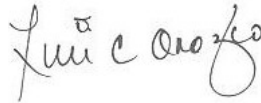
Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise EDINBURG CONSOLIDATED SCHOOL DISTRICT's basic financial statements.

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.

Although the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements, they 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 Texas Education Agency requires school districts to include certain information in the Annual Financial and Compliance Report in conformity with laws and regulations of the State of Texas. This information is in Exhibits identified in the Table of Contents as J-1 through J-5. Except for Exhibit J-3 (Cash Flow and the Optimum Fund Balance Calculation Schedule) which is marked **UNAUDITED** and on which we express no opinion, these schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Luis C. Orozco
Certified Public Accountant



December 9, 2010

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of Edinburg Consolidated Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2010. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

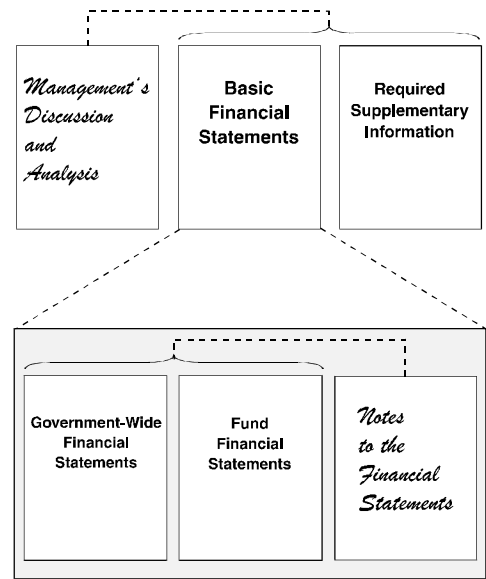
- The District's total combined net assets were \$ 140,956,955.
- During the year, the District's expenses were \$4,851,177 less than the \$259,020,619 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of \$ 52,738,426.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

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

Figure A-1F, Required Components of the District's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements

Type of Statements	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Agency's government (except fiduciary funds) and the Agency's component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses: self insurance	Instances in which the district is the trustee or agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures & changes in fund balances 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenues, expenses and changes in fund net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-wide Statements

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

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

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

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services and general administration. Property taxes and grants finance most of these activities.

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has the following kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

- *Proprietary funds*—Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
- We use *internal service funds* to report activities that provide supplies and services for the District's other programs and activities...
- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net assets. The District's combined net assets were \$140,956,955 at August 31, 2010. (See Table A-1).

Table A-1
Edinburg Consolidated Independent School District's Net Assets
(In millions/thousands dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010-2009-</u>
Current assets:							
Cash and cash	\$102.45	\$162.31	\$ 0		\$102.45	\$162.31	(37.00)
Due from other	21.51	10.02	0	0	21.51	10.02	215.00
Due from other funds	9.57	0	0	0	9.57	0	100
Other receivables	12.14	11.80	0	0	12.14	11.80	3.00
Inventories – supplies and materials	1.46	1.62	0	0	1.46	1.62	(10.00)
Total current	<u>147.13</u>	<u>185.75</u>	<u>0</u>	<u>0</u>	<u>147.130</u>	<u>185.75</u>	<u>(20.79)</u>
Noncurrent assets:							
Furniture and	428.34	353.57	0	0	428.34	353.57	21.15
Less accumulated Depreciation	<u>(158.70)</u>	<u>(146.58)</u>	<u>(0)</u>	<u>0</u>	<u>(158.70)</u>	<u>(146.58)</u>	<u>8.27</u>
Total noncurrent	<u>269.77</u>	<u>206.99</u>	<u>0</u>	<u>0</u>	<u>269.77</u>	<u>206.99</u>	<u>30.33</u>
Total Assets	<u>416.90</u>	<u>392.74</u>	<u>0</u>	<u>0</u>	<u>416.90</u>	<u>392.74</u>	<u>6.15</u>
Current liabilities:							
Accounts payable							
accrued liabilities	31.00	15.19	0	0	31.00	15.19	204.08
Loans payable	.00	.00	0	0	0.00	0.00	–
Other Payables	.04	.01	0	0	.04	.01	0
Deferred revenue	3.76	1.15	0	0	3.76	1.15	326.96
Total current	<u>34.80</u>	<u>16.35</u>	<u>0</u>	<u>0</u>	<u>34.80</u>	<u>16.35</u>	<u>212.84</u>
Long-term liabilities:							
Bonds and Loans	241.14	251.63	0	0	241.14	251.63	(4.17)
Total Liabilities	<u>275.94</u>	<u>267.98</u>	<u>0</u>	<u>0</u>	<u>275.94</u>	<u>267.98</u>	<u>2.97</u>
Net Assets:							
Restricted	65.02	76.46	0	0	65.02	76.46	14.96
Unrestricted	<u>75.94</u>	<u>48.30</u>	<u>0</u>	<u>0</u>	<u>75.94</u>	<u>48.30</u>	<u>57.23</u>
Total Net Assets	<u>140.96</u>	<u>124.76</u>	<u>0</u>	<u>0</u>	<u>140.96</u>	<u>124.76</u>	<u>12.99</u>

\$35.00 million of the District's restricted net assets represent proceeds from 2008 Construction bond issue. These proceeds when spent are restricted for capital assets. The \$75.94 million of unrestricted net asset represents resources available to fund the programs of the district for the next year.

Changes in net assets. The District's total revenues were \$325.56 million. A significant portion, 58% comes from state –aid formula grants, 19 % of the District's revenue comes from operating grants, 22% is related to property taxes collected, 1% is investment earnings received and miscellaneous revenue (See Figure A-3).

The total cost of all programs and services was \$308.32 million of which 66.85 % of these costs are for instructional and student services.

Governmental Activities

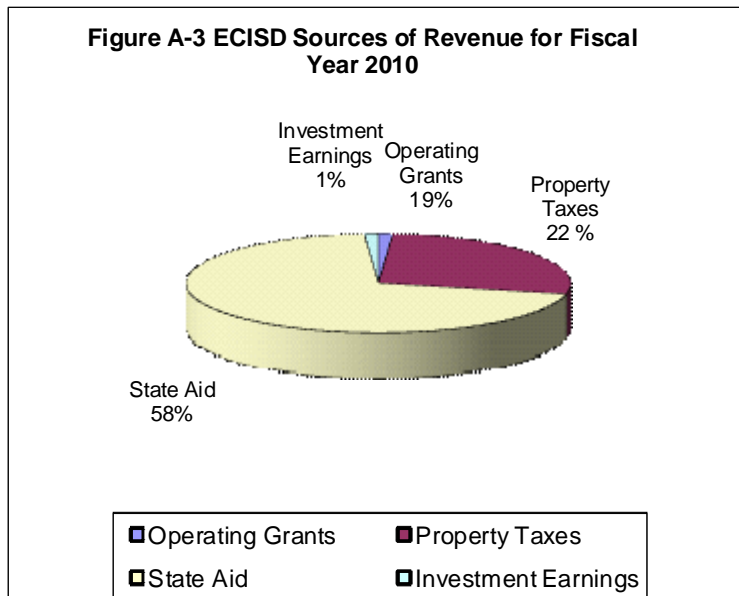


Table A-2
Changes in Edinburg CISD School District's Net Assets
(In millions/thousands dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2010-2009-
	2010	2009	2010	2009	2010	2009	
Program Revenues:							
Charges for Services	0	4.18	0	0	0	4.18	(418.00)
Operating Grants and Contributions	62.79	43.28	0	0	62.79	43.28	45.09
Capital Grants and Contributions	0	0	0	0	0	0	
General Revenues							
Property Taxes	70.20	68.00	0	0	70.20	68.00	3.24
State Aid – Formula	189.05	184.70	0	0	189.05	184.70	2.36
Investment Earnings	.37	1.94	0	0	.37	1.94	(80.93)
Other	3.15	.20	0	0	3.15	.20	84.25
Total Revenues	\$325.56	\$302.30	0	0	\$325.56	\$302.30	6.35
Instruction	176.58	165.99	0	0	176.58	165.99	6.38
Instructional Resources and Media Services	7.24	8.21	0	0	7.24	8.21	(11.81)
Curriculum Dev. And Instructional Staff Dev.	3.37	3.09	0	0	3.37	3.09	9.06
Instructional Leadership	4.93	4.60	0	0	4.93	4.60	6.95
School Leadership	12.08	11.74	0	0	12.08	11.74	2.90
Guidance, Counseling and Evaluation Services	12.12	11.62	0	0	12.12	11.62	4.30
Social Work Services	2.04	1.95	0	0	2.04	1.95	17.95
Health Services	3.06	3.03	0	0	3.06	3.03	.99
Student (Pupil) Transportation	10.49	10.53	0	0	10.49	10.53	(.38)
Food Services	17.52	16.56	0	0	17.52	16.56	5.79
Curricular/Extracurricular Activities	8.44	8.43	0	0	8.44	8.43	.12
General Administration	3.90	6.76	0	0	3.90	6.76	(42.46)
Plant Maintenance & Oper.	26.37	25.72	0	0	26.37	25.72	2.53
Security & Monitoring Svcs.	3.19	3.53	0	0	3.19	3.53	(9.63)
Data Processing Services	1.15	1.00	0	0	1.15	1.00	15.00
Community Services	1.07	.96	0	0	1.07	.96	10.42
School District Admin. Support Services	0	0	0	0	0	0	0
Debt Service	9.37	9.52	0	0	9.37	9.52	(1.58)
Facilities Acquisition and Construction	4.58	3.42	0	0	4.58	3.42	33.92
Contracted Instr. Services Between Public Schools	.00	.00	0	0	.00	.00	0
Increment Costs Associated Chapter 41 (WADA)	0	0	0	0	0	0	0
Payments to Fiscal Agent/ Member Dist. – SSA	0	0	0	0	0	0	0
Public Education Grant Progr.	0	0	0	0	0	0	0
Payments to Juvenile Justice Alternative Ed. Program	.04	.04	0	0	.04	.04	0
Payments to Charter Schools	0	0	0	0	0	0	0
Other Intergovernmental	.78	.75	0	0	.78	.75	4.00
Total Expenses	\$308.32	\$297.45	0	0	\$308.32	\$297.45	3.65
Excess (Dediciency)	17.24	4.85	0	0	17.24	4.85	355.46
Other Resources	0	0	0	0	0	0	0
Other Uses	0	0	0	0	0	0	0
Increase (Decrease) in Net Assets	\$17.24	\$4.85	0	0	\$17.24	\$4.85	355.46

Table A-3 presents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was \$245.52 million. However, the amount that our taxpayers paid for these activities through property taxes was only \$70 million.
- Some of the cost was paid by those who directly benefitted from the program \$ 4.18 million, or
- By grants and contributions \$62.79 million.

Table A-3
Net Cost of Selected District Functions
(in millions of dollars)

	Total Cost of Services			Net Cost of Services		
	2010	2009	% Change	2010	2009	% Change
Instruction	\$187.19	\$177.28	5.59	\$142.66	\$143.474	(.57)
School administration	12.08	11.74	2.90	10.18	10.34	(1.55)
Plant Maintenance & Operations	26.37	25.71	2.57	19.52	25.09	(22.20)
Debt Service – Interest & Fiscal Charges	9.37	9.52	(1.58)	9.37	9.52	(1.58)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$325.56 million. The increase in local revenues is a result of state legislation that has shifted state funds away from school districts similar to the District and caused districts to increase local revenues by significant amounts each year. Additionally significant student population growth necessitates increased local revenues to offset resulting increased local expenses. The increase in state revenues is a result of an increase of 1253 students in average daily attendance. The increase in federal revenues is primarily due to an increase in federal program revenue distributed through other agencies.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget two times. Even with these adjustments, actual expenditures were \$30.46 million below final budget amounts. The most significant positive variance resulted from staffing. Staffing is budgeted for full employment throughout the full year. Budget amounts for vacant positions throughout the year are not eligible to budget revisions.

On the other hand, resources available were \$ 25.38 million below the final budgeted amount. As noted earlier:

- State and federal revenues were not realized before year-end as anticipated.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2010, the District had invested \$206,984,858 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.) This amount represents a net increase \$7,520,478 (including additions and deductions).

Table A-4
District's Capital Assets
(In millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2010-2009
	2010	2009	2010	2009	2010	2009	
Land	\$19.37	\$19.37	0	0	\$ 19.37	\$ 19.37	56.72
Buildings and improvements	299.06	299.06	0	0	299.06	299.06	3.82
Vehicles	13.73	13.73	0	0	13.73	13.73	8.45
Equipment	19.70	19.70	0	0	19.70	19.70	3.73
Capital Lease	1.71	1.71	0	0	1.71	1.71	0
Totals at historical cost	<u>353.57</u>	<u>353.57</u>	<u>0</u>	<u>0</u>	<u>353.57</u>	<u>353.57</u>	<u>5.92</u>
Total accumulated depreciation	(146.58)	(146.58)	0	0	(146.58)	(146.58)	9.13
Net capital assets	<u>\$206.99</u>	<u>\$206.99</u>	<u>0</u>	<u>0</u>	<u>\$206.99</u>	<u>\$206.99</u>	<u>3.78</u>

The District's fiscal year 2011 capital budget projects spending another \$ 31.33 million in capital projects. More detailed information about the District's capital assets is presented in the notes to the financial statements.

Long Term Debt

At year-end the District had \$ 251.63 million in bonds and notes outstanding as shown in Table A-5. More detailed information about the District's debt is presented in the notes to the financial statements.

Bond Ratings

The District's bonds presently carry "AAA" ratings with underlying ratings as follows: Moody's Investor Services "A3" and Standard & Poors "AAA"

Table A-5
District's Long Term Debt
(In millions of dollars)

	Governmental Activities		Business-Activities		Total		Total Percentage Change 2010-2009-
	2010	2009	2010	2009	2010	2009	
Leases	\$.42	\$.42	0	0	\$.42	\$.42	(48.78)
Bonds payable	225.52	225.52	0	0	225.52	225.52	83.32
Notes Payable	24.67	24.67	0	0	24.67	24.67	(6.16)
Other long-term	1.02	1.02			1.02	1.02	318.75
Less deferred							
On refunding	0	0	0	0	0	0	0
Total bonds	<u>\$ 251.63</u>	<u>\$ 251.63</u>	<u>0</u>	<u>0</u>	<u>\$251.63</u>	<u>\$251.63</u>	<u>67.25</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2011 budget preparation is \$5.25 billion, or 5.36 decreases from 2010. New construction for 2010 is up from \$ 291.82 million in 2009 to \$ 293.83.
- General operating fund spending per student decreases in the 2011 budget from \$10,103 to \$9,608. This is an 5.15 % decrease.
- The District's 2011 refined average daily attendance is expected to be 29,891 .

These indicators were taken into account when adopting the general fund budget for 2011. Amounts available for appropriation in the general fund budget are \$278.59 million, an increase of 1.32 percent over the final 2010 budget of \$274.97 million. Property taxes will decrease due to the decreasing mineral values even with a rate increase. State revenue will increase as the student population grows. The District will use these increases in revenues to finance programs we currently offer.

Expenditures are budgeted to increase nearly .82 percent to \$278.27 million. The largest increments are increases in salary schedules and decrease in E rate expenditures. These competitive salary schedule adjustments allowed the District to open the 2011 school year with very few teacher vacancies.

If these estimates are realized, the District's budgetary general fund balance is not expected to change appreciably by the close of 2011.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate 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 Finance Department.

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EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
AUGUST 31, 2010

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 1,716,912
1120 Current Investments	100,733,418
1220 Property Taxes Receivable (Delinquent)	12,147,179
1230 Allowance for Uncollectible Taxes	(364,415)
1240 Due from Other Governments	21,508,882
1290 Other Receivables, net	359,188
1300 Inventories	1,456,948
Capital Assets:	
1510 Land	13,395,757
1520 Buildings, Net	163,076,074
1530 Furniture and Equipment, Net	3,733,315
1540 Other Capital Assets, Net	2,099,507
1550 Leased Property Under Capital Leases, Net	1,338,952
1580 Construction in Progress	86,126,634
1000 Total Assets	407,328,351
LIABILITIES	
2110 Accounts Payable	10,034,780
2150 Payroll Deductions & Withholdings	2,026,009
2160 Accrued Wages Payable	9,373,095
2180 Due to Other Governments	24,300
2190 Due to Student Groups	10,903
2300 Deferred Revenues	3,765,009
Noncurrent Liabilities	
2501 Due Within One Year	11,450,000
2502 Due in More Than One Year	229,687,299
2000 Total Liabilities	266,371,395
NET ASSETS	
3200 Invested in Capital Assets, Net of Related Debt	29,654,898
3850 Restricted for Debt Service	353,948
3860 Restricted for Capital Projects	35,009,310
3900 Unrestricted Net Assets	75,938,799
3000 Total Net Assets	\$ 140,956,955

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

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2010

EXHIBIT B-1

Data Control Codes	1	Program Revenues		6
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets <u>Primary Gov. Governmental Activities</u>

Primary Government:

GOVERNMENTAL ACTIVITIES:

11 Instruction	\$ 176,582,442	\$ 920,056	\$ 40,177,406	\$ (135,484,980)
12 Instructional Resources and Media Services	7,236,460	-	1,351,246	(5,885,214)
13 Curriculum and Staff Development	3,371,704	-	2,494,755	(876,949)
21 Instructional Leadership	4,929,278	-	1,913,954	(3,015,324)
23 School Leadership	12,081,494	-	1,905,629	(10,175,865)
31 Guidance, Counseling and Evaluation Services	12,122,093	-	3,766,859	(8,355,234)
32 Social Work Services	2,039,504	-	763,166	(1,276,338)
33 Health Services	3,059,172	-	343,731	(2,715,441)
34 Student (Pupil) Transportation	10,489,366	925,061	585,075	(8,979,230)
35 Food Services	17,516,012	1,816,284	335,413	(15,364,315)
36 Extracurricular Activities	8,441,107	414,741	329,897	(7,696,469)
41 General Administration	3,898,288	-	269,618	(3,628,670)
51 Plant Maintenance and Operations	26,365,148	-	6,845,339	(19,519,809)
52 Security and Monitoring Services	3,189,022	-	214,805	(2,974,217)
53 Data Processing Services	1,150,170	-	8,573	(1,141,597)
61 Community Services	1,066,826	-	984,036	(82,790)
72 Debt Service - Interest on Long Term Debt	9,346,065	-	-	(9,346,065)
73 Debt Service - Bond Issuance Cost and Fees	22,398	-	-	(22,398)
81 Capital Outlay	4,581,286	-	-	(4,581,286)
95 Payments to Juvenile Justice Alternative Ed. Prg.	42,000	-	-	(42,000)
99 Other Intergovernmental Charges	787,166	-	-	(787,166)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 308,317,000	\$ 4,076,142	\$ 62,289,502	(241,951,356)

Data Control Codes	General Revenues:	
	Taxes:	
MT	Property Taxes, Levied for General Purposes	58,374,457
DT	Property Taxes, Levied for Debt Service	10,106,027
GC	Grants and Contributions not Restricted	189,526,245
IE	Investment Earnings	366,672
MI	Miscellaneous Local and Intermediate Revenue	1,757,426
FR	Transfers In (Out):	(1,978,760)
TR	Total General Revenues & Transfers	258,152,067
CN	Change in Net Assets	16,200,711
NB	Net Assets--Beginning	124,756,244
NE	Net Assets--Ending	\$ 140,956,955

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

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2010

Data Control Codes	10 General Fund	ARRA Title XIV Stabilization	Construction 2008 Bond
ASSETS			
1110 Cash and Cash Equivalents	\$ 1,565,736	\$ -	\$ 108
1120 Investments - Current	45,730,789	-	39,815,262
1220 Property Taxes - Delinquent	10,812,992	-	-
1230 Allowance for Uncollectible Taxes (Credit)	(324,382)	-	-
1240 Receivables from Other Governments	8,902,625	8,795,496	-
1260 Due from Other Funds	12,710,210	-	-
1290 Other Receivables	205,544	-	-
1300 Inventories	1,417,990	-	-
1000 Total Assets	<u>\$ 81,021,504</u>	<u>\$ 8,795,496</u>	<u>\$ 39,815,370</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
2110 Accounts Payable	\$ 3,090,523	\$ -	\$ 5,960,392
2150 Payroll Deductions and Withholdings Payable	2,026,009	-	-
2160 Accrued Wages Payable	8,270,613	-	-
2170 Due to Other Funds	408,671	8,795,496	-
2180 Due to Other Governments	-	-	-
2190 Due to Student Groups	-	-	-
2300 Deferred Revenues	14,487,261	-	-
2000 Total Liabilities	<u>28,283,077</u>	<u>8,795,496</u>	<u>5,960,392</u>
Fund Balances:			
Reserved For:			
3420 Retirement of Long Term Debt	-	-	-
3440 Outstanding Encumbrances	-	-	-
3490 Other Reserved/Restricted Fund Balance	1,539,898	-	-
Unreserved and Undesignated:			
3600 Reported in the General Fund	51,198,529	-	-
3610 Reported in Special Revenue Funds	-	-	-
3620 Reported in Capital Projects Funds	-	-	33,854,978
3000 Total Fund Balances	<u>52,738,427</u>	<u>-</u>	<u>33,854,978</u>
4000 Total Liabilities and Fund Balances	<u>\$ 81,021,504</u>	<u>\$ 8,795,496</u>	<u>\$ 39,815,370</u>

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

Other Funds	Total Governmental Funds
\$ 47,592	\$ 1,613,436
6,806,976	92,353,027
1,334,187	12,147,179
(40,033)	(364,415)
3,810,761	21,508,882
399,220	13,109,430
56,931	262,475
-	1,417,990
\$ 12,415,634	\$ 142,048,004
\$ 649,126	\$ 9,700,041
-	2,026,009
1,101,768	9,372,381
3,905,261	13,109,428
24,300	24,300
10,923	10,923
1,424,927	15,912,188
7,116,305	50,155,270
4,062,445	4,062,445
809,921	809,921
690,352	2,230,250
-	51,198,529
(607,801)	(607,801)
344,412	34,199,390
5,299,329	91,892,734
\$ 12,415,634	\$ 142,048,004

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
AUGUST 31, 2010

19 Total Fund Balances - Governmental Funds	\$ 91,892,735
20 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 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.	(8,284,105)
21 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$322,376,966 and the accumulated depreciation was \$134,315,726. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net assets.	(44,644,199)
22 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2009 capital outlays and debt principal payments is to (decrease) net assets.	85,264,015
23 The 2010 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.	(11,986,876)
24 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net assets.	12,147,179
19 Net Assets of Governmental Activities	\$ 140,956,959

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

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EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	10 General Fund	ARRA Title XIV Stabilization	Construction 2008 Bond
REVENUES			
5700 Total Local and Intermediate Sources	\$ 63,897,164	\$ -	\$ 182,686
5800 State Program Revenues	166,458,867	-	-
5900 Federal Program Revenues	23,360,920	8,795,496	-
5020 Total Revenues	<u>253,716,951</u>	<u>8,795,496</u>	<u>182,686</u>
EXPENDITURES			
Current			
0011 Instruction	135,664,495	2,327,351	-
0012 Instructional Resources and Media Services	5,797,253	77,079	-
0013 Curriculum and Instructional Staff Development	883,197	-	-
0021 Instructional Leadership	3,091,013	18,858	-
0023 School Leadership	10,182,153	152,617	-
0031 Guidance, Counseling and Evaluation Services	8,683,021	16,173	-
0032 Social or Services	1,316,486	10,234	-
0033 Health Services	2,801,608	63,360	-
0034 Student (Pupil) Transportation	9,704,239	214,015	-
0035 Food Services	16,972,812	-	-
0036 Extracurricular Activities	8,271,706	-	-
0041 General Administration	5,472,165	77,680	-
0051 Facilities Maintenance and Operations	20,284,248	5,780,447	-
0052 Security and Monitoring Services	3,126,328	54,474	-
0053 Data Processing Services	1,143,015	3,208	-
0061 Community Services	84,453	-	-
Debt Service			
0071 Debt Service - Principal on Long Term Debt	2,168,685	-	-
0072 Debt Service - Interest on Long Term Debt	997,853	-	-
0073 Debt Service - Bond Issuance Cost and Fees	6,260	-	-
Capital Outlay			
0081 Facilities Acquisition and Construction	2,077,391	-	70,634,427
Intergovernmental			
0095 Payments to Juvenile Justice Alternative Ed. Prg.	42,000	-	-
0099 Other Intergovernmental Charges	787,166	-	-
6030 Total Expenditures	<u>239,557,547</u>	<u>8,795,496</u>	<u>70,634,427</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,159,404</u>	<u>-</u>	<u>(70,451,741)</u>
OTHER FINANCING SOURCES (USES)			
7912 Sale of Real and Personal Property	27,736	-	-
7914 Non-Current Loans	2,035,000	-	-
7915 Transfers In	32,441,489	-	-
8911 Transfers Out (Use)	(32,442,819)	-	-
8949 Other (Uses)	(2,006,498)	-	-
7080 Total Other Financing Sources (Uses)	<u>54,908</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balances	14,214,312	-	(70,451,741)
0100 Fund Balance - September 1 (Beginning)	38,293,837	-	104,306,720
1300 Increase (Decrease) in Fund Balance	230,277	-	-
3000 Fund Balance - August 31 (Ending)	<u>\$ 52,738,426</u>	<u>\$ -</u>	<u>\$ 33,854,979</u>

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

Other Funds	Total Governmental Funds
\$ 10,667,816	\$ 74,747,666
13,256,088	179,714,955
39,413,824	71,570,240
63,337,728	326,032,861
32,996,330	170,988,176
1,077,662	6,951,994
2,488,509	3,371,706
1,816,232	4,926,103
1,390,716	11,725,486
3,400,021	12,099,215
709,766	2,036,486
160,051	3,025,019
9,498	9,927,752
9,276	16,982,088
189,698	8,461,404
8,987	5,558,832
41,502	26,106,197
2,763	3,183,565
-	1,146,223
981,833	1,066,286
8,069,976	10,238,661
11,532,508	12,530,361
16,138	22,398
2,316,930	75,028,748
-	42,000
-	787,166
67,218,396	386,205,866
(3,880,668)	(60,173,005)
-	27,736
-	2,035,000
1,330	32,442,819
-	(32,442,819)
-	(2,006,498)
1,330	56,238
(3,879,338)	(60,116,767)
9,178,669	151,779,226
-	230,277
\$ 5,299,331	\$ 91,892,736

EDINBURG CONSOLIDATED 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, 2010

Total Net Change in Fund Balances - Governmental Funds	\$ (60,588,761)
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.	(2,576,729)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2009 capital outlays and debt principal payments is to (decrease) net assets.	(85,264,015)
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.	(11,986,876)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net assets.	463,617
Change in Net Assets of Governmental Activities	\$ 15,768,102

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

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AUGUST 31, 2010

EXHIBIT D-1

	Governmental Activities -
	Total Internal Service Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 103,476
Investments - Current	8,380,391
Other Receivables	96,713
Inventories	38,958
Total Current Assets	8,619,538
Noncurrent Assets:	
Capital Assets:	
Depreciation on Furniture and Equipment	(1,580)
District Defined Capital Assets	1,580
Total Noncurrent Assets	-
Total Assets	8,619,538
LIABILITIES	
Current Liabilities:	
Accounts Payable	334,739
Accrued Wages Payable	714
Due to Student Groups	(20)
Total Liabilities	335,433
NET ASSETS	
Unrestricted Net Assets	8,284,105
Total Net Assets	\$ 8,284,105

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

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2010

	Governmental Activities -
	Total Internal Service Funds
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 26,355,526
Total Operating Revenues	<u>26,355,526</u>
OPERATING EXPENSES:	
Payroll Costs	181,689
Professional and Contracted Services	159,795
Supplies and Materials	85,804
Other Operating Costs	23,351,509
Total Operating Expenses	<u>23,778,797</u>
Operating Income	2,576,729
Total Net Assets - September 1 (Beginning)	<u>5,707,376</u>
Total Net Assets - August 31 (Ending)	<u><u>\$ 8,284,105</u></u>

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

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED AUGUST 31, 2010

	TOTALS <u>(MEMORANDUM ONLY)</u> 98 August 31, <u>2010</u>
Cash Flows From Operating Activities -	
Cash Receipts (Payments) with Other Funds	\$ 26,276,585
Cash Payments to Employees for Services	(181,689)
Cash Payments for Suppliers	(23,921,029)
Cash Receipts (Payments) for Other Operating Expenses	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>2,173,866</u>
Cash Flows From Investing Activities -	
Purchases of Investment Securities	(2,076,669)
Proceeds from Sale and Maturities of Securities	-
Interest and Dividends on Investments	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>(2,076,669)</u>
Cash Flows From Capital & Related Financing Activities -	
Prior Period Adjustment	<u>-</u>
Net Cash Provided (Used) by Capital & Related Financing Activities	-
Net Increase (Decrease) in Cash and Cash Equivalents	97,197
Cash and Cash Equivalents at Beginning of the Year	<u>6,279</u>
Cash and Cash Equivalents at End of the Year	<u>\$ 103,476</u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ 2,576,727
Adjustments to Reconcile Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Depreciation	-
Effects of Increases and Decreases in Current Assets and Liabilities	
Decrease (Increase) in Accrued Interest	-
Decrease (Increase) in Interfund Receivables	50
Decrease (Increase) in Other Receivables	(78,991)
Decrease (Increase) in Inventory	26,073
Decrease (Increase) in Prepaid Expenses	-
Increase (Decrease) in Accounts Payable	(348,961)
Increase (Decrease) in Bonds Payable	-
Increase (Decrease) in Accrued Liabilities Payable	(1,012)
Increase (Decrease) in Interfund Payable	-
Increase (Decrease) in Due to Student Groups	(20)
Increase (Decrease) in Due to Other Governments	-
Increase (Decrease) in Deferred Income	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,173,866</u>

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
AUGUST 31, 2010

EXHIBIT E-1

	Private Purpose Trust Fund	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 113	\$ 707,644
Investments - Current	25,444	-
Total Assets	25,557	\$ 707,644
LIABILITIES		
Payroll Deductions and Withholdings Payable	-	\$ 89,284
Due to Student Groups	25,557	618,360
Total Liabilities	25,557	\$ 707,644

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

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY ASSETS & LIABILITIES
 AGENCY FUNDS
 YEAR ENDED AUGUST 31, 2010

EXHIBIT E-2

Data Control Codes		Begining Balance <u>09/01/09</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>08/31/10</u>
Superintendent's Ancillary Fund					
Assets:					
1110	Cash and Cash Equivalents	\$ -	\$ 94,870	\$ 94,757	\$ 113
1120	Current Investments	-	53,945	28,500	25,445
		<u>-</u>	<u>148,815</u>	<u>123,257</u>	<u>25,557</u>
Liabilities:					
2190	Due to Student Groups	\$ -	\$ 66,415	\$ 40,857	\$ 25,557
Secondary Funds					
Assets:					
1110	Cash and Cash Equivalents	\$ 743,649	\$ 2,370,926	\$ 2,496,214	\$ 618,360
Liabilities:					
2190	Due to Student Groups	\$ 743,649	\$ 2,370,926	\$ 2,496,214	\$ 618,360
Roll Over Funds					
Assets:					
1110	Cash and Cash Equivalents	\$ 68,856	\$ 79,772	\$ 59,345	\$ 89,284
1000	Total Assets	<u>68,856</u>	<u>79,772</u>	<u>59,345</u>	<u>89,284</u>
Liabilities:					
2150	Payroll Withholdings	\$ 68,841	\$ 79,772	\$ 59,329	\$ 89,284
2170	Due to Other Funds	15	-	15	0
2000	Total Liabilities	<u>68,856</u>	<u>79,772</u>	<u>59,345</u>	<u>89,284</u>
Total Ancillary Funds					
Assets:					
1110	Cash and Cash Equivalents	\$ 812,505	\$ 2,545,569	\$ 2,650,316	\$ 707,757
1120	Current Investments	-	53,945	28,500	25,445
1000	Total Assets	<u>812,505</u>	<u>2,599,513</u>	<u>2,678,816</u>	<u>733,202</u>
Liabilities:					
2150	Payroll Withholdings	\$ 68,841	\$ 79,772	\$ 59,329	\$ 89,284
2170	Due to Other Funds	15	-	15	0
2190	Due to Student Groups	743,649	2,437,341	2,537,072	643,917
2000	Total Liabilities	<u>812,505</u>	<u>2,517,113</u>	<u>2,596,416</u>	<u>733,202</u>

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2010

GOVERNMENTAL ACCOUNTING

The basic financial statements of Edinburg Consolidated Independent School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide ("Resource Guide"). The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

ADMINISTRATIVE

The Board of School Trustees ("Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental "reporting entity" as defined by the GASB in its Statement No. 14, "The Financial Reporting Entity" and there are no component units included within the reporting entity.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The statement of net assets and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives us essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

THE BASIS OF ACCOUNTING AND FINANCIAL STATEMENTS

These financial statements are reported using the economic resource measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements: governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after yearend. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the state are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenues 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. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financial sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policies to use unrestricted resources first, and then restricted resources.

Under GASB statement no. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from the date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The District has chosen to apply future FASB standards.

BAFFNTATNF ANTING

The District reports the following major governmental funds:

1. **General Fund** – is used to account for financial resources used for general operations. This is a budgeted fund and any fund balances are considered resources available for current operations. All revenues and expenditures not required to be accounted for in other funds, are accounted for in this fund.
2. **Debt Service Fund** – is used to account for resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

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

Governmental Funds:

1. **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. Normally, unused balances are returned to the grantor at the close of specified project periods.
2. **Capital Projects Fund** – is used to account for proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.

Proprietary Fund:

1. **Internal Service Funds** - are used to account for revenues and expenses related to services provided to parties inside the District. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Fiduciary Fund:

1. **Agency Funds** - are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment and remittance of the fiduciary resources to individuals, private organizations, or other governments.

TARRANT ACCOUNTING SERVICES

1. For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.
2. 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 in conformance 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 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.
3. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon 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.
4. The District records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory in accordance with the Resource Guide. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.
5. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	30
Buildings	50
Building Improvements	20
Vehicles	2-15
Office & Computer Equipment	3-15

6. The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances. There are no significant receivables which are not scheduled for collection within one year of year-end.
7. On retirement or death of certain employees, the District pays any accrued sick leave in a lump sum payment to such employee or his/her estate. Individuals employed after October 1, 1985 are not eligible to receive the lump sum payments.
8. Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net assets.
9. The preparation of financial statements in conformity with GAAP requirements the use of management's estimates.
10. Data Control Codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to insure accuracy in building a statewide database for policy development and funding plans

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE AND NET ASSETS

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE AND NET ASSETS

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net assets for governmental activities as reported in the government-wide statement of net assets.

One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including capital leases payable, are not due and payable in the current period and are not reported as liabilities in the funds. The details of capital assets and long-term debt at the beginning of the year were as follows:

Capital Assets at the Beginning of Year	Historic Cost	Accumulated Depreciation	Net Value at the Beginning of Year	Change in Net Assets
Land & Improvements	\$ 19,378,815	\$ (1,816,814)	\$ 17,562,001	
Building & Improvements	285,664,168	(117,846,259)	167,817,909	
Equipment (Capital Leases)	21,406,822	(17,580,113)	3,826,709	
Vehicles	13,728,734	(9,341,965)	4,386,768	
Construction in Progress	13,391,469	-	13,391,469	
Change in Net Assets				\$ 206,984,858
Long-term liabilities at the Beginning of Year			Payable at the Beginning of Year	
Bonds Payable			\$ (225,523,402)	
Loans Payable			(24,665,000)	
Capital Leases Payable			(418,685)	
Compensated Absences			(1,021,958)	
Change in Net Assets				(251,629,044)
Net Adjustment to Net Assets				\$ (44,644,187)

RECONCILIATION OF CHANGES IN GOVERNMENTAL FUNDS BALANCE AND NET ASSETS

Exhibit C-4 provides reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures and changes in fund balances and the changes in net assets of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net asset balance and the change in net assets. The details of this adjustment are as follows:

<u>Current Year Capital Outlay</u>	<u>Amount</u>	<u>Adjustments to Changes in Net Assets</u>	<u>Adjustments in Net Assets</u>
Land & Improvements	\$ 791,347	\$ 791,347	
Buildings & Improvements	433,003	433,003	
Equipment (Leases)	670,730	670,730	
Vehicles	153,514	153,514	
Construction In Progress	73,845,138	73,845,138	
Total Capital Outlay			\$ 75,893,731
<u>Debt Principal Payments</u>			
Bonds Payable	\$ 8,069,976	\$ 8,069,976	
Accreted Interest	1,315,024	1,315,024	
Loan Payable	3,745,000	3,745,000	
Capital Leases Payable	418,685	418,685	
Total Principal Payments			\$ 13,548,685
Net Adjustments to Net Assets			\$ 89,442,416

III. BUDGETARY PROCEDURES

A. BUDGETARY PROCEDURES

The official budget was prepared for adoption for the General Fund, Debt Service Fund and the Food Service Fund, which is included within the Special Revenue Funds, which is included within the General Funds. The General Fund, Food Service Fund and the Debt Service Fund Budget reports appear in Exhibits C-5, J-4, J-5 respectively. The following procedures are followed in establishing the budgetary data reflected in the general purpose financial statements:

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

1. Prior to August 20th the District prepares a budget for the next succeeding fiscal year beginning September 1st. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. Public notice of the meeting must be given at least ten days prior to the meeting.
3. Prior to September 1st 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. During the year, the budget was amended as necessary. There were no significant budget amendments passed during the 2009-2010 school year.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure functions or object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year-end.
5. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31st and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. The District had no outstanding end-of-year encumbrances.

B. FUND BALANCE

For the year ended August 31, 2010, expenditures exceeded the budget in the following line items:

General Fund	<u>Function Amount</u>
None	\$0.00

ANNUAL REPORT

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

At August 31, 2010, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$102,450,330 and the bank balance was \$1,733,418. The District's cash deposits at August 31, 2010 and during the period ended August 31, 2010, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a. Depository: First National Bank
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$10,334,411.
- c. The highest combined balances of cash, savings and time deposit accounts amounted to \$6,051,051 and occurred during the month of September 2009.
- d. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

District Policies and Legal Contractual Provisions Governing Deposits

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The **Municipal 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, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) Certificates of 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, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

The District's temporary investments at August 31, 2010, are shown below:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
Lone Star Investment Pool	\$ 78,781,417	\$ 78,781,417	\$ -	\$ -	\$ -
Texas Term Pool	16,009,894	16,009,894	-	-	-
MBIA	5,952,679	5,952,679	-	-	-
Total	\$ 100,743,990	\$ 100,743,990	\$ -	\$ -	\$ -

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

Redit is In accordance with state law and the District's investment policy, investments in mutual funds and investment pools must be rated at least AAA or have an equivalent rating, commercial paper must be rated at least A-1, P-1 or have an equivalent rating, and obligations of states, agencies, counties, and cities must be at least A or its equivalent. As of August 31, 2010, the District's investments in Lone Star Investment Pool were rated AAAs/t by Standard and Poor's (S&P), and MBIA was rated AAA/v1+ by Fitch Ratings.

ustodial is for Investments For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investments held by third parties were fully collateralized and held in the District's name.

oncentration of Redit is The investment portfolio is diversified in terms of investment instruments and maturity scheduling to reduce risk of loss resulting from over concentration of assets in specific class of investments, specific maturity or specific issuer. As of August 31, 2010, the District had its investments in TASB investment pools rated AAA as noted above.

Interest ate is In accordance with state law and the District's investment policy, the District does not purchase any investments greater than five (5) years for its operating funds.

Forein urrency is for Investments The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment. At year-end, the District was not exposed to foreign currency risk.

B

Property taxes are levied by October 1st 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 1st of the year following the year in which imposed. On January 1st 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 when they become due or past due and receivable within the current period and those expected to be collected during a 60 day period after the close of the school fiscal year.

The tax rates assessed for the year ended August 31, 2010, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.0400 and \$0.1798 per \$100 valuation, respectively, for a total of \$1.2198. The assessed valuation of \$5,488,700,507 was used to determine the tax rates, represents 100% of the fair market value of the property. Allowances for uncollectible within the General Fund is based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. The tax rate for the year ended August 31, 2010 was \$1.2198.

Interfund balances at August 31, 2010 consisted of the following individual fund balances:

	Receivable	Payable
General Fund		
General Fund	\$ 9,452.20	\$ 9,452.20
Special Revenue Fund	10,852,562.01	399,219.14
Debt Service Fund	1,848,196.00	-
Capital Projects Fund	-	-
Internal Service Fund	-	-
Agency Fund	-	-
	<u>12,710,210.21</u>	<u>408,671.34</u>
Special Revenue Fund		
General Fund	399,219.14	10,852,562.01
Special Revenue Fund	-	0.08
Debt Service Fund	-	-
Internal Service Fund	-	-
Agency Fund	-	-
	<u>399,219.14</u>	<u>10,852,562.09</u>
Debt Service Fund		
General Fund	-	1,848,196.00
Special Revenue Fund	-	-
Agency Fund	-	-
	<u>0.00</u>	<u>1,848,196.00</u>
Internal Service Fund		
General Fund	-	-
Special Revenue Fund	0.08	-
Internal Service Fund	-	-
Agency Fund	-	-
	<u>0.08</u>	<u>0.00</u>
	<u>\$ 13,109,429.43</u>	<u>\$ 13,109,429.43</u>

Amount due to and from other state agencies are reflected in the following funds:

Due to/from State Governments and Agencies	Due To	Due From
<u>General Fund</u>		
Texas Education Agency:		
National School Breakfast/Lunch Program	-	659,841
Foundation School Program	-	6,302,986
Other:		
Rotc	-	8,984
HHSC Shars	-	1,712,391
Hidalgo County Taxes	-	218,423
	-	8,902,625
<u>Special Revenue Fund</u>		
Texas Education Agency:		
ESEA Title IV - Safe and Drug Free	-	10,272
ESEA Title I Part A -	-	966,927
ESEA Title I Part D Subpart 2 - Prevention and Intervention Programs	14,812	2,285
ESEA Title I SIP	-	26,354
ESEA Title I Part C - Migratory	-	162,661
IDEA-B Formula	-	289,573
IDEA-B Preschool Grant	570	3,901
Vocational Education Basic Grant	-	35,449
ESEA Title II,A Teacher & Principal Trng & Rctng	-	159,148
ESEA Title II,D Technology	-	206
ESEA Title III,A Lep	-	59,880
State Fiscal Stabilization Fund	-	8,795,496
Gear Up Program - UTPA	-	13,276
Gear Up Program - Region One	-	101,929
ESEA Title I SIP Academy	-	164,070
ESEA Title II,D Technology - ARRA	-	163,850
Gearup Avid Program	-	10,066
IDEA-B Formula - ARRA	-	186,663
IDEA-B Preschool Grant - ARRA	-	12,397
ESEA Title I Part A - ARRA	-	1,260,973
ESEA Title I Part D Subpart 2 - ARRA	-	3
ESEA Title I SIP - ARRA	-	35,784
Life Skills for Student Parents	8,918	-
Student Success Initiative	-	92,000
Texas Ninth Grade Transition & Intervention Program	-	5,132
Texas Fitness Now	-	4,297
District Awards for Teacher Excellence	-	15,814
	24,300	12,578,405
<u>Debt Service Fund</u>		
Texas Education Agency:		
Foundation School Program	-	-
Other:		
Hidalgo County Taxes	-	27,852
	-	27,852
Total Due to/from State Government and Agencies	24,300	21,508,883

Balances resulted from the time lag between the dates that interfund goods and services are provided and/or reimbursement expenditures occur.

TABLE AB

	General Fund	Special Revenue Fund	Debt Service Fund	Internal Service Fund	Total
Returned Checks	\$ 10	\$ -	\$ -	\$ -	\$ 10
Paper Inventory	6,003	-	-	-	6,003
Food Services Sales	898	-	-	-	898
Miscellaneous	9,908	-	-	5,000	14,908
Oil Companies	184,481	-	-	-	184,481
Locks	4,245	56,931	-	-	61,176
Print Shop Collections	-	-	-	13,036	13,036
W/C Insurance Recoveries	-	-	-	75,762	75,762
Health Insurance Recoveries	-	-	-	2,915	2,915
	205,545	56,931	-	96,713	359,189

TABLE G

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of August 31, 2010, are summarized below:

	General Fund	Special Revenue Fund	Debt Service Fund	Total
State Entitlements	\$ 6,302,986	\$ -	\$ -	\$ 6,302,986
Federal/State Entitlements/Grants	2,381,216	12,578,405	-	14,959,621
Other	218,423	-	27,852	246,275
	\$ 8,902,625	\$12,578,405	\$ 27,852	\$ 21,508,882

TABLE AG

	General Fund	Special Revenue Fund	Other	Total
State Entitlements	\$ -	\$ -	\$ -	\$ -
Federal/State Entitlements/Grants	-	24,300	-	24,300
	\$ -	\$ 24,300	\$ -	\$ 24,300

ANALYTICAL STATEMENT

Capital asset activity for the year ended August 31, 2010, was as follows:				
	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 13,395,757	\$ -	\$ -	\$ 13,395,757
Construction in progress	13,391,469	73,845,138	(1,109,974)	86,126,633
Total capital assets not being depreciated	26,787,226	73,845,138	(1,109,974)	99,522,390
Capital assets being depreciated:				
Land improvements	5,983,058	791,347	-	6,774,405
Buildings and improvements	285,664,168	433,003	-	286,097,171
Equipment (Capital Lease)	21,406,822	670,730	-	22,077,552
Vehicles	13,728,734	153,514	(11,489)	13,870,759
Total capital assets being depreciated	326,782,782	2,048,593	(11,489)	328,819,886
Less accumulated depreciation for:				
Land improvements	(1,816,814)	(383,196)	-	(2,200,011)
Buildings and improvements	(117,846,259)	(9,749,223)	-	(127,595,482)
Equipment (Capital Lease)	(17,580,113)	(1,058,980)	-	(18,639,093)
Vehicles	(9,341,965)	(795,477)	-	(10,137,442)
Total accum. Dep.	(146,585,151)	(11,986,876)	-	(158,572,027)
Total cap.assets being depreciated, net	180,197,631	(9,938,283)	(11,489)	170,247,859
Governmental activities capital assets, net	\$ 206,984,857	\$ 63,906,855	(1,121,463)	\$ 269,770,249

Depreciation was charge to functions as follows:

Instruction	\$ 6,454,605
Instruction Resources and Media Services	390,270
Instructional Leadership	3,172
School Leadership	356,008
Guidance, Counseling, & Evaluation Services	22,878
Social Work Services	3,019
Health Services	34,153
Student Transportation	660,211
Food Services	629,668
Extracurricular Activities	58,687
General Administration	19,975
Plant Maintenance and Operations	290,035
Security and Monitoring Services	19,974
Data Processing Services	3,948
Community Services	538
Facilities Acquisitions and Construction	3,039,735
Total Depreciation Expense	\$ 11,986,876

B N A AB

Short-Term Debt Activity

The District accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as Other Resources.

Long-Term Obligations

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

DESCRIPTION	INTEREST RATE	ORIGINAL ISSUE AMOUNT	INTEREST CURRENT YEAR	BALANCE 08/31/09	PRINCIPAL ISSUED	PRINCIPAL RETIRED	ACCRETED INTEREST	BALANCE 08/31/10
Unlimited Building & Refunding								
Series - 00 / Refunding	4.25 - 5.75%	60,000,000.00	31,080.00	1,295,000.00	-	1,295,000.00	-	-
Unlimited Building & Refunding								
Series - 02	2.60 - 5.40%	55,070,000.00	2,148,121.30	25,899,976.20	-	1,969,976.20	-	23,930,000.00
Accretion on Cap. App.		3,020,000.00	-	989,352.00	-	1,050,023.80	60,671.80	-
		58,090,000.00	2,148,121.30	26,889,328.20	0.00	3,020,000.00	60,671.80	23,930,000.00
Unlimited Building & Refunding								
Series - 00 CABS / Ref 05	3.00 - 5.75%	51,210,000.00	2,637,400.00	48,595,000.00	-	5,000.00	-	48,590,000.00
Accretion on Cap. App.			-	1,739,073.62	-	265,000.00	65,054.94	1,539,128.56
		51,210,000.00	2,637,400.00	50,334,073.62	0.00	270,000.00	65,054.94	50,129,128.56
Unlimited Building Refunding								
Series - 08A	3.50 - 5.00%	37,170,000.00	1,412,650.00	34,400,000.00	-	2,880,000.00	-	31,520,000.00
Unlimited Building Bond								
Series - 08B	3.25 - 5.25%	111,610,000.00	5,185,006.25	109,525,000.00	0.00	1,920,000.00	-	107,605,000.00
Unlimited Building Refunding								
Bond Series - 09	3.5 - 4.00%	3,080,000.00	118,250.00	3,080,000.00	0.00	-	-	3,080,000.00
Total Bonds Payable			\$ 11,532,507.55	\$ 225,523,401.82	\$ -	\$ 9,385,000.00	\$ 125,726.74	\$ 216,264,128.56

Debt service requirements are as follows:

Years Ended August 31,	Principal	Interest	Accretion	Total Required
2011	\$ 9,604,129	\$ 9,960,604	\$ 30,871	\$ 19,595,604
2012	9,925,000	9,639,735	-	19,564,735
2013	10,745,000	9,203,479	-	19,948,479
2014	11,215,000	8,737,941	-	19,952,941
2015	11,720,000	8,242,166	-	19,962,166
2016-2020	47,770,000	33,823,153	-	81,593,153
2021-2025	29,955,000	25,222,463	-	55,177,463
2026-2030	38,485,000	16,683,938	-	55,168,938
2031-2035	27,055,000	8,464,375	-	35,519,375
2036-2040	19,790,000	1,517,250	-	21,307,250
	\$ 216,264,129	\$ 131,495,103	\$ 30,871	\$ 347,790,103

FINANCIAL STATEMENTS (Continued)

Capital Leases

The District acquired office equipment under a long-term, noncancellable (capital) lease, authorized under TEC 20-49. The capitalized lease payable at August 31, 2010 is \$0 and the annual payments (which extend through fiscal year 2012) are \$0. The effective interest rate is 0.00%.

<u>August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Accretion</u>
2011	\$ -	\$ -	\$ -
2012	-	-	-
	\$ -	\$ -	\$ -

GENERAL FUND

The District accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as Other Resources and principal payments are shown as Other Uses.

The interest rates on these loans range from 3.25% - 4.75%.

Loan payment requirements are as follows:

<u>Years Ended</u>	<u>Loans Payable</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2011	\$ 1,815,000	\$ 878,594	\$ 2,693,594
2012	1,870,000	815,644	2,685,644
2013	1,945,000	748,821	2,693,821
2014	2,015,000	677,358	2,692,358
2015	2,090,000	601,643	2,691,643
2016-2020	9,205,000	1,838,435	11,043,435
2021-2025	4,015,000	222,387	4,237,387
	\$ 22,955,000	\$ 5,782,882	\$ 28,737,882

LONG-TERM DEBT

Activity in the Long-Term Debt for the District for the year ended August 31, 2010, was as follows:

	<u>BALANCE</u>			<u>BALANCE</u>	<u>DUE WITHIN</u>
	<u>09/01/09</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>08/31/10</u>	<u>ONE YEAR</u>
Bonds Payable	\$ 222,794,976.20	\$ -	\$ 8,069,976.20	\$ 214,725,000.00	\$ 9,604,128.56
Accreted Interest	2,728,425.62	125,726.74	1,315,023.80	1,539,128.56	30,871.44
Capital Leases Payable	418,684.66	-	418,684.66	-	-
Loans Payable	24,665,000.00	2,035,000.00	3,745,000.00	22,955,000.00	1,815,000.00
Compensated Absences	1,021,957.82	896,210.66	-	1,918,168.48	-
Total Bonds Payable	\$ 251,629,044.30	\$ 3,056,937.40	\$ 13,548,684.66	\$ 241,137,297.04	\$ 11,450,000.00

F N N

Deferred revenue at year-end consisted of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Internal Service Fund	Total
Net Tax Revenue	\$ 10,488,610	-	\$ 1,294,154	\$ -	\$ -	\$ 11,782,764
State Revenue	3,808,505	6,232	42,089	-	-	\$ 3,856,826
AP Inspiration Award	-	4,902	-	-	-	\$ 4,902
Athletic Receipts	56,823	-	-	-	-	\$ 56,823
Advanced Placement Incentives	-	77,550	-	-	-	\$ 77,550
USDA Commodities	133,323	-	-	-	-	\$ 133,323
	\$ 14,487,261	\$ 88,684	\$ 1,336,243	\$ -	\$ -	\$ 15,912,188

F N N N N A N

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

Funding Policy Under provisions in State law, plan members are required to contribute 6.4% of their annual covered salary and the State of Texas contributes an amount equal to 6.0% of the District’s covered payroll. The District’s employees’ contributions to the System for the fiscal periods ending in 2010, 2009 and 2008 were \$12,437,263, \$ 12,076,074, and \$ 11,371,657, respectively, and were equal to the required contributions for each year. Other contributions made from federal and private grants and from the District for salaries above the statutory minimum for the fiscal periods ending in 2010, 2009 and 2008 were \$4,929,043, \$4,347,126, and \$ 3,847,607, respectively, and were equal to the required contributions for each year. The amount contributed by the State on behalf of the District was \$ 8,242,158 for the year ended August 31, 2010.

N A N A N T

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2010, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

A T A A G

During the year ended August 31, 2010 employees of the District were covered by a health insurance plan (the “Plan”). The District contributed \$333 per month per employee and dependents to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions for dependents. All contributions were paid to a third party administrator, acting on behalf of the self-funded pool. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The contract between the District and the third party administrator is renewable January 1, 2011 and terms of coverage and contribution costs are included in the contractual provisions.

In accordance with state statute, the District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Blue Cross Shield of Texas, a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$250,000 and for aggregate loss. According to the latest actuarial opinion dated, the unfunded claim benefit obligation included no reported claims that were unpaid and no estimated incurred, but not reported.

retiree ealt are lan

Plan Description

The District contributes to the Teacher Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing, multi-employer defined benefit postemployment health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS -Care. That report may be obtained by visiting the TRS web site at www.trs.state.tx.us or by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, TX 78701-2698 or by calling the TRS Communications Department at 1-800-223-8778.

Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature, Texas Insurance Code, Sections 1575.202, 203, 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2010, 2009, 2008. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For the years ended August 31, 2010, 2009, and 2008, the State's contributions to TRS-Care were \$ 252,221, \$219,397, and \$194,606 , respectively, the active member contributions were \$ 1,144,888, \$ 1,111,259 , and \$ 1,045,339, respectively, and the District's contributions were \$ 968,756, \$ 940,315, and \$ 884,549, respectively, which equaled the required contributions each year.

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended August 31, 2010, 2009, 2008, the subsidy payments received by TRS-Care on behalf of the District were \$ 471,993, \$ 415,049, and \$ 395,846, respectively.

During the year, local and intermediate revenues for all funds consisted of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Property Taxes	\$ 58,164,235	\$ -	\$ 9,857,221	\$ -	\$ 68,021,456
Penalties, Interest & Other Tax Income	1,927,305	-	247,279	-	2,174,584
Investment Income	151,372	1,266	30,386	184,914	367,938
Food Sales	1,276,599	-	-	-	1,276,599
Co-curricula Student Activities	414,741	465,681	-	-	880,422
Other	1,962,912	63,606	-	150	2,026,668
	<u>\$ 63,897,164</u>	<u>\$ 530,553</u>	<u>\$ 10,134,886</u>	<u>\$ 185,064</u>	<u>\$ 74,747,667</u>

LIABILITIES

The District is a party to various litigation under which it may be required to pay certain monies upon decision of the courts. The District's attorney reports various possible contingent liabilities based on the amount of damages alleged in various cases. However, it is the opinion of the District's attorney that these cases are covered by liability insurance. In the opinion of the District's management, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and, accordingly, no provisions or losses have been recorded.

CONTINGENT LIABILITIES

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

COMMITMENTS AND CONTINGENT LIABILITIES

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

LEASES

This corporation was established in 1998 as a related organization for the lease revenue bond series of 1998. The board of trustees is appointed as the voting majority. The capital assets, investments, other assets, and liabilities are included in the district's financial statements.

AMOUNT OF EFFORT

The amount paid by the District for employee health care premiums is as follows:

a. Total District Premium Paid for Health care for 2009-2010:			\$ 17,486,866
b. Subtract any non-medical expenditures:			
Life Insurance		\$ 99,108	
Dental Insurance		581,553	
Vision Insurance		-	
Long-term Disability		-	
Short-term Disability		-	
Alternate Plans		-	
COBRA Expense		-	
Retiree Expense		-	\$ 680,661
c. 2009-2010 Maintenance of Effort:			\$ 16,806,205

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EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 GENERAL FUND
 BUDGETAR □ COMPARISON SCHEDULE
 08/31/10

EXHIBIT G-1

Data Control Codes	100-199 GENERAL FUND			Variance □ th	
	Budgeted Amounts		Actual	Final Budget	
	Original	Final		Positive (Negative)	
REVENUES □					
5700	Local and Intermediate Sources	\$ 62,054,231	\$ 62,054,231	\$ 63,897,164.08	\$ 1,842,933
5800	State Program Revenues	180,031,820	179,994,479	166,458,867.00	(14,007,606)
5900	Federal Program Revenues	32,450,678	32,450,678	23,360,919.79	(9,089,758)
5020	Total Revenues	274,536,729	274,499,388	253,716,950.87	(21,254,431)
EXPENDITURES □					
Current □					
0010	Instruction and Instructional-Related Services □				
0011	Instruction	150,484,412	154,143,697	135,664,494.64	18,479,202.36
0012	Instructional Resources and Media Services	6,848,925	6,875,071	5,797,252.66	1,077,818.34
0013	Curriculum Development and Instructional Staff Development	1,115,182	1,291,028	883,197.28	407,830.72
	Total Instruction and Instructional-Related Services	158,448,519	162,309,796	142,344,944.58	19,964,851.42
0020	Instructional and School Leadership □				
0021	Instructional Leadership	3,323,346	3,548,372	3,091,012.63	457,359.37
0023	School Leadership	10,324,884	10,609,835	10,182,152.60	427,682.40
	Total Instructional and School Leadership	13,648,230	14,158,207	13,273,165.23	885,041.77
0030	Student Support Services □				
0031	Guidance, Counseling and Evaluation Services	9,109,831	9,572,332	8,683,020.97	889,311.03
0032	Social □ or □ Services	1,403,098	1,403,412	1,316,485.60	86,926.40
0033	Health Services	2,988,484	3,000,684	2,801,607.92	199,076.08
0034	Student (Pupil) Transportation	12,124,709	12,383,496	9,704,238.66	2,679,257.34
0035	Food Services	18,531,886	19,119,820	16,972,811.63	2,147,008.37
0036	Cocurricular/Extracurricular Activities	8,922,645	9,324,045	8,271,706.32	1,052,338.68
	Total Student Support Services	53,080,653	54,803,789	47,749,871.10	7,053,917.90
0040	Administrative Support Services □				
0041	General Administration	5,749,887	5,749,887	5,472,165.47	277,721.53
	Total Administrative Support Services	5,749,887	5,749,887	5,472,165.47	277,721.53
0050	Support Services - Nonstudent Based □				
0051	Facilities Maintenance and Operations	26,223,793	26,104,832	20,284,248.09	5,820,583.91
0052	Security and Monitoring Services	3,599,004	3,487,239	3,126,327.77	360,911.23
0053	Data Processing Services	1,159,454	1,159,454	1,143,014.94	16,439.06
	Total Support Services - Nonstudent Based	30,982,251	30,751,525	24,553,590.80	6,197,934.20
0060	Ancillary Services □				
0061	Community Services	123,828	133,785	84,452.75	49,332.25
	Total Ancillary Services	123,828	133,785	84,452.75	49,332.25
0070	Debt Service □				
0071	Debt Service - Principal on Long-Term Debt	2,135,000	2,168,685	2,168,684.66	0.34
0072	Debt Service - Interest on Long-Term Debt	1,017,666	1,019,383	997,853.15	21,529.85
0073	Debt Service - Bond Issuance Costs and Fees	14,500	7,600	6,260.00	1,340.00
	Total Debt Service	3,167,166	3,195,668	3,172,798	22,870
0080	Capital Outlay □				
0081	Facilities Acquisition □ Construction	3,312,500	4,052,500	2,077,391.05	1,975,108.95
	Total Capital Outlay	3,312,500	4,052,500	2,077,391.05	1,975,108.95
0090	Intergovernmental Charges □				
0093	Payments to Fiscal Agent/Member Districts	-	-	-	-
0095	Payments to Juvenile Justice Alternative Education Programs	42,000	42,000	42,000.00	-
0099	Payments to Juvenile Justice Alternative Education Programs	821,107	821,107	787,166.21	33,940.79
	Total Intergovernmental Charges	863,107	863,107	829,166.21	33,940.79
	Total Expenditures	269,376,141	276,018,264	239,557,545.00	36,460,719.00
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	5,160,588	(1,518,876)	14,159,405.00	15,206,288
	Other Financing Sources (Uses) □				
7912	Sale of Real or Personal Property	-	-	27,735.60	27,735.60
7913	Proceeds from Capital Leases	-	-	-	0.00
7914	Loan Proceeds	-	2,035,000	2,035,000.00	0.00
7915	Operating Transfers In	31,917,899	32,441,489	32,441,489.00	0.00
7989	Non-operating Revenues	-	-	-	0.00
8911	Other (Uses)	(31,918,689)	(32,442,279)	(32,442,818.76)	(539.76)
8949	Other (Uses)	-	(2,006,498)	(2,006,498.46)	(0.46)
8989	Non-operating Expenses	-	-	-	0.00
1200	Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	5,159,798	(1,491,164)	14,214,312.00	15,233,483.51
100	Fund Balance - September 1 (Beginning)	38,293,837.86	38,293,837.86	38,293,837.86	0.00
1300	Increase (Decrease) in Fund Balance	230,276.26	230,276.26	230,276.26	0.00
3000	Fund Balance - August 31 (Ending)	\$ 43,683,912.12	\$ 37,032,950.12	\$ 52,738,426.12	\$ 15,233,483.51

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EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2010

Data Control Codes	204 ESEA Title IV Safe & Drug Free Schools	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	
ASSETS					
1110	Cash and Cash Equivalents	\$ (10,090)	\$ (310,444)	\$ (75,398)	\$ (46,467)
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	10,272	995,566	162,661	289,573
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1000	Total Assets	<u>\$ 182</u>	<u>\$ 685,122</u>	<u>\$ 87,263</u>	<u>\$ 243,106</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
2110	Accounts Payable	\$ -	\$ 28,299	\$ 2,050	\$ 307
2160	Accrued Wages Payable	-	639,924	84,905	242,060
2170	Due to Other Funds	182	2,087	308	739
2180	Due to Other Governments	-	14,812	-	-
2190	Due to Student Groups	-	-	-	-
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	<u>182</u>	<u>685,122</u>	<u>87,263</u>	<u>243,106</u>
Fund Balances:					
Reserved For:					
3420	Retirement of Long Term Debt	-	-	-	-
3490	Other Reserved/Restricted Fund Balance	-	-	-	-
Unreserved and Undesignated:					
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>\$ 182</u>	<u>\$ 685,122</u>	<u>\$ 87,263</u>	<u>\$ 243,106</u>

225 IDEA - Part B Preschool	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	262 Title II, D Education Technology	263 Title III, A English Lang. Acquisition	274 GEAR UP	276 Title I - SIP Academy Grant	279 Title II, D ARRA - Ed. Technology
\$ (6)	\$ (34,137)	\$ (117,455)	\$ (203)	\$ (128,392)	\$ (85,668)	\$ (161,166)	\$ (55,990)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,901	35,449	159,148	206	59,880	115,205	164,070	163,850
576	-	-	-	126,714	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 4,471</u>	<u>\$ 1,312</u>	<u>\$ 41,693</u>	<u>\$ 3</u>	<u>\$ 58,202</u>	<u>\$ 29,537</u>	<u>\$ 2,904</u>	<u>\$ 107,860</u>
\$ -	\$ -	\$ 434	\$ -	\$ -	\$ 12,750	\$ -	\$ 104,960
3,901	1,312	41,183	-	58,171	16,788	-	-
-	-	76	4	30	-	2,904	2,900
570	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>4,471</u>	<u>1,312</u>	<u>41,693</u>	<u>4</u>	<u>58,201</u>	<u>29,538</u>	<u>2,904</u>	<u>107,860</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 4,471</u>	<u>\$ 1,312</u>	<u>\$ 41,693</u>	<u>\$ 4</u>	<u>\$ 58,201</u>	<u>\$ 29,538</u>	<u>\$ 2,904</u>	<u>\$ 107,860</u>

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2010

Data Control Codes	282 GEAR UP AVID	283 IDEA, Pt. B ARRA Formula	284 IDEA, Pt. B ARRA Preschool	285 ESEA I,A Improving Basic Program	
ASSETS					
1110	Cash and Cash Equivalents	\$ (10,066)	\$ (246,474)	\$ (7,477)	\$ (1,097,992)
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	10,066	186,663	12,397	1,296,759
1260	Due from Other Funds	-	250,000	-	2,519
1290	Other Receivables	-	-	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ 190,189</u>	<u>\$ 4,920</u>	<u>\$ 201,286</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
2110	Accounts Payable	\$ -	\$ 188,743	\$ 4,701	\$ 176,154
2160	Accrued Wages Payable	-	-	-	2,217
2170	Due to Other Funds	-	1,446	219	22,915
2180	Due to Other Governments	-	-	-	-
2190	Due to Student Groups	-	-	-	-
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>190,189</u>	<u>4,920</u>	<u>201,286</u>
Fund Balances:					
Reserved For:					
3420	Retirement of Long Term Debt	-	-	-	-
3490	Other Reserved/Restricted Fund Balance	-	-	-	-
Unreserved and Undesignated:					
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>\$ 190,189</u>	<u>\$ 4,920</u>	<u>\$ 201,286</u>

394 Life Skills Program	397 Advanced Placement Incentives	401 Optional Extended Year Program	404 Student Success Initiative	409 High School Completion and Success	411 Technology Allotment	424 School Leadership Pilot Prog.	425 Teacher Induction and Mentoring
\$ (4,920)	\$ 91,140	\$ -	\$ (26,818)	\$ (2,873)	\$ 2,387,126	\$ -	\$ -
-	-	-	-	-	417	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	92,000	5,132	-	-	-
18,692	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 13,772</u>	<u>\$ 91,140</u>	<u>\$ -</u>	<u>\$ 65,182</u>	<u>\$ 2,259</u>	<u>\$ 2,387,543</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,854	\$ 9,405	\$ -	\$ 6,454	\$ 2,259	\$ 4,882	\$ -	\$ -
-	-	-	-	-	11,193	-	-
-	4,185	-	58,728	-	1,960,343	-	-
8,918	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	77,550	-	-	-	6,232	-	-
<u>13,772</u>	<u>91,140</u>	<u>-</u>	<u>65,182</u>	<u>2,259</u>	<u>1,982,650</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	187,113	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	187,113	-	-
<u>\$ 13,772</u>	<u>\$ 91,140</u>	<u>\$ -</u>	<u>\$ 65,182</u>	<u>\$ 2,259</u>	<u>\$ 2,169,763</u>	<u>\$ -</u>	<u>\$ -</u>

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2010

Data Control Codes	426 TX Educator Excellence Award Grant	427 TEXAS FITNESS	429 Other State Special Revenue Funds	461 Campus Activity Funds	
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ (3,871)	\$ (15,798)	\$ 5,880
1120	Investments - Current	-	-	-	450,540
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	-	4,297	15,814	-
1260	Due from Other Funds	-	-	-	719
1290	Other Receivables	-	-	-	56,931
1000	Total Assets	<u>\$ -</u>	<u>\$ 426</u>	<u>\$ 16</u>	<u>\$ 514,070</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
2110	Accounts Payable	\$ -	\$ 427	\$ 17	\$ 15,454
2160	Accrued Wages Payable	-	-	-	114
2170	Due to Other Funds	-	-	-	-
2180	Due to Other Governments	-	-	-	-
2190	Due to Student Groups	-	-	-	10,923
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>427</u>	<u>17</u>	<u>26,491</u>
Fund Balances:					
Reserved For:					
3420	Retirement of Long Term Debt	-	-	-	-
3490	Other Reserved/Restricted Fund Balance	-	-	-	503,239
Unreserved and Undesignated:					
3620	Reported in Capital Projects Funds	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>503,239</u>
4000	Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 427</u>	<u>\$ 17</u>	<u>\$ 529,730</u>

482 AP INSPIRATION AWARD	Total Nonmajor Special Revenue Funds	511 DEBT SERVICE FUND	617 CONSTRUCT FUND	622 CONSTRUCT 2008	Total Nonmajor Governmental Funds
\$ 4,960	\$ 47,401	\$ 168	\$ (25,884)	\$ 25,907	\$ 47,592
-	450,957	5,925,362	430,657	-	6,806,976
-	-	1,334,187	-	-	1,334,187
-	-	(40,033)	-	-	(40,033)
-	3,782,909	27,852	-	-	3,810,761
-	399,220	-	-	-	399,220
-	56,931	-	-	-	56,931
<u>\$ 4,960</u>	<u>\$ 4,737,418</u>	<u>\$ 7,247,536</u>	<u>\$ 404,773</u>	<u>\$ 25,907</u>	<u>\$ 12,415,634</u>
\$ 58	\$ 562,208	\$ 652	\$ 86,268	\$ -	\$ 649,128
-	1,101,768	-	-	-	1,101,768
-	2,057,066	1,848,196	-	-	3,905,262
-	24,300	-	-	-	24,300
-	10,923	-	-	-	10,923
4,902	88,684	1,336,243	-	-	1,424,927
<u>4,960</u>	<u>3,844,949</u>	<u>3,185,091</u>	<u>86,268</u>	<u>-</u>	<u>7,116,308</u>
4,062,447	4,062,447	-	-	-	4,062,447
202,120	892,472	-	-	-	892,472
-	-	-	318,505	25,907	344,412
<u>4,264,567</u>	<u>4,954,919</u>	<u>-</u>	<u>318,505</u>	<u>25,907</u>	<u>5,299,331</u>
<u>\$ 4,269,527</u>	<u>\$ 8,799,868</u>	<u>\$ 3,185,091</u>	<u>\$ 404,773</u>	<u>\$ 25,907</u>	<u>\$ 12,415,639</u>

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	204 ESEA Title IV Safe & Drug Free Schools	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	145,106	16,110,139	2,118,442	4,727,139
5020 Total Revenues	<u>145,106</u>	<u>16,110,139</u>	<u>2,118,442</u>	<u>4,727,139</u>
EXPENDITURES:				
Current:				
0011 Instruction	1,325	11,355,872	318,946	4,673,488
0012 Instructional Resources and Media Services	-	149,240	-	-
0013 Curriculum and Instructional Staff Development	-	258,945	-	771
0021 Instructional Leadership	-	975,208	186,572	50,348
0023 School Leadership	-	738,202	4,520	-
0031 Guidance, Counseling and Evaluation Services	143,781	905,499	1,549,090	2,225
0032 Social Work Services	-	695,904	1,644	-
0033 Health Services	-	142,188	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	30,141	-	-
0052 Security and Monitoring Services	-	319	-	-
0061 Community Services	-	858,621	57,670	307
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>145,106</u>	<u>16,110,139</u>	<u>2,118,442</u>	<u>4,727,139</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

225 IDEA - Part B Preschool	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	262 Title II, D Education Technology	263 Title III, A English Lang. Acquisition	274 GEAR UP	276 Title I - SIP Academy Grant	279 Title II, D ARRA - Ed. Technology
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
77,324	414,382	1,748,995	129,071	1,127,445	417,221	280,329	312,102
<u>77,324</u>	<u>414,382</u>	<u>1,748,995</u>	<u>129,071</u>	<u>1,127,445</u>	<u>417,221</u>	<u>280,329</u>	<u>312,102</u>
77,324	176,707	779,560	-	1,098,711	102,805	62,347	286,625
-	-	-	11,467	-	-	-	23,089
-	20,542	500,846	117,604	29,993	256	210,937	2,388
-	-	468,589	-	(2,259)	-	-	-
-	-	-	-	-	256	7,045	-
-	217,133	-	-	-	265,728	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,000	48,176	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>77,324</u>	<u>414,382</u>	<u>1,748,995</u>	<u>129,071</u>	<u>1,127,445</u>	<u>417,221</u>	<u>280,329</u>	<u>312,102</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	282 GEAR UP AVID	283 IDEA, Pt. B ARRA Formula	284 IDEA, Pt. B ARRA Preschool	285 ESEA I,A Improving Basic Program
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	22,034	1,968,624	32,720	9,782,751
5020 Total Revenues	<u>22,034</u>	<u>1,968,624</u>	<u>32,720</u>	<u>9,782,751</u>
EXPENDITURES:				
Current:				
0011 Instruction	10,397	1,615,390	32,720	7,596,901
0012 Instructional Resources and Media Services	-	-	-	711,289
0013 Curriculum and Instructional Staff Development	11,637	67,604	-	974,273
0021 Instructional Leadership	-	27,883	-	50,211
0023 School Leadership	-	-	-	359,512
0031 Guidance, Counseling and Evaluation Services	-	255,916	-	52,158
0032 Social Work Services	-	-	-	994
0033 Health Services	-	-	-	16,889
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	4,075
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	4,384
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	-	1,831	-	12,065
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>22,034</u>	<u>1,968,624</u>	<u>32,720</u>	<u>9,782,751</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

394 Life Skills Program	397 Advanced Placement Incentives	401 Optional Extended Year Program	404 Student Success Initiative	409 High School Completion and Success	411 Technology Allotment	424 School Leadership Pilot Prog.	425 Teacher Induction and Mentoring
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
98,680	34,252	120,866	316,098	165,704	882,471	-	83,792
-	-	-	-	-	-	-	-
<u>98,680</u>	<u>34,252</u>	<u>120,866</u>	<u>316,098</u>	<u>165,704</u>	<u>882,471</u>	<u>-</u>	<u>83,792</u>
36,316	10,729	120,866	316,098	150,232	649,960	-	-
-	-	-	-	-	171,453	-	-
-	23,523	-	-	1,969	71,423	-	83,792
58,594	-	-	-	-	-	-	-
-	-	-	-	7,599	-	-	-
-	-	-	-	5,768	-	-	-
5,100	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	3,644	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	136	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>100,010</u>	<u>34,252</u>	<u>120,866</u>	<u>316,098</u>	<u>165,704</u>	<u>896,480</u>	<u>-</u>	<u>83,792</u>
<u>(1,330)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,009)</u>	<u>-</u>	<u>-</u>
<u>1,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	(14,009)	-	-
-	-	-	-	-	418,901	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 404,892</u>	<u>\$ -</u>	<u>\$ -</u>

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NON MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	426 TX Educator Excellence Award Grant	427 Texas Fitness	429 Other State Special Revenue Funds	461 Campus Activity Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 516,403
5800 State Program Revenues	167,687	103,777	3,334,080	64
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>167,687</u>	<u>103,777</u>	<u>3,334,080</u>	<u>516,467</u>
EXPENDITURES:				
Current:				
0011 Instruction	144,096	97,825	3,057,111	209,830
0012 Instructional Resources and Media Services	812	-	-	10,312
0013 Curriculum and Instructional Staff Development	-	-	105,641	6,365
0021 Instructional Leadership	-	-	357	729
0023 School Leadership	8,096	-	170,971	94,515
0031 Guidance, Counseling and Evaluation Services	2,723	-	-	-
0032 Social Work Services	472	5,652	-	-
0033 Health Services	974	-	-	-
0034 Student (Pupil) Transportation	-	-	-	9,498
0035 Food Services	3,801	-	-	1,400
0036 Extracurricular Activities	-	-	-	186,054
0041 General Administration	-	300	-	8,687
0051 Facilities Maintenance and Operations	4,527	-	-	2,450
0052 Security and Monitoring Services	1,551	-	-	893
0061 Community Services	635	-	-	1,392
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>167,687</u>	<u>103,777</u>	<u>3,334,080</u>	<u>532,125</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,658)</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	-	(15,658)
0100 Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>503,239</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 487,581</u>

482 AP Inspiration Award	Total Nonmajor Special Revenue Funds	511 Debt Service Fund	617 Construtor Fund	622	Total Nonmajor Governmental Funds
				-	\$ 10,667,816
\$ 14,149	\$ 530,552	\$ 10,134,886	\$ 2,378	\$ -	13,256,088
-	5,307,471	7,948,617	-	-	39,413,824
-	39,413,824	-	-	-	
<u>14,149</u>	<u>45,251,847</u>	<u>18,083,503</u>	<u>2,378</u>	<u>-</u>	<u>63,337,728</u>
14,149	32,996,330	-	-	-	32,996,330
-	1,077,662	-	-	-	1,077,662
-	2,488,509	-	-	-	2,488,509
-	1,816,232	-	-	-	1,816,232
-	1,390,716	-	-	-	1,390,716
-	3,400,021	-	-	-	3,400,021
-	709,766	-	-	-	709,766
-	160,051	-	-	-	160,051
-	9,498	-	-	-	9,498
-	9,276	-	-	-	9,276
-	189,698	-	-	-	189,698
-	8,987	-	-	-	8,987
-	41,502	-	-	-	41,502
-	2,763	-	-	-	2,763
-	981,833	-	-	-	981,833
-	-	8,069,976	-	-	8,069,976
-	-	11,532,508	-	-	11,532,508
-	-	16,138	-	-	16,138
-	-	-	1,790,790	526,140	2,316,930
<u>14,149</u>	<u>45,282,844</u>	<u>19,618,622</u>	<u>1,790,790</u>	<u>526,140</u>	<u>67,218,396</u>
-	(30,997)	(1,535,119)	(1,788,412)	(526,140)	(3,880,668)
-	1,330	-	-	-	1,330
-	1,330	-	-	-	1,330
-	(29,667)	(1,535,119)	(1,788,412)	(526,140)	(3,879,338)
-	922,140	5,597,564	2,106,918	552,047	9,178,669
<u>\$ -</u>	<u>\$ 892,473</u>	<u>\$ 4,062,445</u>	<u>\$ 318,506</u>	<u>\$ 25,907</u>	<u>\$ 5,299,331</u>

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 AUGUST 31, 2010

	752	772
	Print Shop	Workmens Compensation
<hr/>		
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 17,358	\$ 80,527
Investments - Current	99,092	4,160,305
Other Receivables	13,036	75,762
Inventories	38,958	-
Total Current Assets	<u>168,444</u>	<u>4,316,594</u>
Noncurrent Assets:		
Capital Assets:		
Depreciation on Furniture and Equipment	(1,580)	-
District Defined Capital Assets	1,580	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>
Total Assets	<u>168,444</u>	<u>4,316,594</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	11,047	29,039
Accrued Wages Payable	714	-
Due to Student Groups	-	-
Total Liabilities	<u>11,761</u>	<u>29,039</u>
NET ASSETS		
Unrestricted Net Assets	<u>156,683</u>	<u>4,287,555</u>
Total Net Assets	<u>\$ 156,683</u>	<u>\$ 4,287,555</u>

773	774	775	Total
TEC	Health Insurance	Clearwire Account	Internal Service Funds
\$ 58	\$ 530	\$ 5,003	\$ 103,476
122,843	3,838,285	159,866	8,380,391
-	2,915	5,000	96,713
-	-	-	38,958
<u>122,901</u>	<u>3,841,730</u>	<u>169,869</u>	<u>8,619,538</u>
-	-	-	(1,580)
-	-	-	1,580
-	-	-	-
<u>122,901</u>	<u>3,841,730</u>	<u>169,869</u>	<u>8,619,538</u>
-	294,653	-	334,739
-	-	-	714
-	-	(20)	(20)
-	<u>294,653</u>	<u>(20)</u>	<u>335,433</u>
<u>122,901</u>	<u>3,547,077</u>	<u>169,889</u>	<u>8,284,105</u>
<u>\$ 122,901</u>	<u>\$ 3,547,077</u>	<u>\$ 169,889</u>	<u>\$ 8,284,105</u>

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2010

	752	772
	Print Shop	Workmens Compensation
<hr/>		
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 407,823	\$ 662,144
Total Operating Revenues	<u>407,823</u>	<u>662,144</u>
OPERATING EXPENSES:		
Payroll Costs	181,689	-
Professional and Contracted Services	136,295	-
Supplies and Materials	85,804	-
Other Operating Costs	-	1,120,373
Total Operating Expenses	<u>403,788</u>	<u>1,120,373</u>
Operating Income (Loss)	4,035	(458,229)
Total Net Assets - September 1 (Beginning)	<u>152,648</u>	<u>4,745,784</u>
Total Net Assets - August 31 (Ending)	<u><u>\$ 156,683</u></u>	<u><u>\$ 4,287,555</u></u>

773	774	775	Total
TEC	Health Insurance	Clearwire Account	Internal Service Funds
\$ 134,373	\$ 24,981,287	\$ 169,899	\$ 26,355,526
<u>134,373</u>	<u>24,981,287</u>	<u>169,899</u>	<u>26,355,526</u>
-	-	-	181,689
-	23,500	-	159,795
-	-	-	85,804
<u>153,348</u>	<u>22,077,778</u>	<u>10</u>	<u>23,351,509</u>
<u>153,348</u>	<u>22,101,278</u>	<u>10</u>	<u>23,778,797</u>
(18,975)	2,880,009	169,889	2,576,729
<u>141,876</u>	<u>667,068</u>	<u>-</u>	<u>5,707,376</u>
<u>\$ 122,901</u>	<u>\$ 3,547,077</u>	<u>\$ 169,889</u>	<u>\$ 8,284,105</u>

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED AUGUST 31, 2010

	752 Print Shop	772 Compensation Funds	773 Unemployment Fund	774 Insurance Fund
Cash Flows From Operating Activities -				
Cash Receipts (Payments) with Other Funds	\$ 403,198	\$ 586,657	\$ 134,373	\$ 24,987,457
Cash Payments to Employees for Services	(181,689)	-	-	-
Cash Payments for Suppliers	(228,574)	(1,105,892)	(153,348)	(22,433,185)
Cash Receipts (Payments) for Other Operating Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>(7,065)</u>	<u>(519,235)</u>	<u>(18,975)</u>	<u>2,554,273</u>
Cash Flows From Investing Activities -				
Purchases of Investment Securities	22,423	598,945	19,021	(2,557,193)
Proceeds from Sale and Maturities of Securities	-	-	-	-
Interest and Dividends on Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>22,423</u>	<u>598,945</u>	<u>19,021</u>	<u>(2,557,193)</u>
Cash Flows From Capital & Related Financing Activities -				
Pior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Capital & Related Financing Activities	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	15,358	79,710	46	(2,920)
Cash and Cash Equivalents at Beginning of the Year	<u>1,999</u>	<u>818</u>	<u>12</u>	<u>3,450</u>
Cash and Cash Equivalents at End of the Year	<u>\$ 17,357</u>	<u>\$ 80,527</u>	<u>\$ 58</u>	<u>\$ 530</u>
Reconciliation of Operating Income to Net Cash				
Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 4,034	\$ (458,229)	\$ (18,975)	\$ 2,880,009
Adjustments to Reconcile Operating Income to Net Cash				
Provided (Used) by Operating Activities				
Depreciation	-	-	-	-
Effects of Increases and Decreases in Current Assets and Liabilities				
Decrease (Increase) in Accrued Interest	-	-	-	-
Decrease (Increase) in Interfund Receivables	-	50	-	-
Decrease (Increase) in Other Receivables	(4,624)	(75,537)	-	6,170
Decrease (Increase) in Inventory	26,073	-	-	-
Decrease (Increase) in Prepaid Expenses	-	-	-	-
Increase (Decrease) in Accounts Payable	(31,535)	14,481	-	(331,907)
Increase (Decrease) in Bonds Payable	-	-	-	-
Increase (Decrease) in Accrued Liabilities Payable	(1,012)	-	-	-
Increase (Decrease) in Interfund Payable	-	-	-	-
Increase (Decrease) in Due to Student Groups	-	-	-	-
Increase (Decrease) in Due to Other Governments	-	-	-	-
Increase (Decrease) in Deferred Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (7,065)</u>	<u>\$ (519,235)</u>	<u>\$ (18,975)</u>	<u>\$ 2,554,273</u>

	TOTALS	
	<u>(MEMORANDUM ONLY)</u>	
775	98	
Account	August 31,	
<u>Fund</u>	<u>2010</u>	
\$ 164,899	\$ 26,276,585	
-	(181,689)	
(30)	(23,921,029)	
<u>-</u>	<u>-</u>	
164,869	2,173,866	
(159,866)	(2,076,669)	
-	-	
<u>-</u>	<u>-</u>	
(159,866)	(2,076,669)	
<u>-</u>	<u>-</u>	
-	-	
5,003	97,197	
-	6,279	
<u>5,003</u>	<u>103,476</u>	
\$ 169,889	\$ 2,576,727	
-	-	
-	-	
-	50	
(5,000)	(78,991)	
-	26,073	
-	-	
-	(348,961)	
-	-	
-	(1,012)	
-	-	
(20)	(20)	
-	-	
<u>-</u>	<u>-</u>	
<u>\$ 164,869</u>	<u>\$ 2,173,866</u>	

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED AUGUST 31, 2010

Last Ten Years Ended August 31	1 Tax Rates		3 Assessed/Appraised Value For School Tax Purposes	10 Beginning Balance 09/01/09	20 Current Year's Total Levy	31 Maintenance Total Collections	32 Debt Service Total Collections	40 Entire Year's Adjustments	50 Ending Balance 08/31/10
	Maintenance	Debt Service							
2001 and prior years	Various	Various	Various	\$ 1,751,147	\$ -	\$ 98,328	\$ 15,052	\$ (156,269)	\$ 1,481,498
2002	1.3176	0.0935	2,545,534,243	343,847	-	28,946	2,054	(22,421)	290,425
2003	1.4432	0.1084	2,827,584,836	427,223	-	42,143	3,165	(31,490)	350,425
2004	1.5000	0.0993	2,921,452,949	521,413	-	71,211	4,714	(27,894)	417,594
2005	1.5000	0.0951	3,344,414,979	749,127	-	113,678	7,207	(30,372)	597,869
2006	1.5000	0.0751	3,626,577,413	1,079,178	-	203,478	10,188	(73,512)	792,001
2007	1.3700	0.0752	4,241,972,874	1,432,038	-	313,209	17,192	(32,130)	1,069,507
2008	1.0400	0.0752	4,876,824,779	1,725,594	-	517,564	37,424	(38,551)	1,132,056
2009	1.0400	0.1498	5,454,830,365	4,015,336	-	1,893,591	272,750	(29,582)	1,819,413
2010 (School year under audit)	1.0400	0.1798	5,488,700,507	-	68,330,486	54,877,498	9,487,474	230,878	4,196,392
1000 TOTALS				<u>\$ 12,044,903</u>	<u>\$ 68,330,486</u>	<u>\$ 58,159,646</u>	<u>\$ 9,857,221</u>	<u>\$ (211,342)</u>	<u>\$ 12,147,180</u>
9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code				<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
									Less allowance for uncollectible
									<u>364,415</u>
									Total
									<u>\$ 11,782,764</u>

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EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES FOR COMPUTATIONS OF INDIRECT COST FOR 2010-2011
 GENERAL AND SPECIAL REVENUE FUNDS
 AUGUST 31, 2010

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	\$ 54,129	\$ -	\$ 254,178	\$ 3,715,555	\$ 162,992	\$ -	\$ 4,186,854
6149	Leave for Separating Employees in Fn 41 & 53	-	-	-	-	-	-	-
6149	Leave - Separating Employees not in 41 & 53	-	-	-	-	-	-	-
6211	Legal Services	393,058	-	-	-	-	-	393,058
6212	Audit Services	-	-	-	28,500	-	-	28,500
6213	Tax Appraisal/Collection - Appraisal in Fn 99	-	787,166	-	-	-	-	787,166
621X	Other Professional Services	-	-	-	735	-	-	735
6220	Tuition and Transfer Payments	-	-	-	-	-	-	-
6230	Education Service Centers	-	-	37,828	836,704	-	-	874,532
6240	Contr. Maint. and Repair	-	-	-	-	70,415	-	70,415
6250	Utilities	-	-	-	-	-	-	-
6260	Rentals	3,119	-	16,706	43,588	-	-	63,413
6290	Miscellaneous Contr.	5,287	-	1,663	71,621	765	-	79,336
6320	Textbooks and Reading	-	-	396	1,267	-	-	1,663
6330	Testing Materials	-	-	-	-	-	-	-
63XX	Other Supplies Materials	4,808	-	2,002	485,757	6,180	-	498,747
6410	Travel, Subsistence, Stipends	17,555	-	6,255	6,388	2,193	-	32,391
6420	Ins. and Bonding Costs	73,804	-	-	360	-	-	74,164
6430	Election Costs	59,738	-	-	-	-	-	59,738
6490	Miscellaneous Operating	15,928	-	46,157	181,721	-	-	243,806
6500	Debt Service	-	-	-	-	-	-	-
6600	Capital Outlay	-	-	-	-	-	-	-
6000	TOTAL	\$ 627,426	\$ 787,166	\$ 365,185	\$ 5,372,196	\$ 242,545	\$ -	\$ 7,394,518

Total expenditures/expenses for General and Special Revenue Funds: (9) \$ 293,635,885

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10)	\$ 2,534,165
Total Debt & Lease(6500)	(11)	3,172,798
Plant Maintenance (Function 51, 6100-6400)	(12)	26,075,114
Food (Function 35, 6341 and 6499)	(13)	6,867,103
Stipends (6413)	(14)	-
Column 4 (above) - Total Indirect Cost		5,372,196

SubTotal: 44,021,377

Net Allowed Direct Cost \$ 249,614,509

CUMULATIVE

Total Cost of Buildings before Depreciation (1520)	(15)	\$ 286,097,172
Historical Cost of Building over 50 years old	(16)	\$ 6,662,834
Amount of Federal Money in Building Cost (Net of #16)	(17)	-
Total Cost of Furniture & Equipment before Depreciation (1530 & 1540)	(18)	\$ 35,948,310
Historical Cost of Furniture & Equipment over 16 years old	(19)	\$ 3,365,837
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	\$ 2,485,933

(8) NOTE A: \$1,048,524 in Function 53 expenditures are included in this report on administrative costs.

\$787,166 in Function 99 expenditures for appraisal district costs are included in this report on administrative costs.

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 FUND BALANCE AND CASH FLOW CALCULATION OR SHEET
 GENERAL FUND AS OF AUGUST 31, 2010

UNAUDITED

1	Total General Fund Balance as of 8/31/10 (Exhibit C-1 object 3000 for the General Fund Only)		\$ 52,738,427
2	Total Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund Only)	\$ 1,539,898	
3	Total Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund Only)	-	
4	Estimated amount needed to cover fall cash flow deficits in the General Fund (Net of borrowed funds and funds representing deferred revenues.)	9,191,196	
5	Estimate of two month's average cash disbursements during the fiscal year.	28,447,280	
6	Estimate of delayed payments from state sources (58xx).	-	
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)	-	
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	Adjustment to meet Board Policy	-	
11	Optimum Fund Balance and Cash Flow (Lines 2-10)		<u>39,178,374</u>
12	Excess (Deficit) Undesignated Unreserved General Fund Balance (Line 1 minus Line 11)		<u>\$ 13,560,053</u>

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

The Undesignated unreserved General Fund Balance will be used for the opening of new schools.

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
 FOR THE YEAR ENDED AUGUST 31, 2010

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	\$ 1,290,000	\$ 1,290,000	\$ 1,348,719	\$ 58,719
5800	State Program Revenues	464,000	464,000	460,427	(3,573)
5900	Federal Program Revenues	17,700,000	17,700,000	18,648,451	948,451
5020	Total Revenues	19,454,000	19,454,000	20,457,597	1,003,597
EXPENDITURES:					
0035	Food Services	18,531,886	19,119,820	16,972,812	2,147,008
0051	Facilities Maintenance and Operations	921,914	746,414	692,650	53,764
0052	Security and Monitoring Services	200	200	-	200
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	740,000	740,000	-
6030	Total Expenditures	19,454,000	20,606,434	18,405,462	2,200,972
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,152,434)	2,052,135	3,204,569
OTHER FINANCING SOURCES (USES):					
7915	Transfers In	-	18,309	18,309	-
7080	Total Other Financing Sources (Uses)	-	18,309	18,309	-
1200	Net Change in Fund Balances	-	(1,134,125)	2,070,444	3,204,569
0100	Fund Balance - September 1 (Beginning)	6,584,160	-	6,584,160	6,584,160
3000	Fund Balance - August 31 (Ending)	\$ 6,584,160	\$ (1,134,125)	\$ 8,654,604	\$ 9,788,729

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - DEBT SERVICE FUND
 FOR THE YEAR ENDED AUGUST 31, 2010

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	\$ 9,483,289	\$ 9,483,289	\$ 10,134,886	\$ 651,597
5800	State Program Revenues	9,797,248	9,797,248	7,948,617	(1,848,631)
5020	Total Revenues	19,280,537	19,280,537	18,083,503	(1,197,034)
EXPENDITURES:					
Debt Service:					
0071	Debt Service - Principal on Long Term Debt	8,069,977	8,069,977	8,069,976	1
0072	Debt Service - Interest on Long Term Debt	11,532,509	11,532,509	11,532,508	1
0073	Debt Service - Bond Issuance Cost and Fees	32,000	32,000	16,138	15,862
6030	Total Expenditures	19,634,486	19,634,486	19,618,622	15,864
1200	Net Change in Fund Balances	(353,949)	(353,949)	(1,535,119)	(1,181,170)
0100	Fund Balance - September 1 (Beginning)	5,597,564	5,597,564	5,597,564	-
3000	Fund Balance - August 31 (Ending)	\$ 5,243,615	\$ 5,243,616	\$ 4,062,445	\$ (1,181,170)

LUIS C OROZCO

CERTIFIED PUBLIC ACCOUNTANT

2000 FORT WORTH - SUITE 1

P.O. BOX 7577

EDINBURG, TEXAS 78540

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
EDINBURG CONSOLIDATED SCHOOL DISTRICT
411 North 8th Avenue
Edinburg, Texas 78540

Members of the Board:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of EDINBURG CONSOLIDATED SCHOOL DISTRICT (the District) as of and for the year ended August 31, 2010. These collectively comprise the District's basic financial statements. We have issued our report on them dated August 31, 2010.

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 EDINBURG CONSOLIDATED 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 EDINBURG CONSOLIDATED SCHOOL DISTRICT's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of EDINBURG CONSOLIDATED 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.

LUIS C OROZCO

CERTIFIED PUBLIC ACCOUNTANT

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EDINBURG, TEXAS 78541

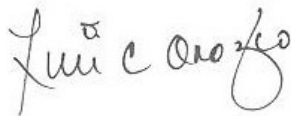
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies 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 EDINBURG CONSOLIDATED 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the district's trustees, the 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.



Luis C. Orozco
Certified Public Accountant

December 9, 2010

LUIS C OROZCO

CERTIFIED PUBLIC ACCOUNTANT

2010 FORT WORTH – SUITE 1

P.O. BOX 7577

EDINBURG, TEXAS 78540

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
EDINBURG CONSOLIDATED SCHOOL DISTRICT
411 North 8th Avenue
Edinburg, Texas 78540

Members of the Board:

Compliance

We have audited the compliance of EDINBURG CONSOLIDATED 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, 2010. 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 EDINBURG CONSOLIDATED 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 EDINBURG CONSOLIDATED 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 EDINBURG CONSOLIDATED SCHOOL DISTRICT's compliance with those requirements.

In our opinion, EDINBURG CONSOLIDATED 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, 2010.

Internal Control Over Compliance

The administration of EDINBURG CONSOLIDATED SCHOOL DISTRICT is responsible for establishing and maintaining effective internal control over compliance with requirements of

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IRVING, TEXAS 75039

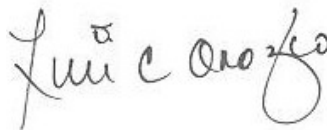
laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion of 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 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.



Luis C. Orozco
Certified Public Accountant

December 9, 2010

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED AUGUST 31, 2010

I. SUMMARY OF AUDITORS' REPORTS

SECTION I	SUMMARY OF AUDITORS' REPORTS
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Type of Report on Financial Statements	Unqualified		
Significant deficiencies in internal control disclosed by the audit of the financial statements.	None		
Significant Deficiencies indentified as Material Weakness	None		
Noncompliance material to the Financial Statements	None		
significant deficiencies in internal control over major programs disclosed by the audit and whether any such conditions were material weaknesses.	None		
significant deficiencies in internal control over major programs disclosed by the audit which are material weaknesses.	None		
Type of Report on Compliance with Major Programs.	Unqualified Opinion		
Findings and Questioned Costs for Federal Awards as Defined in Section 510(a). OMB Circular A-133.	No		
Dollar Threshold considered between Type A and Type B Federal Programs.	\$300,000		
Low Risk Auditee Statements	The District was classified as low-risk auditee in the context of OMB Circular A-133.		
Major Federal Programs	Title 1, Part A	ESEA Title 1, Part A	84.010
	Migrant	ESEA Title 1 Prt C	84.011
	Special Education	IDEA Part B - All Grants	84.027
	Education Technology	ESEA title II Prt D	84.386
	SFSF	ARRA Title XIV	84.394

SECTION II	FINDINGS - FINANCIAL STATEMENTS
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None

SECTION III

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS

None

EDINBURG CONSOLIDATED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2010

(Prepared by the District's Administration)

None.

CORRECTIVE ACITON PLAN
FOR THE YEAR ENDED AUGUST 31, 2010

(Prepared by the District's Administration)

None.

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2010**

(1)	(2)	(2A)	(3)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed Through State Department of Education:			
School Breakfast Program	10.553	TX108904	5,982,338.00
National Lunch Program	10.555	TX108904	11,888,757.00
Commodity Supplemental Program	10.550	TX108904	<u>678,397.99</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 18,549,492.99</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed Through State Department of Education:			
ESEA Title I, Part A - Improving Basic Programs	84.010A	10610101108904	14,799,476.04
ESEA Title I, Part A - Improving Basic Programs	84.010A	11610101108904	862,698.74
Title I - School Improvement Program	84.010A	10610104108904001	37,535.37
Title I - School Improvement Program	84.010A	10610104108904002	206,005.72
Title I - School Improvement Program	84.010A	10610104108904042	152,558.39
ESEA Title I, Part D - Subpart 2 - Delinquent Programs	84.010A	10610103108904	49,579.77
ESEA Title I, Part D - Subpart 2 - Delinquent Programs	84.010A	11610103108904	2,284.62
ESEA Title I, Part C - Migratory Children	84.011A	10615001108904	1,973,190.46
ESEA Title I, Part C - Migratory Children	84.011A	11615001108904	145,251.60
IDEA Part B, Formula	84.027A	106600011089046600	4,479,301.26
IDEA Part B, Formula	84.027A	116600011089046600	247,838.00
IDEA Part B, Preschool	84.173A	106610011089046610	73,423.03
IDEA Part B, Preschool	84.173A	116610011089046610	3,900.87
Title I, Part C - Carl D Perkins Basic Grant Formula for CATE	84.048A	10420006108904	395,004.87
Title I, Part C - Carl D Perkins Basic Grant Formula for CATE	84.048A	11420006108904	19,377.54
ESEA Title IV, Part A - Safe & Drug Free Schools & Communities	84.186A	10691001108904	145,105.62
ESEA Title IV, Part A - Safe & Drug Free Schools & Communities	84.186A	11691001108904	-
ESEA Title II, Part D Subpart 1-Technology	84.318X	10630001108904	129,070.66
ESEA Title II, Part D Subpart 1-Technology	84.318X	11630001108904	-
ESEA Title III, Part A Subpart 1- Lep	84.365A	10671001108904	1,069,273.65
ESEA Title III, Part A Subpart 1- Lep	84.365A	11671001108904	58,170.91
ESEA Title II, Part A -Teacher & Principal Training & Recruiting	84.367A	10694501108904	1,594,113.71
ESEA Title II, Part A -Teacher & Principal Training & Recruiting	84.367A	11694501108904	154,881.40
Title I SIP Academy Grant	84.377A	10610701108904001	88,065.01
Title I SIP Academy Grant	84.377A	10610701108904002	124,061.22
Title I SIP Academy Grant	84.377A	10610701108904042	68,202.37
ESEA Title II, Part D Subpart 1-Technology	84.386	10553001108904	312,102.02
ESEA Title I, Part A - ARRA/Stimulus	84.389A	10551001108904	9,524,297.17
ESEA Title I, Part D - Subpart 2 - ARRA/Stimulus	84.389A	10551003108904	23,930.44
Title I - School Improvement Program - ARRA/Stimulus	84.389A	10551004108904001	43,344.72
Title I - School Improvement Program - ARRA/Stimulus	84.389A	10551004108904002	129,930.59
Title I - School Improvement Program - ARRA/Stimulus	84.389A	10551004108904042	61,247.85

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2010**

(1)	(2)	(2A)	(3)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
IDEA Part B, Formula - ARRA/LEA	84.391A	10554001108904	1,968,623.59
IDEA Part B, Preschool - ARRA/LEA	84.391A	10555001108904	32,719.69
ARRA Title XIV State Fiscal Stabilization Fund	84.394A	10557001108904	8,795,496.27

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2010**

(1)	(2)	(2A)	(3)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
Passed Through State Education Service Centers:			
Gaining Early Awareness & Readiness for Undergraduate Programs (Gea	84.334A	P334A050083-08	166,943.33
Gaining Early Awareness & Readiness for Undergraduate Programs (Gea	84.334A	P334A050083-09	7,022.98
Gearup	84.334A	514283	22,034.14
Gaining Early Awareness & Readiness for Undergraduate Programs (Gea	84.334A	10-0040-IL	233,489.87
Gaining Early Awareness & Readiness for Undergraduate Programs (Gea	84.334A	11-0047-IL	<u>9,764.70</u>
TOTAL DEPARTMENT OF EDUCATION			<u>\$ 48,209,318.19</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 66,758,811.18</u></u>

EDINBURG CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2010

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 Trust Funds are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund which is a Governmental Fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used for the Governmental Fund types, the Trust Funds and Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Statement - Provisional 6/97.