

**PAMPA INDEPENDENT SCHOOL DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**Brown, Graham & Company, P.C.**  
**7431 Continental Parkway**  
**Amarillo, Texas 79119**  
**(806)355-8241**

**PAMPA INDEPENDENT SCHOOL DISTRICT  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2012**

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**CERTIFICATE OF BOARD**

**PAMPA INDEPENDENT SCHOOL DISTRICT**

Name of School District

**GRAY**

County

**090-904**

Co-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one)  X  approved \_\_\_ disapproved for the twelve months ended June 30, 2012, at a meeting of the board of trustees of such school district on the 18th day of October, 2012.

ss:/Dana Terry

\_\_\_\_\_  
Signature Board Secretary

ss:/Lee Porter

\_\_\_\_\_  
Signature of Board President



**BROWN, GRAHAM & COMPANY**  
PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

7431 Continental Parkway • Amarillo, Texas 79119  
P.O. Box 20210 • Amarillo, Texas 79114  
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**UNQUALIFIED OPINION ON BASIC FINANCIAL STATEMENTS  
ACCOMPANIED BY REQUIRED SUPPLEMENTARY INFORMATION  
AND OTHER SUPPLEMENTARY INFORMATION INCLUDING THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Independent Auditor's Report**

**Board of Trustees  
Pampa Independent School District  
Pampa, Texas**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pampa Independent School District (the "District") as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's administrators. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Pampa Independent School District as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2012, 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 *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 10 and 51, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pampa Independent School District's financial statements as a whole. The combining nonmajor funds financial statements and the combining private purpose trust funds financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The required Texas Education Agency ("TEA") schedules listed in the table of contents are likewise presented for purposes of additional analysis and are not a part of the basic financial statements. The combining nonmajor funds financial statements, the combining private purpose trust funds financial statements, the schedule of expenditures of federal awards, and the required TEA schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Brown, Graham & Company, P.C.*

Amarillo, Texas  
October 18, 2012

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

**PAMPA INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2012**

In this section of the Annual Financial and Compliance Report, we, the administrators of Pampa Independent School District, discuss and analyze the District's financial performance for the fiscal year ended June 30, 2012. Please read it in conjunction with the independent auditors' report and the District's Financial Statements.

### **USING THIS ANNUAL REPORT**

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

Fund financial statements (Exhibits C-1 to E-2) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The fiduciary statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

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

### **Reporting the District as a Whole**

#### ***The Statement of Net Assets and the Statement of Activities***

The primary analysis of the District's overall financial condition and operations begins at Exhibit A-1. The purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Assets includes all the District's assets and liabilities as of June 30, 2012, while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the fiscal year ended June 30, 2012. These financial statements are prepared using the accrual basis of accounting which is the basis used by private sector companies.

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



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

In the Statement of Net Assets and the Statement of Activities, the District has one kind of activity:

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

## **Reporting the District's Most Significant Funds**

### ***Fund Financial Statements***

The fund financial statements begin at Exhibit C-1 and provide detailed information about the most significant funds, not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the No Child Left Behind Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities). The District's two kinds of funds, governmental and fiduciary, use different accounting approaches.

- Governmental funds - Most of the District's basic services are reported in governmental funds. These funds use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- Fiduciary funds - The District uses fiduciary funds to account for the resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The fiduciary funds use the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period when they are earned and become measurable, and expenses in the accounting period in which they are incurred and become measurable.

## **The District as Trustee**

### ***Reporting the District's Fiduciary Responsibilities***

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net assets (Table I) and changes in net assets (Table II) of the District's governmental activities. Net assets of the District's governmental activities increased from \$23,821,922 to \$26,092,377. Total revenue was \$899,009 higher than the prior year, while total expenses were \$2,101,314 lower than in the prior year. A majority of the increase in the District's revenues were attributable to approximately \$1,007,086 being received during the year for an oil and gas lease in Gray County and a lease bonus of land in Gaines County that benefits the District. The District had decreased expenditures in response to an anticipated decrease in funding available from the State because of the current status of both the State and National economy.

The tax rate remained the same as the previous year at 1.3688. The overall assessed value of taxable property within the District decreased from \$1,070,347,198 for the 2010 levy down to \$1,059,589,503 for the 2011 levy; however, overall property tax revenue increased by \$363,493 on the Statement of Activities from the prior year. This was due to the District experiencing a better collection rate. For the fiscal year ended June 30, 2011, the District had collected approximately 95.91% of the 2010 levy through June 30, 2011. For the fiscal year ended June 30, 2012, the District had collected approximately 99.63% of the 2011 levy through June 30, 2012.

The District's long term liabilities decreased \$1,109,945, which was due primarily to \$1,055,000 of bonds being paid off during the year as well as the District making the final payment of \$42,145 on a capital lease for two school buses. Other liabilities were lower at the end of the fiscal year by \$812,847 from the prior year. Of this decrease, \$414,121 was attributable to lower accrued payroll liabilities, with the remainder of the decrease being primarily in lower accounts payable and deferred revenue from the prior year. These liability accounts vary from year to year due to the timing of District purchases and fluctuations in grant activity from year to year. Unrestricted net assets – the portion of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – were \$10,951,714 on June 30, 2012. In fiscal year 2012, the District's revenue in all Governmental Activities exceeded expenses by a total of \$2,270,455.

**TABLE I**  
**NET ASSETS**

	<b>Governmental Activities 2012</b>	<b>Governmental Activities 2011</b>
	<u>2012</u>	<u>2011</u>
Current and other assets	\$ 21,626,556	\$ 20,911,376
Capital assets	58,782,410	59,149,927
Total assets	<u>80,408,966</u>	<u>80,061,303</u>
Long-term liabilities	50,028,669	51,138,614
Other liabilities	4,287,920	5,100,767
Total liabilities	<u>54,316,589</u>	<u>56,239,381</u>
Net Assets:		
Invested in capital assets net of related debt	8,753,741	8,011,313
Restricted	6,386,922	4,047,022
Unrestricted net assets	10,951,714	11,763,587
Total net assets	<u>\$ 26,092,377</u>	<u>\$ 23,821,922</u>

**TABLE II**  
**CHANGES IN NET ASSETS**

	<b>Governmental Activities 2012</b>	<b>Governmental Activities 2011</b>
Revenues:		
Program Revenues:		
Charges for services	\$ 900,405	\$ 731,359
Operating grants and contributions	6,479,966	7,524,086
Capital grants and contributions	245,553	-
General Revenues:		
Maintenance and operation taxes	10,896,325	10,618,747
Debt service taxes	3,379,022	3,293,107
State aid - formula grants	12,873,805	12,597,222
Investment earnings	88,510	88,188
Miscellaneous	1,254,379	337,555
Sale of assets	(28,692)	-
Total revenues	<u>36,089,273</u>	<u>35,190,264</u>
Expenses:		
Instruction, curriculum and media services	18,162,666	19,340,321
Instructional and school leadership	1,991,999	2,005,798
Student support services	1,844,186	1,847,088
Child nutrition	1,585,104	1,510,149
Extracurricular activities	1,258,207	1,302,828
General administration	1,343,535	1,368,747
Facilities maintenance, security, and data processing	3,824,213	3,787,617
Community services	236,214	272,149
Debt service	2,284,185	2,326,269
Capital outlay	255,116	743,647
Payments to fiscal agent/member districts of SSA	752,602	1,087,499
Other intergovernmental charges	280,791	328,020
Total Expenses	<u>33,818,818</u>	<u>35,920,132</u>
Increase (decrease) in net assets	2,270,455	(729,868)
Net assets at beginning of year	23,821,922	24,551,790
Net assets at end of year	<u>\$ 26,092,377</u>	<u>\$ 23,821,922</u>

The cost of all governmental activities this year was \$33,818,818 compared to \$35,920,132 last year. As shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through District taxes was \$14,275,347. Some of the costs, \$900,405, were paid by those who directly benefited from the programs. Other governments and organizations subsidized certain programs with grants and contributions in the amount of \$6,725,519, and the state equalization funding financed \$12,873,805.

## **THE DISTRICT'S FUNDS**

As the District completed the year, its governmental funds (as presented in the balance sheet on Exhibit C-1) reported a combined fund balance of \$17,840,955, which is an increase of \$1,538,261 from last year's total fund balance of \$16,302,694. As noted earlier, the District received over \$1 million from a combination of oil and gas leases and a lease bonus on land that benefits the District which was one of the primary reasons for the increase in fund balance. In addition, the District had decreased overall expenditures in anticipation of decreased State and Federal funding, which also had a positive impact on the District's fund balance.

The Board of Trustees revised the District's budget several times during the fiscal year. These amendments included minor adjustments among functions; to add to capital outlays made during the year; and to adjust local, state, and federal revenues. The amendments to the expenditures amounted to \$2,551,599, or 10.9% more than what was estimated in the originally adopted budget.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### Capital Assets

At the end of 2012, the District had over \$58.7 million invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance, net of accumulated depreciation.

In November of 2006 the District's voters approved the issuance of \$47,000,000 in bonds, the proceeds of which were to be used for in renovations and new construction. The bonds were sold in March of 2007. Approximately \$44,000,000 of the bond proceeds had been spent as of June 30, 2012, the majority of which was used to renovate Pampa High School and to construct the new Pampa Junior High School.

The District had tentatively planned to renovate the old Junior High School building once the new Junior High was completed and use it for the District's administrative offices. After consulting with architects and other professionals, it was determined that using the old Junior High would not be feasible. As a result, the District purchased an existing building and is currently in the processing of developing plans to remodel the building, which eventually will become the District's Central Administrative Offices.

### Debt

At year-end, the District had \$49,815,000 in bonds outstanding versus \$50,912,145 last year – a decrease of 2.15%. The District made its final payment of \$42,145 on a capital lease for two school buses during the year. More information on the District's long-term debt can be found in Note G in the notes to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District's elected and appointed officials considered many factors when setting the fiscal-year 2013 budget and tax rates. The 2013 budget was adopted on June 28, 2012 for the fiscal year July 1, 2012 through June 30, 2013. A conservative approach to estimated revenue and expenses was taken by the Board of Trustees. The Board of Trustees adopted a tax rate of \$1.04 per \$100 valuation for maintenance and operation and \$.2691 per \$100 valuation for debt service. The maintenance and operation tax rate is the highest tax allowed by law without a rollback election. The total value of taxable properties within the District as determined by the Gray County Appraisal District is approximately \$111,000,000 higher than over the prior year values.

Our District continues to develop Professional Learning Communities and implement “Cscope” aligned curriculum to give students good instruction, RTI processes and new intervention staff have been added to work with struggling students and “leave no child behind”. The District continues to be the largest employer within the City of Pampa.

As the District plans to remodel a building for new administrative offices, it is anticipated that the District will need to transfer approximately \$1,500,000 from the committed fund balance to complete the project.

## **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 show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at Pampa Independent School District, 321 West Albert, Pampa, Texas 79065.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

PAMPA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2012

Data Control Codes	Primary Government  Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 16,033,348
1220 Property Taxes Receivable (Delinquent)	863,183
1230 Allowance for Uncollectible Taxes	(517,910)
1240 Due from Other Governments	4,852,439
1267 Due from Fiduciary Funds	3,300
1290 Other Receivables, net	81,133
1300 Inventories	85,494
1410 Deferred Expenses	225,569
Capital Assets:	
1510 Land	565,066
1520 Buildings, Net	55,406,816
1530 Furniture and Equipment, Net	2,258,498
1580 Construction in Progress	552,030
1000 Total Assets	80,408,966
<b>LIABILITIES</b>	
2110 Accounts Payable	232,506
2140 Interest Payable	847,592
2150 Payroll Deductions & Withholdings	332,551
2160 Accrued Wages Payable	2,549,421
2200 Accrued Expenses	158,228
2300 Deferred Revenues	167,622
Noncurrent Liabilities	
2501 Due Within One Year	1,095,000
2502 Due in More Than One Year	48,933,669
2000 Total Liabilities	54,316,589
<b>NET ASSETS</b>	
3200 Invested in Capital Assets, Net of Related Debt	8,753,741
3820 Restricted for Federal and State Programs	11,537
3850 Restricted for Debt Service	3,360,849
3860 Restricted for Capital Projects	3,014,536
3900 Unrestricted Net Assets	10,951,714
3000 Total Net Assets	\$ 26,092,377

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

PAMPA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012

Data Control Codes	1	Program Revenues	
		3	4
	Expenses	Charges for Services	Operating Grants and Contributions
<b>Primary Government:</b>			
<b>GOVERNMENTAL ACTIVITIES:</b>			
11 Instruction	\$ 16,922,037	\$ 119,176	\$ 3,200,587
12 Instructional Resources and Media Services	374,116	5,950	19,195
13 Curriculum and Staff Development	866,513	1,190	344,562
21 Instructional Leadership	349,664	7,055	87,585
23 School Leadership	1,642,335	4,760	123,954
31 Guidance, Counseling and Evaluation Services	983,219	9,942	62,270
32 Social Work Services	62,880	-	23,085
33 Health Services	345,661	-	92,636
34 Student (Pupil) Transportation	452,426	-	17,935
35 Food Services	1,585,104	586,870	1,284,466
36 Extracurricular Activities	1,258,207	133,903	60,328
41 General Administration	1,343,535	-	76,797
51 Facilities Maintenance and Operations	3,130,936	31,559	130,888
52 Security and Monitoring Services	110,042	-	3,192
53 Data Processing Services	583,235	-	71,675
61 Community Services	236,214	-	123,771
72 Debt Service - Interest on Long Term Debt	2,283,385	-	-
73 Debt Service - Bond Issuance Cost and Fees	800	-	-
81 Capital Outlay	255,116	-	4,438
93 Payments related to Shared Services Arrangements	752,602	-	752,602
99 Other Intergovernmental Charges	280,791	-	-
<b>[TP] TOTAL PRIMARY GOVERNMENT:</b>	<b>\$ 33,818,818</b>	<b>\$ 900,405</b>	<b>\$ 6,479,966</b>

Data	General Revenues:
Control	Taxes:
Codes	MT Property Taxes, Levied for General Purposes
	DT Property Taxes, Levied for Debt Service
	SF State Aid - Formula Grants
	IE Investment Earnings
	MI Miscellaneous Local and Intermediate Revenue
	FR Sale of assets
	TR Total General Revenues and Transfers
	CN Change in Net Assets
	NB Net Assets--Beginning
	NE Net Assets--Ending

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



		Net (Expense) Revenue and Changes in Net Assets	
5		6	
Capital Grants and Contributions		Primary Government Governmental Activities	
\$	-	\$	(13,602,274)
	-		(348,971)
	-		(520,761)
	-		(255,024)
	-		(1,513,621)
	-		(911,007)
	-		(39,795)
	-		(253,025)
	-		(434,491)
	-		286,232
	-		(1,063,976)
	-		(1,266,738)
	-		(2,968,489)
	-		(106,850)
	-		(511,560)
	-		(112,443)
	-		(2,283,385)
	-		(800)
	245,553		(5,125)
	-		-
	-		(280,791)
\$	245,553		(26,192,894)

10,896,325
3,379,022
12,873,805
88,510
1,254,379
(28,692)
<u>28,463,349</u>
2,270,455
23,821,922
<u>\$ 26,092,377</u>

**FUND FINANCIAL STATEMENTS**

PAMPA INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 8,882,082	\$ 4,139,421	\$ 3,011,845
1220 Property Taxes - Delinquent	690,633	172,550	-
1230 Allowance for Uncollectible Taxes (Credit)	(414,380)	(103,530)	-
1240 Receivables from Other Governments	3,844,699	171,956	-
1260 Due from Other Funds	1,823,920	-	673,284
1290 Other Receivables	81,133	-	-
1300 Inventories	19,103	-	-
1410 Deferred Expenditures	192,936	-	5,208
1000 Total Assets	<u>\$ 15,120,126</u>	<u>\$ 4,380,397</u>	<u>\$ 3,690,337</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
2110 Accounts Payable	\$ 153,332	\$ -	\$ 2,517
2150 Payroll Deductions and Withholdings Payable	332,551	-	-
2160 Accrued Wages Payable	2,206,586	-	-
2170 Due to Other Funds	2,332,923	1,203,474	-
2200 Accrued Expenditures	158,228	-	-
2300 Deferred Revenues	280,969	69,020	-
2000 Total Liabilities	<u>5,464,589</u>	<u>1,272,494</u>	<u>2,517</u>
<b>Fund Balances:</b>			
<b>Nonspendable Fund Balance:</b>			
3410 Inventories	19,103	-	-
3430 Prepaid Items	192,936	-	-
<b>Restricted Fund Balance:</b>			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	3,687,820
3480 Retirement of Long-Term Debt	-	3,107,903	-
3490 Other Restricted Fund Balance	-	-	-
<b>Committed Fund Balance:</b>			
3545 Other Committed Fund Balance	-	-	-
<b>Assigned Fund Balance:</b>			
3550 Construction	4,443,498	-	-
3570 Capital Expenditures for Equipment	1,000,000	-	-
3590 Other Assigned Fund Balance	500,000	-	-
3600 Unassigned Fund Balance	3,500,000	-	-
3000 Total Fund Balances	<u>9,655,537</u>	<u>3,107,903</u>	<u>3,687,820</u>
4000 Total Liabilities and Fund Balances	<u>\$ 15,120,126</u>	<u>\$ 4,380,397</u>	<u>\$ 3,690,337</u>

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

Other Funds	Total Governmental Funds
\$ -	\$ 16,033,348
-	863,183
-	(517,910)
835,784	4,852,439
1,659,638	4,156,842
-	81,133
66,391	85,494
27,425	225,569
<u>\$ 2,589,238</u>	<u>\$ 25,780,098</u>
\$ 76,657	\$ 232,506
-	332,551
342,835	2,549,421
617,145	4,153,542
-	158,228
162,906	512,895
<u>1,199,543</u>	<u>7,939,143</u>
66,391	85,494
-	192,936
1,158,690	1,158,690
-	3,687,820
-	3,107,903
19,433	19,433
145,181	145,181
-	4,443,498
-	1,000,000
-	500,000
-	3,500,000
<u>1,389,695</u>	<u>17,840,955</u>
<u>\$ 2,589,238</u>	<u>\$ 25,780,098</u>

PAMPA INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET ASSETS  
JUNE 30, 2012

<b>Total Fund Balances - Governmental Funds</b>	\$	17,840,955
<b>1</b> 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 \$82,034,580 and the accumulated depreciation was \$22,884,653. In addition, long-term liabilities in the amount of \$52,001,168, including bonds payable of \$50,870,000, 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 net assets.		7,148,759
<b>2</b> Current year capital outlays in the amount of \$2,142,723 and long-term debt principal payments in the amount of \$1,097,146 are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2012 capital outlays and debt principal payments is to increase net assets.		3,239,869
<b>3</b> The 2012 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.		(2,471,520)
<b>4</b> Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net assets.		334,314
<b>19 Net Assets of Governmental Activities</b>	\$	26,092,377

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

PAMPA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
<b>REVENUES:</b>			
5700 Total Local and Intermediate Sources	\$ 12,352,354	\$ 3,486,720	\$ 3,215
5800 State Program Revenues	13,634,182	412,938	-
5900 Federal Program Revenues	217,767	-	-
5020 Total Revenues	<u>26,204,303</u>	<u>3,899,658</u>	<u>3,215</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
0011 Instruction	13,304,819	-	-
0012 Instructional Resources and Media Services	338,096	-	-
0013 Curriculum and Instructional Staff Development	465,256	-	-
0021 Instructional Leadership	236,548	-	-
0023 School Leadership	1,455,130	-	-
0031 Guidance, Counseling and Evaluation Services	881,704	-	-
0032 Social Work Services	36,572	-	-
0033 Health Services	239,654	-	-
0034 Student (Pupil) Transportation	647,041	-	-
0035 Food Services	-	-	-
0036 Extracurricular Activities	1,127,609	-	-
0041 General Administration	1,231,820	-	-
0051 Facilities Maintenance and Operations	2,851,375	-	-
0052 Security and Monitoring Services	108,511	-	-
0053 Data Processing Services	530,503	-	-
0061 Community Services	98,924	-	-
<b>Debt Service:</b>			
0071 Principal on Long Term Debt	42,146	1,055,000	-
0072 Interest on Long Term Debt	305	2,310,841	-
0073 Bond Issuance Cost and Fees	-	800	-
<b>Capital Outlay:</b>			
0081 Facilities Acquisition and Construction	840,246	-	928,629
<b>Intergovernmental:</b>			
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-
0099 Other Intergovernmental Charges	280,791	-	-
6030 Total Expenditures	<u>24,717,050</u>	<u>3,366,641</u>	<u>928,629</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,487,253</u>	<u>533,017</u>	<u>(925,414)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
7912 Sale of Real and Personal Property	10,028	-	-
7080 Total Other Financing Sources (Uses)	<u>10,028</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balances	1,497,281	533,017	(925,414)
0100 Fund Balance - July 1 (Beginning)	<u>8,158,256</u>	<u>2,574,886</u>	<u>4,613,234</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ 9,655,537</u>	<u>\$ 3,107,903</u>	<u>\$ 3,687,820</u>

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

Other Funds	Total Governmental Funds
\$ 849,548	\$ 16,691,837
721,068	14,768,188
4,465,369	4,683,136
6,035,985	36,143,161
2,270,015	15,574,834
5,832	343,928
331,337	796,593
84,901	321,449
54,684	1,509,814
22,178	903,882
21,234	57,806
78,115	317,769
-	647,041
1,457,201	1,457,201
41,948	1,169,557
3,304	1,235,124
58,458	2,909,833
-	108,511
57,016	587,519
118,230	217,154
-	1,097,146
-	2,311,146
-	800
245,553	2,014,428
752,602	752,602
-	280,791
5,602,608	34,614,928
433,377	1,528,233
-	10,028
-	10,028
433,377	1,538,261
956,318	16,302,694
\$ 1,389,695	\$ 17,840,955

PAMPA 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 JUNE 30, 2012

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	1,538,261
Current year capital outlays in the amount of \$2,142,723 and long-term debt principal payments in the amount of \$1,097,146 are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2012 capital outlays and debt principal payments is to increase net assets.		3,239,869
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.		(2,471,520)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net assets.		(36,155)
<b>Change in Net Assets of Governmental Activities</b>	<u>\$</u>	<u>2,270,455</u>

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



PAMPA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2012

EXHIBIT E-1

	Private Purpose Trust Funds	Agency Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 17,629	\$ 97,808
Total Assets	17,629	\$ 97,808
<b>LIABILITIES</b>		
Due to Other Funds	3,300	\$ -
Due to Student Groups	-	97,808
Total Liabilities	3,300	\$ 97,808
<b>NET ASSETS</b>		
Unrestricted Net Assets	14,329	
Total Net Assets	\$ 14,329	

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

PAMPA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY FUND NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	Private Purpose Trust Funds
<hr/>	
ADDITIONS:	
Local and Intermediate Sources	\$ 1,669
Total Additions	1,669
DEDUCTIONS:	
Other Operating Costs	1,205
Total Deductions	1,205
Change in Net Assets	464
Total Net Assets - July 1 (Beginning)	13,865
Total Net Assets - June 30 (Ending)	\$ 14,329

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

**NOTES TO THE FINANCIAL STATEMENTS**

**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**I. Summary of Significant Accounting Policies:**

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

**A. Reporting Entity**

Because the Board is elected by the public; has the authority to make decisions, appoint administrators and managers, and significantly influence operations; and has the primary accountability for fiscal matters; 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." There are no component units included within the reporting entity.

The District receives funding from local, state, and federal government sources and complies with the requirements of these funding source entities.

**B. Government-Wide and Fund Financial Statements**

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the District's non-fiduciary activities with the applicable interfund activities removed. *Governmental activities* include programs supported primarily by taxes, State foundation funds, grants and other intergovernmental revenues.

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

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

**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**I. Summary of Significant Accounting Policies (continued):**

**B. Government-Wide and Fund Financial Statements (continued)**

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

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

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

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

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

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

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

The Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable.

**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**I. Summary of Significant Accounting Policies (continued):**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

The District applies all applicable GASB pronouncements as well as all private-section standards of accounting and financial reporting issued prior to December 1, 1989 to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance subject to this same limitation. The District has elected not to follow subsequent private-section guidance.

**D. Fund Accounting**

The District reports the following major governmental funds:

**The General Fund** - The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

**Debt Service Fund** - The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in the Debt Service Fund.

**The Capital Projects Fund** – The District uses the capital projects fund to account for various renovation and construction projects that are being financed from the issuance of bonds.

Additionally, the District reports the following fund types:

Governmental Funds:

**Special Revenue Funds** - The District accounts for resources restricted to, or designated for, specific purposes by a grantor in a special revenue fund. Most Federal and some State financial assistance are accounted for in Special Revenue Funds, and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Fiduciary Funds:

**Agency Funds** - The District accounts for resources held for others in a custodial capacity in Agency Funds. The District's Agency Fund is the Student Activity Fund. Financial resources for the Agency Funds are recorded as assets and liabilities; therefore, these funds do not include revenues and expenditures and have no fund equity. The student activity organizations exist with the explicit approval of, and are subject to revocation by, the District's Board of Trustees.

**Private Purpose Trust Funds** - The District accounts for donations for which the donor has stipulated that the principal be expended for a specific purpose in Private Purpose Trust Funds. The District's Private Purpose Trust Funds are all Scholarship Funds.

**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**I. Summary of Significant Accounting Policies (continued):**

**E. Budgetary Data**

The Board of Trustees adopts an "appropriated budget" for the General Fund, the Child Nutrition Program (which is included in the Special Revenue Funds) and the Debt Service Fund. At a minimum, the District is required to present the adopted and final amended budgeted revenues and expenditures compared to actual revenues and expenditures for these three funds. These comparisons are on Exhibits G-1, J-3 and J-4, respectively.

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

1. Prior to June 20 the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.
3. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year.
4. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. End-of-year outstanding encumbrances were all cancelled.
5. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year-end.
6. As noted on Exhibit G-1 on page 51, the District had two negative variances in various functions compared to the final amended budget for the year. Overall, the District's expenditures did not exceed the amended budget. The District attempts to monitor its expenditures as closely as possible; however, variances can and do occur from time to time due to timing differences, accruals, etc. Management is aware of the variances and will more closely monitor the budget in the future in order to try and avoid negative budget variances.

**F. Other Accounting Policies**

1. The Data Control Codes refer to the account code structure prescribed by TEA's Resource Guide. The TEA requires school districts to display these codes in the financial statements filed with the TEA in order to insure accuracy in building a State-wide data base for policy development and funding plans.

**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**I. Summary of Significant Accounting Policies (continued):**

**F. Other Accounting Policies (continued)**

2. The District records purchases of supplies as expenditures. If a material amount of supplies is on hand at the end of the year, their total cost is recorded as inventory and the fund balance is reserved for the same amount. At June 30, 2012, the amount of supplies on hand is \$85,494.
3. The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
4. The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2012, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.
5. Employees of the District are entitled to paid vacation and paid sick days depending on job classification, length of service and other factors. It is impractical to estimate the amount of compensation for future absences, and, accordingly, no liability has been recorded in the accompanying financial statements. The District's policy is to recognize the costs of compensated absences when actually paid to employees.
6. Capital assets, which include land, buildings, furniture and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Outlays for construction projects and improvements are capitalized and depreciated as projects are completed.

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10-30
Vehicles	5-15
Furniture and equipment	5-30



**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**I. Summary of Significant Accounting Policies (continued):**

**F. Other Accounting Policies (continued)**

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

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

8. On the government-wide financial statements, the District's net assets invested in capital assets, net of related debt and restricted net assets are as follows:

Invested in Capital Assets, Net of Related Debt:

Land	\$	565,066
Buildings, net		55,406,816
Furniture and equipment, net		2,258,498
Construction in progress		552,030
Bonds payable and unamortized premium on issuance		(50,028,669)
Invested in capital assets, net of related debt	\$	<u><u>8,753,741</u></u>

Restricted for Federal and State Programs:

Due from other governments	\$	25,269
Accounts payable		(7,889)
Accrued expenses		(5,843)
Net assets restricted for federal and state programs	\$	<u><u>11,537</u></u>

Restricted for Debt Service:

Cash and cash equivalents	\$	4,139,421
Property taxes receivable, net		69,020
Accrued interest payable		(847,592)
Net assets restricted for capital projects	\$	<u><u>3,360,849</u></u>

Restricted for Capital Projects:

Cash and cash equivalents	\$	3,011,845
Deferred expenditures		5,208
Accounts payable		(2,517)
Net assets restricted for capital projects	\$	<u><u>3,014,536</u></u>

**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**II. Detailed Notes on All Funds and Account Groups:**

**A. Deposits and Investments**

Legal and Contractual Provisions Governing Deposits and Investments

The **Public Funds Investment Act** (Government Code Chapter 2256) (the “Act”) 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.

Policies Governing Deposits and Investments

In compliance with the **Public Funds Investment Act**, the District has adopted a deposit policy. That policy addresses the following risks:

- a. **Custodial Credit Risk - Deposits:** In the case of deposits, this is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The District is not exposed to custodial credit risk for its deposits as all are covered by depository insurance and pledged securities.
- b. **Interest-rate Risk - Interest rate risk** arises from investments in debt instruments and is defined as “the risk that changes in interest rates will adversely affect the fair value of an investment.” The District has a policy of investing in investment pools and certificates of deposit and consequently has no substantial interest-rate risk.
- c. **Custodial Credit Risk - Investments:** For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District’s investments include interest bearing accounts that are covered by depository insurance and pledged securities. Investments in TexPool, TexSTAR, and Lone Star investment pools are on demand investments, all with AAA credit quality ratings. Investments are carried at cost, which approximates market. The District’s investments are included in cash and cash equivalents on the financial statements.

**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**II. Detailed Notes on All Funds and Account Groups (continued):**

**A. Deposits and Investments (continued)**

As of June 30, 2011, the District's investments consisted of the following:

<u>Type</u>	<u>Standard &amp; Poor's Rating</u>	<u>Carrying Amount</u>
<b>Fund Financial Statements:</b>		
TexPool	AAAm	\$ 2,509,575
TexSTAR	AAAm	3,007,911
Lone Star	AAA	2,119
		<u>\$ 5,519,605</u>

**B. Property Taxes**

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

**C. Delinquent Taxes Receivable**

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes receivable within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

**D. Interfund Balances and Transfers**

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers are used to move revenues from the General Fund to Debt Service for the payment of principal and interest of existing debt and to assist with the payment of expenditures in various special revenue funds. The District had no interfund transfers during the year ended June 30, 2012.

**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**II. Detailed Notes on All Funds and Account Groups (continued):**

**D. Interfund Balances and Transfers (continued)**

Interfund balances at June 30, 2012, consisted of the following amounts:

**Due to General Fund from:**

Nonmajor Special Revenue Funds	\$ 617,145
Debt Service Fund	1,203,474
Private Purpose Trust Funds	3,300
Total	\$ 1,823,919

**Due to Capital Projects Fund from:**

General Fund	\$ 673,284
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**Due to Nonmajor Special Revenue Funds from:**

General Fund	\$ 1,659,639
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**E. Disaggregation of Receivables and Payables**

Receivables in the Fund Financial Statements at June 30, 2012, were as follows:

	Property Taxes	Due from Other Governments	Due From Other Funds	Other	Total Receivables
<b>Governmental Activities:</b>					
General Fund	\$ 690,633	\$ 3,844,699	\$ 1,823,920	\$ 81,133	\$ 6,440,385
Debt Service Fund	172,550	171,956	-	-	344,506
Capital Projects	-	-	673,284	-	673,284
Non-major Governmental Funds	-	835,784	1,659,638	-	2,495,422
Total - Governmental Activities	\$ 863,183	\$ 4,852,439	\$ 4,156,842	\$ 81,133	\$ 9,953,597
Amounts not scheduled for collection during the subsequent year	\$ 517,910	\$ -	\$ -	\$ -	\$ 517,910

**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**II. Detailed Notes on All Funds and Account Groups (continued):**

**E. Disaggregation of Receivables and Payables (continued)**

Payables in the Fund Financial Statements at June 30, 2012, were as follows:

	<b>Accounts Payable and</b>			
	<b>Accrued Expenses</b>	<b>Salaries and Benefits</b>	<b>Due to Other Funds</b>	<b>Total Payables</b>
<b>Governmental Activities:</b>				
General Fund	\$ 311,560	\$ 2,539,137	\$ 2,332,923	\$ 5,183,620
Debt Service Fund	-	-	1,203,474	1,203,474
Capital Projects	2,517	-	-	2,517
Other Funds	76,657	342,835	617,145	1,036,637
	<u>390,734</u>	<u>2,881,972</u>	<u>4,153,542</u>	<u>7,426,248</u>
Total - Governmental Activities	<u>\$ 390,734</u>	<u>\$ 2,881,972</u>	<u>\$ 4,153,542</u>	<u>\$ 7,426,248</u>

**F. Capital Asset Activity**

Capital asset activity for the District for the year ended June 30, 2012, was as follows:

	<b>Balance 07/01/11</b>	<b>Additions</b>	<b>Adjustments &amp; Retirements</b>	<b>Balance 06/30/12</b>
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 400,312	\$ 164,754	\$ -	\$ 565,066
Construction in Progress	292,963	413,082	(154,015)	552,030
Total capital assets not being depreciated	<u>693,275</u>	<u>577,836</u>	<u>(154,015)</u>	<u>1,117,096</u>
Capital assets, being depreciated				
Buildings and improvements	77,320,755	1,417,630	(91,604)	78,646,781
Furniture and equipment	4,020,550	301,272	(5,185)	4,316,637
Total capital assets being depreciated	<u>81,341,305</u>	<u>1,718,902</u>	<u>(96,789)</u>	<u>82,963,418</u>
Less: accumulated depreciation for:				
Buildings and improvements	21,080,997	2,211,895	(52,927)	23,239,965
Furniture and equipment	1,803,656	259,625	(5,142)	2,058,139
Total accumulated depreciation	<u>22,884,653</u>	<u>2,471,520</u>	<u>(58,069)</u>	<u>25,298,104</u>
Total capital assts, being depreciated, net	<u>58,456,652</u>	<u>(752,618)</u>	<u>(38,720)</u>	<u>57,665,314</u>
Governmental activities capital assets, net	<u>\$ 59,149,927</u>	<u>\$ (174,782)</u>	<u>\$ (192,735)</u>	<u>\$ 58,782,410</u>

**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**II. Detailed Notes on All Funds and Account Groups (continued):**

**F. Capital Asset Activity (continued)**

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,367,053
Instructional Resources and Media Services	30,188
Curriculum and Instruction Staff Development	69,920
Instructional Leadership	28,215
School Leadership	132,521
Guidance, Counseling and Evaluation Services	79,337
Social Work Services	5,074
Health Services	27,892
Student (Pupil) Transportation	56,793
Food Services	127,903
Co-curricular/Extracurricular Activities	102,656
General Administration	108,411
Plant Maintenance and Operations	255,405
Security and Monitoring Services	9,524
Data Processing Services	51,568
Community Services	<u>19,060</u>
 Total Depreciation Expense	 <u><u>\$ 2,471,520</u></u>

**G. Bonds and Capital Lease Payable**

The District accounts for long-term debt for maintenance purposes through the General Fund.

During the year ended June 30, 2012, the District had a capital lease payable as described below:

The District entered into a capital lease arrangement with Blue Bird Body Company in September, 2008. The lease has an interest rate of 4.34% and is payable over four years. The lease is for two buses. The remaining balance of \$42,145 was paid during the year ended at June 30, 2012.

At June 30, 2012, the District had bonds payable as described below:

On April 28, 2005, the District issued \$6,219,996 of Unlimited Tax Refunding Bonds, Series 2005 (the "2005 Bonds") to advance refund \$6,220,000 of School Building Unlimited Tax Bonds, Series 1997 (the "1997 Bonds") in order to achieve debt service savings. The 1997 Bond maturities that were refunded were the 2008 through 2022 maturities, with interest rates ranging from 5.0% to 7.0%.

**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**II. Detailed Notes on All Funds and Account Groups (continued):**

**G. Bonds and Capital Lease Payable (continued)**

The net proceeds from the issuance of the 2005 Bonds were used to purchase U.S. Government Securities, and those securities were deposited into an irrevocable trust with an escrow agent to provide debt service payments until the 1997 Bonds have been refunded. The advance refunding met the requirements of an in-substance defeasance, and therefore, the 1997 Bonds redeemed have been removed from the District's government-wide financial statements. The amount of defeased bonds outstanding as of June 30, 2012 was \$-0-.

The 2005 Bonds consist of two types of bonds, \$5,995,000 of current interest bonds, and \$224,996 of capital appreciation bonds. The current interest bonds bear interest at rates from 3.00% to 4.375%, and have maturity dates from August 15, 2005 through August 15, 2022. The capital appreciation bonds had maturity dates of August 15, 2008 and August 15, 2009, and unlike most bonds which pay interest semi-annually over the life of the bond, the capital appreciation bonds do not pay interest until maturity. As of June 30, 2010, all capital appreciation bonds had been paid in full by the District.

In a previous year, the District issued \$46,730,000 of Unlimited Tax School Building Bonds, Series 2007. Proceeds from the sale of the bonds are being used to (1) construct, renovate, and equip school buildings and to purchase school sites, (2) to pay capitalized interest on the Bonds, and (3) to pay the costs associated with the sale of the bonds. The bonds are direct and voted obligations of the District, payable from an annual ad valorem tax levied on all taxable property within the District. Interest on the bonds is payable semi-annually on February 15th and August 15th of each year, and range at rates from 4% to 5%. The first principal payment on the bonds was due August 15, 2008. The bonds final maturity date is August 15, 2037. The bonds were issued at a premium of \$921,783. The premium of \$921,783, along with bond issuance costs of \$165,000 and an underwriter's discount of \$477,884 are being amortized over the life of the bonds using the effective interest rate method.

Bond indebtedness of the District is reflected in the government-wide Statement of Net Assets, and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund.

There are a number of limitations and restrictions contained in the bond indenture. The District's administrators believe that the District is in compliance with all significant limitations and restrictions at June 30, 2012.

**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**II. Detailed Notes on All Funds and Account Groups (continued):**

**G. Bonds and Capital Lease Payable (continued)**

A summary of changes in loan, bonds, and capital lease payable for the year ended June 30, 2012 is as follows:

	<u>Bond Issue Date</u>	<u>Interest Rate Payable</u>	<u>Interest Paid Current Year</u>	<u>Payable/ Amounts Outstanding 07/01/11</u>	<u>Additions</u>	<u>Retired/ Amortized</u>	<u>Payable/ Amounts Outstanding 06/30/12</u>
<b><u>Bonds Payable</u></b>							
Unlimited Tax Refunding Bond Series 2005 Current Interest Bonds (original amount of \$5,995,000)	4/28/2005	3.00% to 4.375%	\$ 213,347	\$ 5,440,000	\$ -	\$ 350,000	\$ 5,090,000
School Building Unlimited Tax Bonds, Series 2007 (original amount of \$46,730,000)	2/15/2007	4.00% to 5.00%	2,097,494	45,430,000	-	705,000	44,725,000
Total Bonds Payable			2,310,841	50,870,000	-	1,055,000	49,815,000
<b><u>Capital Lease Payable</u></b>							
Blue Bird Body Company	N/A	4.34%	305	42,145	-	42,145	-
Total Bonds, Loan, and Lease Payable			\$ 2,311,146	\$ 50,912,145	\$ -	\$ 1,097,145	\$ 49,815,000
Net unamortized premium on bond issuance *				\$ 226,469	\$ -	\$ 12,800	\$ 213,669

\* The net unamortized premium on bond issuance is included in the Noncurrent Liabilities - Due In More Than One Year section of the Statement of Net Assets on page 12 of the Basic Financial Statements



**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**II. Detailed Notes on All Funds and Account Groups (continued):**

**G. Bonds and Capital Lease Payable (continued)**

Debt service requirements for loan, bonds and capital lease payable are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2013	\$ 1,095,000	\$ 2,269,629	\$ 3,364,629
2014	1,140,000	2,226,554	3,366,554
2015	1,185,000	2,181,260	3,366,260
2016	1,225,000	2,133,554	3,358,554
2017	1,275,000	2,079,354	3,354,354
2018-2022	7,245,000	9,534,681	16,779,681
2023-2027	8,715,000	7,798,288	16,513,288
2028-2032	10,930,000	5,482,016	16,412,016
2033-2037	13,810,000	2,513,375	16,323,375
2038-2039	3,195,000	7,186	3,202,186
<b>Total</b>	<b>\$ 49,815,000</b>	<b>\$ 36,225,897</b>	<b>\$ 86,040,897</b>

**H. Operating Leases**

The District leases copy machines under various non-cancelable operating leases. Total lease expense for such leases was \$309,402 for the year ended June 30, 2012. The future minimum lease payments for these leases are as follows:

<u>Year ending June 30,</u>	<u>Computer Lease</u>	<u>Copier Lease</u>	<u>Total</u>
2013	\$ 82,863	\$ 11,043	\$ 93,906
2014	82,863	-	82,863
	<b>\$ 165,726</b>	<b>\$ 11,043</b>	<b>\$ 176,769</b>

**I. Deferred Revenues**

Deferred revenues at year-end in the Fund Financial Statements consisted of the following:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Other Funds</u>	<u>Total</u>
Property taxes	\$ 276,253	\$ 69,020	\$ -	\$ 345,273
Food commodity revenue	-	-	55,854	55,854
Instructional materials allotment	-	-	63,827	63,827
Rural technology grant	-	-	27,425	27,425
Campus activity funds	-	-	15,800	15,800
Gifts and bequests	4,716	-	-	4,716
Totals	<b>\$ 280,969</b>	<b>\$ 69,020</b>	<b>\$ 162,906</b>	<b>\$ 512,895</b>

**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**II. Detailed Notes on All Funds and Account Groups (continued):**

**J. Fund Balance**

The District's fund balances for its governmental funds are presented in accordance with GASB 54, which classifies fund balance based on the level of constraints placed on the usage of fund resources. Under GASB 54, fund balances for governmental funds are reported in the following categories:

1. **Nonspendable** – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.
2. **Restricted** – The restricted fund balance classification includes amounts that are restricted to specific purposes. Fund balance is reported as restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. **Committed** – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, the Board of Trustees. Formal action consists of a board resolution by a majority vote of the District's Board of Trustees in a publicly held scheduled meeting. Committed fund balance amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (board resolution). Commitments may be for facility expansion or renovation, program modifications, wage and salary adjustments, financial cushions (rainy day funds), and other purposes determined by the Board of Trustees. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
4. **Assigned** – The assigned fund balance classification includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Trustees may delegate authority to specified persons or groups to make assignments of certain fund balances by a majority vote in a scheduled meeting. The Board of Trustees may modify or rescind its delegation of authority by the same action. The authority to make assignments shall be in effect until modified or rescinded by the Board of Trustees by majority vote in a publicly scheduled meeting. The Board of Trustees has delegated the authority to make assignments of fund balance amounts to the District's Superintendent or his designee.
5. **Unassigned** – The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

When the District incurs expenditures that can be made from either restricted or unrestricted balances, the expenditures are charged first to restricted balances, and then to unrestricted balances as they are needed. When the District incurs expenditures that can be made from either committed, assigned, or unassigned balances, the expenditures are charged to committed resources first, then to assigned resources and then to unassigned resources as they are needed.

**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**II. Detailed Notes on All Funds and Account Groups (continued):**

**J. Fund Balance (continued)**

As a matter of fiscal responsibility, the District has adopted a policy of maintaining a minimum amount of fund balance of \$3,500,000 for meeting the ongoing cash flow needs of the District. The District does not view this policy as categorizing the funds as a stabilization arrangement as defined under GASB 54, as this policy was not designed to have funds available for use in an emergency situation or when revenue shortages or budgetary imbalances arise; rather, the \$3,500,000 was established as the amount to be held by the District to fund the ongoing operations of the District. Accordingly, this amount was reported as unassigned fund balance. The District's policy also states that funds in excess of this and not already reported as nonspendable, restricted, or committed may be assigned by the Superintendent or his designee.

The District's governmental funds as of June 30, 2012 are reported as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Non-major Funds</u>	<u>Total</u>
Nonspendable:					
Inventories	\$ 19,103	\$ -	\$ -	\$ 66,391	\$ 85,494
Prepaid expenses	192,936	-	-	-	192,936
Restricted:					
Federal & State grant restrictions	-	-	-	1,158,690	1,158,690
Capital acquisition & contractual obligations	-	-	3,687,820	-	3,687,820
Retirement of long-term debt	-	3,107,903	-	-	3,107,903
Education foundation grant	-	-	-	6,911	6,911
Special campus projects	-	-	-	12,522	12,522
Committed:					
Campus activity funds	-	-	-	145,181	145,181
Assigned:					
Construction	4,443,498	-	-	-	4,443,498
Capital expenditures for equipment	1,000,000	-	-	-	1,000,000
Other assigned fund balance	500,000	-	-	-	500,000
Unassigned	3,500,000	-	-	-	3,500,000
Total fund balances	<u>\$ 9,655,537</u>	<u>\$ 3,107,903</u>	<u>\$ 3,687,820</u>	<u>\$ 1,389,695</u>	<u>\$ 17,840,955</u>

**K. Defined Benefit Pension Plan**

Plan Description - The District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple-employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, [www.trs.state.tx.us](http://www.trs.state.tx.us), under the TRS Publications heading.

**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**II. Detailed Notes on All Funds and Account Groups (continued):**

**K. Defined Benefit Pension Plan (continued)**

Funding Policy – Contribution requirements are not actuarially determined but are established and amended pursuant to the following state funding policy: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10.0% of the aggregate annual compensation of all members of the system during the fiscal year; (2) state statute prohibits benefit improvements, if, as a result of a particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Contribution rates and contributions for fiscal years 2012-2010 are shown in the table below. These rates are set by the General Appropriations Act. In certain instances, the District is required to make all or a portion of the state's and/or member's contribution and on the portion of the employees' salaries that exceeded the statutory minimum:

**Contribution Rates and Amounts**

<b>Fiscal Year</b>	<b>Member</b>		<b>State</b>		<b>Statutory</b>
	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>	<b>Minimum</b>
					<b>Amount</b>
2012	6.4%	\$ 1,194,626	6.000%	\$ 1,173,315	\$ 145,030
2011	6.4%	1,237,688	6.644%	981,448	163,165
2010	6.4%	1,106,949	6.644%	1,081,426	163,348

**L. Retiree Health Plan**

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

Funding Policy – Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2012, 2011, and 2010. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For the years ended June 30, 2012, 2011, and 2010, the State's contributions to TRS-Care were \$186,664, \$193,391, and \$190,008, respectively; the active member contributions were \$121,329, \$125,704, and \$123,507, respectively; and the District's contributions were \$102,665, \$106,364, and \$104,504, respectively, which equaled the required contributions each year.

**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**II. Detailed Notes on All Funds and Account Groups (continued):**

**M. Medicare Part D – On-Behalf Payments**

Federal Government Retiree Drug Subsidy - Medicare Part D allows for the TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. On-behalf payments must be recognized as equal revenues and expenditures/expenses by each reporting entity. Payments made on-behalf of the District for the years ended June 30, 2012, 2011, and 2010 were \$44,983, \$44,547, and \$47,297, respectively.

**N. Cafeteria Plan**

During the year ended June 30, 2012, the District offered a cafeteria plan meeting the requirements of Section 125 of the Internal Revenue Code to all full-time employees. Under the cafeteria plan participants designate a portion of their salary to be contributed to the cafeteria plan to pay for selected unreimbursed expenses. Eligible unreimbursed expenses include medical expenses, child and dependent care costs, term life insurance costs, health insurance costs, cancer insurance cost and dental expenses. By contributing to the cafeteria plan, employees can receive certain income tax benefits.

**O. Revenues from Local and Intermediate Sources**

During the year ended June 30, 2012, revenues from local and intermediate sources in the Fund Financial Statements consisted of the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Funds</u>	<u>Total</u>
Property taxes	\$ 10,869,856	\$ 3,430,687	\$ -	\$ -	\$ 14,300,543
Penalties, interest	154,987	35,396	-	-	190,383
Tuition and fees	37,460	-	-	-	37,460
Investment income	64,658	20,637	3,215	-	88,510
Oil and gas lease - Gray County	411,977	-	-	-	411,977
Lease bonus - Gaines County	595,109	-	-	-	595,109
Food sales	-	-	-	586,870	586,870
Gifts and bequests	36,397	-	-	111,603	148,000
Co-curricular student activities	93,441	-	-	-	93,441
Other	88,469	-	-	151,075	239,544
Totals	<u>\$ 12,352,354</u>	<u>\$ 3,486,720</u>	<u>\$ 3,215</u>	<u>\$ 849,548</u>	<u>\$ 16,691,837</u>

**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**II. Detailed Notes on All Funds and Account Groups (continued):**

**P. General Fund Federal Source Revenues**

Federally financed programs are generally accounted for in the Special Revenue Funds of the District, except for indirect and other costs charged to federal programs which are accounted for in the General Fund as prescribed by the TEA. The District recognized in the General Fund such revenues for the year ended June 30, 2012, from various federal sources as follows:

<u>Program or Source</u>	<u>CFDA Number</u>	<u>Amount</u>	<u>Total Grant</u>
IDEA Part B, Formula	84.027A	\$ 14,844	\$ 840,297
Career & Technical-Basic Grant	84.048A	869	42,828
ESEA Title III, Part A	84.365A	2,005	102,470
SHARS reimbursements	93.774	183,427	183,427
ESEA Title I, Part A	84.010A	12,591	732,407
IDEA Part B, Preschool	84.173A	572	27,982
ESEA, Title II, Part A	84.367A	3,459	195,581
Total		<u>\$ 217,767</u>	<u>\$ 2,124,992</u>

**Q. Litigation and Contingencies**

At June 30, 2012, the District had no known or threatened pending litigation which would materially affect the District's financial condition.

The District participates in numerous state and federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2012 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**II. Detailed Notes on All Funds and Account Groups (continued):**

**R. Joint Venture - Shared Service Arrangements**

The District is the fiscal agent for a Shared Services Arrangement (“SSA”) which provides speech therapy, a diagnostician and administrative support services for special education to member districts. In addition to the District, other member districts include Grandview-Hopkins ISD and Lefors ISD. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided in TEA’s Resource Guide, the District has accounted for the fiscal agent’s activities of the SSA in Special Revenue Fund No. 437, Shared Services Arrangements - Special Education and is accounted for using Model 3 in the SSA section of the Resource Guide. Expenditures of the SSA are summarized below:

Lefors Independent School District	\$ 26,409
Grandview-Hopkins Independent School District	5,661
Total	<u>\$ 32,070</u>

The District is also the fiscal agent for Shared Services Arrangement (“SSA”) which provides for special education to member districts. In addition to the District, other member districts include Grandview-Hopkins Independent School District and Lefors Independent School District. The District receives monies from the TEA and distributes to other member districts. According to guidance provided in TEA’s Resource Guide, the District has accounted for the fiscal agent’s activities of the SSA in Special Revenue Fund No. 313 and 314, Shared Services Arrangements - Special Education and is accounted for using Model 1 in the SSA section of the Resource Guide. Expenditures of the SSA are summarized below:

Pampa Independent School District	\$ 704,810
Lefors Independent School District	34,115
Grandview-Hopkins Independent School District	5,677
Total	<u>\$ 744,602</u>

The District also received monies through the American Recovery and Reinvestment Act (ARRA). According to guidance provided in TEA’s Resource Guide, the District has accounted for the fiscal agent’s activities of the SSA in Special Revenue Fund No. 364 and 365, Shared Services Arrangements - Special Education-ARRA and is accounted for using Model 1 in the SSA section of the Resource Guide. Expenditures of the SSA are summarized below:

Pampa Independent School District	<u>\$ 8,000</u>
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**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**II. Detailed Notes on All Funds and Account Groups (continued):**

**S. Construction Commitments**

As discussed in Note G, the District issued \$46,730,000 in bonds to renovate some of the existing facilities of the District, add new structures to existing facilities, and to construct a new Junior High School. As of June 30, 2012, the District had \$552,030 in construction in progress. Of this total, \$486,582 was attributable to the administration building project; \$55,852 was attributable to the elementary wireless project, and \$9,596 was for a culinary arts kitchen at the Pampa High School.

Although still subject to change, the District's administration has estimated the total costs pertaining to the renovations and construction to be as follows:

Administration building	\$ 4,500,000
Elementary wireless project	<u>130,000</u>
	<u>\$ 4,630,000</u>

During the year ended June 30, 2012, the District acquired a land and building in the central part of Pampa to be used for the District's administration building. The District is currently in the process of working with architects and engineers towards a plan to renovate the building to meet the needs of the District. Management intends to fund the construction costs of the administration building and the other projects from unspent bond proceeds from the bonds discussed in Note G and the committed portion of fund balance reported in the general fund. The District is currently assessing the financial viability of constructing the culinary arts kitchen, but plans have been put on hold indefinitely.

**T. Claims and Judgments - Arbitrage**

As discussed in Note G, the District issued the Unlimited Tax School Building Bonds, Series 2007 during a previous year to renovate various facilities within the District and to construct a new Junior High School. Since the District is still involved in the construction stages of these projects, the District's administration has invested these bond proceeds with TexSTAR in order to earn interest on these funds until construction has been completed. Under the current federal United States Tax Code, earnings on these invested funds are subject to the arbitrage provisions. Essentially, the arbitrage provisions stipulate that earnings received on temporarily invested proceeds from tax-exempt debt in excess of the interest rates on the bonds must be rebated to the United States Government. Federal law requires that the arbitrage must be calculated and rebated at the end of each five year period that the tax-exempt debt is outstanding. This provision would end when all of the proceeds from the tax-exempt debt have been spent and are no longer invested in higher yielding investments. As of June 30, 2012, the District does not believe they will be subject to any arbitrage liability to the United States Government.



**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**II. Detailed Notes on All Funds and Account Groups (continued):**

**U. Unemployment Compensation Pool**

During the year ended June 30, 2012, the District provided unemployment compensation coverage to its employees through participation in the Texas Association of School Board's (TASB) Risk Management Fund (the "Fund"). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

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

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2011, which is the most current report provided to the public, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

**V. Liability Program**

During the year ended June 30, 2012, the District participated in the TASB Risk Management Fund's (the "Fund") Liability Program with coverage in:

- Auto Liability
- General Liability
- Manuscript Special
- School Professional Legal Liability
- Sexual Misconduct Endorsement

The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund purchases stop loss coverage for protection against catastrophic and larger than anticipated claims for the Liability Program. The terms and limits of the stop loss program vary by line of coverage.

The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended June 30, 2012, the Fund anticipates the District has no additional liability beyond the contractual obligation for payment of contributions. The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2011, which is the most current report provided to the public, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**II. Detailed Notes on All Funds and Account Groups (continued):**

**W. Property Program**

During the year ended June 30, 2012, the District participated in the TASB Risk Management Fund's (the "Fund") Property Program with coverage in:

- Auto Physical Damage
- Crime
- Equipment Breakdown
- Property

The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund purchases stop loss coverage for protection against catastrophic and larger than anticipated claims for the Property Program. The terms and limits of the stop loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended August 31, 2012, the Fund anticipates the District has no additional liability beyond the contractual obligation for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2011, which is the most current report provided to the public, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

**X. Workers' Compensation Aggregate Deductible**

During the year ended June 30, 2012, the District met its statutory worker's compensation obligations through participation in the TASB Risk Management Fund. The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Workers Compensation Program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory worker's compensation benefits to its members and their injured employees.

The District participates in the Fund's reimbursable aggregate deductible program. As such, the District is responsible for a certain amount of claims liability as outlined on the District's Contribution and Coverage Summary document. After the District's deductible has been met, the Fund is responsible for additional claims.

The Fund and its members are protected against higher than expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of \$1.5 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of August 31, 2011, the Fund carries a discounted reserve of \$72,540,560 for future development on reported claims and claims that have been incurred but not reported. For the year ended August 31, 2011, the Fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions and reimbursable aggregate deductibles.

**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**II. Detailed Notes on All Funds and Account Groups (continued):**

**X. Self-Insured Workers' Compensation Fund (continued)**

The Fund engages the services of independent auditors to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2011, which is the most current report provided to the public, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin

The District has accounted for the risk activities related to workers' compensation insurance in the General Fund, and recorded related costs as expenditures in the General Fund and Special Revenue Funds. Claims liabilities are based on estimates of the ultimate cost of reported claims and an estimate for probable claims incurred but not reported. Estimated claims payable is calculated using the estimated outstanding loss and allocated loss and expenses (ALAE) as provided by TASB.

The following is a summary of the changes in the workers' compensation benefit obligation for the years listed above, which represents unpaid claims reported and estimated incurred but not reported claims:

	<u>Beginning of fiscal year liability</u>	<u>Current year claims and claims incurred but not reported</u>	<u>Changes in estimated claims liability from the claims administrator</u>	<u>Claims payments during fiscal year</u>	<u>End of fiscal year liability</u>
FYE 8/31/1998	\$ 8,913	\$ -	\$ (1,790)	\$ -	\$ 7,123
FYE 8/31/2000	14,722	-	(2,980)	-	11,742
FYE 8/31/2003	8,122	-	(1,586)	-	6,536
FYE 8/31/2004	7,775	-	(1,516)	-	6,259
FYE 8/31/2005	7,020	-	(1,419)	-	5,601
FYE 6/30/2006	15,702	-	(3,125)	-	12,577
FYE 6/30/2007	17,901	-	(3,700)	-	14,201
FYE 6/30/2008	8,462	-	(1,730)	-	6,732
FYE 6/30/2009	20,549	-	(5,180)	-	15,369
FYE 6/30/2010	51,293	-	(23,291)	239	28,241
FYE 6/30/2011	30,555	-	8,253	(14,834)	23,974
FYE 6/30/2012	-	45,985	-	(26,112)	19,873
Totals	<u>\$ 191,014</u>	<u>\$ 45,985</u>	<u>\$ (38,064)</u>	<u>\$ (40,707)</u>	<u>\$ 158,228</u>

**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**II. Detailed Notes on All Funds and Account Groups (continued):**

**Y. Subsequent Events**

In August, 2012, the Board of Trustees approved a bid for the sale of the District's facilities where the old junior high school building is located. The total sales prices will be approximately \$75,000. The cost and accumulated depreciation taken to date is shown below. The District stopped depreciating the property during the year ended June 30, 2011 when it was taken out of service.

Buildings and improvements	\$ 3,923,116
Less: Accumulated depreciation taken to date	<u>(2,948,737)</u>
Net book value of building and improvements sold	<u><u>\$ 974,379</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION**

PAMPA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2012

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
<b>REVENUES:</b>					
5700	Total Local and Intermediate Sources	\$ 11,127,650	\$ 12,391,356	\$ 12,352,354	\$ (39,002)
5800	State Program Revenues	12,038,987	12,732,047	13,634,182	902,135
5900	Federal Program Revenues	159,700	159,200	217,767	58,567
5020	Total Revenues	23,326,337	25,282,603	26,204,303	921,700
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	12,344,375	13,735,672	13,304,819	430,853
0012	Instructional Resources and Media Services	322,131	338,617	338,096	521
0013	Curriculum and Instructional Staff Development	701,881	644,136	465,256	178,880
0021	Instructional Leadership	228,833	255,774	236,548	19,226
0023	School Leadership	1,451,572	1,455,572	1,455,130	442
0031	Guidance, Counseling and Evaluation Services	965,656	881,701	881,704	(3)
0032	Social Work Services	26,910	37,163	36,572	591
0033	Health Services	217,367	250,350	239,654	10,696
0034	Student (Pupil) Transportation	438,883	722,150	647,041	75,109
0036	Extracurricular Activities	1,012,458	1,171,699	1,127,609	44,090
0041	General Administration	1,103,264	1,250,880	1,231,820	19,060
0051	Facilities Maintenance and Operations	2,739,857	2,962,549	2,851,375	111,174
0052	Security and Monitoring Services	98,274	143,292	108,511	34,781
0053	Data Processing Services	546,248	654,200	530,503	123,697
0061	Community Services	99,544	102,467	98,924	3,543
Debt Service:					
0071	Principal on Long Term Debt	40,393	40,393	42,146	(1,753)
0072	Interest on Long Term Debt	3,582	3,582	305	3,277
Capital Outlay:					
0081	Facilities Acquisition and Construction	655,109	897,739	840,246	57,493
Intergovernmental:					
0099	Other Intergovernmental Charges	330,000	330,000	280,791	49,209
6030	Total Expenditures	23,326,337	25,877,936	24,717,050	1,160,886
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(595,333)	1,487,253	2,082,586
<b>OTHER FINANCING SOURCES (USES):</b>					
7912	Sale of Real and Personal Property	-	10,500	10,028	(472)
7080	Total Other Financing Sources (Uses)	-	10,500	10,028	(472)
1200	Net Change in Fund Balances	-	(584,833)	1,497,281	2,082,114
0100	Fund Balance - July 1 (Beginning)	8,158,256	8,158,256	8,158,256	-
3000	Fund Balance - June 30 (Ending)	\$ 8,158,256	\$ 7,573,423	\$ 9,655,537	\$ 2,082,114

**OTHER SUPPLEMENTARY INFORMATION**

PAMPA INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2012

Data Control Codes	205 Head Start	206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	
<b>ASSETS</b>					
1240	Receivables from Other Governments	\$ 6,146	\$ 5,066	\$ 94,913	\$ 330
1260	Due from Other Funds	16,214	-	-	-
1300	Inventories	-	-	-	-
1410	Deferred Expenditures	-	-	-	-
1000	Total Assets	<u>\$ 22,360</u>	<u>\$ 5,066</u>	<u>\$ 94,913</u>	<u>\$ 330</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
2110	Accounts Payable	\$ -	\$ -	\$ 9,002	\$ -
2160	Accrued Wages Payable	22,360	-	51,876	-
2170	Due to Other Funds	-	5,066	34,035	330
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	<u>22,360</u>	<u>5,066</u>	<u>94,913</u>	<u>330</u>
Fund Balances:					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 22,360</u>	<u>\$ 5,066</u>	<u>\$ 94,913</u>	<u>\$ 330</u>



224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 Title XIV ARRA State Stabilization
\$ -	\$ -	\$ -	\$ 25,269	\$ 5,994	\$ 37,001	\$ 96,772	\$ -
82,576	5,758	1,226,672	46,867	-	-	-	-
-	-	66,391	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 82,576</u>	<u>\$ 5,758</u>	<u>\$ 1,293,063</u>	<u>\$ 72,136</u>	<u>\$ 5,994</u>	<u>\$ 37,001</u>	<u>\$ 96,772</u>	<u>\$ -</u>
\$ 171	\$ -	\$ 13,892	\$ 7,889	\$ -	\$ 7,007	\$ 90	\$ -
82,405	5,758	56,640	5,843	-	14,787	9,049	-
-	-	-	-	5,994	15,207	87,633	-
-	-	55,854	-	-	-	-	-
<u>82,576</u>	<u>5,758</u>	<u>126,386</u>	<u>13,732</u>	<u>5,994</u>	<u>37,001</u>	<u>96,772</u>	<u>-</u>
-	-	66,391	-	-	-	-	-
-	-	1,100,286	58,404	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>1,166,677</u>	<u>58,404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 82,576</u>	<u>\$ 5,758</u>	<u>\$ 1,293,063</u>	<u>\$ 72,136</u>	<u>\$ 5,994</u>	<u>\$ 37,001</u>	<u>\$ 96,772</u>	<u>\$ -</u>

PAMPA INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2012

Data Control Codes	279 Title II, D ARRA - Ed. Technology	283 IDEA, Pt. B ARRA Formula	285 ESEA I,A Improving Basic Program	287 Education Jobs Fund	
<b>ASSETS</b>					
1240	Receivables from Other Governments	\$ -	\$ -	\$ -	\$ 87,240
1260	Due from Other Funds	-	-	-	-
1300	Inventories	-	-	-	-
1410	Deferred Expenditures	-	-	-	-
1000	<b>Total Assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,240</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	-	-	-	87,223
2170	Due to Other Funds	-	-	-	17
2300	Deferred Revenues	-	-	-	-
2000	<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,240</u>
Fund Balances:					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,240</u>

288 Head Start Expansion	289 ESL Summer School Program	313 SSA IDEA, Part B Formula	314 SSA IDEA, Part B Preschool	364 SSA - ARRA IDEA, Pt. B Formula	394 Life Skills Program	397 Advanced Placement Incentives	404 Student Success Initiative
\$ -	\$ -	\$ 202,445	\$ 8,016	\$ -	\$ -	\$ -	\$ -
3,248	-	-	-	-	487	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 3,248</u>	<u>\$ -</u>	<u>\$ 202,445</u>	<u>\$ 8,016</u>	<u>\$ -</u>	<u>\$ 487</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ 7,150	\$ -	\$ -	\$ -	\$ -	\$ -
3,248	-	-	-	-	487	-	-
-	-	195,295	8,016	-	-	-	-
-	-	-	-	-	-	-	-
<u>3,248</u>	<u>-</u>	<u>202,445</u>	<u>8,016</u>	<u>-</u>	<u>487</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 3,248</u>	<u>\$ -</u>	<u>\$ 202,445</u>	<u>\$ 8,016</u>	<u>\$ -</u>	<u>\$ 487</u>	<u>\$ -</u>	<u>\$ -</u>

PAMPA INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2012

Data Control Codes	410 Instructional Materials Allotment	411 Technology Allotment	427 State Energy Conservation Grant	429 Rural Technology Grant	
<b>ASSETS</b>					
1240	Receivables from Other Governments	\$ -	\$ -	\$ 245,552	\$ 20,000
1260	Due from Other Funds	94,862	-	-	-
1300	Inventories	-	-	-	-
1410	Deferred Expenditures	-	-	-	27,425
1000	Total Assets	<u>\$ 94,862</u>	<u>\$ -</u>	<u>\$ 245,552</u>	<u>\$ 47,425</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
2110	Accounts Payable	\$ 31,035	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	-	-	-	-
2170	Due to Other Funds	-	-	245,552	20,000
2300	Deferred Revenues	63,827	-	-	27,425
2000	Total Liabilities	<u>94,862</u>	<u>-</u>	<u>245,552</u>	<u>47,425</u>
Fund Balances:					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 94,862</u>	<u>\$ -</u>	<u>\$ 245,552</u>	<u>\$ 47,425</u>

437 SSA Special Education	461 Campus Activity Funds	485 Education Foundation Grant	489 Special Campus Projects	Total Nonmajor Governmental Funds
\$ -	\$ 1,040	\$ -	\$ -	\$ 835,784
3,268	160,045	7,119	12,522	1,659,638
-	-	-	-	66,391
-	-	-	-	27,425
<u>\$ 3,268</u>	<u>\$ 161,085</u>	<u>\$ 7,119</u>	<u>\$ 12,522</u>	<u>\$ 2,589,238</u>
\$ 109	\$ 104	\$ 208	\$ -	\$ 76,657
3,159	-	-	-	342,835
-	-	-	-	617,145
-	15,800	-	-	162,906
<u>3,268</u>	<u>15,904</u>	<u>208</u>	<u>-</u>	<u>1,199,543</u>
-	-	-	-	66,391
-	-	-	-	1,158,690
-	-	6,911	12,522	19,433
-	145,181	-	-	145,181
<u>-</u>	<u>145,181</u>	<u>6,911</u>	<u>12,522</u>	<u>1,389,695</u>
<u>\$ 3,268</u>	<u>\$ 161,085</u>	<u>\$ 7,119</u>	<u>\$ 12,522</u>	<u>\$ 2,589,238</u>

PAMPA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2012

Data Control Codes	205 Head Start	206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	167,294	11,476	622,553	3,304
5020 Total Revenues	<u>167,294</u>	<u>11,476</u>	<u>622,553</u>	<u>3,304</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	89,179	11,476	250,027	-
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	156,908	-
0021 Instructional Leadership	-	-	74,109	-
0023 School Leadership	-	-	5,083	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	20,543	-
0033 Health Services	78,115	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	3,304
0051 Facilities Maintenance and Operations	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	115,883	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	<u>167,294</u>	<u>11,476</u>	<u>622,553</u>	<u>3,304</u>
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 Title XIV ARRA State Stabilization
\$ -	\$ -	\$ 586,149	\$ 721	\$ -	\$ -	\$ -	\$ -
-	-	10,034	34,729	-	-	-	-
661,984	27,982	1,298,161	-	41,050	163,436	94,766	1,131
661,984	27,982	1,894,344	35,450	41,050	163,436	94,766	1,131
602,244	27,982	-	-	36,860	88,412	51,510	-
-	-	-	-	-	-	-	-
44,008	-	-	-	4,190	52,554	43,256	1,131
3,730	-	-	-	-	-	-	-
-	-	-	-	-	22,470	-	-
12,002	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,437,308	19,893	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	58,458	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
661,984	27,982	1,495,766	19,893	41,050	163,436	94,766	1,131
-	-	398,578	15,557	-	-	-	-
-	-	768,099	42,847	-	-	-	-
\$ -	\$ -	\$ 1,166,677	\$ 58,404	\$ -	\$ -	\$ -	\$ -

PAMPA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2012

Data Control Codes	279 Title II, D ARRA - Ed. Technology	283 IDEA, Pt. B ARRA Formula	285 ESEA I,A Improving Basic Program	287 Education Jobs Fund
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	909	8,000	12,089	585,958
5020 Total Revenues	<u>909</u>	<u>8,000</u>	<u>12,089</u>	<u>585,958</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	-	-	329	563,910
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	909	8,000	11,760	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	22,048
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	<u>909</u>	<u>8,000</u>	<u>12,089</u>	<u>585,958</u>
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



288 Head Start Expansion	289 ESL Summer School Program	313 SSA IDEA, Part B Formula	314 SSA IDEA, Part B Preschool	364 SSA - ARRA IDEA, Pt. B Formula	394 Life Skills Program	397 Advanced Placement Incentives	404 Student Success Initiative
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	2,347	1,800	20,058
<u>7,125</u>	<u>5,549</u>	<u>716,048</u>	<u>28,554</u>	<u>8,000</u>	-	-	-
<u>7,125</u>	<u>5,549</u>	<u>716,048</u>	<u>28,554</u>	<u>8,000</u>	<u>2,347</u>	<u>1,800</u>	<u>20,058</u>
7,125	5,549	-	-	-	-	-	14,581
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,800	5,477
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	2,347	-	-
-	-	-	-	-	-	-	-
-	-	716,048	28,554	8,000	-	-	-
<u>7,125</u>	<u>5,549</u>	<u>716,048</u>	<u>28,554</u>	<u>8,000</u>	<u>2,347</u>	<u>1,800</u>	<u>20,058</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PAMPA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2012

Data Control Codes	410 Instructional Materials Allotment	411 Technology Allotment	427 State Energy Conservation Grant	429 Rural Technology Grant
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	256,062	-	246,244	149,794
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>256,062</u>	<u>-</u>	<u>246,244</u>	<u>149,794</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	200,210	-	-	149,794
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	691	-
0033 Health Services	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0053 Data Processing Services	55,852	1,164	-	-
0061 Community Services	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	245,553	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	<u>256,062</u>	<u>1,164</u>	<u>246,244</u>	<u>149,794</u>
1200 Net Change in Fund Balance	-	(1,164)	-	-
0100 Fund Balance - July 1 (Beginning)	<u>-</u>	<u>1,164</u>	<u>-</u>	<u>-</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

437 SSA Special Education	461 Campus Activity Funds	485 Education Foundation Grant	489 Special Campus Projects	Total Nonmajor Governmental Funds
\$ 32,070	\$ 141,694	\$ 34,914	\$ 54,000	\$ 849,548
-	-	-	-	721,068
-	-	-	-	4,465,369
<u>32,070</u>	<u>141,694</u>	<u>34,914</u>	<u>54,000</u>	<u>6,035,985</u>
15,082	69,752	31,567	54,426	2,270,015
-	5,832	-	-	5,832
-	1,344	-	-	331,337
7,062	-	-	-	84,901
-	5,083	-	-	54,684
9,926	250	-	-	22,178
-	-	-	-	21,234
-	-	-	-	78,115
-	-	-	-	1,457,201
-	41,948	-	-	41,948
-	-	-	-	3,304
-	-	-	-	58,458
-	-	-	-	57,016
-	-	-	-	118,230
-	-	-	-	245,553
-	-	-	-	752,602
<u>32,070</u>	<u>124,209</u>	<u>31,567</u>	<u>54,426</u>	<u>5,602,608</u>
-	17,485	3,347	(426)	433,377
-	127,696	3,564	12,948	956,318
<u>\$ -</u>	<u>\$ 145,181</u>	<u>\$ 6,911</u>	<u>\$ 12,522</u>	<u>\$ 1,389,695</u>

PAMPA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET ASSETS  
 PRIVATE PURPOSE TRUST FUNDS  
 JUNE 30, 2012

	801 Harvester Scholarship Fund	802 Cavalier Scholarship Fund	803 Choir Scholarship Fund	804 Cornielson Scholarship Fund
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 2,739	\$ 4,641	\$ 3,706	\$ 38
Total Assets	<u>2,739</u>	<u>4,641</u>	<u>3,706</u>	<u>38</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Due to Other Funds	<u>3,300</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>3,300</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>				
Unrestricted Net Assets	<u>(561)</u>	<u>4,641</u>	<u>3,706</u>	<u>38</u>
Total Net Assets	<u><u>\$ (561)</u></u>	<u><u>\$ 4,641</u></u>	<u><u>\$ 3,706</u></u>	<u><u>\$ 38</u></u>

805 DECA Scholarship Fund	806 GED Scholarship Fund	807 Lamar Scholarship Fund	808 PLC Scholarship Fund	Total Private Purpose Trust Funds
\$ 3,735	\$ 176	\$ 1,190	\$ 1,404	\$ 17,629
<u>3,735</u>	<u>176</u>	<u>1,190</u>	<u>1,404</u>	<u>17,629</u>
-	-	-	-	3,300
-	-	-	-	3,300
<u>3,735</u>	<u>176</u>	<u>1,190</u>	<u>1,404</u>	<u>14,329</u>
<u>\$ 3,735</u>	<u>\$ 176</u>	<u>\$ 1,190</u>	<u>\$ 1,404</u>	<u>\$ 14,329</u>

PAMPA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 PRIVATE PURPOSE TRUST FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2012

Data Control Codes	801 Harvester Scholarship Fund	802 Cavalier Scholarship Fund	803 Choir Scholarship Fund	804 Cornielson Scholarship Fund
<b>ADDITIONS:</b>				
Local and Intermediate Sources	\$ 809	\$ 851	\$ 4	\$ -
Total Additions	<u>809</u>	<u>851</u>	<u>4</u>	<u>-</u>
<b>DEDUCTIONS:</b>				
Other Operating Costs	1,205	-	-	-
Total Deductions	<u>1,205</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	(396)	851	4	-
Total Net Assets - July 1 (Beginning)	<u>(165)</u>	<u>3,790</u>	<u>3,702</u>	<u>38</u>
Total Net Assets - June 30 (Ending)	<u>\$ (561)</u>	<u>\$ 4,641</u>	<u>\$ 3,706</u>	<u>\$ 38</u>

805 DECA Scholarship Fund	806 GED Scholarship Fund	807 Lamar Scholarship Fund	808 PLC Scholarship Fund	Total Private Purpose Trust Funds
\$ 4	\$ -	\$ -	\$ 1	\$ 1,669
<u>4</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1,669</u>
-	-	-	-	1,205
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,205</u>
4	-	-	1	464
<u>3,731</u>	<u>176</u>	<u>1,190</u>	<u>1,403</u>	<u>13,865</u>
<u>\$ 3,735</u>	<u>\$ 176</u>	<u>\$ 1,190</u>	<u>\$ 1,404</u>	<u>\$ 14,329</u>

## **REQUIRED TEA SCHEDULES**



PAMPA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FISCAL YEAR ENDED JUNE 30, 2012

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2003 and prior years	Various	Various	\$ Various
2004	1.500000	0.061000	728,412,891
2005	1.500000	0.056000	794,194,574
2006	1.500000	0.016900	840,501,146
2007	1.370000	0.065000	943,446,945
2008	1.040000	0.285000	1,026,759,118
2009	1.040000	0.285000	1,079,364,214
2010	1.040000	0.328800	1,080,501,903
2011	1.040000	0.328800	1,070,347,198
2012 (School year under audit)	1.040000	0.328800	1,059,589,503
1000 TOTALS			

(10) Beginning Balance 7/1/2011	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2012
\$ 95,328	\$ -	\$ 3,831	\$ 116	\$ (24,177)	\$ 67,204
27,902	-	2,514	102	(3,557)	21,729
35,470	-	3,094	116	(3,417)	28,843
29,330	-	3,754	42	(3,345)	22,189
28,219	-	4,348	206	(3,229)	20,436
37,271	-	6,540	1,793	(3,257)	25,681
58,058	-	14,504	3,974	(6,092)	33,488
131,980	-	49,852	15,760	(4,977)	61,391
482,621	-	212,389	67,147	(12,099)	190,986
-	13,962,697	10,569,030	3,341,431	339,000	391,236
<u>\$ 926,179</u>	<u>\$ 13,962,697</u>	<u>\$ 10,869,856</u>	<u>\$ 3,430,687</u>	<u>\$ 274,850</u>	<u>\$ 863,183</u>

PAMPA INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES FOR COMPUTATIONS OF INDIRECT COST FOR 2013-2014  
 GENERAL AND SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2012

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

Account Number	Account Name	1	2	3	4	5	6	7
		(702) School Board	(703) Tax Collections	(701) Supt's Office	(750) Indirect Cost	(720) Direct Cost	(other) Miscellaneous	Total
611X-6146	PAYROLL COSTS	\$ -	\$ -	\$ 224,112	\$ 477,238	\$ 38,016	\$ -	\$ 739,366
6149	Leave for Separating Employees in Fn 41 & 53	-	-	-	-	-	-	-
6149	Leave - Separating Employees not in 41 & 53	-	-	-	-	-	-	-
6211	Legal Services	-	-	180,430	-	-	-	180,430
6212	Audit Services	-	-	-	52,000	-	-	52,000
6213	Tax Appraisal/Collection - Appraisal in Fn 99	-	303,007	-	-	-	-	303,007
6214	Lobbying	-	-	-	-	-	-	-
621X	Other Professional Services	700	-	-	-	-	-	700
6220	Tuition and Transfer Payments	-	-	-	-	-	-	-
6230	Education Service Centers	-	-	-	900	-	-	900
6240	Contr. Maint. and Repair	-	-	83	42,840	200	-	43,123
6250	Utilities	-	-	-	-	-	-	-
6260	Rentals	-	-	-	1,161	-	-	1,161
6290	Miscellaneous Contr.	27,029	-	-	32,736	3,600	-	63,365
6320	Textbooks and Reading	-	-	114	2,263	-	-	2,377
6330	Testing Materials	-	-	-	-	-	-	-
63XX	Other Supplies Materials	172	-	5,302	39,281	1	-	44,756
6410	Travel, Subsistence, Stipends	5,511	-	3,606	23,244	-	-	32,361
6420	Ins. and Bonding Costs	7,800	-	-	-	-	-	7,800
6430	Election Costs	-	-	-	-	-	-	-
6490	Miscellaneous Operating	14,540	-	3,713	27,179	2,500	-	47,932
6500	Debt Service	-	-	-	-	-	-	-
6600	Capital Outlay	-	-	-	-	-	-	-
6000	<b>TOTAL</b>	<b>\$ 55,752</b>	<b>\$ 303,007</b>	<b>\$ 417,360</b>	<b>\$ 698,842</b>	<b>\$ 44,317</b>	<b>\$ -</b>	<b>\$ 1,519,278</b>

Total expenditures/expenses for General and Special Revenue Funds: (9) \$ 30,319,658

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10)	\$ 1,218,781
Total Debt & Lease(6500)	(11)	42,450
Plant Maintenance (Function 51, 6100-6400)	(12)	2,875,530
Food (Function 35, 6341 and 6499)	(13)	677,429
Stipends (6413)	(14)	-
Column 4 (above) - Total Indirect Cost		698,842

SubTotal: 5,513,032

Net Allowed Direct Cost \$ 24,806,626

CUMULATIVE

Total Cost of Buildings before Depreciation (1520)	(15)	\$ 78,646,781
Historical Cost of Building over 50 years old	(16)	\$ 7,635,989
Amount of Federal Money in Building Cost (Net of #16)	(17)	\$ -
Total Cost of Furniture & Equipment before Depreciation (1530 & 1540)	(18)	\$ 4,316,637
Historical Cost of Furniture & Equipment over 16 years old	(19)	\$ 406,540
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	\$ -

(8) NOTE A: \$3,361 in Function 53 expenditures are included in this report on administrative costs.

\$280,791 in Function 99 expenditures for appraisal district costs are included in this report on administrative costs.

PAMPA INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM  
 FOR THE YEAR ENDED JUNE 30, 2012

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 577,000	\$ 568,000	\$ 586,149	\$ 18,149
5800	State Program Revenues	30,000	10,000	10,034	34
5900	Federal Program Revenues	1,154,000	1,219,758	1,298,161	78,403
5020	Total Revenues	1,761,000	1,797,758	1,894,344	96,586
EXPENDITURES:					
0035	Food Services	1,243,400	1,726,658	1,437,308	289,350
0051	Facilities Maintenance and Operations	45,500	80,500	58,458	22,042
6030	Total Expenditures	1,288,900	1,807,158	1,495,766	311,392
1200	Net Change in Fund Balances	472,100	(9,400)	398,578	407,978
0100	Fund Balance - July 1 (Beginning)	768,099	768,099	768,099	-
3000	Fund Balance - June 30 (Ending)	\$ 1,240,199	\$ 758,699	\$ 1,166,677	\$ 407,978

PAMPA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2012

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
<b>REVENUES:</b>					
5700	Total Local and Intermediate Sources	\$ 3,462,841	\$ 3,462,841	\$ 3,486,720	\$ 23,879
5800	State Program Revenues	230,000	230,000	412,938	182,938
5020	Total Revenues	3,692,841	3,692,841	3,899,658	206,817
<b>EXPENDITURES:</b>					
Debt Service:					
0071	Principal on Long Term Debt	1,055,000	1,055,000	1,055,000	-
0072	Interest on Long Term Debt	2,310,842	2,310,842	2,310,841	1
0073	Bond Issuance Cost and Fees	1,000	1,000	800	200
6030	Total Expenditures	3,366,842	3,366,842	3,366,641	201
1200	Net Change in Fund Balances	325,999	325,999	533,017	207,018
0100	Fund Balance - July 1 (Beginning)	2,574,886	2,574,886	2,574,886	-
3000	Fund Balance - June 30 (Ending)	\$ 2,900,885	\$ 2,900,885	\$ 3,107,903	\$ 207,018

**OVERALL COMPLIANCE AND INTERNAL CONTROLS SECTION**



## **BROWN, GRAHAM & COMPANY**

PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

7431 Continental Parkway • Amarillo, Texas 79119  
P.O. Box 20210 • Amarillo, Texas 79114  
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### **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS***

#### **INDEPENDENT AUDITOR'S REPORT**

**Board of Trustees  
Pampa Independent School District  
Pampa, Texas**

We have audited the basic financial statements of Pampa Independent School District (the "District") as of and for the year ended June 30, 2012 and have issued our report thereon dated October 18, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### **Internal Control Over Financial Reporting**

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

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

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

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the District's Trustees, 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.

***Brown, Graham & Company, P.C.***

Amarillo, Texas  
October 18, 2012



## **BROWN, GRAHAM & COMPANY**

PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

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

#### **INDEPENDENT AUDITOR'S REPORT**

**Board of Trustees  
Pampa Independent School District  
Pampa, Texas**

#### **Compliance**

We have audited Pampa Independent School District's (the "District") compliance with the types of compliance requirements described in the United States Office of Management and Budget Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

#### **Internal Control Over Compliance**

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program as a basis for designing our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.



*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended for the information of the District's Trustees, 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.

*Brown, Graham & Company, P.C.*

Amarillo, Texas  
October 18, 2012

**PAMPA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**Section I: Summary of the Auditor's Results:**

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Are any material weaknesses identified?	_____ Yes	_____ X _____ No
Are any significant deficiencies identified not considered to be material weaknesses?	_____ Yes	_____ X _____ No
Is any noncompliance material to the financial statements?	_____ Yes	_____ X _____ No

Federal Awards:

Internal control over major program compliance:

Are any material weaknesses identified?	_____ Yes	_____ X _____ No
Are any significant deficiencies identified not considered to be material weaknesses?	_____ Yes	_____ X _____ No
Are any audit findings disclosed that are required to be reported in accordance with U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments and Non-profit Organizations Section 510(a)?	_____ Yes	_____ X _____ No

Identification of major programs:

- 84.010A ESEA Title I, Part A-Improving Basic Education
- 84.027A IDEA, Part B, Formula (Including SSA Funds)
- 84.173A IDEA, Part B, Preschool (Including SSA Funds)
- 84.389A ESEA, Title I, Part A-Improving Basic Education ARRA
- 84.391A IDEA, Part B, Formula ARRA (Including SSA Funds)
- 10.553 National School Breakfast Program
- 10.555 National School Lunch Program (Cash Assistance)
- 10.555 National School Lunch Program (Noncash Assistance)
- 84.410A Education Jobs Grant - ARRA

The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.

The District qualified as a low-risk auditee.

**PAMPA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF STATUS OF PRIOR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2012**

**Item One – Documentation of Salary Costs Charged to Federal Programs**

Criteria: The Department of Education requires that schools operating a school wide program under the Elementary and Secondary Education Act of 1965 must document employee time and effort when charging employee time to federal programs. Specifically, OMB Circular A-87, Attachment B, paragraph 8.h.(3) requires an employee who works solely on a single cost objective to furnish a semi-annual certifications that he/she has been engaged solely in activities that support the single cost objective. OMB Circular A-87, Attachment B, paragraph 8.h.(4),(5), and (6) requires an employee who works on multiple activities or cost objectives must maintain time and effort distribution records. The employee must document the portion of time and effort dedicated to: (a) the Federal program or cost objective; and (b) each other program or cost objective supported by consolidated Federal funds or other revenue sources.

Condition: For the fiscal year ended June 30, 2011, the District had various employee salaries charged to various federal programs. The documentation to support the allocation of salaries to the programs was supported by records such as occasional semi-annual certifications, employee schedules, payroll distribution journals, job descriptions, journal entries, and various other information; however, the District did not consistently document employee salary costs charged to federal programs using the criteria listed above.

Current Status: During fiscal year ended June 30, 2012, the District reviewed its policies and procedures pertaining to documentation of salary costs charged to Federal programs, and implemented additional policies and safeguards to ensure that it consistently complies with OMB Circular A-87, Attachment B, paragraph 8.h.(3) that requires an employee who works solely on a single cost objective to furnish semi-annual certifications that he/she has been engaged solely in activities that support the single cost objective and OMB Circular A-87, Attachment B, paragraph 8.h.(4),(5), and (6) that requires an employee who works on multiple activities or cost objectives to maintain time and effort distribution records. The District requires that the employee must document the portion of time and effort dedicated to: (a) the Federal program or cost objective; and (b) each other program or cost objective supported by consolidated Federal funds or other revenue sources.

**Item Two – Interest and Sinking Fund Cash Deposits**

Criteria: Under the terms of the debt instruments for the District's Unlimited Tax Refunding Bonds, Series 2005 and the Unlimited Tax School Building Bonds, Series 2007 (the "Bonds"), the District is required to levy a tax each year while any of the Bonds or any interest thereon is outstanding and unpaid, an ad valorem tax on each one hundred dollars valuation of taxable property within the District, at a rate sufficient, without limit as to rate or amount, to pay Debt Service when due and payable, full allowance being made for delinquencies and costs of collection. In addition, the ad valorem tax thus levied shall be assessed and collected each year against all property appearing on tax rolls of the District most recently approved in accordance with law and the money thus collected shall be deposited as collected to the Interest and Sinking Fund ("Debt Service Fund"). Said ad valorem tax, the collections there from, and all amounts on deposit in or required hereby to be deposited to the Debt Service Fund are hereby pledged and committed irrevocable to the payment of Debt Service in accordance with the terms of the Bonds.

Condition: During the year ended June 30, 2011, the District deposited all ad valorem taxes collected, both for Maintenance and Operations as well as for Debt Service to the District's Insured Money Market Account ("IMMA") rather than depositing the ad valorem taxes collected for Debt Service into a separate Debt Service bank account. However, the District did maintain separate accountability for the funds, and correctly reported the taxes collected for Debt Service in the Debt Service Fund, and also made the scheduled principal and interest payments as required on a timely basis.

Current Status: During the year ended June 30, 2012, the District deposited ad valorem taxes collected for Debt Service in a separate Debt Service bank account.

**PAMPA INDEPENDENT SCHOOL DISTRICT  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2012**

There were no material weaknesses, significant deficiencies, or instances of noncompliance required to be reported for the year ended June 30, 2012 for the District; consequently, no corrective action plan is required.

PAMPA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Passed Through State Department of Education</u>			
*ESEA, Title I, Part A - Improving Basic Programs	84.010A	12610101090904	\$ 622,553
*ESEA, Title I, A - ARRA -Improving Basic Programs	84.389A	10551001090904	12,089
Total Title I, Part A Cluster			634,642
ESEA, Title I, Part C - Migratory Children	84.011	12615001188950	3,304
*IDEA - Part B, Formula	84.027A	126600010909046000	661,984
*SSA - IDEA - Part B, Formula	84.027A	126600010909046000	716,048
Total CFDA Number 84.027A			1,378,032
*IDEA - Part B, Preschool	84.173A	126610010909046000	27,982
*SSA - IDEA - Part B, Preschool	84.173A	126610010909046000	28,554
Total CFDA Number 84.173A			56,536
*IDEA, Part B, Formula - ARRA	84.391	10554001090904	8,000
*SSA - IDEA, Part B, Formula - ARRA	84.391A	10554001090904	8,000
Total Special Education Cluster (IDEA)			1,450,568
Career and Technical - Basic Grant	84.048A	12420006090904	41,050
ESEA, Title X, Part C -Homeless Children	84.196	128006057950	11,476
*Title II D Enhancing Ed Through Technology - ARRA	84.386A	10553001090904	909
Title III, Part A - English Language Acquisition	84.365A	12671001090904	94,766
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	12694501090904	163,436
Title XIV, State Fiscal Stabilization Fund - ARRA	84.394	11557001090904	1,131
Education Jobs Fund- ARRA	84.410A	11550101090904	585,958
ESL Summer School Program	84.369A	69551102	5,549
Total Passed Through State Department of Education			\$ 2,992,789
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<b>\$ 2,992,789</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<u>Passed Through State Department of Education</u>			
Head Start	93.600	06CH0219/28	\$ 167,294
Head Start Expansion	93.708	06SH0219	7,125
Total Passed Through State Department of Education			\$ 174,419
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>\$ 174,419</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	71401101	\$ 327,421
*National School Lunch Program - Cash Assistance	10.555	71301201	842,065
*National School Lunch Prog. - Non-Cash Assistance	10.555	71301201	128,675
Total CFDA Number 10.555			970,740
Total Child Nutrition Cluster			1,298,161
Total Passed Through the State Department of Agriculture			\$ 1,298,161
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<b>\$ 1,298,161</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 4,465,369</b>

PAMPA INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2012

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures

\*Clustered Programs

**PAMPA INDEPENDENT SCHOOL DISTRICT  
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

1. For all Federal programs, the District uses the fund types specified in Texas Education Agency's (TEA) *Financial Accountability System Resource Guide* ("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 are accounted for using a current financial resources measurement focus. All federal grant funds are 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. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Supplement - Provisional 6/97.
4. \$34,340 of indirect costs are not considered to be federal financial assistance for inclusion in the Schedule of Expenditures of Federal Awards (SEFA). These revenues are reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds in the General Fund column.
5. According to the Resource Guide, funds received from the School Health and Related Services (SHARS) program represent reimbursements to the District for school health based services which are not already provided to special education students enrolled in the Medicaid Program, and consequently these revenues in the amount of \$183,427 are not to be considered federal financial assistance for inclusion in the SEFA. These revenues are reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds in the General Fund column.
6. Pampa is the fiscal agent for funds received under various Shared Service Arrangements (SSA's). The federal funds received under the SSA's involve the IDEA Part B, Formula; IDEA Part B, Formula ARRA; and IDEA Part B, Preschool grants. In accordance with the accounting requirements under TEA's Resource Guide, the District accounts for these grant funds in fund numbers 313, 364, and 314 respectively. The total funds received for all member districts of the SSA's are shown as federal revenue and expenditures in these funds. In addition, in accordance with TEA's Resource Guide, the District also accounts for its proportionate share of these grant funds in fund numbers 224, 283, and 225 respectively. For purposes of the determination of Single Audit requirements under Office of Management and Budget's Circular A-133, the amounts reported in funds 224, 283, and 225, along with the indirect cost and SHARS revenues in notes 4 and 5 above are excluded in the calculation. If amounts accounted for in funds 224, 283, and 225 were included in the calculation of federal expenditures for purposes of OMB Circular A-133, they would be counted twice.