



**Marble Falls ISD
Regular Meeting**

**Monday, January 18, 2010
6:00 PM**

**AGENDA OF REGULAR MEETING
 MARBLE FALLS INDEPENDENT SCHOOL DISTRICT
 BOARD OF TRUSTEES
 MONDAY, JANUARY 18, 2010 – 6:00 PM
 Spicewood Elementary Cafeteria, 1005 Spur 191. Spicewood, TX 78669**

Notice is hereby given that on January 18, 2010, the Board of Trustees of the Marble Falls Independent School District will hold a Regular meeting at 6:00 PM, at the Spicewood Elementary Cafeteria, 1005 Spur 191. Spicewood, TX 78669.

The subjects to be discussed or considered, or upon which any formal action may be taken are listed below. Items do not have to be taken in the order shown on this meeting notice

1. Call to Order
 Presenter: Martin McLean, President
2. Roll Call
3. Invocation
 Presenter: Rick Edwards
4. Pledge to the Flags
 Presenter: Kelly Fox
5. Open Forum
6. Special Presentation for School Board Appreciation Month
7. Public Hearing on MFISD Report Card
 Presenter: Ryder Warren
8. Consent Agenda
 Presenter: Ryder Warren
 - A. Review and approval of minutes from December 14th 4
 - B. Review financial reports 8
9. Action Items
 Presenter: Ryder Warren
 - A. Report on MFISD budgeting process (requested by Westerman); discussion and possible approval of yearly financial audit 22
 - B. Discussion and possible approval of election contract with Burnet County Elections Administrator for general election on May 8, 2010 100
10. Superintendent's Report
 - A. Construction Update 119
 Presenter: Scott German

- B. Report on Strategic Planning Process
Presenter: Ryder Warren, Karl Westerman, Martin McLean
- 11. Discussion of Proposed Agenda Items for Regular February Meeting
- 12. Executive Session - Govt. Code 551.074
 - A. Discussion of superintendent's evaluation and contract
 - B. Discussion of personnel matters 127
- 13. Actions Arising from Executive Session
 - A. Discussion and possible approval of superintendent's annual evaluation
 - B. Discussion and possible approval of superintendent's contract
- 14. Adjourn

If during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Texas Govt. Code, Chapter 551, Subchapters D and E. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.

This notice was posted in compliance with the Texas Open Meetings Act on .

FOR THE BOARD OF TRUSTEES
MARBLE FALLS INDEPENDENT SCHOOL

Ryder Warren, Superintendent of Schools
Marble Falls Independent School District

Marble Falls Independent School District
Board Meeting Minutes
December 14, 2009

Martin McLean, President, called the meeting to order at 6:00 p.m. at the Highland Lakes Elementary cafeteria. A quorum was present; notice of this meeting was posted in accordance with the Texas Open Meetings Act., Texas Government Code Chapter 551.

Board Members Present: Martin McLean, Rick Edwards, Kevin Naumann, Mike Savage, Karl Westerman

Board Members Absent: Tommy Chaney, Kelly Fox

Administrators Present: Ryder Warren, Glenn Graham, Amy Jacobs, Leslie Baty, Susan Maughan, Allen Roberts, John Schumacher, Andy Reddock, Keith Powell, Michael Pittard, Peggy Little, Linda Romano, Michael Phillips,

Members of the Press: Geoff West, *The Highlander News*,
Thomas Edwards, *River City Tribune*

Special Recognitions

The school board recognized the following students: Marble Falls Elementary School Christmas Card Contest winner - Lauren Loader; Marble Falls High School Tennis Team Regional Qualifiers; Marble Falls High School FFA Regional Qualifiers; Marble Falls High School Choir National Qualifiers; and Marble Falls High School Cross Country Regional Qualifiers.

MFISD Strategic Planning Update

Dr. Lindsey Gunn, Cambridge Strategic Planning, reviewed the strategic planning process, as well as, the focus and current plans for the district.

Open Forum

Michelle Plunk, parent, expressed her concern regarding the policy of sack lunches in Middle School detention.

Consent Agenda Items

Upon a motion by Karl Westerman, second by Rick Edwards, the following items were approved from the consent agenda:

- Minutes of November 16, 2009
- Financial report and expenditures for November 2009

For: 5

Against: 0

Absent: 2

Out-of-State Trip for Marble Falls High School Choir

Upon a motion by Kevin Naumann, second by Rick Edwards, the Board approved an out-of-state trip for the 18 members of the High School Choir who were selected to perform in the American Choral Directors Association National Honor Choir in Denver, Colorado, February 23-27, 2010.

For: 5 Against: 0 Absent: 2

TASB Policy Update 86

Upon a motion by Rick Edwards, second by Mike Savage, the Board approved the additions, revisions, and deletions to local policies as recommended by TASB Policy Service and according to the instruction sheet for TASB Localized Policy Manual Update 86 with the following changes:

- Additional language for local policy CFD – Activity Funds Management: At the paragraph “District and Campus Activity Funds,” the following was added to the end of the second sentence: “, which includes without limitation recruiting and retaining qualified employees and enhancing employee morale. Thus these funds may properly be expended for small gifts, plaques, flowers for funerals, weddings, or retirements, staff appreciation luncheons, and similar activities.”
- Additional language for local policy EIA: Academic Achievement – Grading/Progress Reports to Parents as follows: “A student may be permitted a reasonable opportunity to redo an assignment or retake a test for which the student received a failing grade, at the discretion of the classroom teacher and based on his or her grading standards that have been reviewed and authorized by the principal and communicated to students and parents at the beginning of the semester or school year.”

For: 5 Against: 0 Absent: 2

7. Local Policy EHBB Regarding Gifted and Talented Students

Upon a motion by Karl Westerman, second by Kevin Naumann, the Board approved the change to policy EHBB (Local) as recommended by TASB Policy Service and according to the district’s responses to the model text regarding the Gifted and Talented selection committee and routine reassessments of the students.

For: 5 Against: 0 Absent: 2

Superintendent’s Report

Building Program Update

Scott German presented the following concerning the renovation of Colt Elementary into the district administration office and Falls Career High School:

- Work completed during the month of November 2009:
- Overhead installation of HVAC and electrical services;
- Interior framing of walls in Falls Career and East administration building;
- Installation of drywall – Falls Career High School and East administration building;

Installation of door frames;
Demolition of interior West administration building.

Work anticipated to be completed during the month of December 2009:
Completion of framing and dryall installation Falls Career and administration building;
Framing of West administration building;
New exterior windows set;
New exterior brick details;
Interior painting to begin;
Exterior sidewalks in place.

Quarterly Investment Report:

Glenn Graham, Assistant Superintendent for Business and Finance, presented the quarterly report ending November 2009, noting interest earned of \$12, 247.29 and cash balance of \$14,502,680.85.

Yearly Financial Audit Process:

Glenn Graham informed the Board that the audit would be on the regular January meeting agenda. Also, Dr. Warren told the Board that TEA sent notice that the Chapter 41 recapture payment would increase due to the decrease in our student enrollment last year. Also, he informed the Board that the litigation regarding the Paleface de-annexation has been settled and Mr. Graham is working with the Lake Travis ISD business manager to work out all the formalities of the transition.

Annual Announcement of Board Continuing Education Hours:

Martin McLean announced the following regarding the status of each trustee's training hours for the current year as required by the Texas Administrative Code:

- Tier I: All trustees have satisfied the requirements of the Tier I training.
- Tier II: All trustees have satisfied the requirements of the Tier II training.
- Tier III: All trustees have exceeded the requirements of the Tier III training except Tommy Chaney who is deficient 5 hours.

Special Services Vehicle:

Susan Maughan reported on the benefits provided to the MFHS Transition Program students by the new van which was recently bought with federal stimulus money.

Campus Safety and Security Update:

Carl Coleman, Safe and Drug-Free Schools Coordinator, reviewed several proposals for the purchase of cameras to enhance security on the District's campuses.

Proposed Agenda Items for the regular January 2010 meeting:

Karl Westerman requested a discussion regarding budget projections for the next school year, and Kevin Naumann requested an update on the traffic light that is to be installed at the intersection of Hwy 1431 and Mustang Drive.

Executive Session:

The Board adjourned into executive session to discuss personnel issues (Gov't Code 551.074) @ 7:45 p.m. The Board reconvened into open session at 7:55 p.m.

No action was taken in open session.

Adjournment:

Hearing no objection the Board adjourned at 8:00 p.m.

Approved:

Martin McLean, President

Kevin Naumann, Secretary

Marble Falls ISD
Statement of Revenues and Expenditures - General Fund
As of December 31, 2009
33% Of Fiscal Year

	CURRENT YEAR				PRIOR YEAR			
	BUDGET	YTD ACTIVITY	BALANCE	% OF BUDGET	BUDGET	YTD ACTIVITY	% OF FINAL BUDGET	
REVENUES								
5710 LOCAL TAX REVENUES	\$ 28,959,337	\$ 11,146,133	\$ 17,813,204	38.49%	\$ 27,927,256	\$ 3,650,365	13.07%	
57XX OTHER LOCAL REVENUES	\$ 624,850	\$ 163,043	\$ 461,807	26.09%	\$ 951,000	\$ 233,888	24.59%	
58XX STATE PROG. REVENUES	\$ 7,120,220	\$ 3,296,191	\$ 3,824,029	46.29%	\$ 8,396,267	\$ 8,124,077	96.76%	
5900 FEDERAL REVENUE	\$ 608,129	\$ 1,990	\$ 606,139	0.33%	\$ 31,212	\$ 674	2.16%	
TOTAL REVENUE	\$ 37,312,536	\$ 14,607,357	\$ 22,705,179	39.15%	\$ 37,305,735	\$ 12,009,004	32.19%	
EXPENDITURES								
11 INSTRUCTION	\$ 19,345,791	\$ 5,368,166	\$ 13,977,625	27.75%	\$ 18,229,192	\$ 5,286,265	29.00%	
12 LIBRARY	\$ 549,291	\$ 163,757	\$ 385,534	29.81%	\$ 514,935	\$ 142,819	27.74%	
13 STAFF DEVELOPMENT	\$ 197,542	\$ 48,319	\$ 149,223	24.46%	\$ 201,631	\$ 51,265	25.43%	
21 INST ADMINISTRATION	\$ 763,224	\$ 250,356	\$ 512,868	32.80%	\$ 728,407	\$ 242,473	33.29%	
23 SCHOOL ADMINISTRATION	\$ 2,189,714	\$ 646,105	\$ 1,543,609	29.51%	\$ 1,958,083	\$ 585,452	29.90%	
31 GUID AND COUNSELING	\$ 1,114,087	\$ 345,819	\$ 768,268	31.04%	\$ 1,050,054	\$ 322,867	30.75%	
33 HEALTH SERVICES	\$ 375,428	\$ 100,941	\$ 274,487	26.89%	\$ 384,912	\$ 112,013	29.10%	
34 PUPIL TRANSP - REGULAR	\$ 1,834,306	\$ 544,285	\$ 1,290,021	29.67%	\$ 1,742,346	\$ 646,067	37.08%	
36 CO-CURRICULAR ACT	\$ 1,487,581	\$ 447,686	\$ 1,039,895	30.09%	\$ 1,403,151	\$ 420,722	29.98%	
41 GEN ADMINISTRATION	\$ 1,043,999	\$ 328,999	\$ 715,000	31.51%	\$ 990,474	\$ 332,416	33.56%	
51 PLANT MAINT & OPERATION	\$ 4,744,926	\$ 1,528,707	\$ 3,216,219	32.22%	\$ 4,729,965	\$ 1,576,492	33.33%	
52 SECURITY & MONITORING	\$ 102,130	\$ 14,029	\$ 88,101	13.74%	\$ 87,630	\$ 17,133	19.55%	
53 DATA PROCESSING	\$ 1,486,732	\$ 340,073	\$ 1,146,659	22.87%	\$ 989,783	\$ 383,231	38.72%	
61 COMMUNITY SERVICES	\$ 276,199	\$ 95,622	\$ 180,577	34.62%	\$ 278,929	\$ 93,868	33.65%	
81 FACILITIES ACQ & CONST	\$ 35,000	\$ -	\$ 35,000	0.00%	\$ 10,000	\$ -	n/a	
91 STUDENT ATTENDANCE CR	\$ 2,503,024	\$ -	\$ 2,503,024	0.00%	\$ 4,722,003	\$ -	23.94%	
99 PURCHASES & CONT SRVS	\$ 625,000	\$ 159,320	\$ 465,680	25.49%	\$ 600,000	\$ 143,649	n/a	
TOTAL EXPENDITURES	\$ 38,673,974	\$ 10,382,184	\$ 28,291,790	26.85%	\$ 38,621,495	\$ 10,356,734	26.82%	
7000 Other Sources	\$ -				Other Sources	\$ -		
8000 Other Uses	\$ -				Other Uses	\$ -		
1200 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 4,225,173				EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES - FY 2008-2009	\$ 1,652,269		
3000 BEG FUND BAL 9/1/09	\$ 9,511,110							
3000 END FUND BAL 8/31/10	\$ 13,736,283							
3600 UNRESERVED FUND BAL	\$ 13,736,283							

***Marble Falls
Independent
School District***

Financial Report

January 18, 2010

*****Check Payment Fund Summary*****

*****Expenditure to Budget Report*****

Check Payment Fund Summary

For Bills Paid

December 1 – 31st, 2009

FUND SUMMARY

FUND	DESCRIPTION	BALANCE SHEET	REVENUE	EXPENSE	TOTAL
199	GENERAL FUND	68,261.24	14,311.69	402,454.38	485,027.31
204	ESEA TITLE IV SAFE&DRUG FREE	0.00	0.00	196.80	196.80
211	TITLE I PART A, BASIC PROGRAMS	0.00	0.00	15,611.93	15,611.93
224	IDEA PART B FORMULA	0.00	0.00	14,842.37	14,842.37
225	IDEA PART B PRESCHOOL	0.00	0.00	106.64	106.64
244	VOC. ED.-BASIC GRANT	0.00	0.00	6,190.95	6,190.95
255	TITLE II PART A TCHR & PRINCPL	0.00	0.00	1,450.08	1,450.08
263	TITLE III - BILINGUAL	0.00	0.00	2,710.55	2,710.55
283	IDEA B FORMULA ARRA STIMULUS	0.00	0.00	123,137.03	123,137.03
284	IDEA B FORMULA ARRA STIMULUS	0.00	0.00	1,580.12	1,580.12
285	TITLE I PART A ARRA STIMULUS	0.00	0.00	18,139.20	18,139.20
394	LIFE SKILLS FOR STUDNT PARENTS	0.00	0.00	14.34	14.34
397	ADVANCED PLACEMENT INCENTIVES	0.00	0.00	229.80	229.80
415	PRE-KINDERGARTEN EXPANSION GRT	0.00	0.00	164.71	164.71
428	HIGH SCHOOL ALLOTMENT	0.00	0.00	265.32	265.32
481	LCRA GRANTS	0.00	0.00	100.00	100.00
599	DEBT SERVICE	0.00	0.00	1,000.00	1,000.00
699	CAPITAL PROJECTS	0.00	0.00	12,173.60	12,173.60
821	DESIGNATED GIFTS & BEQUESTS FD	0.00	0.00	250.00	250.00
863	PAYROLL CLEARING	705,323.12	0.00	0.00	705,323.12
***	Fund Summary Totals ***	773,584.36	14,311.69	600,617.82	1,388,513.87

***** End of report *****

Expenditure to Budget Report

January 18, 2010

General Operating Fund

&

Food Service Fund

COMPARISON OF REVENUE TO BUDGET (Date: 12/2009)

	Obj	Obj	2009-10 ESTIMATED REVENUE	December 2009-10 MTHLY ACTIVITY	2009-10 Activity	REVENUE BALANCE	PERCENT REALIZED	2009-10 YTD %
199		GENERAL FUND						
5700		REVENUE-LOCAL & INTERMED						
	571-	LOCAL REAL-PROPERTY TAXES	28,959,337.00	9,200,466.80	11,146,132.73	17,813,204.27	32.23	38.49
	573-	TUITION & FEES FROM PATRONS	168,000.00	16,951.67	48,556.56	119,443.44	29.36	28.90
	574-	TRANS FROM WITHIN STATE	319,000.00	8,745.74	38,608.02	280,391.98	12.27	12.10
	575-	ENTERPRISING ACTIVITIES	138,935.00	18,234.15	75,878.50	63,056.50	55.80	54.61
	57--	REVENUE-LOCAL & INTERMED	29,585,272.00	9,244,398.36	11,309,175.81	18,276,096.19	32.11	38.23
5800		STATE PROGRAM REVENUES						
	581-	PER CAPITA-FOUNDATION REV	4,940,663.00	21,119.00	2,782,795.00	2,157,868.00	56.32	56.32
	582-	STATE REVENUE DISTRBTD BY TEA	6,000.00	0.00	5,837.00	163.00	97.28	97.28
	583-	TRS ON BEHALF BENEFIT	1,600,000.00	129,964.86	507,558.96	1,092,441.04	31.72	31.72
	58--	STATE PROGRAM REVENUES	6,546,663.00	151,083.86	3,296,190.96	3,250,472.04	50.35	50.35
5900		FEDERAL PROGRAM REVENUES						
	593-	VOC ED NON FOUNDATION	10,000.00	0.00	1,989.96	8,010.04	19.90	19.90
	59--	FEDERAL PROGRAM REVENUES	10,000.00	0.00	1,989.96	8,010.04	19.90	19.90
	----	GENERAL FUND	36,141,935.00	9,395,482.22	14,607,356.73	21,534,578.27	35.41	40.42

COMPARISON OF REVENUE TO BUDGET (Date: 12/2009)

Obj	Obj	2009-10 ESTIMATED REVENUE	December MTHLY ACTIVITY	2009-10 Activity	REVENUE BALANCE	PERCENT REALIZED	2009-10 YTD %
240	FOOD SERVICE						
5700	REVENUE-LOCAL & INTERMED						
574-	TRANS FROM WITHIN STATE	2,000.00	0.00	537.11	1,462.89	26.86	26.86
575-	ENTERPRISING ACTIVITIES	767,188.00	44,808.92	283,708.16	483,479.84	39.38	36.98
57--	REVENUE-LOCAL & INTERMED	769,188.00	44,808.92	284,245.27	484,942.73	39.34	36.95
5800	STATE PROGRAM REVENUES						
582-	STATE REVENUE DISTRBD BY TEA	12,304.00	0.00	0.00	12,304.00	0.00	0.00
58--	STATE PROGRAM REVENUES	12,304.00	0.00	0.00	12,304.00	0.00	0.00
5900	FEDERAL PROGRAM REVENUES						
592-		1,191,494.00	119,529.16	422,419.89	769,074.11	35.58	35.45
59--	FEDERAL PROGRAM REVENUES	1,191,494.00	119,529.16	422,419.89	769,074.11	35.58	35.45
----	FOOD SERVICE	1,972,986.00	164,338.08	706,665.16	1,266,320.84	36.82	35.82

***** End of report *****

RECAP OF REVENUE BY FUND (Date: 12/2009)

	Obj	Obj	2009-10 ESTIMATED REVENUE	December 2009-10 MTHLY ACTIVITY	2009-10 Activity	REVENUE BALANCE	2009-10 YTD %
199		GENERAL FUND					
	5---	REVENUE	36,141,935.00	9,395,482.22	14,607,356.73	21,534,578.27	40.42
	----	GENERAL FUND	36,141,935.00	9,395,482.22	14,607,356.73	21,534,578.27	40.42
240		FOOD SERVICE					
	5---	REVENUE	1,972,986.00	164,338.08	706,665.16	1,266,320.84	35.82
	----	FOOD SERVICE	1,972,986.00	164,338.08	706,665.16	1,266,320.84	35.82

***** End of report *****

COMPARISON OF EXPENDITURES & ENCUMBRANCE TO BUDGET (Date: 12/2009)

Obj	Obj	2009-10 BUDGET	ENCUMBRANCE YTD	2009-10 EXPENDITURES	December 2009-10 ACTIVITY	2009-10 BALANCE	2009-10 YTD %
199	GENERAL FUND						
11	INSTRUCTION						
61--	PAYROLL COSTS	18,147,703.00	0.00	4,901,042.45	1,496,713.72	13,246,660.55	27.01
62--	PURCHASE & CONTRACTED SVS	353,204.00	222,819.44	218,806.08	30,311.77	-88,421.52	61.95
63--	SUPPLIES AND MATERIALS	694,780.00	122,105.34	208,929.72	32,842.65	363,744.94	30.07
64--	OTHER OPERATING EXPENSES	148,189.00	11,072.52	24,292.60	5,249.88	112,823.88	16.39
66--	CPTL OUTLY LAND BLDG & EQ	0.00	405.00	15,095.00	0.00	-15,500.00	0.00
----	INSTRUCTION	19,343,876.00	356,402.30	5,368,165.85	1,565,118.02	13,619,307.85	27.75
12	INST. RESOURCES & MEDIA SVCS						
61--	PAYROLL COSTS	423,349.00	0.00	133,292.02	33,233.11	290,056.98	31.49
62--	PURCHASE & CONTRACTED SVS	26,570.00	0.00	3,879.21	149.00	22,690.79	14.60
63--	SUPPLIES AND MATERIALS	96,587.00	37,615.12	25,835.65	6,707.76	33,136.23	26.75
64--	OTHER OPERATING EXPENSES	5,785.00	0.00	750.00	0.00	5,035.00	12.96
----	INST. RESOURCES & MEDIA S	552,291.00	37,615.12	163,756.88	40,089.87	350,919.00	29.65
13	CURRICULUM DEV & INST STFF DEV						
61--	PAYROLL COSTS	91,382.00	0.00	31,064.74	7,579.74	60,317.26	33.99
62--	PURCHASE & CONTRACTED SVS	62,300.00	13,425.00	11,025.00	4,000.00	37,850.00	17.70
63--	SUPPLIES AND MATERIALS	16,860.00	75.60	251.46	29.64	16,532.94	1.49
64--	OTHER OPERATING EXPENSES	27,000.00	1,362.94	5,977.78	1,219.15	19,659.28	22.14
----	CURRICULUM DEV & INST STF	197,542.00	14,863.54	48,318.98	12,828.53	134,359.48	24.46
21	INSTRUCTIONAL LEADERSHIP						
61--	PAYROLL COSTS	700,599.00	0.00	234,881.39	58,979.39	465,717.61	33.53
62--	PURCHASE & CONTRACTED SVS	8,800.00	1,872.00	4,975.00	185.00	1,953.00	56.53
63--	SUPPLIES AND MATERIALS	28,800.00	588.64	4,252.03	1,856.06	23,959.33	14.76
64--	OTHER OPERATING EXPENSES	21,025.00	808.40	6,247.14	1,591.43	13,969.46	29.71
----	INSTRUCTIONAL LEADERSHIP	759,224.00	3,269.04	250,355.56	62,611.88	505,599.40	32.98

Obj	Obj	2009-10 BUDGET	ENCUMBRANCE YTD	2009-10 EXPENDITURES	December ACTIVITY	2009-10 BALANCE	2009-10 YTD %
199	GENERAL FUND						
23	SCHOOL LEADERSHIP						
61--	PAYROLL COSTS	2,039,362.00	0.00	600,204.16	155,027.50	1,439,157.84	29.43
62--	PURCHASE & CONTRACTED SVS	51,900.00	15,721.30	19,690.31	15,880.48	16,488.39	37.94
63--	SUPPLIES AND MATERIALS	76,542.00	3,438.99	17,701.15	3,179.84	55,401.86	23.13
64--	OTHER OPERATING EXPENSES	21,910.00	3,380.50	8,509.77	951.29	10,019.73	38.84
----	SCHOOL LEADERSHIP	2,189,714.00	22,540.79	646,105.39	175,039.11	1,521,067.82	29.51
31	GUIDANCE & COUNSELING						
61--	PAYROLL COSTS	1,034,581.00	0.00	318,203.25	85,668.58	716,377.75	30.76
62--	PURCHASE & CONTRACTED SVS	32,229.00	17,610.00	11,939.79	2,845.00	2,679.21	37.05
63--	SUPPLIES AND MATERIALS	34,110.00	3,288.88	8,331.22	3,122.84	22,489.90	24.42
64--	OTHER OPERATING EXPENSES	17,167.00	972.55	7,344.93	945.42	8,849.52	42.79
----	GUIDANCE & COUNSELING	1,118,087.00	21,871.43	345,819.19	92,581.84	750,396.38	30.93
33	HEALTH SERVICES						
61--	PAYROLL COSTS	361,092.00	0.00	98,873.66	30,244.99	262,218.34	27.38
62--	PURCHASE & CONTRACTED SVS	612.00	0.00	0.00	0.00	612.00	0.00
63--	SUPPLIES AND MATERIALS	12,024.00	1,908.32	1,983.55	477.25	8,132.13	16.50
64--	OTHER OPERATING EXPENSES	1,700.00	0.00	84.20	0.00	1,615.80	4.95
----	HEALTH SERVICES	375,428.00	1,908.32	100,941.41	30,722.24	272,578.27	26.89
34	PUPIL TRANSPORTATION						
61--	PAYROLL COSTS	1,289,316.00	0.00	435,323.99	115,985.21	853,992.01	33.76
62--	PURCHASE & CONTRACTED SVS	28,890.00	5,094.65	3,099.32	1,037.66	20,696.03	10.73
63--	SUPPLIES AND MATERIALS	444,550.00	37,006.27	127,800.96	32,927.16	279,742.77	28.75
64--	OTHER OPERATING EXPENSES	-206,150.00	22,619.40	-21,939.48	-5,982.20	-206,829.92	10.64
66--	CPTL OUTLY LAND BLDG & EQ	277,700.00	261,307.00	0.00	0.00	16,393.00	0.00
----	PUPIL TRANSPORTATION	1,834,306.00	326,027.32	544,284.79	143,967.83	963,993.89	29.67

COMPARISON OF EXPENDITURES & ENCUMBRANCE TO BUDGET (Date: 12/2009)

	2009-10	ENCUMBRANCE	2009-10	December	2009-10		2009-10
Obj	BUDGET	YTD	EXPENDITURES	ACTIVITY	BALANCE	YTD %	
199	GENERAL FUND						
36	COCURR./EXTRACURR.ACTIVITIES						
61--	PAYROLL COSTS	652,661.00	0.00	205,363.52	69,175.95	447,297.48	31.47
62--	PURCHASE & CONTRACTED SVS	191,960.00	43,465.27	75,022.71	25,132.92	73,472.02	39.08
63--	SUPPLIES AND MATERIALS	188,326.00	31,199.16	57,767.12	14,066.70	99,359.72	30.67
64--	OTHER OPERATING EXPENSES	454,634.00	9,978.47	109,532.70	15,608.95	335,122.83	24.09
----	COCURR./EXTRACURR.ACTIVIT	1,487,581.00	84,642.90	447,686.05	123,984.52	955,252.05	30.09
41	GENERAL ADMINISTRATION						
61--	PAYROLL COSTS	728,099.00	0.00	253,325.18	68,830.77	474,773.82	34.79
62--	PURCHASE & CONTRACTED SVS	188,780.00	49,005.43	38,700.26	12,016.92	101,074.31	20.50
63--	SUPPLIES AND MATERIALS	33,780.00	1,612.38	9,658.53	2,042.36	22,509.09	28.59
64--	OTHER OPERATING EXPENSES	93,340.00	9,579.53	27,314.62	5,388.79	56,445.85	29.26
----	GENERAL ADMINISTRATION	1,043,999.00	60,197.34	328,998.59	88,278.84	654,803.07	31.51
51	PLANT MAINTENANCE & OPERATIONS						
61--	PAYROLL COSTS	2,342,391.00	0.00	858,143.03	209,654.47	1,484,247.97	36.64
62--	PURCHASE & CONTRACTED SVS	1,619,035.00	91,862.84	464,524.90	110,408.84	1,062,647.26	28.69
63--	SUPPLIES AND MATERIALS	483,500.00	32,431.40	108,886.90	31,143.50	342,181.70	22.52
64--	OTHER OPERATING EXPENSES	200,000.00	94,577.00	97,151.81	77.81	8,271.19	48.58
66--	CPTL OUTLY LAND BLDG & EQ	100,000.00	0.00	0.00	0.00	100,000.00	0.00
----	PLANT MAINTENANCE & OPERA	4,744,926.00	218,871.24	1,528,706.64	351,284.62	2,997,348.12	32.22
52	SECURITY & MONITORING SERVICES						
61--	PAYROLL COSTS	15,730.00	0.00	4,328.68	1,334.05	11,401.32	27.52
62--	PURCHASE & CONTRACTED SVS	82,900.00	2,475.00	6,676.50	165.00	73,748.50	8.05
63--	SUPPLIES AND MATERIALS	3,500.00	0.00	3,024.00	0.00	476.00	86.40
----	SECURITY & MONITORING SER	102,130.00	2,475.00	14,029.18	1,499.05	85,625.82	13.74

COMPARISON OF EXPENDITURES & ENCUMBRANCE TO BUDGET (Date: 12/2009)

Obj	Obj	2009-10 BUDGET	ENCUMBRANCE YTD	2009-10 EXPENDITURES	December 2009-10 ACTIVITY	2009-10 BALANCE	2009-10 YTD %
199	GENERAL FUND						
53	DATA PROCESSING SERVICES						
	61-- PAYROLL COSTS	743,485.00	0.00	205,974.59	56,318.94	537,510.41	27.70
	62-- PURCHASE & CONTRACTED SVS	291,247.00	179,790.74	20,756.10	7,576.21	90,700.16	7.13
	63-- SUPPLIES AND MATERIALS	81,600.00	7,845.08	50,189.61	12,835.58	23,565.31	61.51
	64-- OTHER OPERATING EXPENSES	30,400.00	1,128.60	2,570.78	0.00	26,700.62	8.46
	66-- CPTL OUTLY LAND BLDG & EQ	340,000.00	3,088.80	60,582.18	0.00	276,329.02	17.82
	---- DATA PROCESSING SERVICES	1,486,732.00	191,853.22	340,073.26	76,730.73	954,805.52	22.87
61	COMMUNITY SERVICES						
	61-- PAYROLL COSTS	234,114.00	0.00	77,857.58	22,922.13	156,256.42	33.26
	63-- SUPPLIES AND MATERIALS	5,250.00	652.63	2,205.77	283.52	2,391.60	42.01
	64-- OTHER OPERATING EXPENSES	36,835.00	21,593.43	15,558.36	3,000.00	-316.79	42.24
	---- COMMUNITY SERVICES	276,199.00	22,246.06	95,621.71	26,205.65	158,331.23	34.62
81	FACILITIES ACQ. & CONSTRUCTION						
	66-- CPTL OUTLY LAND BLDG & EQ	35,000.00	0.00	0.00	0.00	35,000.00	0.00
	---- FACILITIES ACQ. & CONSTRU	35,000.00	0.00	0.00	0.00	35,000.00	0.00
91	INTERGOVERNMENTAL CHARGES						
	62-- PURCHASE & CONTRACTED SVS	2,503,024.00	0.00	0.00	0.00	2,503,024.00	0.00
	---- INTERGOVERNMENTAL CHARGES	2,503,024.00	0.00	0.00	0.00	2,503,024.00	0.00
99	OTHR INTERGOVERNMENTAL CHARGES						
	62-- PURCHASE & CONTRACTED SVS	625,000.00	0.00	159,320.22	0.00	465,679.78	25.49
	---- OTHR INTERGOVERNMENTAL CH	625,000.00	0.00	159,320.22	0.00	465,679.78	25.49
	---- GENERAL FUND	38,675,059.00	1,364,783.62	10,382,183.70	2,790,942.73	26,928,091.68	26.84

Obj	Obj	2009-10 BUDGET	ENCUMBRANCE YTD	2009-10 EXPENDITURES	December 2009-10 ACTIVITY	2009-10 BALANCE	2009-10 YTD %
240	FOOD SERVICE						
35	FOOD SERVICES						
62--	PURCHASE & CONTRACTED SVS	1,963,997.00	0.00	625,000.40	196,660.36	1,338,996.60	31.82
63--	SUPPLIES AND MATERIALS	0.00	0.00	20,753.49	7,781.49	-20,753.49	0.00
64--	OTHER OPERATING EXPENSES	0.00	100.00	1,800.00	0.00	-1,900.00	0.00
----	FOOD SERVICES	1,963,997.00	100.00	647,553.89	204,441.85	1,316,343.11	32.97
----	FOOD SERVICE	1,963,997.00	100.00	647,553.89	204,441.85	1,316,343.11	32.97

***** End of report *****

		2009-10	ENCUMBRANCE	2009-10	December	2009-10	
Obj	Obj	BUDGET	YTD	EXPENDITURES	ACTIVITY	BALANCE	YTD %
199	GENERAL FUND						
6---	EXPENDITURES	38,675,059.00	1,364,783.62	10,382,183.70	2,790,942.73	26,928,091.68	26.84
----	GENERAL FUND	38,675,059.00	1,364,783.62	10,382,183.70	2,790,942.73	26,928,091.68	26.84
240	FOOD SERVICE						
6---	EXPENDITURES	1,963,997.00	100.00	647,553.89	204,441.85	1,316,343.11	32.97
----	FOOD SERVICE	1,963,997.00	100.00	647,553.89	204,441.85	1,316,343.11	32.97

***** End of report *****

West, Davis & Company

a limited liability partnership

January 8, 2010

Board of Trustees
Marble Falls Independent School District
Marble Falls, Texas

We have audited the August 31, 2009, financial statements of the Marble Falls Independent School District (the District) and have issued our report thereon dated January 8, 2010. Professional standards require that we provide you with the following information related to our audit. We will be pleased to discuss the contents of this letter or any related questions of the Board of Trustees at your convenience.

This information is intended solely for the use of the District and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

RESPONSIBILITY OF INDEPENDENT ACCOUNTANTS

Our responsibility under auditing standards generally accepted in the United States of America is to express an opinion on the financial statements of the District based on our audit. In carrying out this responsibility, we assessed the risk that the financial statements may contain a material misstatement, either intentional or unintentional, and designed and conducted an audit to provide reasonable, but not absolute, assurance of detecting misstatements that are material to the financial statements. We have completed the audit of the District's financial statements in accordance with generally accepted auditing standards.

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 grants, 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. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the District's compliance with those requirements.

REPORT ISSUED ON 2009 AUDIT

We have issued our report, dated January 8, 2010, on the August 31, 2009, financial statements of the District. Our report is unqualified as to scope and accounting.

INTERNAL ACCOUNTING CONTROL

We considered the internal control structure in order to gain a basic understanding of the internal control policies and procedures in order to design an effective and efficient audit approach, not for the purpose of providing assurance on the internal control structure. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We have no comments regarding internal accounting control.

MANAGEMENT COOPERATION

We were given full access to accounting records, supporting documents and other information, which we requested.

ACCOUNTING PRINCIPLES

Management employed appropriate accounting principles as described in Note A to the financial statements and made all required disclosures in the financial statements. We noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Significant judgments or estimates included in the financial statements are estimates of asset useful lives, depreciation expense, uncollectible receivables, certain liabilities including accrued expenses and claims and judgments.

SIGNIFICANT AUDIT ADJUSTMENTS

We made adjustments as detailed in the accompanying schedule titled, "Adjustment Journal-Adjusting Entries." In addition, we made certain government-wide adjustments noted in the attached schedule titled, "Government-Wide Adjustment Journal." There were no uncorrected misstatements at August 31, 2009.

MAJOR ISSUES DISCUSSED WITH MANAGEMENT PRIOR TO RETENTION

There were no major issues discussed with management prior to our retention regarding the application of accounting principles and auditing standards.

To the Board of Trustees of the
Marble Falls Independent School District
Page 3

DISAGREEMENTS WITH MANAGEMENT

We had no disagreements with management of the District regarding the application of accounting principles, the scope of our audit, disclosures to be included in the financial statements or the wording of our report on the financial statements.

CONSULTATION WITH OTHER ACCOUNTANTS

Management informed us that there were no consultations with other independent accountants regarding the application of accounting or auditing matters during 2009.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

None.

Very truly yours,

West, Harris & Company

Marble Falls Independent School District
 Adjustment Journal - Adjusting Entries
 All Fund Types

Funds: 199, 204, 206, 211, 212, 224, 225, 226, 240, 244, 255, 262, 263, 272, 283, 288, 289, 394, 397, 401, 404, 411, 415
 428, 429, 461, 481, 599, 699, 806, 821, 824, 825, 863, 865, 901, 902

CL	Fund	Fn	Obj	So	Org	Y	Pr	S	Pd	Description	Ref	Debits	Credits	AJE#	Explanation of Adjustment	
EX	199	11	6144	0	0	0	11	0	0	Teacher Retirement/	31	35,634.50		1	TO RECORD MED PART D ON BEHALF	
EX	199	12	6144	0	0	0	99	0	0	Teacher Retirement/	31	1,149.50		1	TO RECORD MED PART D ON BEHALF	
EX	199	21	6144	0	0	0	21	0	0	Teacher Retirement/	31	1,149.50		1	TO RECORD MED PART D ON BEHALF	
EX	199	23	6144	0	0	0	23	0	0	Teacher Retirement/	31	4,023.25		1	TO RECORD MED PART D ON BEHALF	
EX	199	31	6144	0	0	0	23	0	0	Teacher Retirement/	31	2,299.00		1	TO RECORD MED PART D ON BEHALF	
EX	199	33	6144	0	0	0	99	0	0	Teacher Retirement/	31	574.75		1	TO RECORD MED PART D ON BEHALF	
EX	199	34	6144	0	0	0	99	0	0	Teacher Retirement/	31	2,873.75		1	TO RECORD MED PART D ON BEHALF	
EX	199	36	6144	0	0	0	91	0	0	Teacher Retirement/	31	1,724.25		1	TO RECORD MED PART D ON BEHALF	
EX	199	41	6144	0	750	0	99	0	0	Teacher Retirement/	31	1,149.50		1	TO RECORD MED PART D ON BEHALF	
EX	199	51	6144	0	0	0	99	0	0	Teacher Retirement/	31	4,598.00		1	TO RECORD MED PART D ON BEHALF	
EX	199	53	6144	0	750	0	99	0	0	Teacher Retirement/	31	1,724.25		1	TO RECORD MED PART D ON BEHALF	
EX	199	61	6144	0	0	0	99	0	0	Teacher Retirement/	31	574.75		1	TO RECORD MED PART D ON BEHALF	
RE	199	0	5831	0	0	0	0	0	0	Teacher Retirement/	31		57,475.00		1	TO RECORD MED PART D ON BEHALF
LI	199	0	2181	0	0	0	0	0	0	Due to State	20	1,357,349.00		2	TO RECORD DUE TO TEA PER CLIENT	
EX	199	91	6224	0	0	0	99	0	0	Student Attendance C	20	1,357,349.00		2	TO RECORD DUE TO TEA PER CLIENT	
AS	199	0	1222	0	0	0	0	0	0	Receiv. Prop. Taxes-	C1	387,992.00		3	TO ADJUST TAXES REC	
AS	199	0	1230	0	0	0	0	0	0	Receiv.: Allow. for Un	C1	42,679.00		3	TO ADJUST TAXES REC	
RE	199	0	2311	0	0	0	0	0	0	Deferred Revenue - L	C1	345,313.00		3	TO ADJUST TAXES REC	
												1,802,816.00				
													1,802,816.00			
AS	599	0	1220	0	0	0	0	0	0	Receiv. Property Tax	C1	96,697.00		1	TO ADJUST TAXES REC	
AS	599	0	1230	0	0	0	0	0	0	Receiv.: Allow. for Un	C1	10,636.00		1	TO ADJUST TAXES REC	
LI	599	0	2311	0	0	0	0	0	0	Deferred Revenue - L	C1	86,061.00		1	TO ADJUST TAXES REC	
OR	599	0	7911	0	0	0	0	0	0	Issuance of Bonds	CC	583,931.85		2	TO ADJUST DEBT PROCEEDS	
OR	599	0	7901	0	0	0	0	0	0	Refunding Bonds Iss	CC	569,753.60		2	TO ADJUST DEBT PROCEEDS	
OR	599	0	7916	0	0	0	0	0	0	Premium or Discount	CC	35,068.70		2	TO ADJUST DEBT PROCEEDS	
EX	599	71	6594	0	0	0	99	0	0	Other Debt Service E	CC	20,890.45		2	TO ADJUST DEBT PROCEEDS	
EX	599	71	6511	0	0	0	99	0	0	Bond Principal	CC	583,931.82		2	TO ADJUST DEBT PROCEEDS	
OU	599	0	8940	0	0	0	0	0	0	Payment to Bond Ref	CC	583,931.82		2	TO ADJUST DEBT PROCEEDS	
OU	599	0	8949	0	0	0	99	0	0	Other Uses	CC	1,945.73		2	TO ADJUST DEBT PROCEEDS	
RE	599	0	5742	0	0	0	0	0	0	Earnings from Temp.	CC	1,945.73		2	TO ADJUST DEBT PROCEEDS	
												1,287,396.85				
													1,287,396.85			
LI	699	0	2111	0	0	0	0	0	0	Accounts Payable - L	AA2	123,006.95		1	TO RECORD ACCOUNTS PAYABLE	
EX	699	81	6629	0	0	0	99	0	0	Bldg. Purch., Constr.	AA2	33,604.35		1	TO RECORD ACCOUNTS PAYABLE	
EX	699	81	6629	0	0	0	99	0	0	Bldg. Purch., Constr.	AA2	11,976.65		1	TO RECORD ACCOUNTS PAYABLE	
EX	699	81	6629	0	0	0	99	0	0	Bldg. Purch., Constr.	AA2	6,911.25		1	TO RECORD ACCOUNTS PAYABLE	
EX	699	81	6629	0	0	0	99	0	0	Bldg. Purch., Constr.	AA2	70,514.70		1	TO RECORD ACCOUNTS PAYABLE	
EX	699	81	6629	0	0	0	99	0	0	Bldg. Purch., Constr.	AA2	0.00		1	TO RECORD ACCOUNTS PAYABLE	
LI	699	0	2210	0	0	0	0	0	0	Accrued Expenditures	AA2	1,451,020.20		2	TO RECORD CHANGE IN RETAINAGE	

Marble Falls Independent School District
 August 31, 2009
 Adjustment Journal - Adjusting Entries
 Accountant: GD
 All Fund Types
 Funds: 199, 204, 206, 211, 212, 224, 225, 226, 240, 244, 255, 262, 263, 272, 283, 288, 289, 394, 397, 401, 404, 411, 415
 428, 429, 461, 481, 599, 699, 806, 821, 824, 825, 863, 865, 901, 902

CL	Fund	Fn	Obj	So	Org	Y	Pr	S	Pd	Description	Ref	Debits	Credits	AJE#	Explanation of Adjustment
EX	699	81	6629	0	0	0	99	0	0	Bldg. Purch., Constr.	AA2	1,451,020.20		2	TO RECORD CHANGE IN RETAINAGE
OR	699	0	7911	0	0	0	0	0	0	Issuance of Bonds	CC2	583.10		3	TO ADJUST BOND PROCEEDS
OR	699	0	7916	0	0	0	0	0	0	Premium or Discount	CC2		311,875.95	3	TO ADJUST BOND PROCEEDS
EX	699	71	6594	0	0	0	0	0	0	Other Debt Service E	CC2	311,292.85		3	TO ADJUST BOND PROCEEDS
Totals												1,885,903.10	1,885,903.10		

Adj Num	W.P. Ref	Class	Fund	Function	Object	Org.	Pr	Rev	Fh	AW	Adj Amount	Adj Type	Account Description	Reconciliation Description	Reconcl. Name	Post Date	Post Time	Explanation or User Comment
1	C1	LI	199	0	2310	0	0	0			345,313	A	Deferred Revenue	Prop taxes not available	SNA2	06-Jan-2010	07:21 PM	TO ELIMINATE DEF TAX REVENUE
1	C1	RE	199	0	5711	0	0	0			(345,313)	A	Taxes, Cur. Yr. Lev	Property taxes not collected	SOA7	06-Jan-2010	07:21 PM	TO ELIMINATE DEF TAX REVENUE
1	C1	RE	599	0	2310	0	0	0			86,061	A	Deferred Revenue	Prop taxes not available	SNA2	08-Jan-2010	05:11 PM	TO ELIMINATE DEF TAX REVENUE
1	C1	RE	599	0	5711	0	0	0			(86,061)	A	Taxes, Cur. Yr. Lev	Property taxes not collected	SOA7	08-Jan-2010	05:11 PM	TO ELIMINATE DEF TAX REVENUE
2	CC1	LI	902	0	2510	0	0	0		110	1,845,000	A	Bonds Payable - Lc	L/T bonds payable	SNA5	08-Jan-2010	05:20 PM	TO ELIMINATE BOND PRINCIPLE PAYME
2	CC1	EX	902	71	6511	0	0	0			(1,845,000)	A	Bond Principal	Bond principal payments	SOA10	08-Jan-2010	05:20 PM	TO ELIMINATE BOND PRINCIPLE PAYME
3	CC1	LI	902	0	2140	0	0	0			7,675	A	Interest Payable	L/T bond interest payable	SNA7	08-Jan-2010	05:20 PM	TO ACCRUE INTEREST PAYABLE
3	CC1	EX	902	71	6521	0	0	0			(7,675)	A	Interest on Bonds	Change in accrued interest	SOA15	08-Jan-2010	05:20 PM	TO ACCRUE INTEREST PAYABLE
4	D	AS	901	0	1510	0	0	0		100	230,096	A	Land Purchase and	gov cap assets not in the fund	SNA1	06-Jan-2010	07:21 PM	TO ELIMINATE CAPITAL OUTLAY
4	D	AS	901	0	1580	0	0	0		100	29,209,887	A	Construction in Pro	gov cap assets not in the fund	SNA1	06-Jan-2010	07:21 PM	TO ELIMINATE CAPITAL OUTLAY
4	D	AS	901	0	1580	0	0	0		100	123,007	A	Construction in Pro	gov cap assets not in the fund	SNA1	06-Jan-2010	07:21 PM	TO ELIMINATE CAPITAL OUTLAY
4	D	AS	901	0	1580	0	0	0		100	1,451,020	A	Construction in Pro	gov cap assets not in the fund	SNA1	06-Jan-2010	07:21 PM	TO ELIMINATE CAPITAL OUTLAY
4	D	AS	901	0	1520	0	0	0		100	172,558	A	Bldgs. & Improveme	gov cap assets not in the fund	SNA1	06-Jan-2010	07:21 PM	TO ELIMINATE CAPITAL OUTLAY
4	D	AS	901	0	1530	0	0	0		100	48,300	A	Furn. & Equip.	gov cap assets not in the fund	SNA1	06-Jan-2010	07:21 PM	TO ELIMINATE CAPITAL OUTLAY
4	D	AS	901	0	1530	0	0	0		100	262,245	A	Furn. & Equip.	gov cap assets not in the fund	SNA1	06-Jan-2010	07:21 PM	TO ELIMINATE CAPITAL OUTLAY
4	D	EX	901	34	6631	0	0	0			(254,476)	A	Vehicles	Cap. outlay not in SOA	SOA1	06-Jan-2010	07:21 PM	TO ELIMINATE CAPITAL OUTLAY
4	D	EX	901	11	6639	0	0	0			(9,621)	A	Furniture, Equipme	Cap. outlay not in SOA	SOA1	06-Jan-2010	07:21 PM	TO ELIMINATE CAPITAL OUTLAY
4	D	EX	901	51	6639	0	0	0			(72,912)	A	Furniture, Equipme	Cap. outlay not in SOA	SOA1	06-Jan-2010	07:21 PM	TO ELIMINATE CAPITAL OUTLAY
4	D	EX	901	53	6638	0	0	0			(10,269)	A	Vehicles	Cap. outlay not in SOA	SOA1	06-Jan-2010	07:21 PM	TO ELIMINATE CAPITAL OUTLAY
4	D	EX	901	53	6639	0	0	0			(69,985)	A	Furniture, Equipme	Cap. outlay not in SOA	SOA1	06-Jan-2010	07:21 PM	TO ELIMINATE CAPITAL OUTLAY
4	D	EX	901	35	6639	0	0	0			(17,540)	A	Furniture, Equipme	Cap. outlay not in SOA	SOA1	06-Jan-2010	07:21 PM	TO ELIMINATE CAPITAL OUTLAY
4	D	EX	901	51	6639	0	0	0			0	A	Vehicles	Cap. outlay not in SOA	SOA1	06-Jan-2010	07:21 PM	TO ELIMINATE CAPITAL OUTLAY
4	D	EX	901	11	6631	0	0	0			(48,300)	A	Vehicles	Cap. outlay not in SOA	SOA1	06-Jan-2010	07:21 PM	TO ELIMINATE CAPITAL OUTLAY
4	D	EX	901	51	6639	0	0	0			0	A	Furniture, Equipme	Cap. outlay not in SOA	SOA1	06-Jan-2010	07:21 PM	TO ELIMINATE CAPITAL OUTLAY
4	D	EX	901	51	6639	0	0	0			0	A	Furniture, Equipme	Cap. outlay not in SOA	SOA1	06-Jan-2010	07:21 PM	TO ELIMINATE CAPITAL OUTLAY
4	D	EX	901	81	6629	0	0	0			(230,096)	A	Land Purchase & Ir	Cap. outlay not in SOA	SOA1	06-Jan-2010	07:21 PM	TO ELIMINATE CAPITAL OUTLAY
4	D	EX	901	81	6629	0	0	0			(123,007)	A	Bldg. Purch., Const	Cap. outlay not in SOA	SOA1	06-Jan-2010	07:21 PM	TO ELIMINATE CAPITAL OUTLAY
4	D	EX	901	81	6629	0	0	0			(1,451,020)	A	Bldg. Purch., Const	Cap. outlay not in SOA	SOA1	06-Jan-2010	07:21 PM	TO ELIMINATE CAPITAL OUTLAY
4	D	EX	901	81	6639	0	0	0			(28,590,570)	A	Furniture, Equipme	Cap. outlay not in SOA	SOA1	06-Jan-2010	07:21 PM	TO ELIMINATE CAPITAL OUTLAY
4	D	EX	901	81	6639	0	0	0			(619,317)	A	Furniture, Equipme	Cap. outlay not in SOA	SOA1	06-Jan-2010	07:21 PM	TO ELIMINATE CAPITAL OUTLAY
4	D	AS	901	0	1520	0	0	0		100	(1,102,460)	A	Bldgs. & Improveme	gov cap assets not in the fund	SNA1	06-Jan-2010	07:21 PM	TO RECORD DELETION
4	D	AS	901	0	1571	0	0	0		100	1,102,460	A	Accum. Deprec. - B	gov cap assets not in the fund	SNA1	06-Jan-2010	07:21 PM	TO RECORD DELETION
4	D	OU	901	0	8949	0	0	0			0	A	Other Uses	Trade-in or disposal of capital	SOA3	06-Jan-2010	07:21 PM	TO RECORD DELETION
5	D	AS	901	0	1573	0	0	0		100	(1,027,817)	A	Accum. Deprec. - B	gov cap assets not in the fund	SNA1	06-Jan-2010	07:21 PM	TO RECORD DEPR EXPENSE
5	D	EX	901	11	6499	0	0	0		100	(441,289)	A	Accum. Deprec. - F	gov cap assets not in the fund	SNA1	06-Jan-2010	07:21 PM	TO RECORD DEPR EXPENSE
5	D	EX	901	12	6499	0	0	0			757,949	A	Misc. Operating Co	Deprec. in SOA	SOA2	06-Jan-2010	07:21 PM	TO RECORD DEPR EXPENSE
5	D	EX	901	13	6499	0	0	0			18,578	A	Misc. Operating Co	Deprec. in SOA	SOA2	06-Jan-2010	07:21 PM	TO RECORD DEPR EXPENSE
5	D	EX	901	21	6499	0	0	0			6,006	A	Misc. Operating Co	Deprec. in SOA	SOA2	06-Jan-2010	07:21 PM	TO RECORD DEPR EXPENSE
5	D	EX	901	21	6499	0	0	0			29,489	A	Misc. Operating Co	Deprec. in SOA	SOA2	06-Jan-2010	07:21 PM	TO RECORD DEPR EXPENSE
5	D	EX	901	23	6499	0	0	0			79,290	A	Misc. Operating Co	Deprec. in SOA	SOA2	06-Jan-2010	07:21 PM	TO RECORD DEPR EXPENSE
5	D	EX	901	31	6499	0	0	0			53,700	A	Misc. Operating Co	Deprec. in SOA	SOA2	06-Jan-2010	07:21 PM	TO RECORD DEPR EXPENSE
5	D	EX	901	33	6499	0	0	0			16,699	A	Misc. Operating Co	Deprec. in SOA	SOA2	06-Jan-2010	07:21 PM	TO RECORD DEPR EXPENSE
5	D	EX	901	34	6499	0	0	0			134,881	A	Misc. Operating Co	Deprec. in SOA	SOA2	06-Jan-2010	07:21 PM	TO RECORD DEPR EXPENSE
5	D	EX	901	35	6499	0	0	0			84,511	A	Misc. Operating Co	Deprec. in SOA	SOA2	06-Jan-2010	07:21 PM	TO RECORD DEPR EXPENSE
5	D	EX	901	36	6499	0	0	0			44,359	A	Misc. Operating Co	Deprec. in SOA	SOA2	06-Jan-2010	07:21 PM	TO RECORD DEPR EXPENSE
5	D	EX	901	41	6499	0	0	0			62,818	A	Misc. Operating Co	Deprec. in SOA	SOA2	06-Jan-2010	07:21 PM	TO RECORD DEPR EXPENSE
5	D	EX	901	51	6499	0	0	0			144,892	A	Misc. Operating Co	Deprec. in SOA	SOA2	06-Jan-2010	07:21 PM	TO RECORD DEPR EXPENSE
5	D	EX	901	52	6499	0	0	0			719	A	Misc. Operating Co	Deprec. in SOA	SOA2	06-Jan-2010	07:21 PM	TO RECORD DEPR EXPENSE
5	D	EX	901	53	6499	0	0	0			22,423	A	Misc. Operating Co	Deprec. in SOA	SOA2	06-Jan-2010	07:21 PM	TO RECORD DEPR EXPENSE
5	D	EX	901	61	6499	0	0	0			12,792	A	Misc. Operating Co	Deprec. in SOA	SOA2	06-Jan-2010	07:21 PM	TO RECORD DEPR EXPENSE
6	CC2	LI	902	0	2512	0	0	0		110	(1,076,935)	A	Accumulated Acce	L/T compens. absences paya	SNA9	08-Jan-2010	05:20 PM	TO RECORD ACCUM ACCR ON CABS
6	CC2	EX	902	71	6522	0	0	0			0	A	Capital Lease Interi	Accret. of interest on cap app	SOA14	08-Jan-2010	05:20 PM	TO RECORD ACCUM ACCR ON CABS
6	CC2	EX	902	71	6522.1	0	0	0			1,076,935	A	Capital Lease Interi	Internal serv net rev - some	SOA16	08-Jan-2010	05:20 PM	TO RECORD ACCUM ACCR ON CABS
7	CC1	AS	902	0	1420	0	0	0			332,183	A	Capitalized Bond ai	L/T contracts payable	SNA10	08-Jan-2010	05:20 PM	TO ELIMINATE BOND PROCEEDS
7	CC1	LI	902	0	2510	0	0	0		110	(9,911,371)	A	Bonds Payable - Lc	L/T bonds payable	SNA5	08-Jan-2010	05:20 PM	TO ELIMINATE BOND PROCEEDS

Adj Num	W.P. Ref	Class	Fund	Function	Object	Org.	Pr	Rev	Fn	AW	Adj Amount	Adj Type	Account Description	Reconciliation Description	Reconcil. Name	Post Date	Post Time	Explanation or User Comment
7	CC1	LI	902	0	2516	0	0	0	0		(346,945)	A	Premium & Discour		SNA5	08-Jan-2010	05:20 PM	TO ELIMINATE BOND PROCEEDS
7	CC1	LI	902	0	2510	0	0	0	0	110	570,000	A	Bonds Payable - Lc	LT bonds payable	SNA5	08-Jan-2010	05:20 PM	TO ELIMINATE BOND PROCEEDS
7	CC1	OR	902	0	7911	0	0	0	0		9,341,617	A	Issuance of Bonds	Special termination benefits	SOA19	08-Jan-2010	05:20 PM	TO ELIMINATE BOND PROCEEDS
7	CC1	OR	902	0	7901	0	0	0	0		569,754	A	Refunding Bonds	Special termination benefits	SOA19	08-Jan-2010	05:20 PM	TO ELIMINATE BOND PROCEEDS
7	CC2	OR	902	0	7916	0	0	0	0		346,945	A	Premium or Discou	Compensated absences rep	SOA18	08-Jan-2010	05:20 PM	TO ELIMINATE BOND PROCEEDS
7	CC2	EX	902	71	6594	0	0	0	0		(318,251)	A	Other Debt Service	Bond issuance cost amortizat	SOA13	08-Jan-2010	05:20 PM	TO RECORD ACCUM ACCR ON CABS
7	CC1	OU	902	0	8949	0	0	0	0		(583,932)	A	Other Uses	Donation of capital asset	SOA6	08-Jan-2010	05:20 PM	TO ELIMINATE BOND PROCEEDS
8	CC	AS	902	0	1420	0	0	0	0		(38,455)	A	Capitalized Bond ai	LT contracts payable	SNA10	08-Jan-2010	05:20 PM	TO AMORTIZE BOND ISSUANCE & PREM
8	CC	LI	902	0	2516	0	0	0	0		39,246	A	Premium & Discour	LT other payables	SNA11	08-Jan-2010	05:20 PM	TO AMORTIZE BOND ISSUANCE & PREM
8	CC	EX	902	71	6523	0	0	0	0		38,455	A	Interest on Debt	Bond issuance cost amortizat	SOA13	08-Jan-2010	05:20 PM	TO AMORTIZE BOND ISSUANCE & PREM
8	CC	RE	902	0	5749	0	0	0	0		(39,246)	A	Other Revenues fr	Change in deferred fine rever	SOA20	08-Jan-2010	05:20 PM	TO AMORTIZE BOND ISSUANCE & PREM
9	CC	EX	902	71	6519	0	0	0	0		(1)	A	Debt Principal	Undefined	NONE	08-Jan-2010	05:20 PM	RECLASS
9	CC	EX	902	11	6300	0	0	0	0		1	A	Supplies & Material	Undefined	NONE	08-Jan-2010	05:20 PM	RECLASS
9	CC	EX	902	81	6699	0	0	0	0		(41,104)	A	Library Books & Me	Undefined	NONE	08-Jan-2010	05:20 PM	RECLASS
9	CC	EX	902	51	6499	0	0	0	0		41,104	A	Misc. Operating Co	Undefined	NONE	08-Jan-2010	05:20 PM	RECLASS

MARBLE FALLS
INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2009

Marble Falls Independent School District
Annual Financial Report
For The Year Ended August 31, 2009

TABLE OF CONTENTS

	Page	Exhibit
INTRODUCTORY SECTION		
Certificate of Board.....	1	
FINANCIAL SECTION		
Independent Auditor's Report on Financial Statements.....	2	
Management's Discussion and Analysis (Required Supplementary Information).....	4	
<u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Assets.....	10	A-1
Statement of Activities.....	11	B-1
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	12	C-1
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Assets.....	14	C-1R
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	15	C-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	17	C-3
Statement of Fiduciary Net Assets - Fiduciary Funds.....	18	E-1
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds.....	19	E-2
Notes to the Financial Statements	20	
<u>Required Supplementary Information:</u>		
Budgetary Comparison Schedules:		
General Fund.....	31	G-1
<u>Combining Statements as Supplementary Information:</u>		
Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	33	H-1
Combining Statement of Revenues, Expenditures and Changes		
in Fund Balances - Nonmajor Special Revenue Funds.....	39	H-2
Fiduciary Funds:		
Private-Purpose Trust Funds:		
Combining Statement of Fiduciary Net Assets.....	45	H-3
Combining Statement of Changes in Fiduciary Net Assets.....	47	H-4

Marble Falls Independent School District
Annual Financial Report
For The Year Ended August 31, 2009

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
 OTHER SUPPLEMENTARY INFORMATION SECTION		
Schedule of Delinquent Taxes Receivable.....	49	J-1
Indirect Cost Computation Schedule	51	J-2
Fund Balance and Cash Flow Calculation Worksheet (Unaudited)-General Fund.....	52	J-3
Budgetary Comparison Schedules Required by the Texas Education Agency:		
National School Breakfast and Lunch Program.....	53	J-4
Debt Service Fund.....	54	J-5
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	55	
Report on Compliance with Requirements Applicable To each Major Program and Internal Control over Compliance In Accordance With OMB Circular A-133.....	57	
Schedule of Findings and Questioned Costs	59	
Schedule of Expenditures of Federal Awards	60	K-1
Notes to the Schedule of Expenditures of Federal Awards.....	61	
Schedule of Required Responses to Selected School First Indicators.....	62	K-2

Introductory Section

CERTIFICATE OF BOARD

Marble Falls Independent School District
Name of School District

Burnet
County

027-904
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) _____ approved _____disapproved for the year ended August 31, 2009, at a meeting of the board of trustees of such school district on the ____ day of _____, _____.

Signature of Board Secretary

Signature of Board President

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

Financial Section

West, Davis & Company, LLP
11824 Jollyville Road, Suite 100
Austin, Texas 78759

Independent Auditor's Report on Financial Statements

Board of Trustees
Marble Falls Independent School District
Marble Falls, Texas

Members of the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Marble Falls Independent School District as of and for the year ended August 31, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Marble Falls Independent School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 Marble Falls Independent School District as of August 31, 2009, 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.

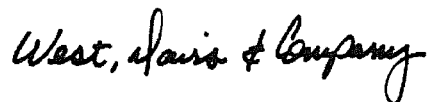
In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2010, on our consideration of Marble Falls Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the budgetary comparison information identified as Required Supplementary Information in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements which collectively comprise the Marble Falls Independent School District's basic financial statements. The accompanying schedule of expenditures of federal awards required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the combining

financial statements and supporting schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

A handwritten signature in black ink that reads "West, Davis & Company". The signature is written in a cursive, flowing style.

West, Davis & Company, LLP
January 8, 2010

Marble Falls Independent School District

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the managers of Marble Falls Independent School District (the District), discuss and analyze the District's financial performance for the fiscal year ended August 31, 2009. Please read it in conjunction with the independent auditors' report on page 2, and the District's Basic Financial Statements, which begin on page 10. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

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 (on pages 10 and 11). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise. Fund financial statements (starting on page 12) 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 remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the district.

The notes to the financial statements (starting on page 20) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

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 analysis of the District's overall financial condition and operations begins on page 10. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Assets includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as 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 year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net assets and changes in them. The District's net assets (the difference between assets and liabilities) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider 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, we classify the District's activities as Governmental activities:

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

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 12 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 proprietary—use different accounting approaches.

- Governmental funds—Most of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- Proprietary funds—The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Assets and the Statement of Activities. The internal service funds report activities that provide supplies and services for the District's other programs and activities—such as the District's self-insurance programs. The District, at present, maintains no proprietary funds.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for money raised by student activities and scholarship programs. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 18 and 19. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net assets of the District's governmental activities decreased from \$22.1 million to \$21.1 million. Unrestricted net assets – the part 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 \$10.8 million at August 31, 2009. This decrease in governmental net assets was the result of the District's increased expense of contracted instructional services between schools.

Table I
Marble Falls Independent School District

NET ASSETS
in thousands

	Governmental Activities	
	2009	2008
Current and other assets	22,598	46,361
Capital assets	94,447	64,418
Total assets	<u>117,044</u>	<u>110,779</u>
Long-term liabilities	89,619	80,323
Other liabilities	6,297	8,363
Total liabilities	<u>95,916</u>	<u>88,686</u>
Net Assets:		
Invested in capital assets net of related debt	9,192	9,067
Restricted	1,133	1,217
Unrestricted	10,803	11,809
Total net assets	<u>21,128</u>	<u>22,093</u>

Table II
Marble Falls Independent School District

CHANGES IN NET ASSETS
in thousands

	Governmental Activities	
	2009	2008
Revenues:		
Program Revenues:		
Charges for Services	993	995
Operating grants and contributions	4,500	4,507
General Revenues:		
Maintenance and operations taxes	28,029	23,938
Debt Service taxes	5,750	4,416
State aid - formula grants	9,317	9,323
Investment Earnings	505	1,451
Miscellaneous	465	343
Total Revenue	<u>49,559</u>	<u>44,973</u>
Expenses:		
Instruction, curriculum and media services	22,238	20,438
Instructional and school leadership	2,917	2,902
Student support services	3,483	3,283
Child nutrition	1,942	1,843
Extracurricular activities	1,549	1,447
General administration	966	1,115
Plant maintenance, security and data processing	6,347	5,769
Community services	327	297
Debt services	4,983	2,485
Contracted Inst. Services between School	5,163	2,384
Other Intergovernmental Charges	609	397
Total Expenses	<u>50,524</u>	<u>42,360</u>
Increase in net assets	(965)	2,613
Net assets at Beginning	<u>22,093</u>	<u>19,480</u>
Net assets at Ending	<u>21,128</u>	<u>22,093</u>

THE DISTRICT'S FUNDS

As the District completed this annual period, its governmental funds (as presented in the balance sheet on page 12) reported a combined fund balance of \$14.2 million, which is \$22.8 million less than last year's total of \$37 million. Included in this year's total change in fund balance is a decrease of \$1.5 million in the District's General Fund, \$21.5 million in the Capital Projects Fund and an increase of \$0.2 million in the Debt Service Fund and Other Governmental Funds.

Over the course of the year, the Board of Trustees revised the District's budget several times. These budget amendments fall into two categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the year and reflect the actual beginning balances (versus the amounts we estimated in August 2008). The second category involved amendments moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2009, the District had \$117.1 million invested in a broad range of capital assets, including construction in progress, facilities and equipment for instruction, transportation, athletics, administration, and maintenance.

The District's fiscal year 2009 capital budget calls for additional expenditures for new instructional facilities and renovations. In November 2007, District voters approved the issuance of some \$62.3 million in bonded debt to finance these improvements. The projects authorized include \$54.5 million in school building construction and renovations. In addition, some \$7.8 million was authorized for construction of a multi-purpose facility for athletic and other special events. More detailed information about the District's capital assets is presented in Note D to the financial statements.

Debt

At year-end, the District had \$81.1 million in bonds outstanding versus \$73.6 million last year. During the current year the District issued an additional \$9.3 million which completes the issuance of the aforementioned \$62.3 authorized by voters. The District also issued \$0.57 million of Refunding Bonds. More detailed information about the District's long-term liabilities is presented in Note F 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 2009 budget and tax rates. Those factors include property values, changes in enrollment, the economy, and legislative mandates.

The district's desire to continue a five year salary proposal to increase the teacher's salary schedule to a more competitive level has caused expenditures to exceed forecasted revenues in 2009 – 2010, thus creating a deficit budget. Expected increases in local tax revenue and federal aide will be offset by greater decreases in interest earnings on investments and state aide. Enrollments and property values are

forecasted to increase slightly in the near future; however, enhanced state funding will be required to produce adequate revenue to cover current budgetary needs. If adequate funding sources are not met in the immediate future, the five year salary proposal will need to be reevaluated during the next budget cycle in order to maintain a balanced budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances 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 Marble Falls Independent School District, 2001 Broadway Street, Marble Falls, Texas 78654.

Basic Financial Statements

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET ASSETS

AUGUST 31, 2009

Data Control Codes	1	Governmental Activities
ASSETS:		
1110	Cash and Cash Equivalents	\$ 2,021,583
1120	Current Investments	17,543,818
1225	Property Taxes Receivable (Net)	1,694,094
1240	Due from Other Governments	586,440
1290	Other Receivables (Net)	2,523
1300	Inventories	45,318
1420	Capitalized Bond and Other Debt Issuance Costs	704,466
Capital Assets:		
1510	Land	3,047,266
1520	Buildings and Improvements, Net	31,691,111
1530	Furniture and Equipment, Net	1,360,781
1580	Construction in Progress	58,347,418
1000	Total Assets	<u>117,044,818</u>
LIABILITIES:		
2110	Accounts Payable	624,444
2140	Interest Payable	139,408
2165	Accrued Liabilities	4,012,670
2180	Due to Other Governments	1,357,349
2300	Unearned Revenue	163,502
Noncurrent Liabilities:		
2501	Due Within One Year	3,450,000
2502	Due in More Than One Year	86,168,929
2000	Total Liabilities	<u>95,916,302</u>
NET ASSETS		
3200	Invested in Capital Assets, Net of Related Debt Restricted For:	2,784,487
3850	Debt Service	961,545
3870	Campus Activities	171,756
3900	Unrestricted	17,210,728
3000	Total Net Assets	<u>\$ 21,128,516</u>

The accompanying notes are an integral part of this statement.

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues		4 Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
			Charges for Services	Governmental Activities		
	Governmental Activities:					
11	Instruction	\$ 21,436,752	\$ 134,162	\$ 2,137,006	\$ (19,165,584)	
12	Instructional Resources and Media Services	580,133	--	55,830	(524,303)	
13	Curriculum and Staff Development	221,291	--	29,030	(192,261)	
21	Instructional Leadership	797,216	--	73,966	(723,250)	
23	School Leadership	2,120,177	--	75,225	(2,044,952)	
31	Guidance, Counseling, & Evaluation Services	1,243,964	--	141,541	(1,102,423)	
33	Health Services	411,149	--	16,063	(395,086)	
34	Student Transportation	1,827,551	--	79,882	(1,747,669)	
35	Food Service	1,942,255	749,385	1,144,190	(48,680)	
36	Cocurricular/Extracurricular Activities	1,549,301	109,518	73,731	(1,366,052)	
41	General Administration	966,490	--	39,297	(927,193)	
51	Plant Maintenance and Operations	5,188,935	--	208,238	(4,980,697)	
52	Security and Monitoring Services	89,244	--	3,632	(85,612)	
53	Data Processing Services	1,068,429	--	173,819	(894,610)	
61	Community Services	326,908	--	11,789	(315,119)	
72	Interest on Long-term Debt	4,965,426	--	--	(4,965,426)	
73	Bond Issuance Costs and Fees	17,702	--	--	(17,702)	
91	Contracted Instructional Services between Schools	5,162,899	--	211,809	(4,951,090)	
99	Other Intergovernmental Charges	609,010	--	24,985	(584,025)	
TG	Total Governmental Activities	50,524,832	993,065	4,500,033	(45,031,734)	
TP	Total Primary Government	\$ 50,524,832	\$ 993,065	\$ 4,500,033	(45,031,734)	
	General Revenues:					
MT	Property Taxes, Levied for General Purposes				28,028,830	
DT	Property Taxes, Levied for Debt Service				5,749,926	
IE	Investment Earnings				505,457	
GC	Grants and Contributions Not Restricted to Specific Programs				9,317,108	
MI	Miscellaneous				465,278	
TR	Total General Revenues				44,066,599	
CN	Change in Net Assets				(965,135)	
NB	Net Assets - Beginning				22,093,651	
NE	Net Assets - Ending				\$ 21,128,516	

The accompanying notes are an integral part of this statement.

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2009

Data Control Codes	10 <u>General Fund</u>	50 <u>Debt Service Fund</u>
ASSETS:		
1110 <i>Cash and Cash Equivalents</i>	\$ 1,506,979	\$ 259,381
1120 <i>Current Investments</i>	10,540,823	595,691
1225 <i>Taxes Receivable, Net</i>	1,451,849	242,245
1240 <i>Due from Other Governments</i>	59,103	--
1260 <i>Due from Other Funds</i>	4,334	20,412
1290 <i>Other Receivables</i>	2,523	--
1300 <i>Inventories</i>	45,318	--
1000 Total Assets	<u>\$ 13,610,929</u>	<u>\$ 1,117,729</u>
LIABILITIES:		
Current Liabilities:		
2110 <i>Accounts Payable</i>	\$ 164,602	\$ --
2160 <i>Accrued Wages Payable</i>	1,255,882	--
2170 <i>Due to Other Funds</i>	20,412	--
2180 <i>Due to Other Governments</i>	1,357,349	--
2200 <i>Accrued Expenditures</i>	--	--
2300 <i>Unearned Revenue</i>	1,486,935	242,245
2000 Total Liabilities	<u>4,285,180</u>	<u>242,245</u>
FUND BALANCES:		
Reserved Fund Balances:		
3420 <i>Debt Service</i>	--	875,484
3450 <i>Reserve for Food Service</i>	--	--
3470 <i>Capital Acquisitions & Contractual Obligations</i>	--	--
3490 <i>Other Reserves of Fund Balance</i>	--	--
3600 Unreserved	<u>9,325,749</u>	<u>--</u>
3000 Total Fund Balances	<u>9,325,749</u>	<u>875,484</u>
4000 Total Liabilities and Fund Balances	<u>\$ 13,610,929</u>	<u>\$ 1,117,729</u>

The accompanying notes are an integral part of this statement.

60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 65,838	\$ 189,385	\$ 2,021,583
6,407,304	--	17,543,818
--	--	1,694,094
--	527,337	586,440
--	--	24,746
--	--	2,523
--	--	45,318
<u>\$ 6,473,142</u>	<u>\$ 716,722</u>	<u>\$ 21,918,522</u>
\$ 332,316	\$ 127,526	\$ 624,444
--	97,271	1,353,153
--	4,334	24,746
--	--	1,357,349
2,659,517	--	2,659,517
--	8,562	1,737,742
<u>2,991,833</u>	<u>237,693</u>	<u>7,756,951</u>
--	--	875,484
--	297,906	297,906
3,481,309	--	3,481,309
--	181,123	181,123
--	--	9,325,749
<u>3,481,309</u>	<u>479,029</u>	<u>14,161,571</u>
<u>\$ 6,473,142</u>	<u>\$ 716,722</u>	<u>\$ 21,918,522</u>

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT
*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 AUGUST 31, 2009*

Total fund balances - governmental funds balance sheet	\$ 14,161,571
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not reported in the funds.	94,446,576
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,574,240
Payables for bond principal which are not due in the current period are not reported in the funds.	(81,837,014)
Payables for bond interest which are not due in the current period are not reported in the funds.	(139,409)
The accumulated accretion of interest on capital appreciation bonds is not reported in the funds.	(7,781,915)
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	704,466
Rounding difference	<u>1</u>
Net assets of governmental activities - statement of net assets	<u>\$ 21,128,516</u>

The accompanying notes are an integral part of this statement.

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes	10 General Fund	50 Debt Service Fund
REVENUES:		
5700 <i>Local and Intermediate Sources</i>	\$ 28,187,021	\$ 5,772,361
5800 <i>State Program Revenues</i>	9,824,668	--
5900 <i>Federal Program Revenues</i>	37,829	--
5020 Total Revenues	<u>38,049,518</u>	<u>5,772,361</u>
EXPENDITURES:		
Current:		
0011 <i>Instruction</i>	18,564,401	--
0012 <i>Instructional Resources and Media Services</i>	496,607	--
0013 <i>Curriculum and Staff Development</i>	181,653	--
0021 <i>Instructional Leadership</i>	721,095	--
0023 <i>School Leadership</i>	1,833,136	--
0031 <i>Guidance, Counseling, & Evaluation Services</i>	999,967	--
0033 <i>Health Services</i>	391,541	--
0034 <i>Student Transportation</i>	1,947,146	--
0035 <i>Food Service</i>	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	1,419,857	--
0041 <i>General Administration</i>	901,353	--
0051 <i>Plant Maintenance and Operations</i>	5,075,851	--
0052 <i>Security and Monitoring Services</i>	88,525	--
0053 <i>Data Processing Services</i>	871,462	--
0061 <i>Community Services</i>	287,348	--
0071 <i>Principal on Long-term Debt</i>	--	1,845,001
0072 <i>Interest on Long-term Debt</i>	--	3,857,711
0073 <i>Bond Issuance Costs and Fees</i>	--	24,660
0081 <i>Capital Outlay</i>	--	--
0091 <i>Contracted Instructional Services</i>		
0091 <i>Between Public Schools</i>	5,162,899	--
0099 <i>Other Intergovernmental Charges</i>	609,010	--
6030 Total Expenditures	<u>39,551,851</u>	<u>5,727,372</u>
1100 Excess (Deficiency) of Revenues Over (Under)		
1100 Expenditures	<u>(1,502,333)</u>	<u>44,989</u>
Other Financing Sources and (Uses):		
7901 <i>Refunding Bonds Issued</i>	--	569,753
7911 <i>Capital-Related Debt Issued (Regular Bonds)</i>	--	--
7916 <i>Premium or Discount on Issuance of Bonds</i>	--	35,069
8940 <i>Payment to Bond Refunding Escrow Agent</i>	--	(583,932)
7080 Total Other Financing Sources and (Uses)	<u>--</u>	<u>20,890</u>
1200 Net Change in Fund Balances	<u>(1,502,333)</u>	<u>65,879</u>
0100 Fund Balances - Beginning	<u>10,828,082</u>	<u>809,605</u>
3000 Fund Balances - Ending	<u>\$ 9,325,749</u>	<u>\$ 875,484</u>

The accompanying notes are an integral part of this statement.

60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 223,013	\$ 1,089,541	\$ 35,271,936
--	781,748	10,606,416
--	3,172,896	3,210,725
<u>223,013</u>	<u>5,044,185</u>	<u>49,089,077</u>
--	2,172,322	20,736,723
--	64,948	561,555
--	33,632	215,285
--	46,632	767,727
--	207,751	2,040,887
--	190,297	1,190,264
--	2,909	394,450
--	--	1,947,146
--	1,875,284	1,875,284
--	85,085	1,504,942
--	2,319	903,672
--	--	5,075,851
--	--	88,525
--	254,798	1,126,260
--	26,768	314,116
--	--	1,845,001
--	--	3,857,711
311,293	--	335,953
31,055,114	--	31,055,114
--	--	5,162,899
--	--	609,010
<u>31,366,407</u>	<u>4,962,745</u>	<u>81,608,375</u>
<u>(31,143,394)</u>	<u>81,440</u>	<u>(32,519,298)</u>
--	--	569,753
9,341,617	--	9,341,617
311,876	--	346,945
--	--	(583,932)
<u>9,653,493</u>	<u>--</u>	<u>9,674,383</u>
<u>(21,489,901)</u>	<u>81,440</u>	<u>(22,844,915)</u>
24,971,210	397,589	37,006,486
<u>\$ 3,481,309</u>	<u>\$ 479,029</u>	<u>\$ 14,161,571</u>

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

Net change in fund balances - total governmental funds	\$ (22,844,915)
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	31,497,113
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,469,106)
Payments to escrow agent relating to the refunding of bonds is reflected as a other use in the funds.	583,932
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	431,374
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	1,845,000
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	279,796
(Increase) decrease in accrued interest from beginning of period to end of period.	7,675
The accretion of interest on capital appreciation bonds is not reported in the funds.	(1,076,935)
Bond premium in the current year is reflected as an other source in the funds.	(346,945)
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(9,911,371)
Bond premiums are reported in the funds but amortized in the SOA.	39,246
Rounding difference	1
	<hr/>
Change in net assets of governmental activities - statement of activities	\$ <u>(965,135)</u>

The accompanying notes are an integral part of this statement.

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

AUGUST 31, 2009

Data Control Codes	Private-purpose Trust Funds	Agency Funds Student Activity
ASSETS:		
1110 <i>Cash and Cash Equivalents</i>	\$ 27,348	\$ 66,536
1800 <i>Restricted Assets</i>	21,170	--
1000 Total Assets	<u>\$ 48,518</u>	<u>\$ 66,536</u>
LIABILITIES:		
Current Liabilities:		
2190 <i>Due to Student Groups</i>	\$ --	\$ 66,536
2000 Total Liabilities	<u>--</u>	<u>66,536</u>
NET ASSETS		
3800 <i>Held in Trust</i>	48,518	--
3000 Total Net Assets	<u>\$ 48,518</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

FOR THE YEAR ENDED AUGUST 31, 2009

	Private- Purpose Trusts
Additions:	
Investment Income	\$ 870
Contributions	880
Total Additions	<u>1,750</u>
Deductions:	
Scholarship Awards	--
Other Expenses	220
Total Deductions	<u>220</u>
Change in Net Assets	1,530
Net Assets-Beginning of the Year	46,988
Net Assets-End of the Year	<u>\$ 48,518</u>

The accompanying notes are an integral part of this statement.

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

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

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

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

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

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

The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

Capital Projects Fund: This fund accounts for proceeds from various bond issues and the corresponding expenditures for construction of voter approved facilities.

Debt Service Fund: This fund accounts for debt service property taxes and the payment of bond principal and interest as it comes due.

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

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

In addition, the District reports the following fund types:

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

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

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

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

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year-end to be available in the current period. 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. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

3. Financial Statement Amounts

a. 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 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 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

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

b. Inventories and Prepaid Items

The District records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory in accordance with the Resource Guide.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

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

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

d. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

e. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net assets.

f. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

g. Data Control Codes

Data Control Codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to insure accuracy in building a statewide database for policy development and funding plans.

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

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

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None	Not Applicable

2. Deficit Fund Balance or Fund Net Assets of Individual Funds

Following are funds having deficit fund balances or fund net assets at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None	\$ --	Not Applicable

C. Deposits and Investments

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

1. Cash Deposits:

At August 31, 2009, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$2,021,583 and the bank balance was \$2,776,681. The District's cash deposits at August 31, 2009 and during the period ended August 31, 2009, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

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

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The District's investments at August 31, 2008 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Ratings</u>	<u>Fair Value</u>	<u>Percentage</u>
Lone Star Investment Pool	24 days average	AAA	\$ <u>17,543,818</u>	100%

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District's investments were rated as noted above.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

At year end, the District was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District investments representing more than 5% of total investments are disclosed above.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

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

Investment Accounting Policy

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

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares. The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

D. Capital Assets

Capital asset activity for the year ended August 31, 2009, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 2,817,170	\$ 230,096	\$ --	\$ 3,047,266
Construction in progress	27,563,503	30,783,915	--	58,347,418
Total capital assets not being depreciated	<u>30,380,673</u>	<u>31,014,011</u>	<u>--</u>	<u>61,394,684</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	51,630,114	172,558	1,102,460	50,700,212
Furniture and Equipment	4,715,264	310,545	--	5,025,809
Total capital assets being depreciated	<u>56,345,378</u>	<u>483,103</u>	<u>1,102,460</u>	<u>55,726,021</u>
Less accumulated depreciation for:				
Buildings and improvements	(19,083,744)	(1,027,817)	(1,102,460)	(19,009,101)
Furniture and Equipment	(3,223,739)	(441,289)	--	(3,665,028)
Total accumulated depreciation	<u>(22,307,483)</u>	<u>(1,469,106)</u>	<u>(1,102,460)</u>	<u>(22,674,129)</u>
Total capital assets being depreciated, net	<u>34,037,895</u>	<u>(986,003)</u>	<u>--</u>	<u>33,051,892</u>
Governmental activities capital assets, net	<u>\$ 64,418,568</u>	<u>\$ 30,028,008</u>	<u>\$ --</u>	<u>\$ 94,446,576</u>

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

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

Depreciation was charged to functions as follows:

Instruction	\$ 757,949
Instructional Resources and Media Services	18,578
Curriculum and Staff Development	6,006
Instructional Leadership	29,489
School Leadership	79,290
Guidance, Counseling, & Evaluation Services	53,700
Health Services	16,699
Student Transportation	134,881
Food Services	84,511
Extracurricular Activities	44,359
General Administration	62,818
Plant Maintenance and Operations	144,892
Security and Monitoring Services	719
Data Processing Services	22,423
Community Services	12,792
	<u>\$ 1,469,106</u>

E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2009, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Other Governmental Funds	\$ 4,334	Short-term loans
Other Governmental Funds	General Fund	20,412	Short-term loans
	Total	<u>\$ 24,746</u>	

All amounts due are scheduled to be repaid within one year.

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

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

F. Long-Term Obligations

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

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2009, are as follows:

Series	Original Issue (millions)	Interest Rate	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:							
1996	13.335	4.25-5.63%	\$ 750,000	\$ --	\$ 750,000	\$ --	--
2002	12.325	3.0-4.5%	4,505,506	--	680,000	3,825,506	1,130,000
2002A	8.940	2.5-5.0%	8,400,000	--	625,000	7,775,000	965,000
2006	6.967	4.2-4.61%	6,966,778	--	--	6,966,778	--
2007A	25.000	3.67-4.51%	25,000,000	--	--	25,000,000	475,000
2008	28.000	3.0-5.0%	27,995,443	--	350,000	27,645,443	555,000
2009A	9.342	2.0-5.0%	--	9,341,617	--	9,341,617	180,000
2009B	0.570	2.0%	--	569,754	10,000	559,754	145,000
			73,617,727	9,911,371	2,415,000	81,114,098	3,450,000
Premium on Bonds			415,217	346,945	39,246	722,916	--
Accumulated Accretion on CAB's			6,704,980	1,806,935	730,000	7,781,915	--
Total governmental activities			\$ 80,737,924	\$ 12,065,251	\$ 3,184,246	\$ 89,618,929	\$ 3,450,000

2. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2009, are as follows:

Year Ending August 31,	Governmental Activities		
	Principal	Interest	Total
2010	\$ 3,450,000	\$ 3,188,986	\$ 6,638,986
2011	3,165,234	3,494,952	6,660,186
2012	3,224,525	3,441,837	6,666,362
2013	3,232,282	3,437,180	6,669,462
2014	3,070,462	3,490,874	6,561,336
2015-2019	13,776,022	18,853,159	32,629,181
2020-2024	11,840,573	15,557,783	27,398,356
2021-2022	11,510,000	8,398,483	19,908,483
2030-2034	14,500,000	5,411,019	19,911,019
2035-2039	13,345,000	1,608,781	14,953,781
Totals	\$ 81,114,098	\$ 66,883,054	\$ 147,997,152

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

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

3. Advance Refunding of Debt

GASB Statement No. 7, "Advance Refundings Resulting in Defeasance of Debt," provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of August 31, 2009, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows.

Bond Issue	Amount
Series 1996	\$ 515,000
Series 2002	6,519,747
Series 1996	570,000
Total	\$ 7,604,747

During 2009 the District issued \$569,754 in Unlimited Tax Refunding Bonds to refund a portion of the District's Tax School Building Bonds Series 1996 (\$570,000). The proceeds of the refunding net of debt service costs of \$20,890 amounted to \$583,932 and was deposited with an escrow agent to purchase direct obligations of the United States. As a result of the refunding, the District decreased its aggregate debt service payment to maturity by \$28,360 and realized an economic gain (difference between the present value of debt service payments on the old debt and the new debt) of \$30,909.

G. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2009, 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.

H. Pension Plan

1. Plan Description

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

2. Funding Policy

Under provisions in State law, plan members are required to contribute 6.4% of their annual covered salary and the State of Texas contributes an amount equal to 6.58% of the District's covered payroll. The District's employees' contributions to the System for the years ending August 31, 2009, 2008 and 2007 were \$1,573,303, \$1,470,207, and \$1,380,294 respectively, and were equal to the required contributions for each year. Other contributions made from federal and private grants and from the District for salaries above the statutory minimum for the years ending August 31, 2009, 2008 and 2007 were \$261,256, \$206,003, and \$164,894 respectively, and were equal to the required contributions for each year. The amount contributed by the State on behalf of the District was \$1,565,148 for the year ended August 31, 2009.

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

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

I. Health Care Coverage

During the period ended August 31, 2009, employees of the District were covered by a state-wide plan, TRS Active Care. The District paid premiums of \$150 per month per employee to the Plan. Employees at their option may authorize payroll withholdings to pay premiums for dependent coverage. The Teacher Retirement System of Texas (TRS) manages TRS Active Care. The Plan is administered by Blue Cross and Blue Shield of Texas, and Scott and White HMO for the medical plan while Medco Health was assigned the prescription drug plan.

The District's participation is renewable annually.

The latest financial information on the state-wide plan is available from TRS (see note H1).

J. Retiree Health Plan

1. Plan Description

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

2. 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 2009, 2008 and 2007. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For the years ended August 31, 2009, 2008, and 2007, the State's contributions to TRS-Care were \$232,890, \$214,865, and \$188,843, respectively, the active member contributions were \$151,378, \$139,662, and \$122,748, respectively, and the school district's contributions were \$128,089, \$118,176, and \$103,864, respectively, which equaled the required contributions each year.

K. On-Behalf Payments

The District beneficiary of certain payments made other entities relating to fringe benefits. These payments are recorded in the government-wide and fund financial statements as state and/or federal revenues and payroll expenditures. These contributions are the responsibility of the state or federal government as detailed below.

Description	On-Behalf Amount
State contributions to the TRS retirement plan	\$ 1,565,148
Medicare Part D drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants	57,475
	<u>\$ 1,622,623</u>

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

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

L. Commitments and Contingencies

1. Contingencies

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

2. Litigation

No reportable litigation was pending against the District at August 31,2009.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2009

EXHIBIT G-1

Page 1 of 2

Data Control Codes		1		2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts				
		Original	Final	Actual		
REVENUES:						
5700	Local and Intermediate Sources	\$ 28,878,256	\$ 28,880,107	\$ 28,187,021	\$ (693,086)	
5800	State Program Revenues	8,392,069	9,296,267	9,824,668	528,401	
5900	Federal Program Revenues	30,000	31,212	37,829	6,617	
5020	Total Revenues	<u>37,300,325</u>	<u>38,207,586</u>	<u>38,049,518</u>	<u>(158,068)</u>	
EXPENDITURES:						
Current:						
Instruction & Instructional Related Services:						
0011	Instruction	21,024,994	19,129,843	18,564,401	565,442	
0012	Instructional Resources and Media Services	514,935	474,935	496,607	(21,672)	
0013	Curriculum and Staff Development	201,631	201,631	181,653	19,978	
	Total Instruction & Instr. Related Services	<u>21,741,560</u>	<u>19,806,409</u>	<u>19,242,661</u>	<u>563,748</u>	
Instructional and School Leadership:						
0021	Instructional Leadership	728,407	763,407	721,095	42,312	
0023	School Leadership	1,658,083	1,874,643	1,833,136	41,507	
	Total Instructional & School Leadership	<u>2,386,490</u>	<u>2,638,050</u>	<u>2,554,231</u>	<u>83,819</u>	
Support Services - Student (Pupil):						
0031	Guidance, Counseling and Evaluation Services	1,050,054	1,085,754	999,967	85,787	
0033	Health Services	384,912	405,352	391,541	13,811	
0034	Student (Pupil) Transportation	1,742,346	2,162,346	1,947,146	215,200	
0036	Cocurricular/Extracurricular Activities	1,403,151	1,463,651	1,419,857	43,794	
	Total Support Services - Student (Pupil)	<u>4,580,463</u>	<u>5,117,103</u>	<u>4,758,511</u>	<u>358,592</u>	
Administrative Support Services:						
0041	General Administration	990,474	955,474	901,353	54,121	
	Total Administrative Support Services	<u>990,474</u>	<u>955,474</u>	<u>901,353</u>	<u>54,121</u>	
Support Services - Nonstudent Based:						
0051	Plant Maintenance and Operations	3,229,965	5,229,965	5,075,851	154,114	
0052	Security and Monitoring Services	87,630	90,630	88,525	2,105	
0053	Data Processing Services	989,783	954,783	871,462	83,321	
	Total Support Services - Nonstudent Based	<u>4,307,378</u>	<u>6,275,378</u>	<u>6,035,838</u>	<u>239,540</u>	
Ancillary Services:						
0061	Community Services	278,929	298,929	287,348	11,581	
	Total Ancillary Services	<u>278,929</u>	<u>298,929</u>	<u>287,348</u>	<u>11,581</u>	
Capital Outlay:						
0081	Capital Outlay	10,000	10,000	--	10,000	
	Total Capital Outlay	<u>10,000</u>	<u>10,000</u>	<u>--</u>	<u>10,000</u>	
Intergovernmental Charges:						
0091	Contracted Instr. Services Between Public Schools	4,022,003	3,812,003	5,162,899	(1,350,896)	
0099	Other Intergovernmental Charges	300,000	610,000	609,010	990	
	Total Intergovernmental Charges	<u>4,322,003</u>	<u>4,422,003</u>	<u>5,771,909</u>	<u>(1,349,906)</u>	
6030	Total Expenditures	<u>38,617,297</u>	<u>39,523,346</u>	<u>39,551,851</u>	<u>(28,505)</u>	

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2009

EXHIBIT G-1

Page 2 of 2

Data Control Codes	1	2	3	Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	(1,316,972)	(1,315,760)	(1,502,333)	(186,573)
1200 Net Change in Fund Balance	(1,316,972)	(1,315,760)	(1,502,333)	(186,573)
0100 Fund Balance - Beginning	10,828,082	10,828,082	10,828,082	--
3000 Fund Balance - Ending	\$ 9,511,110	\$ 9,512,322	\$ 9,325,749	\$ (186,573)

*Combining Statements and Budget Comparisons
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2009

Data Control Codes	204 ESEA Title IV SDFSC	206 ESEA Title X Part C Homeless	211 ESEA Title I Improving Basic Programs	212 ESEA Title I, Part C Migrant Children
ASSETS:				
1110 Cash and Cash Equivalents	\$ --	\$ --	\$ (55,634)	\$ --
1240 Due from Other Governments	--	--	94,563	--
1000 Total Assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 38,929</u>	<u>\$ --</u>
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	\$ --	\$ --	\$ --	\$ --
2160 Accrued Wages Payable	--	--	38,929	--
2170 Due to Other Funds	--	--	--	--
2300 Unearned Revenue	--	--	--	--
2000 Total Liabilities	<u>--</u>	<u>--</u>	<u>38,929</u>	<u>--</u>
FUND BALANCES:				
Reserved Fund Balances:				
3450 Reserve for Food Service	--	--	--	--
3490 Other Reserves of Fund Balance	--	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 38,929</u>	<u>\$ --</u>

224 IDEA-B Formula	225 IDEA-B Preschool Grant	226 IDEA-B Discretionary	240 National School Breakfast/Lunch Program	244 Vo Ed Basic Grant
\$ (80,844)	\$ (604)	\$ (87,690)	\$ 324,989	\$ (15,433)
121,520	1,824	87,690	40,813	16,878
<u>\$ 40,676</u>	<u>\$ 1,220</u>	<u>\$ --</u>	<u>\$ 365,802</u>	<u>\$ 1,445</u>
\$ 8,018	\$ --	\$ --	\$ 67,896	\$ 1,082
32,658	1,220	--	--	363
--	--	--	--	--
--	--	--	--	--
<u>40,676</u>	<u>1,220</u>	<u>--</u>	<u>67,896</u>	<u>1,445</u>
--	--	--	297,906	--
--	--	--	--	--
--	--	--	<u>297,906</u>	<u>--</u>
<u>\$ 40,676</u>	<u>\$ 1,220</u>	<u>\$ --</u>	<u>\$ 365,802</u>	<u>\$ 1,445</u>

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2009

Data Control Codes	255 ESEA Title II Training & Recruiting	262 Enhancing Education through Technology	263 English Lang Acquisition and Enhancement	272 MAC Program
ASSETS:				
1110 Cash and Cash Equivalents	\$ (20,661)	\$ --	\$ (322)	\$ --
1240 Due from Other Governments	30,480	--	2,167	--
1000 Total Assets	<u>\$ 9,819</u>	<u>\$ --</u>	<u>\$ 1,845</u>	<u>\$ --</u>
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	\$ 385	\$ --	\$ 1,845	\$ --
2160 Accrued Wages Payable	9,434	--	--	--
2170 Due to Other Funds	--	--	--	--
2300 Unearned Revenue	--	--	--	--
2000 Total Liabilities	<u>9,819</u>	<u>--</u>	<u>1,845</u>	<u>--</u>
FUND BALANCES:				
Reserved Fund Balances:				
3450 Reserve for Food Service	--	--	--	--
3490 Other Reserves of Fund Balance	--	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ 9,819</u>	<u>\$ --</u>	<u>\$ 1,845</u>	<u>\$ --</u>

283 IDEA - Part B Formula - ARRA	288	289 Federal Special Revenue	394 Life Skills Program	397 Advanced Placement Incentives
\$ --	\$ --	\$ 4,564	\$ (6,793)	\$ 9,367
48,300	--	2,107	7,833	--
<u>\$ 48,300</u>	<u>\$ --</u>	<u>\$ 6,671</u>	<u>\$ 1,040</u>	<u>\$ 9,367</u>
\$ 48,300	\$ --	\$ --	\$ --	\$ --
--	--	--	1,040	--
--	--	--	--	--
<u>48,300</u>	<u>--</u>	<u>6,671</u>	<u>1,040</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	9,367
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>9,367</u>
<u>\$ 48,300</u>	<u>\$ --</u>	<u>\$ 6,671</u>	<u>\$ 1,040</u>	<u>\$ 9,367</u>

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2009

Data Control Codes	401 Optional Extended Year Program	404 Student Success Initiative	411 Technology Allotment	415 Kindergarten & Prekindergarten Grants
ASSETS:				
1110 Cash and Cash Equivalents	\$ (1,537)	\$ (14,546)	\$ 4,334	\$ (43,452)
1240 Due from Other Governments	1,537	14,546	--	57,079
1000 Total Assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 4,334</u>	<u>\$ 13,627</u>
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	\$ --	\$ --	\$ --	\$ --
2160 Accrued Wages Payable	--	--	--	13,627
2170 Due to Other Funds	--	--	4,334	--
2300 Unearned Revenue	--	--	--	--
2000 Total Liabilities	<u>--</u>	<u>--</u>	<u>4,334</u>	<u>13,627</u>
FUND BALANCES:				
Reserved Fund Balances:				
3450 Reserve for Food Service	--	--	--	--
3490 Other Reserves of Fund Balance	--	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 4,334</u>	<u>\$ 13,627</u>

428 High School Allotment	429 State Funded Special Revenue Fund	461 Campus Activity Funds	481 LCRA Grants	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ --	\$ --	\$ 171,756	\$ 1,891	\$ 189,385
--	--	--	--	527,337
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 171,756</u>	<u>\$ 1,891</u>	<u>\$ 716,722</u>
\$ --	\$ --	\$ --	\$ --	\$ 127,526
--	--	--	--	97,271
--	--	--	--	4,334
--	--	--	1,891	8,562
<u>--</u>	<u>--</u>	<u>--</u>	<u>1,891</u>	<u>237,693</u>
--	--	--	--	297,906
--	--	171,756	--	181,123
<u>--</u>	<u>--</u>	<u>171,756</u>	<u>--</u>	<u>479,029</u>
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 171,756</u>	<u>\$ 1,891</u>	<u>\$ 716,722</u>

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes	204 ESEA Title IV SDFSC	206 ESEA Title X Part C Homeless	211 ESEA Title I Improving Basic Programs	212 ESEA Title I, Part C Migrant Children
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	--	--	--
5900 <i>Federal Program Revenues</i>	1,288	3,000	843,501	1,557
5020 <i>Total Revenues</i>	<u>1,288</u>	<u>3,000</u>	<u>843,501</u>	<u>1,557</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	1,288	3,000	656,468	1,557
0012 <i>Instructional Resources and Media Services</i>	--	--	35,457	--
0013 <i>Curriculum and Staff Development</i>	--	--	4,354	--
0021 <i>Instructional Leadership</i>	--	--	2,354	--
0023 <i>School Leadership</i>	--	--	20	--
0031 <i>Guidance, Counseling, & Evaluation Services</i>	--	--	--	--
0033 <i>Health Services</i>	--	--	--	--
0035 <i>Food Service</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	--
0041 <i>General Administration</i>	--	--	--	--
0053 <i>Data Processing Services</i>	--	--	144,848	--
0061 <i>Community Services</i>	--	--	--	--
6030 <i>Total Expenditures</i>	<u>1,288</u>	<u>3,000</u>	<u>843,501</u>	<u>1,557</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>				
1100 <i>Expenditures</i>	--	--	--	--
1200 <i>Net Change in Fund Balances</i>	--	--	--	--
0100 <i>Fund Balances - Beginning</i>	--	--	--	--
3000 <i>Fund Balances - Ending</i>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

224	225	226	240	244
IDEA-B Formula	IDEA-B Preschool Grant	IDEA-B Discretionary	National School Breakfast/Lunch Program	Vo Ed Basic Grant
\$ --	\$ --	\$ --	\$ 752,390	\$ --
--	--	--	18,358	--
735,720	16,323	87,690	1,160,800	48,899
<u>735,720</u>	<u>16,323</u>	<u>87,690</u>	<u>1,931,548</u>	<u>48,899</u>
574,327	16,323	87,690	--	39,979
--	--	--	--	--
--	--	--	--	--
38,474	--	--	--	5,804
--	--	--	--	--
110,156	--	--	--	--
--	--	--	--	--
--	--	--	1,875,284	--
12,763	--	--	--	3,116
--	--	--	--	--
--	--	--	--	--
<u>735,720</u>	<u>16,323</u>	<u>87,690</u>	<u>1,875,284</u>	<u>48,899</u>
--	--	--	56,264	--
--	--	--	56,264	--
--	--	--	241,642	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 297,906</u>	<u>\$ --</u>

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes	255 ESEA Title II Training & Recruiting	262 Enhancing Education through Technology	263 English Lang Acquisition and Enhancement	272 MAC Program
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	--	--	--
5900 <i>Federal Program Revenues</i>	153,408	5,474	40,043	11,607
5020 Total Revenues	<u>153,408</u>	<u>5,474</u>	<u>40,043</u>	<u>11,607</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	150,131	5,474	23,554	11,607
0012 <i>Instructional Resources and Media Services</i>	--	--	--	--
0013 <i>Curriculum and Staff Development</i>	958	--	16,489	--
0021 <i>Instructional Leadership</i>	--	--	--	--
0023 <i>School Leadership</i>	--	--	--	--
0031 <i>Guidance, Counseling, & Evaluation Services</i>	--	--	--	--
0033 <i>Health Services</i>	--	--	--	--
0035 <i>Food Service</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	--
0041 <i>General Administration</i>	2,319	--	--	--
0053 <i>Data Processing Services</i>	--	--	--	--
0061 <i>Community Services</i>	--	--	--	--
6030 Total Expenditures	<u>153,408</u>	<u>5,474</u>	<u>40,043</u>	<u>11,607</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	--	--	--	--
1200 Net Change in Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
0100 Fund Balances - Beginning	--	--	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

283 IDEA - Part B Formula - ARRA	288	289 Federal Special Revenue	394 Life Skills Program	397 Advanced Placement Incentives
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	24,685	8,830
48,300	4,891	3,307	--	--
<u>48,300</u>	<u>4,891</u>	<u>3,307</u>	<u>24,685</u>	<u>8,830</u>
48,300	4,891	3,307	--	686
--	--	--	--	450
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	24,685	--
<u>48,300</u>	<u>4,891</u>	<u>3,307</u>	<u>24,685</u>	<u>1,136</u>
--	--	--	--	7,694
--	--	--	--	<u>7,694</u>
--	--	--	--	1,673
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 9,367</u>

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes	401 Optional Extended Year Program	404 Student Success Initiative	411 Technology Allotment	415 Kindergarten & Prekindergarten Grants
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	15,368	66,647	109,950	246,026
5900 <i>Federal Program Revenues</i>	--	--	--	7,088
5020 Total Revenues	<u>15,368</u>	<u>66,647</u>	<u>109,950</u>	<u>253,114</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	13,770	48,451	--	258,760
0012 <i>Instructional Resources and Media Services</i>	--	--	--	--
0013 <i>Curriculum and Staff Development</i>	--	--	--	--
0021 <i>Instructional Leadership</i>	--	--	--	--
0023 <i>School Leadership</i>	--	8,001	--	--
0031 <i>Guidance, Counseling, & Evaluation Services</i>	--	9,529	--	--
0033 <i>Health Services</i>	1,598	666	--	--
0035 <i>Food Service</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	--
0041 <i>General Administration</i>	--	--	--	--
0053 <i>Data Processing Services</i>	--	--	109,950	--
0061 <i>Community Services</i>	--	--	--	--
6030 Total Expenditures	<u>15,368</u>	<u>66,647</u>	<u>109,950</u>	<u>258,760</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	--	--	--	(5,646)
1200 Net Change in Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>(5,646)</u>
0100 Fund Balances - Beginning	--	--	--	5,646
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

428 High School Allotment	429 State Funded Special Revenue Fund	461 Campus Activity Funds	481 LCRA Grants	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ --	\$ --	\$ 313,342	\$ 23,809	\$ 1,089,541
291,840	44	--	--	781,748
--	--	--	--	3,172,896
<u>291,840</u>	<u>44</u>	<u>313,342</u>	<u>23,809</u>	<u>5,044,185</u>
73,687	--	125,263	23,809	2,172,322
--	66	29,425	--	64,948
--	--	11,381	--	33,632
--	--	--	--	46,632
159,305	--	40,425	--	207,751
58,848	--	11,764	--	190,297
--	--	645	--	2,909
--	--	--	--	1,875,284
--	--	69,206	--	85,085
--	--	--	--	2,319
--	--	--	--	254,798
--	--	2,083	--	26,768
<u>291,840</u>	<u>66</u>	<u>290,192</u>	<u>23,809</u>	<u>4,962,745</u>
--	(22)	23,150	--	81,440
--	(22)	23,150	--	81,440
--	22	148,606	--	397,589
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 171,756</u>	<u>\$ --</u>	<u>\$ 479,029</u>

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

PRIVATE-PURPOSE TRUST FUNDS

AUGUST 31, 2009

Data Control Codes	806 Harold Horne Scholarship	821 Designated Gifts & Bequests
ASSETS:		
1110 <i>Cash and Cash Equivalents</i>	\$ ---	\$ 26,905
1800 <i>Restricted Assets</i>	21,170	--
1000 Total Assets	<u>\$ 21,170</u>	<u>\$ 26,905</u>
LIABILITIES:		
2000 Total Liabilities	<u>---</u>	<u>--</u>
NET ASSETS		
3800 <i>Held in Trust</i>	\$ 21,170	\$ 26,905
3000 Total Net Assets	<u>\$ 21,170</u>	<u>\$ 26,905</u>

824	825	Total Private- Purpose Trust Funds (See Exhibit E-1)
<u>DEIC</u>	<u>Technology Gifts</u>	
\$ 293	\$ 150	\$ 27,348
--	--	21,170
<u>\$ 293</u>	<u>\$ 150</u>	<u>\$ 48,518</u>
--	--	--
\$ 293	\$ 150	\$ 48,518
<u>\$ 293</u>	<u>\$ 150</u>	<u>\$ 48,518</u>

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

ALL PRIVATE-PURPOSE TRUST FUNDS

FOR THE YEAR ENDED AUGUST 31, 2009

	806 Harold Horne Scholarship	809 Marble Falls Scholarship	821 Designated Gifts & Bequests
Additions:			
Investment Income	\$ 870	\$ --	\$ --
Contributions	880	--	--
Total Additions	<u>1,750</u>	<u>--</u>	<u>--</u>
Deductions:			
Scholarship Awards	--	--	--
Other Expenses	--	--	220
Total Deductions	<u>--</u>	<u>--</u>	<u>220</u>
Change in Net Assets	1,750	--	(220)
Net Assets-Beginning of the Year	19,420	--	27,125
Net Assets-End of the Year	<u>\$ 21,170</u>	<u>\$ --</u>	<u>\$ 26,905</u>

EXHIBIT H-4

824 DEIC	825 Technology Gifts	826 Gifts to Even Start Program	Total Private-Purpose Trust Funds (See Exhibit E-2)
\$ --	\$ --	\$ --	\$ 870
--	--	--	880
--	--	--	1,750
--	--	--	--
--	--	--	220
--	--	--	220
--	--	--	1,530
293	150	--	46,988
\$ 293	\$ 150	\$ --	\$ 48,518

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

FOR THE YEAR ENDED AUGUST 31, 2009

Year Ended August 31	Tax Rates		3 Assessed/Appraised Value For School Tax Purposes
	1 Maintenance	2 Debt Service	
2000 and Prior Years	\$ Various	\$ Various	\$ Various
2001	1.473	.207	1,032,233,746
2002	1.473	.1717	1,368,560,864
2003	1.473	.1692	1,450,227,551
2004	1.467	.175	1,573,214,710
2005	1.49	.165	1,614,903,867
2006	1.49	.15	1,782,184,878
2007	1.341	.1306	2,010,430,891
2008	1.04	.195	2,215,553,847
2009 (School Year Under Audit)	1.04	.215	2,643,333,785
1000 Totals			

9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code

10 Beginning Balance 9/1/08	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/09
\$ 190,364	\$ --	\$ 12,202	\$ 2,930	\$ (12,805)	\$ 162,427
29,699	--	2,482	349	8,530	35,398
40,473	--	2,880	336	9,491	46,748
63,269	--	6,255	718	15,895	72,191
83,217	--	32,690	3,890	27,057	73,694
107,086	--	43,035	4,766	25,328	84,613
164,662	--	70,990	7,147	37,723	124,248
222,821	--	98,664	9,609	40,030	154,578
517,197	--	305,281	57,241	55,489	210,164
--	33,173,839	26,553,294	5,492,002	(189,128)	939,415
<u>\$ 1,418,788</u>	<u>\$ 33,173,839</u>	<u>\$ 27,127,773</u>	<u>\$ 5,578,988</u>	<u>\$ 17,610</u>	<u>\$ 1,903,476</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COST FOR 2010-2011
 GENERAL AND SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2009

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

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (Other) Misc.	7 Total
611X-6146	Payroll Costs	\$ --	\$ --	\$ 257,614	\$ 1,179,194	\$ --	\$ --	\$ 1,436,808
6149	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)	--	--	--	--	--	--	--
6149	Fringe Benefits (Unused Leave for Separating Employees in all Functions except Function 41 and Related 53)	--	--	--	--	--	--	--
6211	Legal Services	--	--	54,080	--	--	--	54,080
6212	Audit Services	--	--	--	13,750	--	--	13,750
6213	Tax Appraisal and Collection	--	609,010	--	--	--	--	609,010
621X	Other Prof. Services	4,145	--	--	32,161	--	--	36,306
6220	Tuition and Transfer Payments	--	--	--	--	--	--	--
6230	Education Service Centers	--	--	--	8,375	--	--	8,375
6240	Contr. Maint. and Repair	--	--	--	--	113,230	--	113,230
6250	Utilities	--	--	--	--	--	--	--
6260	Rentals	--	--	9,951	15,547	--	--	25,498
6290	Miscellaneous Contr.	--	--	--	--	--	--	--
6310	Operational Supplies, Materials	--	--	--	--	--	--	--
6320	Textbooks and Reading	--	--	3,549	147	--	--	3,696
6330	Testing Materials	--	--	--	--	--	--	--
63XX	Other Supplies, Materials	106	--	9,199	100,026	--	--	109,331
6410	Travel, Subsistence, Stipends	6,132	--	6,044	24,858	--	--	37,034
6420	Ins. and Bonding Costs	17,021	--	--	--	--	--	17,021
6430	Election Costs	5,590	--	--	--	--	--	5,590
6490	Miscellaneous Operating	1,848	--	21,196	9,266	--	--	32,310
6500	Debt Service	--	--	--	--	--	--	--
6600	Capital Outlay	--	--	--	--	--	80,254	80,254

Total \$ 34,842 \$ 609,010 \$ 361,633 \$ 1,383,324 \$ 113,230 \$ 80,254 \$ 2,582,293

Total Expenditures for General and Special Revenue Funds (9) \$ 44,514,596

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10)	\$ 535,970
Total Debt & Lease (6500)	(11)	\$ --
Plant Maintenance (Function 51, 6100-6400)	(12)	\$ 4,964,695
Food (Function 35, 6341 and 6499)	(13)	\$ 1,861
Stipends (6413)	(14)	\$ --
Column 4 (above) - Total Indirect Cost		\$ 1,383,324

Subtotal 6,885,850

Net Allowed Direct Cost \$ 37,628,746

CUMULATIVE

Total Cost of Buildings Before Depreciation (1520)	(15)	\$ 50,700,212
Historical Cost of Buildings over 50 years old	(16)	1,493,618
Amount of Federal Money in Building Cost (Net of #16)	(17)	--
Total Cost of Furniture & Equipment Before Depreciation (1530 & 1540)	(18)	5,025,809
Historical Cost of Furniture & Equipment over 16 years old	(19)	--
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	\$ 48,300

(8) Note A - \$1,006,793 in Function 53 expenditures and \$609,010 in Function 99 expenditures are included in this report on administrative costs.

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT
FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET (UNAUDITED)
GENERAL FUND
AS OF AUGUST 31, 2009

EXHIBIT J-3

Data Control Codes	Explanation	Amount
1	Total General Fund Fund Balance as of August 31, 2009 (Exhibit C-1 object 3000 for the General Fund only)	\$ 9,325,749
2	Total General Fund Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund only)	--
3	Total General Fund Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund only)	--
4	Estimated amount needed to cover fall cash flow deficits in the General Fund (net of borrowed funds and funds representing deferred revenues)	7,000,000
5	Estimate of one month's average cash disbursements during the regular school session (9/1/09 - 5/31/10)	3,222,831
6	Estimate of delayed payments from state sources (58XX) including August payment delays	--
7	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount	--
8	Estimate of delayed payments from federal sources (59XX)	--
9	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	--
10	General Fund Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9)	10,222,831
11	Excess (Deficit) Undesignated Unreserved General Fund Fund Balance (Line 1 minus Line 10)	\$ (897,082)

If Item 11 is a Positive Number

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

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2009

EXHIBIT J-4

Data Control Codes	1	2	3
	Budget	Actual	Variance Positive (Negative)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 812,889	\$ 752,390	\$ (60,499)
5800 <i>State Program Revenues</i>	12,460	18,358	5,898
5900 <i>Federal Program Revenues</i>	1,100,395	1,160,800	60,405
5020 Total Revenues	<u>1,925,744</u>	<u>1,931,548</u>	<u>5,804</u>
EXPENDITURES:			
Current:			
Support Services - Student (Pupil):			
0035 <i>Food Services</i>	1,852,140	1,875,284	(23,144)
Total Support Services - Student (Pupil)	<u>1,852,140</u>	<u>1,875,284</u>	<u>(23,144)</u>
6030 Total Expenditures	<u>1,852,140</u>	<u>1,875,284</u>	<u>(23,144)</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	73,604	56,264	(17,340)
1200 Net Change in Fund Balance	<u>73,604</u>	<u>56,264</u>	<u>(17,340)</u>
0100 Fund Balance - Beginning	241,642	241,642	--
3000 Fund Balance - Ending	<u>\$ 315,246</u>	<u>\$ 297,906</u>	<u>\$ (17,340)</u>

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-5

DEBT SERVICE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes	1	2	3
	Budget	Actual	Variance Positive (Negative)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 5,686,789	\$ 5,772,361	\$ 85,572
5020 <i>Total Revenues</i>	<u>5,686,789</u>	<u>5,772,361</u>	<u>85,572</u>
EXPENDITURES:			
<i>Debt Service:</i>			
0071 <i>Principal on Long-Term Debt</i>	1,835,000	1,845,001	(10,001)
0072 <i>Interest on Long-Term Debt</i>	3,823,040	3,857,711	(34,671)
0073 <i>Bond Issuance Costs and Fees</i>	5,000	24,660	(19,660)
<i>Total Debt Service</i>	<u>5,663,040</u>	<u>5,727,372</u>	<u>(64,332)</u>
6030 <i>Total Expenditures</i>	<u>5,663,040</u>	<u>5,727,372</u>	<u>(64,332)</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>			
1100 <i>Expenditures</i>	<u>23,749</u>	<u>44,989</u>	<u>21,240</u>
<i>Other Financing Sources (Uses):</i>			
7901 <i>Refunding Bonds Issued</i>	--	569,753	569,753
7916 <i>Premium or Discount on Issuance of Bonds</i>	--	35,069	35,069
8940 <i>Payment to Bond Refunding Escrow Agent</i>	--	(583,932)	(583,932)
7080 <i>Total Other Financing Sources and (Uses)</i>	<u>--</u>	<u>20,890</u>	<u>20,890</u>
1200 <i>Net Change in Fund Balance</i>	<u>23,749</u>	<u>65,879</u>	<u>42,130</u>
0100 <i>Fund Balance - Beginning</i>	809,605	809,605	--
3000 <i>Fund Balance - Ending</i>	<u>\$ 833,354</u>	<u>\$ 875,484</u>	<u>\$ 42,130</u>

West, Davis & Company, LLP
11824 Jollyville Road, Suite 100
Austin, Texas 78759

Independent Auditors' Report

Report on Internal Control over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards

Board of Trustees
Marble Falls Independent School District
Marble Falls, Texas

Members of the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Marble Falls Independent School District as of and for the year ended August 31, 2009, which collectively comprise the Marble Falls Independent School District's basic financial statements and have issued our report thereon dated January 8, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Marble Falls Independent School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Marble Falls Independent School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Marble Falls Independent School District's internal control over financial reporting. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Marble Falls Independent School District's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Marble Falls Independent School District's financial statements that is more than inconsequential will not be prevented by the Marble Falls Independent School District's internal control.

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

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

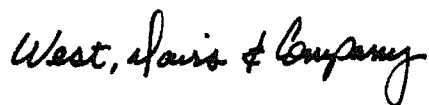
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marble Falls Independent School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on

compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the entity, the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in cursive script that reads "West, Davis & Company".

West, Davis & Company, LLP
January 8, 2010

West, Davis & Company, LLP
11824 Jollyville Road, Suite 100
Austin, Texas 78759

Independent Auditors' Report

Report on Compliance with Requirements Applicable
To each Major Program and on Internal Control over Compliance
In Accordance With OMB Circular A-133

Board of Trustees
Marble Falls Independent School District
Marble Falls, Texas

Members of the Board of Trustees:

Compliance

We have audited the compliance of Marble Falls Independent School District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2009. Marble Falls Independent School 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 Marble Falls Independent School District's management. Our responsibility is to express an opinion on Marble Falls Independent School 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 Marble Falls Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Marble Falls Independent School District's compliance with those requirements.

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

Internal Control Over Compliance

The management of Marble Falls Independent School 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 Marble Falls Independent School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Marble Falls Independent School District's internal control over compliance.

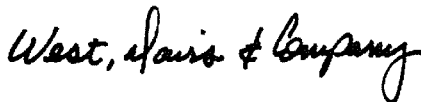
A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal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

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

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

This report is intended solely for the information and use of management, others within the entity, the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink that reads "West, Davis & Company". The signature is written in a cursive, flowing style.

West, Davis & Company, LLP
January 8, 2010

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

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553	School Breakfast Program
10.555	National School Lunch Program

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

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

EXHIBIT K-1

(1)	(2)	(2A)	(3)
Data Control Codes	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number Federal Expenditures
	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Passed Through State Department of Education:		
313	Medicaid Administrative Claiming Program (MAC) *	93.778	\$ 11,607
	Total U. S. Department of Health and Human Services		<u>11,607</u>
	U. S. DEPARTMENT OF EDUCATION Direct Programs:		
204	ESEA Title IV Part A-Safe & Drug-Free Schools & Communities Act	84.186a	027-904 1,288
206	ESEA Title X Part C - Education for Homeless Children and Youth	84.196	027-904 3,000
243	Technical Preparation	84.243A	027-904 4,891
	Total Direct Programs		<u>9,179</u>
	Passed Through State Department of Education:		
211	ESEA Title I Part A - Improving Basic Programs	84.010A	09610101027904 39,559
211	ESEA Title I Part A - Improving Basic Programs	84.010A	09610101027904 803,942
	Total CFDA Number 84.010A		<u>843,501</u>
212	ESEA Title I Part C - Education of Migratory Children	84.011A	09615001027904 1,557
224	IDEA-B Formula *	84.027A	0966000102790466 48,822
224	IDEA-B Formula *	84.027A	0966000102790466 686,898
226	IDEA-B Discretionary *	84.027A	0966000102790466 87,690
	Total CFDA Number 84.027A		<u>823,410</u>
244	Vocational Education - Basic Grant	84.048A	09420006027904 7,951
244	Career and Technical - Basic Grant	84.048A	09420006027904 40,948
	Total CFDA Number 84.048A		<u>48,899</u>
225	IDEA-B Preschool *	84.173A	0966100102790466 1,220
225	IDEA-B Preschool *	84.173A	0966100102790466 15,103
	Total CFDA Number 84.173A		<u>16,323</u>
262	Title II Part D Enhancing Education Through Technology	84.318x	09630001027904 5,474
263	Title III Part A English Language Acquisition and Language Enhance	84.365A	09671001027904 2,167
263	Title III Part A English Language Acquisition and Language Enhance	84.365A	09671001027904 37,876
	Total CFDA Number 84.365A		<u>40,043</u>
255	ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	09694501027904 9,819
255	ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	09694501027904 143,589
	Total CFDA Number 84.367A		<u>153,408</u>
267	Summer School LEP	84.369A	69550802 3,307
283	IDEA-Part B Formula - ARRA	84.391	10554001027904 48,300
	Total Passed Through State Department of Education		<u>1,984,222</u>
	Total U. S. Department of Education		<u>\$ 1,993,401</u>
	U. S. DEPARTMENT OF AGRICULTURE Passed Through State Department of Education:		
241	Food Distribution	10.550	027-904 \$ 58,607
240	School Breakfast Program *	10.553	71400901 274,125
240	National School Lunch Program *	10.555	71300901 811,458
242	Summer Food Service Program for Children *	10.559	027-904 16,609
	Total Passed Through State Department of Education		<u>1,160,799</u>
	Total U. S. Department of Agriculture		<u>1,160,799</u>
	TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 3,165,807</u>

* Indicates clustered program under OMB Circular A-133 Compliance Supplement

The accompanying notes are an integral part of this schedule.

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2009

Basis of Presentation

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

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2009

Data Control Codes		Responses
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?	No
SF4	Did the district receive a clean audit? - Was there an unqualified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls?	No
SF9	Was there any disclosure in the Annual Financial Report of material noncompliance?	No
SF10	What was the total accumulated accretion on capital appreciation bonds included in the government-wide financial statements at fiscal year-end?	\$ 7,781,915

Barbara Agnew

From: Barbara Agnew [electadmin@burnetcountytexas.org]
Sent: Tuesday, December 29, 2009 3:47 PM
To: Christina Laine; Dana Turner; Donnita; Dowell, Cassandra; Karrie Cummings (administrator@cottonwoodshores.org); Kelly Dix; Linda Wendling; Polly Krenek; Ronda Reichle; sschwartz@burnet.txed.net; Teresa Moore
Subject: Contracts for Election Servicess
Attachments: May2010 Local Elections Contract For Election Services Changes Highlited.doc; May2010 Local Elections Deployment of Equipment.doc

Good afternoon. I have your May 2010 election contracts prepared. They will be mailed to you by the end of the week or Monday of next week. (We will close at noon on Thursday for the New Year holiday).

Teresa, I did not prepare a contract for the City of Horseshoe Bay as your regular elections are in November of each year.

I will also send you the contracts via e-mail today in separate e-mails. They are almost identical in content, but each reflects the pertinent information for your local political subdivision.

I have attached one contract which has highlighted the changes from last years' contracts. The most important changes from last year are:

- 1.) The Central Texas Groundwater Conservation District has elections in even-numbered years, so there is another entity which may be sharing polling places/ costs/ election workers/ equipment.
- 2.) The wages for election workers increased to \$9.00/hour for judges and \$8.00/hour for clerks and early voting workers. This was done to match the amount voted upon by the Burnet County Commissioners Court due to an increase in minimum wage. (rather than \$8/hour and \$7/hour)
- 3.) The polling location for voting precincts 11 and 14 for BCISD has been changed to the Lake Victor Community Center (rather than the Lake Victor Baptist Church) by the Burnet County Commissioners Court.
- 4.) The two days of 12 hour voting during Early Voting will be on a Thursday and a Monday. (rather than Tuesday and Monday)
- 5.) For the two school districts, there is just one Joint Election Agreement to be signed. I have listed all of the related cities on it so that it is not necessary to sign a separate Joint Agreement for each city. The Groundwater District does have two Joint Agreements to sign, one for each school district and associated cities. (Cities still have just one Joint Agreement).

Signatures will be required in two places:

- at the end of each contract, which is page 9
- and at the appropriate place on the Joint Election Agreement(s).


If you have names of registered voters in your LPS who you would like for us to use as election workers, please send me their names and contact information. We have a good list, but can always use more potential workers including bilingual workers for the precincts that have a Spanish-speaking requirement. We will provide a list of judges which you need to approve as the time for the election approaches.

Also attached is a DRAFT for a work we use in each election- Deployment of Election Workers and Equipment. I thought you might be interested to see it.

I understand some of you may be going to the Secretary of State's Election Law Seminar in Austin in January. I hope you have a very productive time. Melanie Huff, former Burnet County Elections Administrator, is now an attorney with the SOS office so you may see her there.

Please call me with any questions or comments. Thank you.

Sincerely,
 Barbara Agnew
 Burnet County Elections Administrator


CONTRACT FOR ELECTION SERVICES
BETWEEN
THE BURNET COUNTY ELECTIONS ADMINISTRATOR
AND
THE MARBLE FALLS INDEPENDENT SCHOOL DISTRICT
FOR THE MAY 8, 2010 GENERAL / SPECIAL ELECTION

THIS CONTRACT is made and entered into by and between Barbara Agnew, the Burnet County, Texas Elections Administrator, hereinafter referred to as “Contracting Officer,” and the Local Political Subdivision, The Marble Falls Independent School District, hereinafter referred to as “the LPS,” pursuant to the authority under Section 31.092(a) of the Texas Election Code. In consideration of the mutual covenants and promises hereinafter set forth, the parties to this contract agree to the following with regard to coordination and supervision of the LPS’s May 8, 2010 General/Special Election (“the election”).

I. RESPONSIBILITIES OF CONTRACTING OFFICER. The Contracting Officer shall be responsible for performing the following services and furnishing the following materials and equipment in connection with the election:

A. *Selection of Presiding Judges, Alternate Judges, and Election Clerks.*

1. The Contracting Officer will appoint presiding election judges and alternate judges at its Election Day polling locations, all of which will be qualified voters of such precincts or consolidated precincts. The Contracting Officer will appoint a presiding judge, an alternate judge and **three clerks** of the central counting station on Election Day. The Contracting Officer shall appoint a presiding judge and **three clerks** for the Early Voting Ballot Board (EVBB). By signing this contract, the LPS hereby approves such selections. The Contracting Officer shall notify the election workers of their selection and **shall provide the names and addresses of those selected to the LPS.**

2. The Contracting Officer shall provide each presiding judge the names of registered voters in the territory of the LPS who are willing to serve as election clerks at the Election Day polling location from which the presiding judge shall make his or her clerk appointments. If a presiding judge or the alternate judge does not speak both English and Spanish, and the election precinct is one subject to Sections 272.002 and 272.009 of the Texas Election Code, the Contracting Officer shall ensure that such presiding judge appoints a bilingual election clerk.

B. *Election Training.* The Contracting Officer shall be responsible for conducting one or more election schools to train the presiding judges, alternate judges, election clerks, and

Early Voting deputies in the operation and troubleshooting of the direct record electronic (DRE) voting system and the conduct of elections, including qualifying voters, maintaining order at the polling location, and provisional voting.

C. *Election Day Polling Location.* The Election Day polling locations are set forth in Exhibit A. The Contracting Officer shall arrange for the use of the Election Day polling places and shall arrange for the setting up of the polling locations.

D. *Election Supplies.* The Contracting Officer shall procure, prepare, and distribute to each presiding judge for use at the polling locations on Election Day (and to the Early Voting clerks during Early Voting) the following consumable election supplies: election and early voting kits from third-party vendors or the equivalent (including the appropriate envelopes, lists, forms, name tags, posters, and signage described in Chapters 51, 61, and 62, and Subchapter B of Chapter 66 of the Texas Election Code); seals; sample ballots; thermal paper rolls for use in the Judge's Booth Controllers (JBCs); batteries for use in the JBCs and eSlates; and all consumable-office supplies necessary to hold an election. The Contracting Officer may purchase additional or make additional copies of election forms, including sample ballots and combination poll lists/signature rosters.

E. *Registered Voter List.* The Contracting Officer shall provide lists of registered voters in the LPS territory required for use on Election Day and for the Early Voting period.

F. *Election Equipment.*

1. The Contracting Officer shall use the Direct Record Electronic (DRE) voting system and the mail ballot system purchased by Burnet County from Hart InterCivic, Inc. ("Hart") for the election. This voting system includes the equipment referred to as "eSlates" and "Judge's Booth Controllers" (JBCs). The Early Voting locations and the Election Day polling locations will have at least one voting machine that is accessible to disabled voters. The Contracting Officer or designee shall prepare the JBCs and eSlates for Early Voting and for Election Day.

2. The Contracting Officer or designee shall program the ballot for the voting system (as well as for the mail ballots) based on the information provided by the LPS, including names of the candidates, names of the offices sought, order of names on the ballot, propositions on the ballot, and the English and Spanish translation of the offices and any propositions. The Contracting Officer shall also be responsible for conducting all logic and accuracy testing required by law and for publishing the notice of such testing required by law.

G. *Early Voting.*

1. The Contracting Officer shall serve as Early Voting Clerk for the election, and by signing this contract, the LPS does hereby appoint her as such. The Contracting Officer shall conduct Early Voting at the Burnet Courthouse as the main location and is also authorized to conduct Early Voting at the Marble Falls Courthouse Annex. The Contracting Officer shall hire at least 4 temporary deputies to work each day at each Early Voting location. Early Voting by personal appearance for the election shall be conducted during the hours and time period and at the locations listed in Exhibit B.

2. The Contracting Officer may receive mail ballot applications on behalf of the LPS. All applications for mail ballots shall be processed in accordance with Title 7 of the Texas Election Code by the Contracting Officer or her deputies at the Records Building, located behind the Burnet County Courthouse Annex, 1701 E. Polk St., Burnet, TX 78611.

H. Contracting with Third Parties. In accordance with Section 31.098 of the Texas Election Code, the Contracting Officer is authorized to contract with third parties for election services and supplies, except where such services and supplies will be procured by the LPS as provided in this contract. The cost of such third-party services and supplies will be paid by the Contracting Officer and reimbursed to her by the LPS, or the LPS shall pay such cost directly to the third parties, as agreed by the parties at the time the services and supplies are ordered.

I. Election Day Activities.

1. The Contracting Officer and staff shall be available from 6:00 am until the completion of vote counting and all tabulation tests on Election Day to render technical support and assistance to voters and election workers.

2. The Contracting Officer and staff shall do Election Night intake preparation and intake of election equipment and records starting at 5:30 pm on Election Day.

3. The Contracting Officer shall count the votes in accordance with Chapter 127 of the Texas Election Code. The Contracting Officer shall serve as central counting station manager and shall appoint a tabulation supervisor. By signing this contract, the LPS hereby approves such appointment.

J. Election Reports. The Contracting Officer shall prepare the unofficial tabulation of precinct election results under Section 66.056(a) of the Texas Election Code. The unofficial tabulation of Early Voting precinct results and Election Day precinct results shall be made available to the LPS via e-mail as soon as they are prepared and may be released under law, but no earlier than 7:05 pm on Election Day.

K. Provisional Votes/Determination of Mail Ballots Timely Received under Section 86.007(d) of the Texas Election Code. The Contracting Officer, serving as voter registrar, shall retain the provisional voting affidavits and shall provide factual information on each of the provisional voters' status. The Contracting Officer will reconvene the EVBB within the time set forth in Section 65.051 of the Texas Election Code for the purpose of determining the disposition of the provisional votes. At the same time, the EVBB will review mail ballots timely received under Section 86.007(d) of the Texas Election Code to determine whether such will be counted and to resolve any issues with such ballots. Promptly after determination of the provisional votes and resolution of any such mail ballots, the Contracting Officer shall tally the accepted provisional votes and resolved mail ballots, amend the unofficial tabulations, and submit new unofficial tabulations to the LPS.

L. Custodian of Election Records. After completion of the unofficial tabulation of precinct results, the Contracting Officer shall distribute the election records to the LPS Secretary,

except for those records that must be maintained by the Contracting Officer as Voter Registrar in accordance with Section 66.051 of the Texas Election Code. The Contracting Officer is hereby appointed the custodian of voted ballots (which in the case of the ballots cast on the DRE voting system consists of the DVD backup) and shall preserve them in accordance with Chapter 66 of the Texas Election Code and other applicable law. The Contracting Officer shall also maintain custody of the records pertaining to the operation of the JBCs and eSlates.

M. *Recount.*

1. If required by law, the Contracting Officer shall perform a partial manual count of electronic voting system ballots in accordance with section 127.201 of the Texas Election Code. A recount may also be requested in accordance with Chapter 212 of the Texas Election Code.

2. The LPS shall advise the Contracting Officer if a recount is required by law or requested and the Contracting Officer and the LPS shall discuss how such recount is to be conducted. The LPS shall reimburse the Contracting Officer for the cost of such count which is not included in the estimate set forth in Exhibit C.

N. *Department of Justice Preclearance.* The Contracting Officer shall submit any required preclearance documents to the United States Department of Justice under the Federal Voting Rights Act of 1965.

II. RESPONSIBILITIES OF THE LPS. The LPS shall perform the following tasks, which are not the responsibility of the Contracting Officer:

A. *Applications for Mail Ballots.* The LPS shall date stamp and then immediately fax to the Contracting Officer all applications for mail ballots that it receives. Promptly thereafter, the LPS shall deliver or send by mail the original mail ballot applications to the Contracting Officer.

B. *Election Orders, Election Notice, and Canvass.* The LPS shall prepare the election order, resolutions, and official canvass. The LPS shall be responsible for having the required election notice under Section 4.003(a)(1) of the Texas Election Code timely published in the newspaper. The LPS shall also be responsible for timely posting the notice required under Section 4.003(b) of the Texas Election Code in the proper location(s). The LPS is responsible for ensuring that all necessary documents are in both English and Spanish.

C. *Map.* The LPS shall provide the Contracting Officer with an updated map and street index of its jurisdiction in an electronic or printed format.

D. *Ballot Information.* By the 55th day before the election, the LPS shall provide the Contracting Officer with the office names, including place designations, the names of the candidates as the names are to appear on the ballot as well as the order in which they are to appear, any propositions on the ballot, and the English and Spanish translations of propositions that are to appear on the ballot, as well as the order of any such propositions on the ballot. The

LPS shall promptly review for correctness the final ballot when requested by the Contracting Officer to do so prior to finalization.

E. ***Precinct Reports to the Texas Secretary of State.*** The LPS shall prepare and file all required precinct reports with the Texas Secretary of State.

III. SPECIAL PROVISIONS RELATING TO ELECTION WORKERS

A. ***Number of Election Workers at Election Day Polling Locations.*** It is agreed by the Contracting Officer and the LPS that there will be from three to six election workers at each Election Day polling location. The workers will consist of the presiding judge, alternate judge, and at least one election clerk appointed by the presiding judge. The number of clerks is derived from the number of elections at the poll and the number of registered voters for that poll.

B. ***Number of Early Voting Ballot Board Members.*** It is agreed by the Contracting Officer and the LPS that the EVBB shall consist of at least three members.

C. ***Compensation for Election Workers.*** The Contracting Officer and the LPS agree that election workers will be compensated as follows:

- Presiding judges and alternate judges (including members of the EVBB and the central counting station): \$9.00/hr
- Election clerks: \$8.00/hr
- Early Voting deputies: \$8.00/hr

Election workers will be paid for the time spent setting up the polling location and closing the polling location each evening, but not to exceed one hour before and one hour after the polling location is open for voting. The Contracting Officer shall pay the workers and be reimbursed by the entities sharing the polling location, unless a polling place is open for only one LPS holding an election. In this case, the LPS shall pay the election workers directly.

D. ***Delivery Fee.***

1. The presiding judge (or the alternate judge or election clerk, if designated by the presiding judge) shall bring the eSlates, JBC, completed paperwork, and all unused supplies back to the Records Building after the polls close on Election Night. The presiding judge or judge's designee shall be paid mileage for this delivery at the current mileage rate paid by Burnet County (\$.550/mile) between the polling location and the Records Building, but not to exceed a total of \$12.50. The eSlates, JBC, and election supplies shall be delivered to the polling location either by a member of the Contracting Officer's staff or picked up by the presiding judge or judge's designee at the Records Building before the election. The presiding judge or judge's designee shall be paid mileage for this pickup at the current mileage rate paid by Burnet County (\$.550/mile) between the polling location and the Records Building, but not to exceed a total of \$12.50. The delivery fee shall be paid along with the compensation.

2. The Contracting Officer shall pay the workers and be reimbursed by the entities sharing the polling location, unless a polling place is open for only one LPS holding an election. In this case, the LPS shall pay the election workers the delivery fee directly.

IV. SPECIAL PROVISIONS RELATING TO JOINT ELECTIONS

A. The parties acknowledge that the following other local political subdivisions may be holding an election at the same time as the LPS, unless one or more of such local political subdivisions cancels its or their election(s) in accordance with Section 2.053 of the Texas Election Code, and may enter into a contract for election services with the Contracting Officer:

The Central Texas Groundwater Conservation District
The Marble Falls Independent School District
The City of Bertram
The City of Burnet
The City of Meadowlakes
The City of Cottonwood Shores
The City of Granite Shoals
The City of Highland Haven
The City of Horseshoe Bay
The City of Marble Falls
Various municipal utility districts and water districts located wholly or partially within Burnet County.

B. The parties acknowledge that Burnet County may order an election to be held at the same time as that of the LPS.

C. The LPS does hereby agree to hold a joint election under Section 271.002 of the Texas Election Code with those other local political subdivisions in Burnet County with which it shares territory (and with Burnet County if it orders an election), to share the expenses and costs of the joint election, and to enter a Joint Election Agreement with them, as set forth in Exhibit D.

D. The parties also acknowledge, and the LPS does hereby give its consent, that other local political subdivisions in Burnet County with which it does not share territory may have candidates and/or propositions appearing on the same ballot with those of the LPS. The parties also acknowledge, and the LPS does hereby give its consent, that other local political subdivisions in Burnet County with which it does not share territory may use one or more of the same Early Voting locations and the services of the Early Voting deputies there and one or more of the same Election Day polling locations and the services of the election workers there. The Contracting Officer shall charge only once for the compensation paid to the election workers and Early Voting deputies and the use of voting equipment at a shared polling location, and divide the charges.

V. PAYMENT

A. **Compensation.** Within 60 days after Election Day, the Contracting Officer will submit an itemized invoice to the LPS for actual expenses directly attributable to the scope of work of the election, including the following:

- ballot programming and printing costs
- wages of the precinct judges and clerks, the early voting deputies, the EVBB, the central count station judges and clerks, and the Logic and Accuracy Testing Board members (other than the Contracting Officer and assistants)
- a “per election” user fee of \$150 for each regular eSlate, accessible eSlate, and JBC placed in service at each Election Day polling location
- supply costs
- newspaper notice publication expenses for logic and accuracy testing
- pickup and delivery of supplies by judges.

Costs for which reimbursement is sought shall be supported by appropriate documentation.

A cost estimate for election expenses is set forth in Exhibit C. **The estimate assumes no cost sharing with other local political subdivisions.** The parties agree that this is an estimate only and the LPS is obligated to pay the actual expenses of the election. The Contracting Officer agrees to advise the LPS if it appears that the actual expenses will exceed by 20% or more the estimated expenses to be paid initially by the Contracting Officer and reimbursed by the LPS.

B. *Administrative Fee.* In accordance with Section 31.100(d), the LPS shall pay the Contracting Officer an administrative fee in the amount of 10% of the total cost of the contract (but not less than \$75.00).

C. *Cost Sharing.*

1. If the Contracting Officer contracts with more than one local political subdivision to conduct an election on the same Election Day, the LPS agrees to share with the other local political subdivision(s) the expenses of personnel and equipment associated with shared Early Voting locations, shared Election Day polling places, common publication of the notice for the logic and accuracy testing, the cost of the EVBB and central counting station presiding and alternate judges and clerks, and any other common election costs that are shared by all the entities contracting with the Contracting Officer.

2. The LPS understands that Burnet County may also order special elections to be held on the same Election Day and agrees to share the polling locations and associated expenses.

3. Cost sharing will be in accordance with the Joint Election Agreement attached hereto and made a part of this contract as Exhibit D.

D. *Payment.* The Contracting Officer’s invoice shall be due and payable to the address set forth in the invoice within 30 days from the date of receipt by the LPS. If the LPS disputes any portion of the invoice, the LPS shall notify the Contracting Officer within such 30-day period or the invoice will be deemed to be an accurate rendering of the amount that is due.

VI. GENERAL PROVISIONS

A. ***Nontransferable Functions.*** Nothing in this contract shall authorize or permit a change in:

1. the authority with whom or the place at which any document or record relating to the election is to be filed;
2. the officers who conduct the official canvass of the election returns;
3. the authority to serve as custodian of voted ballots or other election records; or
4. any other nontransferable function specified under Section 31.096 of the Texas Election Code.

B. ***Cancellation of Election.*** If the LPS cancels its election pursuant to Section 2.053 of the Texas Election Code, the Contracting Officer shall be entitled to receive an administrative fee of \$75. The Contracting Officer shall submit an invoice for the administrative fee within 60 days after the cancellation, and the LPS shall make payment therefore in a manner similar to that set forth in V. PAYMENT above.

D. ***Contract Copies to Treasurer and Auditor.*** In accordance with Section 31.099 of the Texas Election Code, the Contracting Officer agrees to file copies of this contract with the County Treasurer of Burnet County, Texas and the County Auditor of Burnet County, Texas.

E. ***Representatives.*** For purposes of implementing this contract and coordinating activities, the Contracting Officer and the LPS designate the following individuals for submission of information, documents and notice:

For the Contracting Officer:

Barbara Agnew
Elections Administrator, Burnet County
220 S. Pierce
Burnet, TX 78611
Tel: (512) 715-5288
(512) 755-5495 (cell)
Fax: (512) 715-5287
Email: electadmin@burnetcountytexas.org

For the LPS:

Cassandra Dowell
Administrative Assistant
Marble Falls Independent School District
2001 Broadway
Marble Falls, TX 78654

Tel: (830) 798-3519
Fax: (830) 693-5685
Email: cdowell@mfisd.txed.net

WITNESS BY MY HAND THIS THE 1st DAY OF January, 2010.

Barbara M Agnew
Barbara Agnew
Elections Administrator
Burnet County, Texas

WITNESS BY MY HAND THIS THE _____ DAY OF _____, 2010.

Name: _____

Title: _____

Duly Authorized to Sign this
Contract on Behalf of the Marble Falls
Independent School District

ATTEST:

Exhibit A

Election Day Polling Locations

Precincts	Location	Address	City
19, 20, 22 Burnet Cty.	Marble Falls Courthouse Annex	810 Steve Hawkins Pkwy.	Marble Falls TX
9 Burnet Cty.	Highland Haven Community Center	104 Blackbird Dr.	Highland Haven TX
18 Burnet Cty.	Granite Shoals Community Center	1208 N. Phillips Ranch Rd.	Granite Shoals TX
21 Burnet Cty. 308 Travis Cty.	Spicewood Elementary School Library	1005 Spur 191	Spicewood TX
6 Burnet Cty. 371 Travis Cty.	Smithwick Community Center	10800 E. FM 1431	Marble Falls TX

Exhibit B

Early Voting Locations and Hours

Polling Place		Address			City	
Burnet County Courthouse		220 S. Pierce			Burnet, TX 78611	
Marble Falls Courthouse Annex		810 Steve Hawkins Pkwy.			Marble Falls, TX 78654	
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	<i>April 26</i>	<i>April 27</i>	<i>April 28</i>	<i>April 29</i>	<i>April 30</i>	<i>May 1</i>
	9am-5pm	9am-5pm	9am-5pm	7am-7pm	9am-5pm	
<i>May 2</i>	<i>May 3</i>	<i>May 4</i>	<i>May 5</i>	<i>May 6</i>	<i>May 7</i>	<i>May 8</i>
	7am-7pm	9am-5pm				Election Day Polls Open 7am-7pm

EXHIBIT C

**ESTIMATED ELECTION EXPENSES
MARBLE FALLS INDEPENDENT SCHOOL DISTRICT
MAY 8, 2010 GENERAL/SPECIAL ELECTION ***

Payroll:

Early Voting Workers	\$ 1,950.00
Election Day Judges and Clerks	\$ 2,500.00
Early Voting Ballot Board	\$ 200.00
Testing Board Members (other than the Elections Administrator and assistants)	\$ 200.00
Central Counting Station judges and clerks	\$ 200.00
<u>Delivery/ Mileage</u>	
Pickup and delivery of supplies by judges	\$ 125.00
<u>User Fee for DRE equipment **</u>	\$ 3,450.00
Election Day only; no charge for Early Voting	
<u>Newspaper notice for L & A Testing</u>	\$ 150.00
<u>Consumable Supplies</u>	\$ 100.00
<u>Ballot Programming</u>	\$ 500.00

Subtotal \$ 9,275.00

10% Administrative Fee Payable to Burnet County Elections
Administrator: \$ 927.50

Grand Total Estimated Election Expenses: \$ 10,202.50

*Assumes no cost sharing with other local political subdivisions or Burnet County.

** User fee as established by commissioners court is \$150.00/unit.

Exhibit D

JOINT ELECTION AGREEMENT

By and Between

The City of Marble Falls, the City of Meadowlakes, the City of Granite Shoals, the City of Cottonwood Shores, or the City of Highland Haven (the "LPS"), the Board of Trustees of the Marble Falls Independent School District (the "ISD"), the Central Texas Groundwater Conservation District (the "CTGCD") and Burnet County (the "County")

BY THE TERMS OF THIS AGREEMENT, the LPS, the ISD, the CTGCD and the County do hereby agree, pursuant to the provisions of the Texas Election Code, to hold a joint election on May 8, 2010. The LPS, the ISD, and the CTGCD have contracted with the Burnet County Elections Administrator, the Contracting Officer, to perform various responsibilities in connection with the election on behalf of each.

The LPS, the ISD, the CTGCD and the County acknowledge and agree as follows:

(1) The Early Voting locations for the elections will be at the main Burnet Courthouse, 220 S. Pierce, Burnet, TX 78611 and at the Marble Falls Courthouse Annex, 810 Steve Hawkins Pkwy., Marble Falls, TX 78654.

(2) For polling places conducting elections of the County, the County will pay 50% of all payroll costs including: Early Voting workers, Election Day workers, Early Voting Ballot Board, Testing Board, and Central Count Station personnel.

The remaining 50% of payroll costs will be shared as such:

20% is paid by the ISD associated with the polling place

20% is paid by the CTGCD

10% is paid by any/all cities equally sharing the costs of the polling location.

If there is no CTGCD election, the ISD pays 40% and any/all cities pay 10%.

If there is no ISD election, the CTGCD pays 40% and any/all cities pay 10%.

If there is no city election, the CTGCD pays 25% and the ISD pays 25%.

If there is no CTGCD and no ISD election, any/all cities pay 50%.

If there is no ISD and no city election, the CTGCD pays 50%.

If there is no CTGCD and no city election, the ISD pays 50% of all payroll costs.

(3) For polling places NOT conducting elections of the County, the ISD associated with the polling place will pay 40% of the payroll costs outlined in (2), the CTGCD will pay 40% of payroll, and any/all cities will share equally the remaining 20% of payroll.

If there is no CTGCD election, the ISD pays 80% and any/all cities pay 20%.

If there is no ISD election, the CTGCD pays 80% and any/all cities pay 20%.

If there is no city election, the CTGCD pays 50% and the ISD pays 50%.

If there is no CTGCD and no ISD election, any/all cities pay 100%.

If there is no ISD and no city election, the CTGCD pays 100%.

If there is no CTGCD and no city election, the ISD pays 100% of all payroll costs.

(4) The delivery/ mileage payments to election workers who pick up and return election equipment will follow the same cost sharing arrangements shown in (2) and (3) above.

(5) The user fee for the voting equipment will follow the same cost sharing arrangements shown in (2) and (3) above.

(6) The expense for the newspaper notice for the L & A test, consumable election supplies, and ballot programming will be shared equally by the County, the ISDs, the CTGCD and the cities holding elections.

(7) The costs incurred in connection with the Burnet Courthouse Early Voting location will be shared only by the Burnet Consolidated Independent School District (BCISD), the city of Burnet, the city of Bertram, the CTGCD and the County.

(8) The costs incurred in connection with the Marble Falls Annex Early Voting location will be shared only by the Marble Falls Independent School District (MFISD), the city of Marble Falls, the city of Granite Shoals, the city of Cottonwood Shores, the city of Meadowlakes, the city of Highland Haven, the city of Horseshoe Bay, the CTGCD and the County.

(9) On Election Day, May 8, 2010, the following polling locations will be shared by the following entities, which will share the costs in connection with that Election Day polling place:

Main Burnet Courthouse- BCISD, the city of Burnet, the CTGCD and the County

Silver Creek Community Center- BCISD and the County

Cassie Community Center- BCISD and the County

Bertram American Legion Bldg. - BCISD, the city of Bertram, the CTGCD and the County

Lake Victor Community Center - BCISD, the CTGCD and the County

Briggs Schoolhouse/Fire Station- BCISD, CTGCD and the County

Lakeshore Library - BCISD

Marble Falls Courthouse Annex- MFISD, the city of Cottonwood Shores, the city of Marble Falls, the city of Meadowlakes, the city of Horseshoe Bay, the CTGCD and the County

Highland Haven Community Center- MFISD, the city of Highland Haven and the County

Granite Shoals Community Center- MFISD, the city of Granite Shoals, the CTGCD and the County

Spicewood Elementary School Library- MFISD, the CTGCD and the County

Smithwick Community Center- MFISD and the County

(10) Except as set forth above, all other costs incurred in connection with the May 8, 2010 Local Elections, whether they are Early Voting or Election Day costs shall be charged to the local political subdivision on whose behalf they are incurred.

(11) In the event that a local political subdivision referenced herein cancels its May 8, 2010 election in accordance with Sections 2.051 – 2.053 of the Texas Election Code, it is understood that the cost shares of the remaining local political subdivisions will probably increase.

(12) It is acknowledged that it may be necessary to have two Early Voting Ballot Boards: one for MFISD and the cities of Marble Falls, Meadowlakes, Cottonwood Shores, Highland Haven, Granite Shoals, and Horseshoe Bay and one for BCISD and the cities of Burnet and Bertram. If the CTGCD has an election or the County has an election with territory in both ISDs, only one EVBB is necessary.

(13) The LPS understands that the Contracting Officer has contracted with other local political subdivisions. The LPS acknowledges, and does hereby give consent, that such other local political subdivisions may share: one or more of the same Early Voting locations, voting equipment, and services of the Early Voting deputies; one or more of the same Election Day polling locations, voting equipment, and services of the election workers; and the services of the Contracting Officer in programming the ballot and providing Election Day assistance.

APPROVED BY THE GOVERNING BODY OF THE CITY OF MARBLE FALLS, TX in its meeting held the ____ day of _____, 2010, and executed by its authorized representative.

Signature
Printed Name: _____
Title: _____

APPROVED BY THE GOVERNING BODY OF THE CITY OF MEADOWLAKES, TX
in its meeting held the ____ day of _____, 2010, and executed by its
authorized representative.

Signature
Printed Name: _____
Title: _____

APPROVED BY THE GOVERNING BODY OF THE CITY OF GRANITE SHOALS, TX
in its meeting held the ____ day of _____, 2010, and executed by its
authorized representative.

Signature
Printed Name: _____
Title: _____

**APPROVED BY THE GOVERNING BODY OF THE CITY OF COTTONWOOD
SHORES, TX** in its meeting held the ____ day of _____, 2010, and
executed by its authorized representative.

Signature
Printed Name: _____
Title: _____

**APPROVED BY THE GOVERNING BODY OF THE CITY OF HIGHLAND HAVEN,
TX** in its meeting held the ____ day of _____, 2010, and executed by its
authorized representative.

Signature
Printed Name: _____
Title: _____

**APPROVED BY THE GOVERNING BODY OF THE MARBLE FALLS INDEPENDENT
SCHOOL DISTRICT** in its meeting held the ____ day of _____, 2010,
and executed by its authorized representative.

Signature

Printed Name: _____
Title: _____

**APPROVED BY THE GOVERNING BODY OF THE CENTRAL TEXAS
GROUNDWATER CONSERVATION DISTRICT** in its meeting held the ____ day of
_____, 2010, and executed by its authorized representative.

Signature
Printed Name: _____
Title: _____

APPROVED BY THE GOVERNING BODY OF BURNET COUNTY in its meeting held
the ____ day of _____, 2010, and executed by its authorized representative.

Signature
Printed Name: _____
Title: _____

ACKNOWLEDGED BY:

Barbara Agnew
Elections Administrator, Burnet County, Texas, "Contracting Officer"

Date

Marble Falls ISD – Election Expenses by Year

ELECTION MONTH	ELECTION YEAR	TOTAL ESTIMATED ELECTION EXPENSES ON CONTRACT W/COUNTY <i>(based on no cost share with other entities)</i>	TOTAL ACTUAL TRUSTEE ELECTION EXPENSES <i>(*after cost share w/other entities)</i>	TOTAL BOND ELECTION EXPENSES	CONTRACTED WITH BURNET COUNTY CLERK?
MAY	2010	\$ 10,202			
MAY	2009	10,257	\$ 5,590*	\$ 0	YES
MAY	2008	8,362	6,195*	0	YES
MAY	2007	13,964	5,058*	0	YES
MAY	2006	9,432	6,234*	0	YES
NOV	2006	9,432 BC + 379 TC		8,836 379	YES & w/Travis County Clerk
MAY	2005		3,550	0	NO
MAY	2004		4,600	0	NO
MAY	2003		0	<i>Election cancelled due to no opposed candidates.</i>	
MAY	2002		2,675	2,513	NO
MAY	2001		2,596	0	NO
MAY	2000		0	<i>Election cancelled due to no opposed candidates.</i>	
MAY	1999		1,960	0	NO
MAY	1998		2,500	0	NO
MAY	1997		2,600	0	NO

Marble Falls ISD
Capital Projects Fund Budget Report
For The Month Ended December 2009

Proposition I

Revenues

<u>Account</u>	<u>Description</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Project to Date Activity</u>	<u>Balance</u>
699-00-5742-00-000-000000	Interest Revenue	\$ -	\$ 1,260,254	\$ 1,201,393.27	\$ 58,860.73
699-00-7911-00-000-000000	Bond Proceeds	\$ 54,495,600	\$ 54,495,600	\$ 54,491,043.00	\$ 4,557.00
699-00-7916-00-000-000000	Other Sources	\$ -	\$ -	\$ 292,359.00	\$ (292,359.00)
Total Revenue Proposition I		\$ 54,495,600	\$ 55,755,854	\$ 55,984,795.27	\$ (228,941.27)

Expenditures

<u>Account</u>	<u>Description</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Project to Date Activity</u>	<u>Balance</u>
699-81-6499-00-999-099000	Miscellaneous Operating	\$ -	\$ -	\$ 5,986.00	\$ (5,986.00)
699-81-6619-00-102-099000	Land Acquisition - Colt		\$ 165,000	\$ 165,000.00	\$ -
699-81-6619-00-999-099000	Land Acquisition - District Wide		\$ 1,714,515	\$ 1,716,081.42	\$ (1,566.42)
	Total Land Acquisition	\$ 3,000,000	\$ 1,879,515	\$ 1,881,081.42	\$ (1,566.42)
699-81-6629-00-001-099000	HS Renovations - Const Costs		\$ 4,889,117	\$ 4,889,117.00	\$ -
699-81-6629-00-001-099001	HS Renovations - Fees		\$ 324,511	\$ 315,391.71	\$ 9,119.29
699-81-6639-00-001-099000	HS Renovations - FF&E		\$ 50,000	\$ 63,494.94	\$ (13,494.94)
699-81-6629-00-001-099002	HS Renovations - Other Costs		\$ 31,388	\$ 197,514.90	\$ (166,126.90)
	Total HS Renovations Project	\$ 4,708,125	\$ 5,295,016	\$ 5,465,518.55	\$ (170,502.55)
699-81-6629-00-041-099000	MS Renovations - Const Costs		\$ 15,086,500	\$ 15,030,431.00	\$ 56,069.00
699-81-6629-00-041-099001	MS Renovations - Fees		\$ 1,016,039	\$ 946,043.65	\$ 69,995.35
699-81-6639-00-041-099000	MS Renovations - FF&E		\$ 222,108	\$ 212,093.19	\$ 10,014.81
699-81-6629-00-041-099002	MS Renovations - Other Costs		\$ 117,235	\$ 282,569.32	\$ (165,334.32)
	Total MS Renovations Project	\$ 16,425,511	\$ 16,441,882	\$ 16,471,137.16	\$ (29,255.16)
699-81-6629-00-101-099000	MF Elem Renovations-Const Costs		\$ 9,399,336	\$ 9,399,336.00	\$ -
699-81-6629-00-101-099001	MF Elem Renovations-Fees		\$ 634,455	\$ 646,588.89	\$ (12,133.89)
699-81-6639-00-101-099000	MF Elem Renovations-FF&E		\$ 173,431	\$ 136,494.30	\$ 36,936.70
699-81-6629-00-101-099002	MF Elem Renovations-Other Costs		\$ 75,000	\$ 184,647.90	\$ (109,647.90)
	Total MF Elem Renovations Project	\$ 10,738,125	\$ 10,282,222	\$ 10,367,067.09	\$ (84,845.09)
699-81-6629-00-102-099000	Colt Elementary - Const Costs		\$ 13,689,957	\$ 13,518,923.75	\$ 171,033.25
699-81-6629-00-102-099001	Colt Elementary - Fees		\$ 839,864	\$ 854,160.63	\$ (14,296.63)
699-81-6639-00-102-099000	Colt Elementary - FF&E		\$ 441,200	\$ 268,263.79	\$ 172,936.21
699-81-6629-00-102-099002	Colt Elementary - Other Costs		\$ 99,600	\$ 140,255.65	\$ (40,655.65)
	Total Colt Elementary Project	\$ 14,850,000	\$ 15,070,621	\$ 14,781,603.82	\$ 289,017.18
699-81-6629-00-103-099000	HL Renovations - Const Costs		\$ 961,285	\$ 925,106.00	\$ 36,179.00
699-81-6629-00-103-099001	HL Renovations - Fees		\$ 81,728	\$ 62,699.74	\$ 19,028.26
699-81-6639-00-103-099000	HL Renovations - FF&E		\$ 38,000	\$ 39,129.51	\$ (1,129.51)
699-81-6629-00-103-099002	HL Renovations - Other Costs		\$ 22,500	\$ 16,044.74	\$ 6,455.26
	Total HL Renovations Project	\$ 1,081,688	\$ 1,103,513	\$ 1,042,979.99	\$ 60,533.01
699-81-6629-41-999-099000	New Admin Building - Const Costs		\$ 3,232,514	\$ 1,096,893.75	\$ 2,135,620.25
699-81-6629-41-999-099001	New Admin Building - Fees		\$ 202,032	\$ 145,098.39	\$ 56,933.61
699-81-6639-41-999-099000	New Admin Building - FF&E		\$ 50,000	\$ -	\$ 50,000.00
699-81-6629-41-999-099002	New Admin Building - Other Costs		\$ 22,500	\$ 5,289.00	\$ 17,211.00
	Total New Admin Building Project	\$ 3,505,458	\$ 3,507,046	\$ 1,247,281.14	\$ 2,259,764.86
699-81-6639-53-999-099000	Technology Cabling	\$ 166,000	\$ 166,000	\$ 156,546.73	\$ 9,453.27
699-00-8949-00-000-000000	Other Uses	\$ -	\$ -	\$ 286,161.00	\$ (286,161.00)
Total Expenditures Proposition I		\$ 54,474,907	\$ 53,745,815	\$ 51,705,363	\$ 2,040,452.10
Surplus/(Deficit) Proposition I		\$ 20,693	\$ 2,010,039	\$ 4,279,432	

Marble Falls ISD
Capital Projects Fund Budget Report
For The Month Ended December 2009

Proposition II

Revenues

<u>Account</u>	<u>Description</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Project to Date Activity</u>	<u>Balance</u>
699-00-5742-00-000-000000	Interest Revenue		\$ 136,500	\$ 212,010.57	(75,510.57)
699-00-7911-00-000-000000	Bond Proceeds		\$ 7,846,600	\$ 7,846,600.00	-
	Total Revenue	\$ 7,846,600	\$ 7,983,100	\$ 8,058,610.57	(75,510.57)

Expenditures

<u>Account</u>	<u>Description</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Project to Date Activity</u>	<u>Balance</u>
699-81-6629-91-999-099000	Athletic Facility - Const Costs		\$ 9,458,192	\$ 9,458,192.00	-
699-81-6629-91-999-099001	Athletic Facility - Fees		\$ 481,452	\$ 467,913.34	13,538.66
699-81-6639-91-999-099000	Athletic Facility - FF&E		\$ -	\$ 36,485.86	(36,485.86)
699-81-6629-91-999-099002	Athletic Facility - Other Costs		\$ 53,495	\$ 47,050.88	6,444.12
	Total Expenditures Athletic Facility	\$ 7,846,600	\$ 9,993,139	\$ 10,009,642.08	(16,503.08)
	Surplus/(Deficit) Athletic Facility	\$ -	\$ (2,010,039)	\$ (1,951,032)	
	Total Revenues All Projects		\$ 63,738,954	\$ 64,043,406	
	Total Expenditures All Projects		\$ 63,738,954	\$ (61,715,005)	
	Surplus/(Deficit) Total Projects	\$ 20,693	\$ -	\$ 2,328,400.86	

MONTHLY PROGRESS REPORT

January 2010

MARBLE FALLS
I.S.D.

2006 BOND
PROGRAM

2101 Mustang Dr.
Marble Falls, TX 78654

Phone: 830-798-1200
Fax: 830-798-0022
www.charterbuilders.com



"In Pursuit of Excellence"

The following pages will provide an over view of the current status of this projects along with projected progress for the up and coming months.

SHWGROUP



CHARTER BUILDERS, LTD.
HEERY INTERNATIONAL INC

OWNER'S MONTHLY REPORT

OWNER: Marble Falls Independent School District
CONTRACTOR: Charter Builders, Ltd.
ARCHITECT: SHW Group, LLP
DATE: January 11, 2010

Charter Builders, Ltd on-site construction team

Scott German – Project Manager
Dave Wallace – Project Engineer
David Crowe – Project Superintendent



PROJECT DESCRIPTION: MFISD – FALLS CAREER / ADMIN CONVERSION

LOCATION: 1800 COLT CIRCLE
Marble Falls, Texas 78654

The project entails renovating the “old Colt Elementary” to convert the buildings into the new Falls Career campus and new Administration offices and board room.

Project Site approximately 8 Acres
Building's) Square Feet approximately 40,500 square feet

Project description

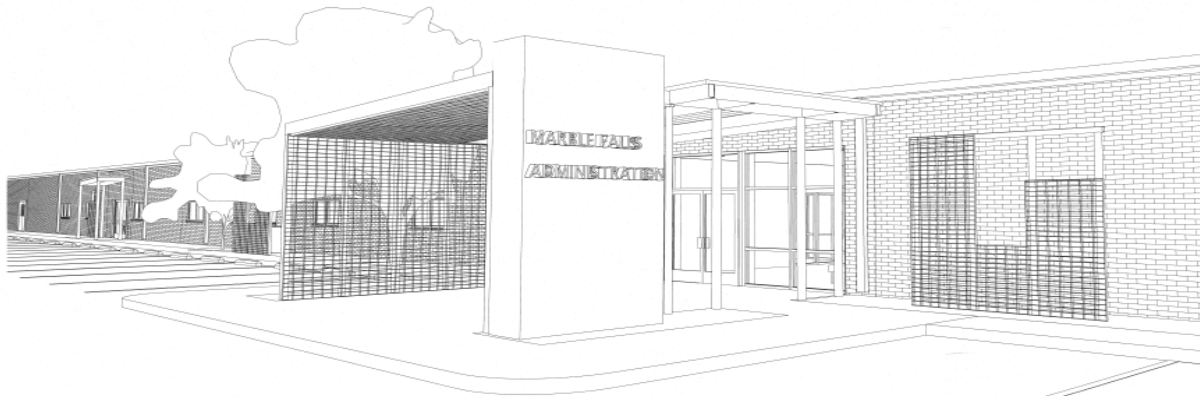
The New Falls Career and Administration Conversion is a renovation of the existing Colt Elementary School in Marble falls, TX. The majority of the work will be interior renovations to accommodate new Administration Offices, Falls Career Classrooms, as well as a new Community Boardroom to house meetings for MFISD. A few exterior improvements will also be made including parking and entry upgrades. The existing site consist of three, pre-engineered metal buildings that will be left in place while interior improvements are made.

FALLS CAREER / ADMINISTRATION CONVERSION

Marble Falls Independent School District

BOARD OF TRUSTEES

Martin McLean	President
Tommy Chaney	Vice President
Candy Ratliff	Secretary
Dr. Kelly Fox	Member
Richard Giesecke	Member
Neal Kennedy	Member
Mike Savage	Member
Kari Westerman	Member
Dr. Ryder Warren	Superintendent
Jerry Edwards	Chair, P.A.C.E
Susan Pierce	Treasurer, P.A.C.E



CIVIL ENGINEER

Gil Engineering Inc.

MEP ENGINEER

HCE Consulting Engineers

Marble Falls, TX

Project Status Report

January 11, 2010

SITE WORK and INFRASTRUCTURE:

Site work, which includes sanitary sewer, supply water, storm drainage, electrical service and gas service, parking lots, paving, and landscaping has progressed as follows:

Falls Career/Admin Conversions

CURRENT PROGRESS

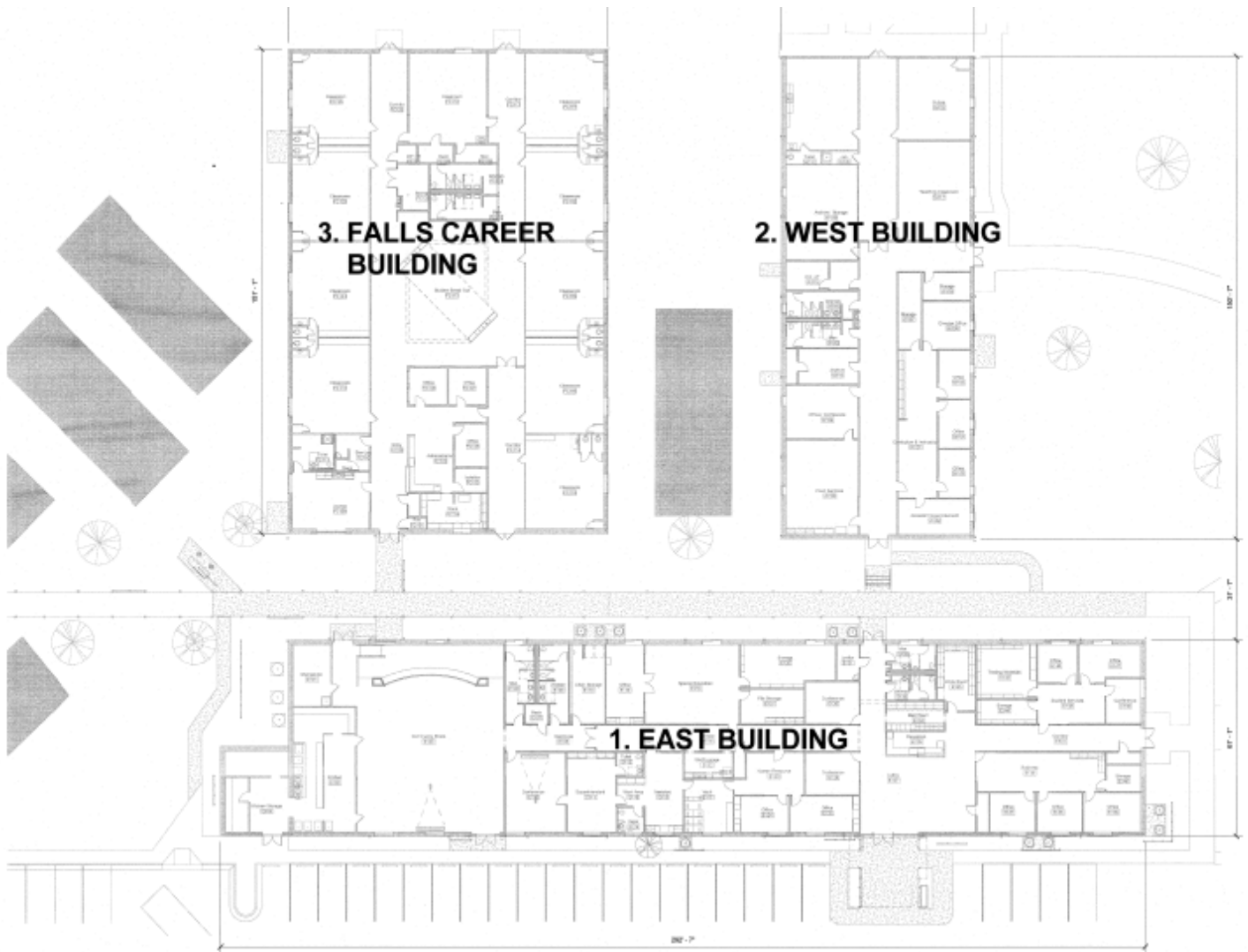
Work completed during the month of January 2009:

- Overhead installation of HVAC and Electrical services
- Completion of framing and drywall in all three buildings
- Interior painting
- Installation of ceiling grid and setting light fixtures
- Hanging drywall in West Building
- Ceramic tile set in Bathrooms of FC and East Admin Building
- New exterior windows installed

PROJECTED PROGRESS

Work anticipated to be completed during the month of February 2010:

- Installation of millwork and cabinets
- Interior painting complete
- Exterior storefronts in place
- New exterior brick details constructed
- Site utilities in place
- Exterior sidewalks in place



The building labeled East Building will house the new administration offices and board room.

The Falls Career building will be a renovated new classroom building.

The building labeled West Building will provide offices for Food Services, Curriculum & Instruction, along with additional storage space

PROGRESS PHOTOS



Lobby Area of East Administration Building



Community Room of East Administration Building



Offices of Falls Career Building



Restroom of East Administration Building



Restroom of Falls Career Building

**TO: Board of Trustees
Dr. Ryder Warren, Superintendent**
FROM: Vicki Crouse, Human Resources Manager
DATE: January 18, 2010
RE: PERSONNEL

Recommendations

None at this time.

FOR YOUR INFORMATION ONLY

RESIGNATIONS

PROFESSIONAL

None at this time.

PARAPROFESSIONAL

None at this time.

NEW HIRES

PARAPROFESSIONAL

Justin Walker

Title 1 Aide – MFE

new position

**RECOMMENDATION FORM
PARAPROFESSIONAL EMPLOYEES**

Name: Justin Walker Grade/Subject area assignments: Title 1
Paraprofessional

Coaching or other assignments:

New position: X OR replacement for:

Background information to the board:

Degree held: BS in Business Administration College/University: Texas Tech
University

Years of experience: 0 Is this person fully certified in Texas: (yes)

If no, please justify

Brief background on candidate:

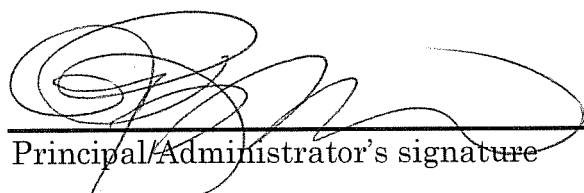
Mr. Walker graduated from Texas Tech University. While in college he was involved with Big Brothers/Big Sisters and with the Jump Start Program. After graduating he worked with professional sports using his business degree before he decided he was interested in education.

References and their comments:

Name : Nathan Reilly Title: Director

Mr. Walker spent most of his time working with a team and they were very successful. He needs little direction and is willing to put in extra time and effort to get the job done.

Name: Meredith Craig Title: Director


Principal/Administrator's signature

11-20-09
Date