

**Comprehensive  
Annual Financial Report  
of the**

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

**For The Year Ended August 31, 2018**

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Annual Financial Report  
of the  
  
SAN ANGELO  
INDEPENDENT SCHOOL DISTRICT  
San Angelo, Texas**

**For The Year Ended August 31, 2018**

Prepared by  
FINANCE DEPARTMENT

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CERTIFICATE OF BOARD

San Angelo Independent School District  
Name of School District

Tom Green  
County

226903  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) X approved \_\_\_\_\_ disapproved for the year ended August 31, 2018 at a meeting of the Board of Trustees of such school district on the 21st day of January, 2019.

Gerard Gallegos  
Signature of Board Secretary

Lanny Layman  
Signature of Board President

*(Signed certificate on file with the District)*

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



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## **INTRODUCTORY SECTION**

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January 11, 2019

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

We are submitting this comprehensive annual financial report of the San Angelo Independent School District (the District) for the fiscal year ended August 31, 2018.

This report is presented in four sections as described below.

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

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

The Texas Education Code requires an annual audit of the District’s financial statements. The Board of Trustees selected Richard Webb CPA, PLLC, a firm of licensed certified public accountants to audit this year’s financial statements. The goal of an independent audit is to provide reasonable assurance that the financial statements of the District for fiscal year ended August 31,

2018, are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended August 31, 2018, are fairly stated in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. The independent audit of the District's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on the administration of federal awards. These reports are found in the fourth section of the report, the single audit section.

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

## **PROFILE OF THE DISTRICT**

The San Angelo Independent School District is located 210 miles west northwest of Austin, Texas in Tom Green County, Texas. Established in 1903, San Angelo Independent School District is comprised of 17 elementary schools, 3 middle schools, 1 freshman campus, 2 high schools and 5 special program facilities. Situated in San Angelo, Texas, a city of close to 100,000 in population, the District had over 14,000 students for the 2017-18 school year. The District is not included in any other governmental reporting entity and there are no component units. The District is empowered to levy property taxes on all real and personal property within its boundaries.

The District is governed by a seven member Board of Trustees (the Board) elected by the registered voters of the District. The Board is responsible, among other things, for adopting and amending the annual budget, making policy, setting goals, approving contracts and personnel appointments, and hiring the superintendent. The superintendent is responsible for carrying out the policies of the Board and for overseeing the day-to-day operations of the District.

The mission of San Angelo Independent School District is to provide each student with a meaningful, challenging education, delivered in a safe learning environment that prepares him or her to graduate from high school as a lifelong learner who is a capable, productive, and contributing citizen. The District offers a state mandated, locally derived, standards-based curriculum to all of its students and is focused on high levels of student achievement. Through the District's pre-kindergarten through twelfth grade programs, students receive instruction in over seventy different areas; from reading and language arts in the lower grades to advanced calculus, physics, fine arts, and vocational programs in the District's secondary schools. In addition to regular education programs, the District offers additional services in programs such as special education, bilingual,

gifted and talented, head start, early head start, and academic alternative education. District enrollment has remained stable with slight increases and decreases over the previous six years. In fiscal 2018, District enrollment was 14,477 students. Fall enrollment for fiscal 2019 was 14,531.

The annual budget is the foundation of the District's financial planning and control. After public hearings, the budget is legally enacted by Board resolution each year prior to September 1. Once it is approved, the budget can only be changed at the function and fund level by amendments approved by a majority of the members of the Board. Budget-to-actual comparisons are provided in this report for the General Fund, the Food Service special revenue fund, and the Debt Service Fund. The comparison for the General Fund is presented in Exhibit G-1, and the Child Nutrition and Debt Service funds in Exhibits J-4 and J-5, respectively. Most of the other special revenue funds are controlled by project-length budgets approved by State and Federal grantor agencies, for which budget-to-actual comparisons are not included in this report. A project-length spending plan, as outlined in the ordinances, which authorized the bond issues, is used for the Capital Project Fund.

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

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

San Angelo continues to have a well-diversified economic base with major sectors that include manufacturing, medical care, education, trade, business services, and military. San Angelo is a regional service center for business and agriculture over a fourteen county area. Walmart, Inc./Sam's, AEP Texas North, The Ethicon division of Johnson and Johnson, Hirschfeld Steel, San Angelo Community Medical Center, Shannon Medical Center, Goodfellow Air Force Base, Angelo State University and many other local businesses provide the economic potential of San Angelo. The District benefits from increased tax values and enrollments resulting from growth in the oil and gas industry in the region after moderate development of the cline shale.

There are two institutions of higher education in San Angelo. Angelo State University (ASU), a member of the Texas Tech University system, delivers undergraduate programs in the liberal arts, sciences and professional disciplines. ASU offers more than 100 majors and concentrations that lead to 42 undergraduate degrees, 21 master's degrees and one doctoral degree. Howard College has an extension campus in San Angelo, which concentrates predominately in technical and occupational fields of study. The District offers dual credit courses for high school students with credit programs with both ASU and Howard College.

**Financial Policies** – The District follows school board policy in administration of the District educational and business transactions. Texas Association of School Boards assists in drafting legal policy and the District adopts local policy to augment those policies when necessary. District policy can be found on the District website at SAISD.org. Additional information regarding accounting policies and Governmental Accounting Standards Board pronouncements followed in preparation of these financial statements can be found in the Notes to the Financial Statements in the Financial Section of this Comprehensive Annual Financial Report.

**Long-term financial planning** Applying conservative principles and proactive staffing guidelines and practices, San Angelo ISD has been able to maintain a strong financial position. Future budgets will be based on the same principles and the district should be able to meet all of its current needs.

**Major Initiatives** – In fiscal 2018 the District began to upgrade security across all campus locations with the installation of fencing, controlled entrances and a district-wide radio system. The District continues to evaluate the educational capacity of campuses that were not renovated in the 2008 bond program to address needs on those campuses. Portions of those campuses were built in 1928-1949. The District has not taken on any new major educational initiatives that are expected to affect future financial position of the district.

## **AWARDS AND ACKNOWLEDGMENTS**

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to San Angelo ISD for its comprehensive annual financial report for the fiscal year ended August 31, 2017. To be awarded a Certificate of Excellence, a school district must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Dr. Jeff Bright,  
Assistant Superintendent Business and Support Services

Signed reports on file with the District

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
DISTRICT OFFICIALS, STAFF AND CONSULTANTS  
FOR THE YEAR ENDED AUGUST 31, 2018

**Elected Officials – Board of Trustees**

<u>Name and Title</u>	<u>Term Expires</u>	<u>Occupation</u>
Lanny Layman, President	May 2019	President / CEO – Standard Sales Company, LP
Max Parker, Vice President	May 2019	Attorney
Bill Dendle, Treasurer	May 2021	Managing Partner, Angelo Plumbing Supply
Gerard Gallegos, Secretary	May 2019	Access Billing Rep. / Verizon, Inc.
Art Hernandez, Trustee	May 2021	Funeral and Cemetery Family Service Counselor
Taylor Kingman, Trustee	May 2021	Doctor
Ami Mizell-Flint, Trustee	May 2021	Freelance Writer

**Selected Administrative Staff**

<u>Name</u>	<u>Position</u>	<u>Length of Service</u>	<u>Total School District Service</u>
Dr. Carl Dethloff	Superintendent of Schools	9 Years	26 Years
Shelly Hullihen	Deputy Superintendent	11 Years	38 Years
Dr. Jeff Bright	Assistant Superintendent Business & Support Services	15 Years	31 Years
Dr. Jana Rueter	Assistant Superintendent Curriculum & Instruction	2 Years	26 Years
Matt Kimball	Assistant Superintendent, Human Resources & Staff Development	4 Years	26 Years
Hope Flores	Director of Financial Services	20 Years	20 Years

**Consultants and Advisors**

Auditors.....	Richard Webb CPA, PLLC Certified Public Accountant San Angelo, Texas
Bond Counsel.....	Fulbright & Jaworski, L.L.P. Dallas, Texas
Financial Advisor.....	First Southwest Company Dallas, Texas



# BOARD OF TRUSTEES

## SAN ANGELO INDEPENDENT SCHOOL DISTRICT

*Administrative Organizational Chart*

School Year 2017-2018

Superintendent  
Dr. Carl Dethloff

Deputy Superintendent  
Shelly Hullihen

Assistant Superintendent  
Business Support Services  
Dr. Jeff Bright

Assistant Superintendent  
Curriculum & Instruction  
Dr. Jana Ruetter

Assistant Superintendent  
Human Resources &  
Professional Development  
Matt Kimball

Executive Director  
of Athletics  
Brent McCallie

Assistant Director  
of Athletics  
Mark Baker

Director of Communications  
Derrick Jackson

Executive Director of Schools  
Steve Gill

Executive Director of Schools  
Farrah Gomez

Executive Director of  
Special Programs  
Stephanie Free

Director of Assessment &  
Counselors  
Libby Probandt

Director of Career &  
Technical Education  
Joy Gay

Director of Student Services  
Vick Orlando

Director of Technology  
Charlyn Doyle

Director of Data Services  
Sharon Wermuth

Director of Child Nutrition  
Kim Carter

Director of Maintenance  
David Creek

Director of Transportation  
Roger Garcia

Director of Purchasing  
Jason Henry

Comptroller  
Jaime Guerrero

Director of Financial Services  
Hope Flores

Cash Manager/  
Budget Coordinator  
Christina Chavez

Executive Director of  
Accountability &  
Federal Programs  
Dean Munn

Director of Early Head Start  
& Head Start  
Raquel Taunton

Director of Advanced  
Academics & Fine Arts  
Jennifer Crutchfield

Director of Elementary  
Curriculum & Instruction  
Cheri Braden

Director of Secondary  
Curriculum & Instruction  
Shelly Huddleston

Coordinator  
Financial Services  
Kathy Jordan

Director of Human Resources &  
Professional Development  
Pattie Griffin

Coordinator of  
Human Resources  
Angel Perez

Coordinator of  
Human Resources  
Cat Taylor

Coordinator of  
Instructional Technology  
Laura Howard



**ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**

**The Certificate of Excellence in Financial Reporting  
is presented to**

**San Angelo Independent School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended August 31, 2017.**

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards.



**Charles E. Peterson, Jr., SFO, RSBA, MBA**  
President

**John D. Musso, CAE**  
Executive Director

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## **FINANCIAL SECTION**

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# **RICHARD WEBB**

**CERTIFIED PUBLIC ACCOUNTANT, PLLC**

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

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the San Angelo Independent School District (the District) as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the San Angelo Independent School District as of August 31, 2018, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### **Required Supplementary Information**

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

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the San Angelo Independent School District's basic financial statements. The introductory section, combining and other statements, statistical tables, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and information required by the Texas Education Agency (which is identified in the Table of Contents as Exhibits J-1 through J-5) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and other statements, schedule of expenditures of federal awards, and information required by the Texas Education Agency are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, schedule of expenditures of federal awards, and information required by the Texas Education Agency are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2019 on our consideration of the San Angelo 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering San Angelo Independent School District's internal control over financial reporting and compliance.

***Richard Webb CPA, PLLC***

*(signature on file with the District)*

San Angelo, TX

January 11, 2019



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## **Management's Discussion and Analysis San Angelo Independent School District**

In this section of the Annual Financial and Compliance Report, we, the managers of San Angelo Independent School District, discuss and analyze the District's financial performance for the fiscal year ended August 31, 2018. Please read it in conjunction with, the independent auditors' report immediately preceding this report, and the District's Basic Financial Statements, which begin with Exhibit A-1.

### **USING THIS ANNUAL REPORT**

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

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

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

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

### **REPORTING THE DISTRICT AS A WHOLE**

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

The analysis of the District's overall financial condition and operations begins with Exhibit A-1, the Statement of Net Position. 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 Position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position.

The Statement of Activities presents all of the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the district, food service revenues, rents, and curriculum sales (program revenues), and revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years. Following GASB Statements 68 and 69, the District has recognized its proportionate share of Texas Teacher Retirement System's net pension liability as a participating employer.

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

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

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

## **REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS**

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

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

- Governmental funds – Most of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash)

and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position 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 Position and the Statement of Activities. The District's enterprise funds, one category of proprietary funds, are the business-type activities reported in the government-wide statements but contain more detail and additional information, such as cash flows. The internal service fund (the other category of proprietary funds) reports activities that provide services for the District's other programs and activities through the District's risk management program for worker's compensation.

## **THE DISTRICT AS TRUSTEE**

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

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

## **GOVERNMENT WIDE FINANCIAL ANALYSIS**

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

**Table I**  
**Net Position (in thousands)**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets:						
Current and Other Asset	\$57,323	\$59,032	\$153	\$89	\$57,476	\$59,121
Capital Assets	203,189	205,068	599	685	203,788	205,753
Total Assets	260,512	264,100	752	774	261,264	264,874
Deferred Outflows:	19,921	23,681	-	-	19,921	23,681
Liabilities:						
Current Liabilities	9,076	12,099	53	54	9,128	12,153
Long Term Liabilities	180,846	147,682	534	588	181,380	148,270
Total Liabilities	189,922	159,781	587	642	190,508	160,423
Deferred Inflows:	22,003	1,626	-	-	22,003	1,626
Net Position:						
Net Investment in						
capital assets	100,353	97,956	61	66	100,414	98,022
Restricted	6,090	6,863	-	-	6,090	6,863
Unrestricted	(37,934)	21,555	104	67	(37,830)	21,622
Total Net Position	\$68,509	\$126,374	\$165	\$133	\$68,674	\$126,507

**Table II**  
**Changes in Net Position (in thousands)**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,176	\$ 3,493	\$ 253	\$ 246	\$ 3,429	\$ 3,739
Operating Grants & Contributions	3,517	23,892	-	-	3,517	23,892
General Revenues:						
Maint & Oper Taxes	51,338	48,680	-	-	51,338	48,680
Debt Service Taxes	8,392	8,425	-	-	8,392	8,425
State Aid Formula Grants	52,577	57,565	-	-	52,577	57,565
Investment Earnings	783	539	-	-	783	539
Miscellaneous	781	923	-	-	781	923
Total Revenues	120,564	143,517	253	246	120,817	143,763
Expenses:						
Instruction, Curriculum, Media	54,257	81,363	-	-	54,257	81,363
Instructional School Leadership	6,709	10,328	-	-	6,709	10,328
Guidance, Social Work, Health						
& Transportation	6,981	10,104	-	-	6,981	10,104
Child Nutrition	6,291	8,170	-	-	6,291	8,170
Co-curricular Activities	4,920	5,919	-	-	4,920	5,919
General Administration	2,218	2,952	-	-	2,218	2,952
Plant Maint, Security, Data Proc	15,062	17,076	-	-	15,062	17,076
Community Services	241	322	-	-	241	322
Debt Service	4,857	5,190	-	-	4,857	5,190
Other Intergovernmental Charges	1,007	985	-	-	1,007	985
Other: Business-type Activities	-	-	216	265	216	265
Total Expenses	102,543	142,409	216	265	102,759	142,674
Excess (Deficiency) before extraordinary item and	18,021	1,108	37	(19)	18,058	1,089
Extraordinary Item (Use)	(35)	-	-	-	(35)	-
Transfer In (Out)	5	21	(5)	(21)	-	-
Change in Net Position	17,991	1,129	32	(40)	18,023	1,089
Prior Period Adjustment - GASB 75	(75,856)	-	-	-	(75,856)	-
Net Position at September 1	126,374	125,245	133	172	126,507	125,417
Ending Net Position at August 31	\$ 68,509	\$ 126,374	\$ 165	\$ 132	68,674	126,506

*Net Position and Changes in Net Position.* Unrestricted net position of (\$37,933,567) reflects a deficit created by a prior period adjustment that resulted from the implementation of GASB Statement No. 75. Furthermore, the revenues generated from Operating Grants & Contributions decreased from prior year primarily due to adjustments for this implementation.

GASB Statement No. 75 establishes financial reporting standards and accounting standards for state and local government defined other postemployment benefit (OPEB) plans and defined contribution OPEB plans. It requires that, at transition, a government recognize a beginning deferred outflow of resources for its OPEB contributions, if any, made subsequent to the measurement date of the beginning net OPEB liability. The effects of adoption of this statement has no impact on the District's governmental fund financial statements; however, adoption has resulted in certain changes to the presentation of the District's government wide financial statements. Although the District reports a deficit in the govern-wide net position, the actual liability does not require the use of current resources and has sufficient fund balance to meet the District's ongoing obligations.

In the business-type activities, current operations of the Concession Fund were profitable and added \$37 thousand to net position, helping to offset a small loss from the Jumbotron Fund. Even though the Jumbo-tron Fund avoided any major maintenance costs this fiscal year, the current charges for interest and depreciation exceeded current year advertising revenue, resulting in a \$5 thousand reduction in net position. Overall, net position in the business type activities increased \$32 thousand to end at \$165 thousand for the fiscal year. The results of the governmental and business-type activities compared to the results from the prior year are summarized in Table II.

## **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

*Governmental Funds.* The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of remaining resources. In particular, unassigned fund balance often serves as a useful measure of a governmental agency's net resources available for spending at the end of a fiscal year. The board maintains fund balances adequate for sound fiscal management to provide for the stewardship of public funds. Fund balances are primarily used for cash flow purposes, as financial strength indicators for debt rating agencies, in planned capital projects, one-time expenditures, and emergency situations that may arise from internal and external factors. The district maintains policy related to target levels of fund balances.

The District's General Fund reported an increase in fund balance from \$37.2 million to \$39.3 million, an increase of \$2.1 million. The District continued to support planned expenditures needed for growth without outspending current revenues, which contributed to the increase. At the end of the fiscal year, the General Fund's unassigned fund balance stood at \$32.5 million. The remainder of the fund balance is non-spendable, restricted, committed, or assigned through board action as required by GASB 54.

The non-major governmental funds include special revenue funds and the Debt Service fund. Most special revenue funds are budgeted to fully expend current year grants awarded from federal or state initiatives. Several of the special revenue funds report the District school and preschool meal programs for the school year and a summer feeding program and hold a combined fund balance of \$0.7 million in non-spendable inventory and \$2.3 million in funds restricted for the meal programs. Other funds restricted for various grant programs total \$63

thousand, while \$250 thousand raised by the campuses is committed by the board of trustees for campus activities. A special revenue fund for revenues from an exclusive beverage contract holds \$122 thousand committed by the board for use in maintaining district athletic facilities. In the Debt Service Fund, although the debt tax was reduced from \$0.18 to \$0.17 per \$100 of property value, collection efforts and increased property values brought higher debt tax collection. State support for debt payment declined along with the debt tax rate. At year-end, the Debt Service Fund had a \$3.5 million fund balance, a decrease of \$0.3 million from the prior year.

*Proprietary Funds-Internal Service Funds.* The District's risk management strategy used an internal service fund to report the accumulation of reserves for self-insurance of workers' compensation benefits. The reserves are accumulated through payroll charges to the governmental funds based on actuarial estimates of the relevant claims liabilities. The Worker's Compensation Fund reported net position increase of approximately \$73 thousand and remains stable at \$624 thousand available to meet the ongoing claims liabilities. The internal service funds are consolidated into the governmental activities in the government-wide financial statements. Additional information about the internal service funds is found in note IV.J in this report.

*Proprietary Funds -Enterprise Funds.* The funds reported in the government wide financial statements as business-type activities are the District's enterprise funds. The business-type activities are relatively insignificant to the overall operations of the District and are operations that support co-curricular activities of the District. The Concession Fund reported a gain on concession services. The Jumbotron Fund reported operating revenues from Jumbotron advertising at the District's athletic stadium and a small net loss after operating and depreciation costs.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of fiscal 2018 the District had \$203.1 million (net of accumulated depreciation) invested in a broad range of capital assets, including land, construction in progress, buildings and improvements, and furniture and equipment. This amount represents a decrease of \$1.9 million from the prior year. Increases and decreases to investment in capital assets in governmental activities are shown below (**in thousands**):

<b>San Angelo ISD Capital Assets (Governmental Activities)</b>		
		\$ thousand
Increases:		
Furniture and Equipment		\$ 1,349
Vehicles		750
Buildings and Site Improvements		11,605
		\$13,704
Construction Work in Progress		
Project costs incurred		\$ 3,939
<u>Projects completed-increasing other categories</u>		
Central High Lou Gehrig Hall Remodel		( 3,224)
Austin Elementary Windows		( 748)



Fort Concho Elementary Addition	( 1,875)	
Central Freshman Campus HVAC Phase 1	( 3,447)	
Multiple Campus HVAC replacement	( 1,589)	
Bowie Elementary HVAC replacement	( 522)	
		\$( 7,466)
Decreases:		
Vehicles Sold	( 440)	
Less accumulated depreciation	432	
Equipment Sold	( 16)	
Less accumulated depreciation	16	
Current year depreciation	( 8,110)	
		\$( 8,118)
Net decrease to capital assets (governmental activities)		<u>\$( 1,878)</u>

The capital assets in the business activity decreased by \$86 thousand, the amount of current year depreciation on the Jumbotron. Additional information regarding capital assets is presented in note IV.F. in this report.

## Debt

At year end, District bonds payable totaling \$101.4 million have maturities scheduled into 2034 with fixed interest rates ranging from 3.0% to 5.0%. The District's bonds are rated AA- by Standard and Poor's and AA by Fitch. Other obligations of the district include a retirement benefit for unused vested sick leave and a debt to be satisfied by granting future advertising rights in the proprietary Jumbo-tron Fund. More information about debt can be found at Note IV. H. in this report.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The District's Board of Trustees adopts the general fund, debt service, and food service fund budgets annually. Over the course of the year, the Board of Trustees revised the District's general fund budget several times. These budget amendments fall into three categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the year for items the board committed from prior year fund balance. The second category includes changes that the Board made during the year. The third category involved amendments that moved funds from programs that did not need all the resources originally appropriated to programs with resource needs. Revenues were amended for increased tax collections, to adjust state formula allotments and to increase federal revenues related to health services. Amendments increased the revenue budget 2% with a small increase in Federal Program Revenue. Expenditure amendments to the budget increased it by 8%, mostly due to maintenance and security projects district wide. In the general fund, actual revenues reported were 98% of the amended budget and expenditures were 94% of the amended budget. Actual revenues exceeded expenditures by \$2.1 million as capital improvements continued to be completed from committed fund balance reserves.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

State funding was a primary factor in preparing the District's 2018-2019 budget. The District budgeted revenues flat, increasing local property tax collections due to increased property values, but offsetting that with a decrease in State funding. Enrollment is a major factor in determining revenues for the district as funding formulas are driven by average daily student attendance. Enrollment is forecast to remain stable or slightly increase. Budgeted revenues available for appropriation in the general fund budget are \$111 million and expenditures are budgeted at approximately \$109.8 million. Net budgeted revenue will be utilized for capital outlay requests to be considered if enrollment meets projections.

The District maintained its tax rate at \$1.21 per \$100 of assessed property value for the 2018-19 fiscal year. The tax rate consists of a maintenance and operating tax rate of \$1.04 and an interest and sinking fund (debt) tax rate at \$0.17.

## **CONTACTING THE DISTRICT'S MANAGEMENT**

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

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## **BASIC FINANCIAL STATEMENTS**

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SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
AUGUST 31, 2018

EXHIBIT A-1

		1	2	3
		Primary Government		
Data			Business	
Control		Governmental	Type	
Codes		Activities	Activities	Total
<b>ASSETS</b>				
1110	Cash and Cash Equivalents	\$ 22,822,890	\$ 119,022	\$ 22,941,912
1120	Current Investments	15,119,081	-	15,119,081
1220	Property Taxes - Delinquent	1,769,511	-	1,769,511
1230	Allowance for Uncollectible Taxes	(86,706)	-	(86,706)
1240	Due from Other Governments	5,267,737	-	5,267,737
1250	Accrued Interest	90,891	-	90,891
1290	Other Receivables, Net	316,314	34,068	350,382
1300	Inventories	768,136	-	768,136
1410	Prepayments	357,031	-	357,031
	Capital Assets:			
1510	Land	6,854,234	-	6,854,234
1520	Buildings, Net	184,836,309	-	184,836,309
1530	Furniture and Equipment, Net	10,343,397	599,262	10,942,659
1580	Construction in Progress	1,154,900	-	1,154,900
1800	Restricted Assets	499,185	-	499,185
1910	Long Term Investments	10,399,235	-	10,399,235
1000	Total Assets	260,512,145	752,352	261,264,497
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
1701	Deferred Loss on Refunding	11,184,396	-	11,184,396
1703	Deferred Outflow Related to TRS OPEB Liability	710,670	-	710,670
1705	Deferred Outflow Related to TRS Pension	8,026,291	-	8,026,291
1700	Total Deferred Outflows of Resources	19,921,357	-	19,921,357
<b>LIABILITIES</b>				
2110	Accounts Payable	1,578,958	4,558	1,583,516
2140	Interest Payable	342,907	-	342,907
2150	Payroll Deductions and Withholdings	817,583	-	817,583
2160	Accrued Wages Payable	4,350,614	-	4,350,614
2180	Due to Other Governments	185,610	-	185,610
2190	Due to Student Groups	1,145	-	1,145
2200	Accrued Expenses	309,519	48,117	357,636
2300	Unearned Revenue	1,489,174	-	1,489,174
	Noncurrent Liabilities:			
2501	Due Within One Year	4,700,000	58,110	4,758,110
2502	Due in More Than One Year	109,976,743	476,529	110,453,272
2540	Net Pension Liability (District's Share)	22,909,050	-	22,909,050
2545	Net OPEB Liability (District's Share)	43,259,984	-	43,259,984
2000	Total Liabilities	189,921,287	587,314	190,508,601
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2603	Deferred Inflow Related to TRS OPEB Liability	18,095,733	-	18,095,733
2605	Deferred Resource Inflow Related to TRS Pension	3,907,008	-	3,907,008
2600	Total Deferred Inflows of Resources	22,002,741	-	22,002,741
<b>NET POSITION</b>				
3200	Net Investment in Capital Assets	100,353,298	61,311	100,414,609
	Restricted:			
3820	Restricted for Federal and State Programs	2,579,843	-	2,579,843
3850	Restricted for Debt Service	3,509,900	-	3,509,900
3900	Unrestricted	(37,933,567)	103,727	(37,829,840)
3000	Total Net Position	\$ 68,509,474	\$ 165,038	\$ 68,674,512

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2018

Data Control Codes	1	Program Revenues	
		3	4
	Expenses	Charges for Services	Operating Grants and Contributions
<b>Primary Government:</b>			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 51,556,903	\$ 609,425	\$ 368,723
12 Instructional Resources and Media Services	1,264,120	6,950	(177,325)
13 Curriculum and Instructional Staff Development	1,435,773	-	362,466
21 Instructional Leadership	1,506,818	13,899	32,845
23 School Leadership	5,202,016	284,925	(637,436)
31 Guidance, Counseling and Evaluation Services	3,319,490	-	(29,569)
32 Social Work Services	476,751	1,215	169,163
33 Health Services	659,390	36,446	32,035
34 Student (Pupil) Transportation	2,525,348	-	(436,918)
35 Food Services	6,291,319	1,600,561	5,387,136
36 Extracurricular Activities	4,920,402	452,762	(407,424)
41 General Administration	2,217,761	-	(340,339)
51 Facilities Maintenance and Operations	11,899,226	155,591	(603,977)
52 Security and Monitoring Services	887,986	-	(17,245)
53 Data Processing Services	2,274,921	14,579	(282,249)
61 Community Services	241,135	-	97,015
72 Debt Service - Interest on Long-Term Debt	4,856,957	-	-
99 Other Intergovernmental Charges	1,007,138	-	-
[TG] Total Governmental Activities:	102,543,454	3,176,353	3,516,901
BUSINESS-TYPE ACTIVITIES:			
01 Concession Fund	65,857	108,240	-
02 JumboTron Fund	149,660	144,864	-
[TB] Total Business-Type Activities:	215,517	253,104	-
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 102,758,971	\$ 3,429,457	\$ 3,516,901
Data Control Codes	General Revenues:		
	Taxes:		
MT	Property Taxes, Levied for General Purposes		
DT	Property Taxes, Levied for Debt Service		
GC	Grants and Contributions not Restricted		
IE	Investment Earnings		
MI	Miscellaneous Local and Intermediate Revenue		
E2	Extraordinary Item		
FR	Transfers In (Out)		
TR	Total General Revenues, Extraordinary Items & Transfers		
CN	Change in Net Position		
NB	Net Position - Beginning		
PA	Restatement Required by GASB Statement No. 75		
NE	Net Position--Ending		

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

Net (Expense) Revenue and Changes in Net Position		
6	7	8
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (50,578,755)	\$ -	\$ (50,578,755)
(1,434,495)	-	(1,434,495)
(1,073,307)	-	(1,073,307)
(1,460,074)	-	(1,460,074)
(5,554,527)	-	(5,554,527)
(3,349,059)	-	(3,349,059)
(306,373)	-	(306,373)
(590,909)	-	(590,909)
(2,962,266)	-	(2,962,266)
696,378	-	696,378
(4,875,064)	-	(4,875,064)
(2,558,100)	-	(2,558,100)
(12,347,612)	-	(12,347,612)
(905,231)	-	(905,231)
(2,542,591)	-	(2,542,591)
(144,120)	-	(144,120)
(4,856,957)	-	(4,856,957)
(1,007,138)	-	(1,007,138)
(95,850,200)	-	(95,850,200)
-	42,383	42,383
-	(4,796)	(4,796)
-	37,587	37,587
(95,850,200)	37,587	(95,812,613)
51,338,223	-	51,338,223
8,391,833	-	8,391,833
52,577,418	-	52,577,418
782,475	-	782,475
781,210	-	781,210
(34,698)	-	(34,698)
5,332	(5,332)	-
113,841,793	(5,332)	113,836,461
17,991,593	32,255	18,023,848
126,374,001	132,783	126,506,784
(75,856,120)	-	(75,856,120)
\$ 68,509,474	\$ 165,038	\$ 68,674,512



SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2018

Data Control Codes	10 General Fund	Other Funds	Total Governmental Funds
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 16,301,332	\$ 6,045,219	\$ 22,346,551
1120 Investments - Current	14,623,061	496,020	15,119,081
1220 Property Taxes - Delinquent	1,530,836	238,675	1,769,511
1230 Allowance for Uncollectible Taxes	(75,011)	(11,695)	(86,706)
1240 Due from Other Governments	3,162,628	2,105,109	5,267,737
1250 Accrued Interest	90,551	340	90,891
1260 Due from Other Funds	1,844,494	-	1,844,494
1290 Other Receivables	248,914	47,550	296,464
1300 Inventories	-	768,136	768,136
1410 Prepayments	357,031	-	357,031
1800 Restricted Assets	31,004	-	31,004
1900 Other Assets	10,152,533	246,702	10,399,235
1000 Total Assets	<u>\$ 48,267,373</u>	<u>\$ 9,936,056</u>	<u>\$ 58,203,429</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	\$ 1,428,740	\$ 119,811	\$ 1,548,551
2150 Payroll Deductions and Withholdings Payable	817,529	54	817,583
2160 Accrued Wages Payable	4,350,614	-	4,350,614
2170 Due to Other Funds	-	1,844,494	1,844,494
2180 Due to Other Governments	19,585	166,025	185,610
2190 Due to Student Groups	-	1,145	1,145
2300 Unearned Revenue	1,117,216	371,958	1,489,174
2000 Total Liabilities	<u>7,733,684</u>	<u>2,503,487</u>	<u>10,237,171</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601 Unavailable Revenue - Property Taxes	1,169,988	179,523	1,349,511
2600 Total Deferred Inflows of Resources	<u>1,169,988</u>	<u>179,523</u>	<u>1,349,511</u>
<b>FUND BALANCES</b>			
Nonspendable Fund Balance:			
3410 Inventories	-	768,136	768,136
3430 Prepaid Items	350,605	-	350,605
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	2,579,843	2,579,843
3480 Retirement of Long-Term Debt	999,713	3,509,900	4,509,613
Committed Fund Balance:			
3510 Construction	2,050,000	-	2,050,000
3530 Capital Expenditures for Equipment	1,900,000	-	1,900,000
3545 Other Committed Fund Balance	1,550,000	395,167	1,945,167
3600 Unassigned Fund Balance	32,513,383	-	32,513,383
3000 Total Fund Balances	<u>39,363,701</u>	<u>7,253,046</u>	<u>46,616,747</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 48,267,373</u>	<u>\$ 9,936,056</u>	<u>\$ 58,203,429</u>

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
AUGUST 31, 2018

EXHIBIT C-2

<b>Total Fund Balances - Governmental Funds</b>	<b>\$ 46,616,747</b>
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.	624,444
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$299,399,451 and the accumulated depreciation was (\$94,331,646). In addition, long-term liabilities (\$107,712,984), accrued interest payable (\$351,544), including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to decrease net position. Note: Beginning Balances related to TRS are NOT included in this amount.	97,003,277
3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. Current year capital asset and long-term debt adjustments were: Capital outlay- \$6,238,521, Write off of capital asset disposition-\$(7,596), Debt retired and principal payments- \$4,460,000, Amortization of premium discount, and refunding differences- \$(192,244), Decrease in accrued interest-\$8,637, Increase in compensated absences- \$(47,119). The net effect of including the beginning balances for capital assets(net of depreciation) and long-term debt in the governmental activities is to increase(decrease) net position. Note: Beginning balances related to TRS are not included in this amount.	10,460,199
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. At the beginning of the year, the net position related to TRS was a Deferred Resource Outflow in the amount of \$8,026,291, a Deferred Resource Inflow in the amount of \$(3,907,008) and a net pension liability in the amount of \$22,909,050.	(18,789,767)
5 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included deferred resource outflow in the amount of \$(710,670), a deferred resource inflow in the amount of \$18,095,733, and a net OPEB liability in the amount of 43,259,984. This resulted in an increase(decrease) in net position.	(60,645,047)
6 The 2018 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(8,109,890)
7 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue of \$613,012, reclassifying unavailable delinquent roll property tax to beginning net position- \$736,499, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.	1,349,511
<b>19 Net Position of Governmental Activities</b>	<b>\$ 68,509,474</b>

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2018

EXHIBIT C-3

Data Control Codes	10 General Fund	Other Funds	Total Governmental Funds
<b>REVENUES:</b>			
5700 Total Local and Intermediate Sources	\$ 53,588,019	\$ 11,009,329	\$ 64,597,348
5800 State Program Revenues	57,668,883	1,113,165	58,782,048
5900 Federal Program Revenues	1,821,110	16,982,944	18,804,054
5020 Total Revenues	113,078,012	29,105,438	142,183,450
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	60,559,503	9,252,779	69,812,282
0012 Instructional Resources and Media Services	1,471,518	4,933	1,476,451
0013 Curriculum and Instructional Staff Development	1,170,581	473,452	1,644,033
0021 Instructional Leadership	1,660,199	335,364	1,995,563
0023 School Leadership	6,819,028	888,097	7,707,125
0031 Guidance, Counseling and Evaluation Services	4,163,086	741,440	4,904,526
0032 Social Work Services	389,328	272,089	661,417
0033 Health Services	801,787	160,083	961,870
0034 Student (Pupil) Transportation	3,343,757	622	3,344,379
0035 Food Services	72,739	7,980,809	8,053,548
0036 Extracurricular Activities	5,127,295	-	5,127,295
0041 General Administration	2,860,459	16,895	2,877,354
0051 Facilities Maintenance and Operations	13,882,063	420,163	14,302,226
0052 Security and Monitoring Services	1,365,488	42	1,365,530
0053 Data Processing Services	2,928,361	-	2,928,361
0061 Community Services	172,668	172,266	344,934
Debt Service:			
0071 Principal on Long-Term Debt	-	4,460,000	4,460,000
0072 Interest on Long-Term Debt	-	4,673,350	4,673,350
0073 Bond Issuance Cost and Fees	-	4,600	4,600
Capital Outlay:			
0081 Facilities Acquisition and Construction	3,174,590	-	3,174,590
Intergovernmental:			
0099 Other Intergovernmental Charges	1,007,138	-	1,007,138
6030 Total Expenditures	110,969,588	29,856,984	140,826,572
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	2,108,424	(751,546)	1,356,878
<b>OTHER FINANCING SOURCES (USES):</b>			
7912 Sale of Real and Personal Property	61,716	-	61,716
7915 Transfers In	8,591	24,882	33,473
8911 Transfers Out (Use)	(50)	(28,091)	(28,141)
7080 Total Other Financing Sources (Uses)	70,257	(3,209)	67,048
<b>EXTRAORDINARY ITEMS:</b>			
8913 Extraordinary Item - (Use)	(34,698)	-	(34,698)
1200 Net Change in Fund Balances	2,143,983	(754,755)	1,389,228
0100 Fund Balance - September 1 (Beginning)	37,219,718	8,007,801	45,227,519
3000 Fund Balance - August 31 (Ending)	\$ 39,363,701	\$ 7,253,046	\$ 46,616,747

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2018

EXHIBIT C-4

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$ 1,389,228
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net position.	73,957
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. Current year capital assets and long-term debt adjustments were: Capital outlay- 6,238,521, Capital assets disposition- \$(7,596), Debt retired and principal payment \$4,460,000, Amortization of premium, discount, and refunding difference- \$(192,244), Decrease in accrued interest- \$8,637, Increase in compensated absence- \$(47,119) The net effect of removing the 2018 capital outlays and debt principal payments is to decrease net position.	10,460,199
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(8,109,890)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue of \$613,012, adjusting current year collections of adjustments to prior year property tax rolls to beginning net position of \$(770,199), and eliminating interfund transactions. The net effect of these reclassifications and recognitions is to decrease net position.	(157,187)
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in net position to increase \$2,432,983. Contributions made before the measurement date and during previous fiscal years were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position of \$(2,348,191). Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$(960,579). The result is a (decrease) in the change in net position.	(875,787)
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$(703,899). Contribution made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$517,196. Finally, the proportionate share of the TRS pension expense on the plan as a whole has to be recorded. The net pension expense decreased the change in net position by \$(15,024,370). The net result is an increase (decrease) in the change in net position.	15,211,073
<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ 17,991,593</u></u>

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
AUGUST 31, 2018

EXHIBIT D-1

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Internal Service Fund
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 119,022	\$ 476,339
Other Receivables	34,068	19,850
Total Current Assets	<u>153,090</u>	<u>496,189</u>
Noncurrent Assets:		
Capital Assets:		
Furniture and Equipment	856,089	-
Depreciation on Furniture and Equipment	(256,827)	-
Restricted Assets	-	468,181
Total Noncurrent Assets	<u>599,262</u>	<u>468,181</u>
Total Assets	<u>752,352</u>	<u>964,370</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	4,558	30,407
Short Term Debt Payable	58,110	-
Accrued Expenses	48,117	309,519
Total Current Liabilities	<u>110,785</u>	<u>339,926</u>
Noncurrent Liabilities:		
Loans Payable - Due in More than One Year	476,529	-
Total Noncurrent Liabilities	<u>476,529</u>	<u>-</u>
Total Liabilities	<u>587,314</u>	<u>339,926</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	61,311	-
Unrestricted Net Position	103,727	624,444
Total Net Position	<u>\$ 165,038</u>	<u>\$ 624,444</u>

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2018

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Internal Service Fund
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 253,104	\$ 530,264
Total Operating Revenues	<u>253,104</u>	<u>530,264</u>
OPERATING EXPENSES:		
Payroll Costs	27,347	1,526
Professional and Contracted Services	1,305	294,015
Supplies and Materials	37,205	8,627
Other Operating Costs	15,934	156,990
Depreciation Expense	85,609	-
Total Operating Expenses	<u>167,400</u>	<u>461,158</u>
Operating Income	<u>85,704</u>	<u>69,106</u>
NONOPERATING REVENUES (EXPENSES):		
Earnings from Temporary Deposits & Investments	-	4,851
Non-operating Expenses	<u>(48,117)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>(48,117)</u>	<u>4,851</u>
Income Before Transfers	37,587	73,957
Transfers Out	<u>(5,332)</u>	<u>-</u>
Change in Net Position	32,255	73,957
Total Net Position - September 1 (Beginning)	<u>132,783</u>	<u>550,487</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 165,038</u></u>	<u><u>\$ 624,444</u></u>

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2018

EXHIBIT D-3

	Business-Type Activities	Governmental Activities -
	Total Enterprise Funds	Internal Service Fund
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 236,340	\$ -
Cash Received from Assessments - Other Funds	-	523,325
Cash Payments to Employees for Services	(27,347)	(1,526)
Cash Payments for Insurance Claims	-	(192,778)
Cash Payments for Suppliers	(50,633)	(263,608)
Cash Payments Claims Loss Fund	-	(38,713)
Net Cash Provided by Operating Activities	<u>158,360</u>	<u>26,700</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Operating Transfer Out	<u>(5,332)</u>	<u>-</u>
<u>Cash Flows from Capital &amp; Related Financing Activities:</u>		
Retirement of Long-Term Debt	(53,312)	-
Interest Paid on Long-Term Debt	(48,117)	-
Net Cash Provided by (Used for) Capital & Related Financing Activities	<u>(101,429)</u>	<u>-</u>
<u>Cash Flows from Investing Activities:</u>		
Interest and Dividends on Investments	<u>-</u>	<u>4,851</u>
Net Increase in Cash and Cash Equivalents	51,599	31,551
Cash and Cash Equivalents at Beginning of Year	67,423	444,788
Cash and Cash Equivalents at End of Year	<u><u>\$ 119,022</u></u>	<u><u>\$ 476,339</u></u>
<u>Reconciliation of Operating Income to Net Cash</u>		
<u>Provided by Operating Activities:</u>		
Operating Income:	\$ 85,704	\$ 69,106
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	85,609	-
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Receivables	(11,965)	(6,939)
Decrease (increase) in Restricted Assets	-	(38,713)
Increase (decrease) in Accounts Payable	3,811	30,407
Increase (decrease) in Accrued Expenses	(4,799)	(27,161)
Net Cash Provided by Operating Activities	<u><u>\$ 158,360</u></u>	<u><u>\$ 26,700</u></u>

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2018

	Private Purpose Trust Fund	Agency Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 55,316	\$ 503,200
Other Receivables	-	489
Total Assets	<u>55,316</u>	<u>\$ 503,689</u>
<b>LIABILITIES</b>		
Accounts Payable	-	\$ 2,289
Due to Student Groups	-	501,400
Total Liabilities	<u>-</u>	<u>\$ 503,689</u>
<b>NET POSITION</b>		
Restricted for Other Purposes	<u>55,316</u>	
Total Net Position	<u>\$ 55,316</u>	

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



SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2018

	Private Purpose Trust Fund
ADDITIONS:	
Local and Intermediate Sources	\$ 2,332
Total Additions	<u>2,332</u>
DEDUCTIONS:	
Other Operating Costs	<u>2,200</u>
Total Deductions	<u>2,200</u>
Change in Net Position	132
 Total Net Position - September 1 (Beginning)	 <u>55,184</u>
 Total Net Position - August 31 (Ending)	 <u><u>\$ 55,316</u></u>

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2018

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

San Angelo Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with U. S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources, and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

**I.A. Reporting Entity**

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

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

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

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

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2018

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

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

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

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

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

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

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

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2018

The proprietary fund types and fiduciary funds, except agency Funds, are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. Agency funds also utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

Pensions: The District has recognized its proportionate share of the Net Pension Liability of the Teacher Retirement System of Texas. The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, pension expense, and information about assets, liabilities, and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### **I.D. Fund Accounting**

The District reports the following major governmental funds:

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

Additionally, the District reports the following fund types:

Governmental Funds:

1. Special Revenue Funds – The District accounts for resources restricted or committed for specific purposes by the District or a grantor in a special revenue fund. Most federal and some state financial assistance are accounted for in special revenue funds, and sometimes unused balances must be returned to the grantor at the close of specified project periods.
2. Debt Service Fund – The District accounts for resources that are restricted for principal and interest on general obligation long-term debt of governmental funds in a debt service fund.

Proprietary Funds:

1. Enterprise Funds – The District's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund. The major fund is the Jumbotron Fund which reports advertising revenues being collected by Daktronics, Inc. as payments on debt for a jumbotron electronic scoreboard installed at San Angelo Stadium. The non-major concessions fund reports sales of concessions at athletic events.
2. Internal Service Funds – Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund. The District's internal service fund is the workers compensation fund.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2018

Fiduciary Funds:

1. Private Purpose Trust Funds – The District accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District in a private purpose trust fund. The District's private purpose trust fund is the scholarship fund.
2. Agency Funds – The District accounts for resources held for others in a custodial capacity in agency funds. The District's agency fund is student activity.

**I.E. Other Accounting Policies**

1. For purposes of the statement of cash flows for proprietary and similar fund-types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. Investments are carried at fair value and temporary investments are reported in cash and cash equivalents in the financial statements. U. S. Treasury and State of Texas obligations are valued at the last reported sales price on a national exchange. Local government investment pools use amortized cost instead of fair value to report net assets to compute share prices. Accordingly, the fair value of the position in the pools is the same as the value of the shares. The State Comptroller of Public Accounts exercises oversight responsibility over Tex Pool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Other local government investment pools have established advisory boards elected by member investors. The advisory board members review the investment policy and management fee structure. Year to year changes in the fair value of investments other than the pools, if any, are shown as an adjustment to investment income. Additional investment reporting information is presented in Note IV.A.
3. The District reports inventories of cafeteria food products and supplies at weighted average cost. Food products and supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount. Following the consumption method, certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government wide and fund financial statements.
4. In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts and difference on advance refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and difference on advance refunding. Bond issuance costs are expensed in the year paid, in accordance with GASB 65. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued, along with accrued interest between debt date and issue date, is reported as other financing sources. Premiums received

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2018

on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as administrative expenditures.

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

6. Capital assets, which include land, buildings, furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the statements of net position of proprietary fund financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The District does not have any significant infrastructure assets.

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

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

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

7. The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Coverage has not declined in any risk area and there were no settlements in excess of insurance coverage paid in each of the last 4 years. The District was a member of the Property Casualty Alliance of Texas Liability Fund (PCAT) to obtain general liability and vehicle fleet coverage for fiscal year 2018. Property insurance was purchased from a commercial insurance company. Unemployment compensation risk is provided for by participation in the Texas Association of School Boards (TASB) Risk Management Fund. Risks from employee injuries on the job are provided through participation in Texas Workers Compensation Solutions Program. The District's reserves for workers compensation are accounted for in an internal service fund. As an employee benefit, the District contributes toward the cost of health insurance for full time employees through TRS Active Care administered by the Teacher Retirement System of Texas. Costs for premiums paid for health, workers' compensation, and unemployment are recorded in the funds where salaries for the covered employees are reported. Additional disclosures are provided in Notes IV.J and IV.K in this report.

8. Since internal service funds support the operations of governmental funds, they are consolidated with the governmental funds in the government-wide financial statements. The expenditures of

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governmental funds that create the revenues of internal service funds are adjusted for their pro-rata share of the Internal Service Funds' operating income or loss to avoid "grossing up" the revenues and expenses of the District as a whole.

9. For the year ended August 31, 2018 the District financial statements are prepared in accordance with Governmental Accounting Standards Board Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* which established a fund balance hierarchy based on the extent to which a government must observe constraints imposed upon the use of the resources reported in governmental funds. Prescribed fund balance classifications are described below:

**Non Spendable** - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

**Restricted** - Amounts that can be spent only for specific purposes because of constraints imposed by external providers or by constitutional provisions, enabling legislation or regulations of other governments.

**Committed** - Amounts that are committed for use by the highest level of decision making, requiring formal action at that level both to impose and remove the commitment. The highest level at the District is the Board of Trustees. Board resolution is made to commit the fund balance.

**Assigned** – Amounts that are assigned an intended use by the highest level of decision making or by a body or official designated with that authority by the highest level of decision making. The Board has not authorized anyone to make assignments.

**Unassigned** - Amounts that are available for any purpose.

Per the District's adopted board policy CE (Local), the minimum fund level for the unassigned fund balance shall be 20% to a maximum of 25% of the current budget of the general and debt service funds.

When an expenditure is incurred that could be used from more than one category of fund balance, the funds are considered to be used from the highest level of constraint first, and then from each successively lower constraint category.

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Details about fund balance reported in Exhibit C-1 follow:

GASB 54 Categories	Governmental Funds	
	Major	Non-major
	General Fund	Other Funds
<b>Non Spendable</b>		
Inventories	\$ -	\$ 768,136
Prepaid expenditures	350,605	-
<b>Restricted</b>		
Federal and State Funds Grant Restriction	-	2,579,843
Long term debt- the estimated liability for District retirement benefits	999,713	-
Long term debt- restricted for payment of bonded debt	-	3,509,900
<b>Committed</b> by the Board of Trustees for:		
Construction-		
Construction- Lincoln Middle School Track & front entry \$1,000,000		
Lou Gehrig Bldg renovations - Phase II \$650,000		
2019 campus revitalization plan \$400,000	2,050,000	-
Capital Equipment -District security upgrade \$1,500,000		
Wireless Infrastructure upgrade \$400,000	1,900,000	-
Other: Portable Buildings \$300,000		
Property Insurance Deductibles \$250,000		-
Academic Initiatives \$1,000,000	1,550,000	
Campus Activity Funds	-	249,551
Korean Student Teacher Program	-	1,801
Maintenance or renovation of athletic facilities	-	122,613
Employee Wellness Programs	-	21,202
<b>Unassigned</b>	32,513,383	-
<b>Total Fund Balance Governmental Funds</b>	<u>\$ 39,363,701</u>	<u>\$ 7,253,046</u>



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10. In the government-wide Statement of Net Position, Exhibit A-1, and proprietary funds Statement of Net Position, Exhibit D-1, Net Investment in Capital Assets is calculated as follows:

	Governmental Activities	Business-Type Activities / Enterprise
Capital assets, net of depreciation	\$ 203,188,840	\$ 599,262
Other receivable	-	34,068
Accrued interest on long term debt	(342,907)	(48,117)
Bonds payable	(102,492,635)	-
Note payable	-	(523,902)
	<u>\$ 100,353,298</u>	<u>\$ 61,311</u>

11. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

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

Recently Issued Pronouncements of the Governmental Accounting Standards Board (GASB):

13. GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pensions*, is effective for reporting periods beginning after June 15, 2016 and establishes new accounting and reporting requirements for OPEB Plans. This Statement will affect reporting by Texas Teacher Retirement System for TRS Care.

14. GASB Statement No. 75 *Accounting for Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 is effective for fiscal years beginning after June 15, 2017. The Statement was issued to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. This Statement will require additional reporting for the District in regards to postemployment medical insurance administered by Texas Teacher Retirement System and funded by employee, school district, and State of Texas contributions.

15. GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, is effective for reporting periods beginning after December 15, 2015 and addresses financial reporting for certain external investment pools and their participants. This Statement is applicable to local governmental investment pools allowing reporting at amortized cost as it approximates fair value and mirrors the operations with participants at a stable net asset value per share. This Statement is applicable to the District's investments in local governmental investment pools.

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16. GASB Statement No. 81, *Irrevocable Split-interest Agreements*, is effective for periods beginning after December 15, 2016. This Statement requires recognition of assets, liabilities, and deferred inflows of resources at the inception of a split interest agreement. The District does not have any subject agreements.

17. GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements no 67, 68, and No 73*, is effective for reporting periods after June 15, 2016 except for requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

18. GASB Statement No. 83, *Certain Asset Retirement Obligations*, is effective for reporting periods after June 15, 2018. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable.

19. GASB Statement No. 84, *Fiduciary Activities*, is effective for reporting periods after December 15, 2018. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship.

20. GASB Statement No. 85, *Omnibus 2017*, is effective for reporting periods after June 15, 2017. The requirements of this Statement will enhance consistency in the application of accounting and financial reporting requirements. Consistent reporting will improve the usefulness of information for users of state and local government financial statements.

21. GASB Statement No. 86, *Certain Debt Extinguishment Issues*, is effective for reporting periods after June 15, 2017. The requirements of this Statement will increase consistency in accounting and financial reporting for debt extinguishments by establishing uniform guidance for derecognizing debt that is defeased in substance, regardless of how cash and other monetary assets placed in an irrevocable trust for the purpose of extinguishing that debt were acquired. The requirements of this Statement also will enhance consistency in financial reporting of prepaid insurance related to debt that has been extinguished. In addition, this Statement will enhance the decision-usefulness of information in notes to financial statements regarding debt that has been defeased in substance.

## **II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

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

Exhibit C-4 provides details of the reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances (Exhibit C-3) and the changes in net position of governmental activities as reported on the government-wide statement of activities (Exhibit B-1). The details of the elements are presented in Exhibit C-4 and need no further explanation.

**III.A Deficit Fund Equity**

There were no funds that had a deficit net position at August 31, 2018.

**IV. DETAILED NOTES ON ALL FUNDS**

**IV.A. Deposits and Investments**

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

The District's cash deposits at August 31, 2018, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The district is in substantial compliance with the requirements of the Act and with local policies.

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

Fair Value

The District's investments in Local Governmental Investment Pools are reported at amortized cost following the pool's valuations as allowed under GASB 79. The Pools follow investment

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requirements of The Public Funds Investment Act and seek to maintain a net asset value of \$1.00 which is used to transact with participants for contributions and redemptions.

The District's investments in Certificates of Deposit and U.S. Agency Securities are reported at fair value based on market prices reported to the District by the custodial institutions, Wells Fargo and First Financial Asset Management Trust. Those measurements represent level 2 observable inputs obtained from a source independent of San Angelo ISD. The adjustment to fair value for these investments is a recurring annual adjustment, therefore prior adjustments affect the amount to be recognized in the current year operating statement.

Credit Risk

As of August 31, 2018, the District's investments were diversified in U.S. Treasury securities, governmental agency securities and local government investment pools rated no lower than AAA or AAAm by at least one nationally recognized rating service as required by the District's investment policy, which follows the Public Funds Investment Act Sec. 2256.016. Ratings of Investments held at August 31, 2018 were:

TexPool	Standard & Poor's AAAm
Lone Star Government Overnight Fund	Standard & Poor's AAAm
Lone Star Corporate Overnight Plus Fund	Standard & Poor's AAAf/S1+
Texas CLASS	Standard & Poor's AAAm
Texas TERM Texas Daily Fund	Standard & Poor's AAAm
Texas TERM	Fitch/Kroll AAAf

Additional Information regarding the Local Governmental Investment Pools

The State Comptroller of Public Accounts oversees Tex Pool. Federated Investors is the full service provider to the pool under a contract with the Comptroller.

A board of trustees who are Lone Star Pool participants oversees the Lone Star Investment Pools. The Lone Star Board has also established an Advisory Board made up of participants from many forms of local government. An independent, third party investment consultant, CAPTRUST Financial Advisors, reviews the Pool's daily operations. Two other firms, American Beacon Advisors and Standish, manage the investment and reinvestment of the Lone Star's assets.

Texas Class is governed by a board of trustees elected annually by its participants. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the "Participants"), Public Trust Advisors LLC (PTA) as Program Administrator, and Wells Fargo Bank Texas, N.A. as Custodian. The Board selects the consultants for Texas CLASS, including the Program Administrator and the Custodian, subject to the terms of the Trust Agreement.

Texas Term is managed by an advisory board made up of industry leaders elected by Texas Term's Investors. The Board has contracted PFM Asset Management LLC as Investment Advisor/Administrator.

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Interest Rate Risk

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

Custodial Credit Risk

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

Concentration of Credit Risk

Investments are diversified as required by District policy in terms of maturity scheduling, class of investment, and specific issuer. At year end the District's \$5,000,000 investment in government agency FNMA was the only investment in a single issuer that exceeded 5% of total investments.

The District's investments on August 31, 2018, are shown below. The carrying value is the same as fair value.

Governmental Activities

	Fair Value	within 6 months	Investment Maturities	
			6 months to 1yr	1 - 3 yrs
Investments:				
Investment Pools	\$ 18,124,157	\$ 15,624,157	\$ 2,500,000	\$ -
Certificates of Deposit	15,314,022	4,480,312	7,889,769	2,943,941
U.S. Agency Securities	14,903,028	2,498,770	4,948,963	7,455,295
Total Investments	<u>\$ 48,341,207</u>	<u>\$ 22,603,239</u>	<u>\$ 15,338,732</u>	<u>\$ 10,399,236</u>
Presented on Balance Sheet and Statement of Net Position:				
Included in Cash and Cash Equivalents	\$ 15,624,157	\$ 15,624,157	\$ -	\$ -
Current Investments	22,317,814	6,979,082	15,338,732	-
Long Term Investments	10,399,236	-	-	10,399,236
Total Investments	<u>\$ 48,341,207</u>	<u>\$ 22,603,239</u>	<u>\$ 15,338,732</u>	<u>\$ 10,399,236</u>
	Investments incl in cash & equiv	Cash Accounts	Cash Equivalents A-1	
Governmental Funds	15,147,818	7,198,733	22,346,551	
Internal Service Funds	476,339	-	476,339	
Total Governmental Activities	15,624,157	7,198,733	22,822,890	
Business Type Activities	-	119,022	119,022	
Total Cash and Equivalents	<u>15,624,157</u>	<u>7,317,755</u>	<u>22,941,912</u>	

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Proprietary and Fiduciary Funds

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

At August 31, 2018 those funds' investments included in cash and cash equivalents were:

	Proprietary Funds		Fiduciary Funds	
	Enterprise Funds	Internal Service Fund	Private Purpose Trust Fund	Agency Fund
Cash Accounts	-	-	-	187,675
Investment in Pools	119,022	476,339	55,316	315,525
Total Cash and Equivalents D-1	<u>119,022</u>	<u>476,339</u>		
Total Cash and Equivalents E-1			<u>55,316</u>	<u>503,200</u>

**IV.B. Property Taxes**

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

**IV.C. Delinquent Taxes Receivable**

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Delinquent property taxes that have been assessed but not collected are reported as deferred inflows in the fund financial statements under GASB No. 65. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

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**IV.D. Due from Other Governments and Due to Other Governments**

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

Due from other governments:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
Federal Grants	\$ 647,165	\$ 250,313	\$ -	\$ 897,478
State Entitlements	2,515,463	1,509,021	-	4,024,484
Concho Valley Council of Governments	-	345,775	-	345,775
	<u>\$ 3,162,628</u>	<u>\$ 2,105,109</u>	<u>\$ -</u>	<u>\$ 5,267,737</u>

Due to other governments:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
Federal Grants	\$ -	\$ -	\$ -	\$ -
State Entitlements	19,585	-	166,025	185,610
Concho Valley Council of Governments	-	-	-	-
	<u>\$ 19,585</u>	<u>\$ -</u>	<u>\$ 166,025</u>	<u>\$ 185,610</u>

**IV.E. Inter-fund Receivables and Payables / Transfers**

1. Inter-fund balances at August 31, 2018 consisted of the following:

	Due from Other Funds	Due to Other Funds
General Fund:		
Nonmajor Governmental funds	\$ 1,844,494	\$ -
Nonmajor Governmental Funds:		
General Fund	-	1,844,494
Total All funds	<u>\$ 1,844,494</u>	<u>\$ 1,844,494</u>

Purposes of the inter-fund balances:

\$1,817,033 is due to the General Fund from non-major SRF funds for cash overdrafts in the pooled cash account pending reimbursements from granting agencies and \$27,461 is due to the General fund from Campus Activity Special Revenue Funds for fees collected on school campuses.

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Transfers at August 31, 2018 consisted of the following:

	Transfer In	Transfer out
General Fund		
Non Major Governmental Funds	8,591	\$ 50
Nonmajor Governmental Funds		
General Fund	\$ 50	-
Nonmajor Governmental Funds	19,500	28,091
Enterprise Funds	5,332	-
Proprietary Funds:		
Enterprise Funds		
Nonmajor Governmental Funds	\$ -	5,332
Total All Funds	\$ 33,473	\$ 33,473

Purpose of transfers:

The General Fund transferred \$50 to the Early Head Start Fund. The Korean Teacher Fund, a program partnership with Angelo State University, transferred \$19,500 to the activity funds of the campuses that hosted the Korean student teachers. In the Enterprise Funds, the Concession Fund transferred \$5,332 to the National Breakfast and Lunch Fund to cover uncollected school lunch fees. The Life Skills Program transferred \$8,591 to the General Fund to cover program costs.

#### IV.F. Capital Asset Activity

##### Governmental Activities

	Beginning Balance	Additions	Reclassifi- cations	Dispositions	Ending Balance
<b>Assets Not Being Depreciated</b>					
Land	\$ 6,854,234	\$ -	\$ -	\$ -	\$ 6,854,234
Construction in Progress	8,620,080	3,938,877	(11,404,057)	-	1,154,900
Total Not Being Depreciated	15,474,314	3,938,877	(11,404,057)	-	8,009,134
<b>Assets Being Depreciated</b>					
Buildings & Improvements	251,950,804	200,641	11,404,057	-	263,555,502
Vehicles	11,684,146	749,946	-	(439,512)	11,994,580
Furniture and Equipment	20,290,187	1,349,057	-	(15,788)	21,623,456
	283,925,137	2,299,644	11,404,057	(455,300)	297,173,538
<b>Accumulated Depreciation</b>					
Buildings & Improvements	(72,689,546)	(6,029,647)	-	-	(78,719,193)
Vehicles	(6,848,230)	(852,703)	-	431,916	(7,269,017)
Furniture and Equipment	(14,793,870)	(1,227,540)	-	15,788	(16,005,622)
	(94,331,646)	(8,109,891)	-	447,704	(101,993,832)
Total Being Depreciated, Net	189,593,491	(5,810,247)	11,404,057	(7,596)	195,179,706
Total Capital Assets, Net	\$ 205,067,805	\$ (1,871,370)	\$ -	\$ (7,596)	\$ 203,188,840

The “reclassifications” column above is to reclassify completed construction in progress projects.



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Assets disposed during the period consisted of vehicles sold at auction and obsolete fully depreciated assets abandoned or scrapped by the District. The ending construction in progress consists of the following:

District-wide Portable Radio Repeater	\$ 424,332
Firewall Upgrade	231,705
Central Freshman Campus HVAC Phase II	193,128
Central Softball Paving	166,705
District Security Improvements	121,590
Lincoln Middle School Track	17,440
	<u>\$ 1,154,900</u>

Business-Type Activities

	Beginning Balance	Additions	Dispositions	Ending Balance
<u>Assets Being Depreciated</u>				
Furniture and Equipment	\$ 856,089	\$ -	\$ -	\$ 856,089
<u>Accumulated Depreciation</u>				
Furniture and Equipment	(171,218)	(85,609)		\$ (256,827)
Total Capital Assets, Net	<u>\$ 684,871</u>	<u>\$ (85,609)</u>	<u>\$ -</u>	<u>\$ 599,262</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:

Instruction	\$ 4,820,068
Instructional Resources	134,739
Curriculum Development & Staff Development	37,186
Instructional Leadership	212,331
School Leadership	155,353
Guidance Counseling & Evaluation	88,059
Social Work Services	82,938
Health Services	7,121
Student Transportation	651,377
Food Service	177,270
Cocurricular/Extracurricular	706,958
General Administration	56,989
Plant Maintenance & Operations	690,043
Security & Monitoring Services	23,938
Data Processing Services	265,522
Community Services	-
Total Depreciation Expense - Governmental Activities	<u>\$ 8,109,891</u>

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**IV.G. Unearned Revenue / Unavailable Revenue-Deferred Inflows**

	General Fund	Special Rev Funds	Debt Service Fund	Total
Unearned Revenue:				
Season Ticket Sales	\$ 14,337			\$ 14,337
Rent, Fees, Insurance	15,000			15,000
State Revenues	1,083,348	410		1,083,758
Federal Revenues				-
Local and Donation Revenue	4,531	117,287		121,818
Campus Miscellaneous Revenues		14,382		14,382
USDA Donated Commodities on Hand		239,879		239,879
Total Unearned Revenue Exhibit C-1	<u>\$ 1,117,216</u>	<u>\$ 371,958</u>	<u>\$ -</u>	<u>1,489,174</u>
Total Unearned Revenue Exhibit A-1				<u><u>\$ 1,489,174</u></u>
Unavailable Revenue- Property taxes :				
Total Deferred Inflows Exhibit C-1	<u>\$ 1,169,988</u>	<u>\$ -</u>	<u>\$ 179,523</u>	<u>\$ 1,349,511</u>

**IV.H. Long-Term Debt**

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

The District has entered into a continuing disclosure undertaking whereby its financial advisor, First Southwest Company in Dallas, Texas provides the District's annual financial reports and material events notices to the Electronic Municipal Market Access ("EMMA") website, an online repository which is hosted by the Municipal Securities Rulemaking Board ("MSRB"). The disclosures can be accessed on the EMMA, Texas Municipal Advisory Council, and former Nationally Recognized Municipal Securities Repositories websites. This information is required under SEC rule 15c2-12 to enable investors to analyze the financial conditions and operation of the District.

In prior years the District defeased outstanding bonds by placing the proceeds of new bonds into an irrevocable trust to provide for the future debt service payments on the old bonds. The trust account assets and defeased bonds are not included in the District's financial statements. At August 31, 2018 \$96,590,000 of the defeased debt remained outstanding and will be redeemed by the trust assets on February 15, 2019 prior to original maturity.

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

Governmental Activities

Description	Beginning	New Debt	Debt Retired	Ending	Due Within One Year	Due in More than One Year
Par Bonds Payable - Face	\$ 105,829,982	\$ -	\$ (4,460,000)	\$ 101,369,982	\$ 4,675,000	96,694,982
Bond Premiums	12,665,011	-	(1,303,476)	11,361,535	-	11,361,535
Interest Accretion CAB	701,511	-	244,003	945,514	-	945,514
Net Bonds Payable	119,196,504	-	(5,519,473)	113,677,031	4,675,000	109,002,031
Vested Sick Leave	952,593	146,223	(99,104)	999,712	25,000	974,712
Totals Debt Exhibit A-1	<u>\$ 120,149,097</u>	<u>\$ 146,223</u>	<u>\$ (5,618,577)</u>	<u>\$ 114,676,743</u>	<u>\$ 4,700,000</u>	<u>109,976,743</u>
Deferred Outflow						
Difference on Refunding	<u>\$ (12,436,111)</u>	<u>\$ -</u>	<u>\$ 1,251,715</u>	<u>\$ (11,184,396)</u>		

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Business-Type Activities

Description	Beginning	New Debt	Debt Retired	Ending	Due Within One Year	Due in More Than One Year
2015 Jumbotron	\$ 587,951	\$ -	\$ (48,910)	\$ 539,041	\$ 53,312	\$ 485,729

1. Bonds Payable

Bonded indebtedness of the District is accounted for internally in its General Long-Term Debt Fund (not a reported governmental fund). Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. Outstanding bonds payable at year-end are as follows **(amounts are in \$1,000's)**:

Issue	Original Principal	Maturities	Interest Rate
Par Bonds:			
2009 School Bldg. Bonds	117,000	2.15.11-2.15.34	4.0-5.0%
2009 Refunding Bonds	4,090	8.15.09-2.15.17	3.50%
2015-A Refunding Bonds	96,590	2.15.15-2.15.34	1.9-5.0%
2015-B Refunding Bonds	3,350	2.15.15-2.15.21	3.0-4.0%
Total Bonds Payable	<u>\$ 221,030</u>		

Debt Service requirements for the four bond issues are as follows **(amounts are in thousands)**:

Fiscal Year	Principal	Interest	Total
2018	4,675	4,457	9,132
2019	3,580	4,332	7,912
2020	4,940	4,199	9,139
2021	4,975	3,954	8,929
2022	5,235	3,699	8,934
2023-2027	30,470	14,184	44,654
2028-2032	38,740	5,906	44,646
2033-2034	8,755	175	8,930
	<u>\$ 101,370</u>	<u>\$ 40,906</u>	<u>\$ 142,276</u>

\$3,509,900 is available in the Debt Service Fund for bonded debt service.

2. Vested Sick Leave

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

Any additions for new entrants and salary increments and the deductions for payments to and use of prior accumulations are shown in the "New Debt" and "Debt Retired" columns, respectively, of the above summary of changes in general long-term debt. The District estimates that the amount of compensated absences due within one year is \$30,000 based on the payoffs budgeted in the next fiscal year. The budget will be amended near year end when employees communicate plans to retire.

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3. Net Pension Liability

	Beginning Balance	Additions	Retirements	Ending Balance
Net Pension Liability	27,533,250	(2,276,009)	2,348,191	22,909,050

4. Net OPEB Liability

	Beginning Balance	Additions	Retirements	Ending Balance
Net OPEB Liability	76,373,316	(32,596,136)	517,196	43,259,984

5. Other Long Term Debt-in Business Type Activities

The District entered into an agreement with Daktronics, Inc. (Daktronics) whereby the District received a Jumbotron electronic scoreboard in exchange for granting exclusive rights to advertising revenues sufficient to pay for the scoreboard to Daktronics over a period of ten years or more. The transaction is being reported in an enterprise fund as debt financed purchase. Interest of \$208,955 at 9% reduces the total \$743,594 debt payments to \$534,639.

Debt service requirements for the Jumbotron are as follows:

Interest to be paid each year is accrued at prior year end as it becomes due on Sept. 1 of the following fiscal year.

Year	Total	Interest	Principal
2019	106,228	48,117	58,111
2020	106,228	42,888	63,340
2021	106,228	37,188	69,040
2022	106,228	30,973	75,255
2023	106,228	24,200	82,028
2024-2025	212,456	25,589	186,867
	<u>\$ 743,596</u>	<u>\$ 208,955</u>	<u>\$ 534,641</u>

**IV.I. Defined Benefit Pension Plan**

- A. Plan Description.** San Angelo ISD participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

- B. Pension Plan Fiduciary Net Position.** Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary

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information. That report may be obtained on the Internet at [https://www.trs.texas.gov/TRS%20Documents/cafr 2016.pdf](https://www.trs.texas.gov/TRS%20Documents/cafr%202016.pdf); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

- C. Benefits Provided.** TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (A) above.
- D. Contributions.** Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. It also added a 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI). The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 84<sup>th</sup> Texas legislature, General appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017. Contribution rates can be found in the TRS 2018 CAFR on page 76.

Contribution Rates

	<u>2017 (district fiscal)</u>	<u>2018 (district fiscal)</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers (as described below)	6.8%	6.8%
Employers not paying OASDI	1.5%	1.5%
San Angelo ISD- 2018 fiscal year Employer Contributions		\$ 2,432,983
San Angelo ISD – 2018 fiscal year Member Contributions		\$ 6,083,644
2018 Measurement year NECE On-behalf Contributions		\$ 3,977,417

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NECE is Non Employer Contributing Entity-The State of Texas

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to.

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, the District must contribute 1.5% of salary. If the employee's position is subject to the statutory minimum, the 1.5% is due only on the salary amount up to the statutory minimum salary under Section 21.402 of the Texas Education Code.

**Actuarial Assumptions.** The total pension liability in the August 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2017
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term expected Investment Rate of Return	8.00%
Inflation	2.5%
Payroll growth rate	2.5%
Salary Increases including inflation	3.5% to 9.5%
Benefit Changes during the year	none
Ad hoc post-employment benefit changes	none

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2014 and adopted on September 24, 2015.

**Discount Rate.** The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the

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contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2017 are summarized below:

Asset Allocation and Long-Term Expected Real Rate of Return			
Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Expected Contribution to Long-Term Portfolio Returns <sup>1</sup>
<b>Global Equity</b>			
U.S.	18%	4.6%	1.0%
Non-U.S. Developed	13	5.1	0.8
Emerging Markets	9	5.9	0.7
Directional Hedge Funds	4	3.2	0.1
Private Equity	13	7.0	1.1
<b>Stable Value</b>			
U.S. Treasuries	11	0.7	0.1
Absolute Return	0	1.8	0.0
Stable Value Hedge Funds	4	3.0	0.1
Cash	1	-0.2	0.0
<b>Real Return</b>			
Global Inflation Linked Bonds	3	0.9	0.0
Real Assets	16	5.1	1.1
Energy and Natural Resources	3	6.6	0.2
Commodities	0	1.2	0.0
<b>Risk Parity</b>			
Risk Parity	5	6.7	0.3
Inflation Expectation			2.2%
Alpha			1.0
<b>Total</b>	<b>100%</b>		<b>8.7%</b>

\* The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

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**Discount Rate Sensitivity Analysis.** The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2017 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
SAISD's proportionate share of the net pension liability:	\$ 38,620,133	\$ 22,909,050	\$ 9,827,024

**A. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At August 31, 2018, the San Angelo ISD reported a liability of \$ 22,909,050 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to San Angelo ISD. The amount recognized by San Angelo ISD as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with San Angelo ISD were as follows:

San Angelo ISD's Proportionate share of the collective net pension liability	\$22,909,050
State's proportionate share that is associated with San Angelo ISD	<u>38,885,427</u>
Total	<u>\$61,794,477</u>

The net pension liability was measured as of August 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2016 thru August 31, 2017.

At August 31, 2017 the employer's proportion of the collective net pension liability was .0716476241% which was a decrease of (0.0012138029)% from its proportion measured as of August 31, 2016.

For the year ended August 31, 2018, San Angelo ISD recognized pension expense of \$6,274,796 and revenue of \$2,966,026 for support provided by the State.

At August 31, 2018, San Angelo ISD reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources: (The amounts shown below include the cumulative layers from the current and prior years combined.)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 335,170	\$ 1,235,455
Changes in actuarial assumptions	\$ 1,043,544	\$ 597,404



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Difference between projected and actual investment earnings	-	\$ 1,669,562
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	\$ 4,214,594	\$ 404,587
Total as of August 31, 2017 measurement date	\$ 5,593,308	\$ 3,907,008
Contributions paid to TRS subsequent to the measurement date	\$ 2,432,983	-
<b>Total</b>	<b>\$ 8,026,291</b>	<b>\$ 3,907,008</b>

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions as of the August 31, 2017 measurement date will be recognized in pension expense as follows:

Year ended August 31:	Pension Expense Amount
2019	\$ 259,573
2020	\$ 1,721,917
2021	\$ 147,214
2022	\$ (304,883)
2023	\$ (67,706)
Thereafter	\$ (69,815)

#### IV.J. Self-Insurance Plans

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

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### 3. Changes in Claims Liabilities

Estimates of workers compensation claims payable and of claims incurred, but not reported at August 31, 2017 were actuarially determined and provided by TWCS and are reflected as claims payable in the Workers Compensation Fund. The plan is funded to discharge liabilities of the funds as they become due.

Changes in the balances of claims liabilities during the past two years are as follows:

	Workers Compensation
August 31, 2016	\$ 421,874
FY 2017:	
Incurred Claims - Including IBNR	133,591
Claim Payments - Net of Stop Loss Reimbursements	<u>(218,785)</u>
August 31, 2017	336,680
FY 2018:	
Incurred Claims - Including IBNR	149,290
Claim Payments	<u>(176,451)</u>
August 31, 2018	<u><u>\$ 309,519</u></u>

## IV.K. Participation in Risk Management Pools

### 1. Unemployment Compensation

During the year ended August 31, 2018, San Angelo Independent School District provided unemployment compensation coverage to its employees through participation in the Texas Association of School Boards (TASB) Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

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

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2017, are available on the TASB Risk Management Fund website and have been filed with the Texas State Board of Insurance in Austin, Texas.

### 2. General Liability, Vehicle and Property Coverage

Property insurance was obtained from a commercial insurance company in fiscal 2018.

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During the year ended August 31, 2018, San Angelo Independent School District provided for general liability and vehicle coverage by participation in the Property Casualty Alliance of Texas (PCAT) Property and Liability Fund (the Fund). PCAT is the largest public school risk pool in the U.S. devoted solely to property and casualty coverage. Formed in 2003 to meet the unique needs of Texas ISD's, PCAT has grown to more than 130 school districts covering more than \$15 Billion in school properties. Formed under the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, the PCAT Interlocal Agreement enables Members to benefit from cost-saving multi-year agreements while meeting Texas Education Code section 44.031 Purchasing Contracts requirements.

#### IV.L. School District Retiree Health Plan

**Plan Description.** San Angelo Independent School District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS-Care 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 Teacher Retirement System of Texas 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](http://www.trs.state.tx.us) under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701.

**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. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution rate may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. Contributions made by the State are recorded as both revenue and expenditure as on-behalf payments.

#### Contribution Rates

	<u>2017 (district fiscal)</u>	<u>2018 (district fiscal)</u>
Member	.65%	.65%
Non-Employer Contributing Entity (State)	1.00%	1.25%
Employers (as described below)	.55%	.75%
Federal/Private Funding Remitted by Employers	1.00%	1.25%
San Angelo ISD- 2018 fiscal year Employer Contributions		\$ 703,899
San Angelo ISD – 2018 fiscal year Member Contributions		\$ 513,556
2017 Measurement year NECE On-behalf Contributions		\$ 691,463

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**Discount Rate Sensitivity Analysis.** The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.42%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.42%)	Discount Rate (3.42%)	1% Increase in Discount Rate (4.42%)
SAISD's proportionate share of the Net OPEB Liability:	\$ 51,057,520	\$ 43,259,984	\$ 36,992,522

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At August 31, 2018, the San Angelo ISD reported a liability of \$ 43,259,984 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to San Angelo ISD. The amount recognized by San Angelo ISD as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with San Angelo ISD were as follows:

San Angelo ISD's Proportionate share of the collective net OPEB liability	\$43,259,984
State's proportionate share that is associated with San Angelo ISD	<u>57,836,255</u>
Total	<u>\$101,096,239</u>

The net OPEB liability was measured as of August 31, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2016 thru August 31, 2017.

At August 31, 2017 the employer's proportion of the collective net OPEB liability was .0994796862%. Since this is the first year of implementation, the District does not have the proportion measured as of August 31, 2016. The Notes to the Financial Statements for August 31, 2016 for TRS stated that the change in proportion was immaterial and, therefore, disregarded this year.

For the year ended August 31, 2018, San Angelo ISD recognized OPEB expense of (\$33,860,723) and revenue of (\$19,353,549) for support provided by the State.

At August 31, 2018, San Angelo ISD reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	-	\$ 903,085
Changes in actuarial assumptions	-	\$ 597,404
Difference between projected and actual investment earnings	\$ 6,571	\$ 17,192,648
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	\$ 200	-
Total as of August 31, 2017 measurement date	\$ 6,771	\$ 18,095,733
Contributions paid to TRS subsequent to the measurement date	\$ 703,899	-
<b>Total</b>	<b>\$ 710,670</b>	<b>\$ 18,095,733</b>

The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in pension expense as follows:

Year ended August 31:	OPEB Expense Amount
2019	(\$2,386,859)
2020	(\$2,386,859)
2021	(\$2,386,859)
2022	(\$2,386,859)
2023	(\$2,388,502)
Thereafter	(\$6,153,024)

**Prior Period Adjustment**

During fiscal year 2018, the District adopted GASB Statement No. 75 for Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. With GASB 75, the District must assume their proportionate share of the Net OPEB liability of the Teacher Retirement System of Texas. Adoption of GASB 75 required a prior period adjustment to report the effect of GASB 75 retroactively. The prior period adjustment totaled (\$75,856,120) which resulted in a restated beginning net position of \$50,517,881.

Federal Government Retiree Drug Subsidy-The Medicare Modernization Act of 2003 (MMA) created an outpatient prescription drug benefit (known as Medicare Part D) and a Retiree Drug Subsidy (RDS) program which were made available in 2006. The Texas Public School Retired Employee Group Insurance Program (TRS-Care) is offering a Medicare Part D Plan and is participating in the Retiree Drug Subsidy plan for eligible TRS-Care participants. Under Medicare Part D and the RDS program, TRS-Care receives payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. On-behalf payments must be recognized as equal revenues and expenditures/expenses by each reporting entity. The allocation of these on-behalf payments is based on the ration of a reporting entity's covered payroll to the entire payroll reported by all reporting entities. TRS based this allocation percentage on the

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“completed” reported submissions by reporting entities for the month of May.

Contributions (as allocated) for Retiree health care coverage made by Medicare Part D for San Angelo ISD are shown in the following table. These amounts are reported as both revenue and expenditure as on-behalf payments in the District financial statements.

Post Employment Health Care Federal Contributions Allocated to San Angelo ISD	
Medicare Part D	
Year	Amount
2018	\$ 313,383
2017	\$ 232,969
2016	\$ 299,584
2015	\$ 306,426

#### IV.M. Negative Operating Grants and Contributions – Statement of Activities

Expense activity is required to be recorded by districts who are participants in cost-sharing pensions and OPEB benefit plans with a special funding situation where non-employer contributing entities (NECE) also participate to the plans. TRS-retirement and TRS-care benefit plans are both cost-sharing plans with special funding situations. Therefore, on behalf expense activity of the NECE must be recorded at the government-wide level of reporting on the Statement of Activities in accordance with GASB 68 and 75.

During the year under audit, the NECE expense was negative due to changes in benefits within the TRS-care plan. The accrual for the proportionate share of that expense was a negative on-behalf revenue and a negative on-behalf expense. This resulted in negative revenue for operating grants and contributions on the Statement of Activities. According to guidance provided directly from GASB, this is the correct reporting.

The following are the effects on the Statement of Activities as a result of the negative on-behalf accruals recorded:

Functional Allocation	Operating Grants & Contributions	Negative On- Behalf Accrual	Operating Grants & Contributions (excluding on- behalf accruals)
11 Instruction	368,723	(12,319,758)	12,688,481
12 Instructional Resources and Media Services	(177,325)	(211,744)	34,419
13 Curriculum Development and Instructional Staff Development	362,466	(132,534)	495,000
21 Instructional Leadership	32,845	(346,179)	379,024
23 School Leadership	(637,436)	(1,474,815)	837,379
31 Guidance, Counseling, and Evaluation Services	(29,569)	(920,704)	891,135
32 Social Work Services	169,163	(122,912)	292,075
33 Health Services	32,035	(152,907)	184,942
34 Student (Pupil) Transportation	(436,918)	(522,511)	85,593
35 Food Services	5,387,136	(624,578)	6,011,714
36 Extracurricular Activities	(407,424)	(486,532)	79,108
41 General Administration	(340,339)	(406,428)	66,089
51 Facilities Maintenance and Operations	(603,977)	(1,222,468)	618,491
52 Security and Monitoring Services	(17,245)	(20,640)	3,395
53 Data Processing Services	(282,249)	(337,052)	54,803
61 Community Services	97,015	(51,787)	148,802
	<u>3,516,901</u>	<u>(19,353,549)</u>	<u>22,870,450</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2018

**IV.N. Revenue from Local and Intermediate Sources**

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

	General Fund	Nonmajor Spec. Rev. Funds	Debt Service Fund	Total
Property Taxes	\$ 51,354,377	\$ -	\$ 8,402,329	\$ 59,756,706
Penalty, Interest and Other				
Tax-Related Revenue	523,732	-	90,330	614,062
Sale of WADA	-	-	-	-
Tuition and Fees	194,748	-	-	194,748
Investment Earnings	690,428	37,442	87,196	815,066
Rental Revenues	143,168	-	-	143,168
Gifts and Bequests	27,315	1,525	-	28,840
Food Sales	-	1,600,561	-	1,600,561
Sale of Surplus Items	3,919	-	-	3,919
Co-curricular and Enterprising				
Activities	569,175	738,807	-	1,307,982
E-Rate reimbursements	-	-	-	-
Campus payroll reimbursements	15,694	-	-	15,694
PEP	22,408	-	-	22,408
Other Local Revenues	43,056	51,138	-	94,194
Totals	<u>\$ 53,588,020</u>	<u>\$ 2,429,473</u>	<u>\$ 8,579,855</u>	<u>\$ 64,597,348</u>

**IV.O. Capital Lease**

During the fiscal year, the District entered into a capital lease with Apple Inc. The items acquired through this non-cancellable lease are under the District's capitalization threshold policy. The lease has been treated as an operating lease for reporting purposes. The District made the first of four annual payments this year of \$301,271. The payment schedule including interest is detailed in the table below.

Payment Date	Payment Amount	Interest	Principal
10/19/2017	301,271	-	301,271
10/19/2018	301,271	7,990	293,281
10/19/2019	301,271	5,351	295,920
10/19/2020	301,271	2,687	298,584
	<u>1,205,084</u>	<u>16,028</u>	<u>1,189,056</u>

**IV.P. Extraordinary Items**

During the fiscal year, the District paid out \$34,698 related to legal settlements.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2018

**V. CONTINGENCIES AND COMMITMENTS**

**V.A. Federal Assistance Programs**

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

**V.B. Construction Commitments**

The District had the following construction commitments for construction work in progress as of August 31, 2018:

District Portable Radio Repeater: \$244 thousand contracted costs.  
Central Freshman Campus HVAC Phase II: \$475 thousand contracted costs.  
District Firewall Upgrade: \$232 thousand contracted costs.  
District Security Improvements: \$122 thousand contracted costs.  
Lincoln Middle School Track Design: \$26 thousand contracted costs  
Central High School Softball Field Paving: \$20 thousand contracted costs

**V.C. Purchase Orders in Progress**

All encumbrances lapse at year end, however the District amended the fiscal 2019 budget for \$1.7 million to include purchase orders that were in progress but incomplete at year end. Items included construction in progress completions detailed in note V.B. as well as facility repairs and technology upgrades that were in progress.

**W. SUBSEQUENT EVENTS**

The District reviewed subsequent events thru the end of the audit engagement fieldwork and found nothing to report as material for consideration in this report.



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## **REQUIRED SUPPLEMENTARY INFORMATION**

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SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED AUGUST 31, 2018

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 52,585,000	\$ 53,605,000	\$ 53,588,019	\$ (16,981)
5800	State Program Revenues	57,870,000	58,516,000	57,668,883	(847,117)
5900	Federal Program Revenues	915,000	1,613,000	1,821,110	208,110
5020	Total Revenues	111,370,000	113,734,000	113,078,012	(655,988)
EXPENDITURES:					
Current:					
0011	Instruction	63,169,711	62,362,176	60,559,503	1,802,673
0012	Instructional Resources and Media Services	1,529,620	1,541,926	1,471,518	70,408
0013	Curriculum and Instructional Staff Development	1,117,573	1,211,342	1,170,581	40,761
0021	Instructional Leadership	1,643,782	1,694,088	1,660,199	33,889
0023	School Leadership	7,100,673	7,101,997	6,819,028	282,969
0031	Guidance, Counseling and Evaluation Services	4,234,290	4,258,354	4,163,086	95,268
0032	Social Work Services	429,482	429,482	389,328	40,154
0033	Health Services	764,166	823,546	801,787	21,759
0034	Student (Pupil) Transportation	2,848,353	3,582,387	3,343,757	238,630
0035	Food Services	83,008	83,008	72,739	10,269
0036	Extracurricular Activities	5,145,542	5,366,890	5,127,295	239,595
0041	General Administration	2,788,512	2,940,447	2,860,459	79,988
0051	Facilities Maintenance and Operations	12,952,969	14,141,136	13,882,063	259,073
0052	Security and Monitoring Services	612,085	2,748,820	1,365,488	1,383,332
0053	Data Processing Services	2,673,714	3,071,164	2,928,361	142,803
0061	Community Services	163,899	183,399	172,668	10,731
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	4,151,304	3,174,590	976,714
Intergovernmental:					
0099	Other Intergovernmental Charges	1,015,000	1,015,000	1,007,138	7,862
6030	Total Expenditures	108,272,379	116,706,466	110,969,588	5,736,878
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	3,097,621	(2,972,466)	2,108,424	5,080,890
OTHER FINANCING SOURCES (USES):					
7912	Sale of Real and Personal Property	-	-	61,716	61,716
7915	Transfers In	-	-	8,591	8,591
8911	Transfers Out (Use)	-	-	(50)	(50)
7080	Total Other Financing Sources (Uses)	-	-	70,257	70,257
EXTRAORDINARY ITEMS:					
8913	Extraordinary Item - (Use)	-	(35,000)	(34,698)	302
1200	Net Change in Fund Balances	3,097,621	(3,007,466)	2,143,983	5,151,449
0100	Fund Balance - September 1 (Beginning)	37,219,718	37,219,718	37,219,718	-
3000	Fund Balance - August 31 (Ending)	\$ 40,317,339	\$ 34,212,252	\$ 39,363,701	\$ 5,151,449

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED AUGUST 31, 2018

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

**BUDGETARY PROCESS**

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

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

Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. All budget appropriations lapse at year end. The budgets were amended shortly after the beginning of the year to adjust the beginning fund balances to actual after prior year end adjustments. The General Fund budget was also amended during the year to reflect revised revenue estimates and provide for supplemental appropriations and reallocations between functions (net increase in expenditures of \$8,434,087 and increase in revenues of \$2,364,000).

**EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

There were no expenditures in excess of appropriations.

**RECONCILIATION OF SPECIAL REVENUE FUND BALANCES**

Nonappropriated Budget Funds:

Summer Feeding Program	\$ 48,544
Child and Adult Care Feeding	161,382
Advanced Placement Incentives	53,374
State Textbook Fund	790
Other State Special Revenue Funds	2,295
Campus Activity Funds	249,551
San Angelo Stadium Fund	122,613
Health Fund	21,202
Korean Teacher Exchange Program	1,801
	<hr/> 661,552
Appropriated Budget Funds - National Breakfast and Lunch Program	3,081,594
Total Special Revenue Fund Balances	<hr/> <u>\$ 3,743,146</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2018

	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
District's Proportion of the Net Pension Liability (Asset)	0.071647624%	0.072861427%	0.07665%	0.0487351%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 22,909,050	\$ 27,533,250	\$ 27,094,755	\$ 13,017,820
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	38,885,427	48,542,407	46,073,448	40,432,025
Total	<u>\$ 61,794,477</u>	<u>\$ 76,075,657</u>	<u>\$ 73,168,203</u>	<u>\$ 53,449,845</u>
District's Covered Payroll	\$ 78,186,792	\$ 78,244,552	\$ 75,523,375	\$ 73,897,210
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	29.30%	35.19%	35.88%	17.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	78.00%	78.43%	83.25%

Note: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2017 for year 2018, August 31, 2016 for Year 2017, August 31, 2015 for Year 2016 and August 31, 2014 for 2015.

Note: In accordance with GASB 68, Paragraph 138, only four years of data are presented this reporting period. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR FISCAL YEAR 2018

	2018	2017	2016	2015
Contractually Required Contribution	\$ 2,432,983	\$ 2,348,191	\$ 2,314,992	\$ 2,269,639
Contribution in Relation to the Contractually Required Contribution	(2,432,983)	(2,348,191)	(2,314,992)	(2,269,639)
Contribution Deficiency (Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's Covered Payroll	\$ 79,008,268	\$ 78,186,792	\$ 78,244,552	\$ 75,523,372
Contributions as a Percentage of Covered Payroll	3.08%	3.00%	2.96%	3.01%

Note: GASB 68, Paragraph 81 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Note: In accordance with GASB 68, Paragraph 138, only four years of data are presented this reporting period. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2018

	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Post Employment Benefits	0.099479686%
District's Proportionate Share of Net Post Employment Benefit Liability (Asset)	\$ 43,259,984
State's Proportionate Share of the Net Post Employment Benefit Liability (Asset) Associated with the District	57,836,255
Total	<u>\$ 101,096,239</u>
District's Covered Payroll	\$ 78,186,792
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	55.33%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.91%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. Therefore the amounts reported for FY 2018 are based on the August 31, 2017 measurement date.

This schedule shows only the year for which this information is available. Additional information will be added until 10 years of data are available and reported.



SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR FISCAL YEAR 2018

	<u>2018</u>
Contractually Required Contribution	\$ 703,899
Contribution in Relation to the Contractually Required Contribution	(703,899)
Contribution Deficiency (Excess)	<u>\$ -0-</u>
District's Covered Payroll	\$ 86,838,318
Contributions as a Percentage of Covered Payroll	0.81%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

## **COMBINING AND OTHER STATEMENTS**

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

### **GOVERNMENTAL FUNDS**

Following is a description of the purposes of governmental funds.

#### **REPORTED AS MAJOR FUNDS IN THE BASIC FINANCIAL STATEMENTS**

- General Fund is the District's primary operating fund. It is used to account for all financial resources not required to be reported in another fund. It is always a major fund.

#### **NONMAJOR GOVERNMENTAL FUNDS**

##### Special Revenue Funds

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

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

### **ENTERPRISE FUNDS**

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

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

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

### **AGENCY FUND**

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AUGUST 31, 2018

Data Control Codes	205 Head Start	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1120 Investments - Current	-	-	-	-
1220 Property Taxes - Delinquent	-	-	-	-
1230 Allowance for Uncollectible Taxes	-	-	-	-
1240 Due from Other Governments	245,108	230,329	2,558	289,907
1250 Accrued Interest	-	-	-	-
1290 Other Receivables	3	-	-	-
1300 Inventories	-	-	-	-
1900 Other Assets	-	-	-	-
1000 Total Assets	<u>\$ 245,111</u>	<u>\$ 230,329</u>	<u>\$ 2,558</u>	<u>\$ 289,907</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ 11,442	\$ 358	\$ -	\$ 14,246
2150 Payroll Deductions and Withholdings Payable	-	-	-	-
2170 Due to Other Funds	233,669	229,971	2,558	275,661
2180 Due to Other Governments	-	-	-	-
2190 Due to Student Groups	-	-	-	-
2300 Unearned Revenue	-	-	-	-
2000 Total Liabilities	<u>245,111</u>	<u>230,329</u>	<u>2,558</u>	<u>289,907</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601 Unavailable Revenue - Property Taxes	-	-	-	-
2600 Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable Fund Balance:				
3410 Inventories	-	-	-	-
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	-
3480 Retirement of Long-Term Debt	-	-	-	-
Committed Fund Balance:				
3545 Other Committed Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 245,111</u>	<u>\$ 230,329</u>	<u>\$ 2,558</u>	<u>\$ 289,907</u>

225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang Acquisition	281 Early Headstart	288 Child and Adult Care Feeding
\$ -	\$ 2,543,317	\$ 48,544	\$ -	\$ -	\$ -	\$ -	\$ 91,161
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,756	217,665	-	27,594	180,736	1,190	100,667	82,111
-	-	-	-	-	-	-	-
-	17,255	-	-	-	-	-	-
-	768,136	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 6,756</u>	<u>\$ 3,546,373</u>	<u>\$ 48,544</u>	<u>\$ 27,594</u>	<u>\$ 180,736</u>	<u>\$ 1,190</u>	<u>\$ 100,667</u>	<u>\$ 173,272</u>
\$ -	\$ 58,395	\$ -	\$ 1,294	\$ 2,400	\$ 175	\$ 2,302	\$ 11,890
-	54	-	-	-	-	-	-
6,756	49,164	-	26,300	178,336	1,015	98,365	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	357,166	-	-	-	-	-	-
<u>6,756</u>	<u>464,779</u>	<u>-</u>	<u>27,594</u>	<u>180,736</u>	<u>1,190</u>	<u>100,667</u>	<u>11,890</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	768,136	-	-	-	-	-	-
-	2,313,458	48,544	-	-	-	-	161,382
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>3,081,594</u>	<u>48,544</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,382</u>
<u>\$ 6,756</u>	<u>\$ 3,546,373</u>	<u>\$ 48,544</u>	<u>\$ 27,594</u>	<u>\$ 180,736</u>	<u>\$ 1,190</u>	<u>\$ 100,667</u>	<u>\$ 173,272</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AUGUST 31, 2018

Data Control Codes		289 Other Federal Special Revenue Funds	397 Advanced Placement Incentives	410 State Textbook Fund	429 Other State Special Revenue Funds
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ -	\$ 53,374	\$ -	\$ 2,295
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	168,203	-	552,285	-
1250	Accrued Interest	-	-	-	-
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1900	Other Assets	-	-	-	-
1000	Total Assets	<u>\$ 168,203</u>	<u>\$ 53,374</u>	<u>\$ 552,285</u>	<u>\$ 2,295</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ -	\$ 4,050	\$ -
2150	Payroll Deductions and Withholdings Payable	-	-	-	-
2170	Due to Other Funds	168,203	-	547,035	-
2180	Due to Other Governments	-	-	-	-
2190	Due to Student Groups	-	-	-	-
2300	Unearned Revenue	-	-	410	-
2000	Total Liabilities	<u>168,203</u>	<u>-</u>	<u>551,495</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	53,374	790	2,295
3480	Retirement of Long-Term Debt	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>53,374</u>	<u>790</u>	<u>2,295</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 168,203</u>	<u>\$ 53,374</u>	<u>\$ 552,285</u>	<u>\$ 2,295</u>

461 Campus Activity Funds	480 San Angelo Stadium Fund	481 Health Fund	482 Korean Teacher Exchange	Total Nonmajor Special Revenue Funds	599 Debt Service Fund	Total Nonmajor Governmental Funds
\$ 305,798	\$ 122,613	\$ 21,202	\$ 1,801	\$ 3,190,105	\$ 2,855,114	\$ 6,045,219
-	-	-	-	-	496,020	496,020
-	-	-	-	-	238,675	238,675
-	-	-	-	-	(11,695)	(11,695)
-	-	-	-	2,105,109	-	2,105,109
-	-	-	-	-	340	340
-	-	-	-	17,258	30,292	47,550
-	-	-	-	768,136	-	768,136
-	-	-	-	-	246,702	246,702
<u>\$ 305,798</u>	<u>\$ 122,613</u>	<u>\$ 21,202</u>	<u>\$ 1,801</u>	<u>\$ 6,080,608</u>	<u>\$ 3,855,448</u>	<u>\$ 9,936,056</u>
\$ 13,259	\$ -	\$ -	\$ -	\$ 119,811	\$ -	\$ 119,811
-	-	-	-	54	-	54
27,461	-	-	-	1,844,494	-	1,844,494
-	-	-	-	-	166,025	166,025
1,145	-	-	-	1,145	-	1,145
14,382	-	-	-	371,958	-	371,958
<u>56,247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,337,462</u>	<u>166,025</u>	<u>2,503,487</u>
-	-	-	-	-	179,523	179,523
-	-	-	-	-	179,523	179,523
-	-	-	-	768,136	-	768,136
-	-	-	-	2,579,843	-	2,579,843
-	-	-	-	-	3,509,900	3,509,900
249,551	122,613	21,202	1,801	395,167	-	395,167
<u>249,551</u>	<u>122,613</u>	<u>21,202</u>	<u>1,801</u>	<u>3,743,146</u>	<u>3,509,900</u>	<u>7,253,046</u>
<u>\$ 305,798</u>	<u>\$ 122,613</u>	<u>\$ 21,202</u>	<u>\$ 1,801</u>	<u>\$ 6,080,608</u>	<u>\$ 3,855,448</u>	<u>\$ 9,936,056</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2018

Data Control Codes	205  Head Start	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 803	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	2,532,501	3,156,937	69,668	3,326,613
5020 Total Revenues	2,533,304	3,156,937	69,668	3,326,613
EXPENDITURES:				
Current:				
0011 Instruction	1,259,887	2,918,919	21,795	2,448,742
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	25,597	70,053	-	26,493
0021 Instructional Leadership	-	121,632	47,463	128,772
0023 School Leadership	538,221	-	-	-
0031 Guidance, Counseling and Evaluation Services	9,725	-	-	701,546
0032 Social Work Services	218,367	-	-	-
0033 Health Services	117,131	3,181	-	21,060
0034 Student (Pupil) Transportation	622	-	-	-
0035 Food Services	28,594	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	253,135	-	-	-
0052 Security and Monitoring Services	42	-	-	-
0061 Community Services	81,983	43,152	410	-
Debt Service:				
0071 Principal on Long-Term Debt	-	-	-	-
0072 Interest on Long-Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
6030 Total Expenditures	2,533,304	3,156,937	69,668	3,326,613
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang Acquisition	281 Early Headstart	288 Child and Adult Care Feeding
\$ -	\$ 1,632,001	\$ 2,169	\$ -	\$ -	\$ -	\$ -	\$ 658
-	206,980	-	-	-	-	-	-
86,180	5,225,302	75,086	171,073	460,732	68,990	1,092,162	486,353
86,180	7,064,283	77,255	171,073	460,732	68,990	1,092,162	487,011
85,520	-	-	106,008	196,658	67,656	903,852	-
-	-	-	-	-	-	-	-
-	-	-	34,089	234,808	-	21,340	-
-	-	-	3,559	20,000	1,310	-	-
-	-	-	-	-	-	59,364	-
660	-	-	27,417	-	-	2,092	-
-	-	-	-	-	-	53,722	-
-	-	-	-	-	-	18,711	-
-	-	-	-	-	-	-	-
-	7,398,405	79,898	-	-	-	3,068	470,844
-	-	-	-	-	-	-	-
-	138,348	3,708	-	-	-	24,518	-
-	-	-	-	-	-	-	-
-	-	-	-	9,266	24	5,545	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
86,180	7,536,753	83,606	171,073	460,732	68,990	1,092,212	470,844
-	(472,470)	(6,351)	-	-	-	(50)	16,167
-	5,332	-	-	-	-	50	-
-	-	-	-	-	-	-	-
-	5,332	-	-	-	-	50	-
-	(467,138)	(6,351)	-	-	-	-	16,167
-	3,548,732	54,895	-	-	-	-	145,215
\$ -	\$ 3,081,594	\$ 48,544	\$ -	\$ -	\$ -	\$ -	\$ 161,382



SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2018

Data Control Codes	289 Other Federal Special Revenue Funds	397 Advanced Placement Incentives	410 State Textbook Fund	429 Other State Special Revenue Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	672,162	10,264
5900 Federal Program Revenues	231,347	-	-	-
5020 Total Revenues	231,347	-	672,162	10,264
EXPENDITURES:				
Current:				
0011 Instruction	194,341	-	647,306	9,417
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	37,006	-	24,066	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	-	-	-	1,368
Debt Service:				
0071 Principal on Long-Term Debt	-	-	-	-
0072 Interest on Long-Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
6030 Total Expenditures	231,347	-	671,372	10,785
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	790	(521)
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
8911 Transfers Out (Use)	-	-	-	(8,591)
7080 Total Other Financing Sources (Uses)	-	-	-	(8,591)
1200 Net Change in Fund Balance	-	-	790	(9,112)
0100 Fund Balance - September 1 (Beginning)	-	53,374	-	11,407
3000 Fund Balance - August 31 (Ending)	\$ -	\$ 53,374	\$ 790	\$ 2,295

461 Campus Activity Funds	480 San Angelo Stadium Fund	481 Health Fund	482 Korean Teacher Exchange	Total Nonmajor Special Revenue Funds	599 Debt Service Fund	Total Nonmajor Governmental Funds
\$ 704,635	\$ -	\$ 37,713	\$ 51,495	\$ 2,429,474	\$ 8,579,855	\$ 11,009,329
-	-	-	-	889,406	223,759	1,113,165
-	-	-	-	16,982,944	-	16,982,944
704,635	-	37,713	51,495	20,301,824	8,803,614	29,105,438
392,056	-	-	622	9,252,779	-	9,252,779
4,933	-	-	-	4,933	-	4,933
-	-	-	-	473,452	-	473,452
12,628	-	-	-	335,364	-	335,364
290,512	-	-	-	888,097	-	888,097
-	-	-	-	741,440	-	741,440
-	-	-	-	272,089	-	272,089
-	-	-	-	160,083	-	160,083
-	-	-	-	622	-	622
-	-	-	-	7,980,809	-	7,980,809
108	-	16,787	-	16,895	-	16,895
454	-	-	-	420,163	-	420,163
-	-	-	-	42	-	42
-	-	-	30,518	172,266	-	172,266
-	-	-	-	-	4,460,000	4,460,000
-	-	-	-	-	4,673,350	4,673,350
-	-	-	-	-	4,600	4,600
700,691	-	16,787	31,140	20,719,034	9,137,950	29,856,984
3,944	-	20,926	20,355	(417,210)	(334,336)	(751,546)
19,500	-	-	-	24,882	-	24,882
-	-	-	(19,500)	(28,091)	-	(28,091)
19,500	-	-	(19,500)	(3,209)	-	(3,209)
23,444	-	20,926	855	(420,419)	(334,336)	(754,755)
226,107	122,613	276	946	4,163,565	3,844,236	8,007,801
\$ 249,551	\$ 122,613	\$ 21,202	\$ 1,801	\$ 3,743,146	\$ 3,509,900	\$ 7,253,046

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 AUGUST 31, 2018

	711	712	Total
	Concession	JumboTron	Nonmajor
	Fund	Fund	Enterprise
			Funds
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 96,919	\$ 22,103	\$ 119,022
Other Receivables	11,366	22,702	34,068
Total Current Assets	<u>108,285</u>	<u>44,805</u>	<u>153,090</u>
Noncurrent Assets:			
Capital Assets:			
Furniture and Equipment	-	856,089	856,089
Depreciation on Furniture and Equipment	-	(256,827)	(256,827)
Total Noncurrent Assets	<u>-</u>	<u>599,262</u>	<u>599,262</u>
Total Assets	<u>108,285</u>	<u>644,067</u>	<u>752,352</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	4,558	-	4,558
Short Term Debt Payable	-	58,110	58,110
Accrued Expenses	-	48,117	48,117
Total Current Liabilities	<u>4,558</u>	<u>106,227</u>	<u>110,785</u>
NonCurrent Liabilities:			
Loans Payable - Due in More than One Year	-	476,529	476,529
Total Noncurrent Liabilities	<u>-</u>	<u>476,529</u>	<u>476,529</u>
Total Liabilities	<u>4,558</u>	<u>582,756</u>	<u>587,314</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	-	61,311	61,311
Unrestricted Net Position	<u>103,727</u>	<u>-</u>	<u>103,727</u>
Total Net Position	<u>\$ 103,727</u>	<u>\$ 61,311</u>	<u>\$ 165,038</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2018

	711	712	Total Nonmajor Enterprise Funds
	Concession Fund	JumboTron Fund	
<b>OPERATING REVENUES:</b>			
Local and Intermediate Sources	\$ 108,240	\$ 144,864	\$ 253,104
Total Operating Revenues	<u>108,240</u>	<u>144,864</u>	<u>253,104</u>
<b>OPERATING EXPENSES:</b>			
Payroll Costs	27,347	-	27,347
Professional and Contracted Services	1,305	-	1,305
Supplies and Materials	37,205	-	37,205
Other Operating Costs	-	15,934	15,934
Depreciation Expense	-	85,609	85,609
Total Operating Expenses	<u>65,857</u>	<u>101,543</u>	<u>167,400</u>
Operating Income	<u>42,383</u>	<u>43,321</u>	<u>85,704</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Non-operating Expenses	-	(48,117)	(48,117)
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>(48,117)</u>	<u>(48,117)</u>
Income (Loss) Before Transfers	42,383	(4,796)	37,587
Transfers Out	<u>(5,332)</u>	<u>-</u>	<u>(5,332)</u>
Change in Net Position	37,051	(4,796)	32,255
Total Net Position - September 1 (Beginning)	<u>66,676</u>	<u>66,107</u>	<u>132,783</u>
Total Net Position August 31 (Ending)	<u>\$ 103,727</u>	<u>\$ 61,311</u>	<u>\$ 165,038</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2018

	711	712	Total
	Concession	JumboTron	Nonmajor
	Fund	Fund	Enterprise
			Funds
<u>Cash Flows from Operating Activities:</u>			
Cash Received from User Charges	\$ 96,874	\$ 139,466	\$ 236,340
Cash Payments to Employees for Services	(27,347)	-	(27,347)
Cash Payments for Suppliers	(34,699)	(15,934)	(50,633)
Net Cash Provided by Operating Activities	34,828	123,532	158,360
<u>Cash Flows from Non-Capital Financing Activities:</u>			
Operating Transfer Out	(5,332)	-	(5,332)
<u>Cash Flows from Capital &amp; Related Financing Activities:</u>			
Retirement of Long-Term Debt	-	(53,312)	(53,312)
Interest Paid on Long-Term Debt	-	(48,117)	(48,117)
Net Cash Used For Capital and Related Financing Activities	-	(101,429)	(101,429)
Net Increase in Cash and Cash Equivalents	29,496	22,103	51,599
Cash and Cash Equivalents at Beginning of Year	67,423	-	67,423
Cash and Cash Equivalents at End of Year	\$ 96,919	\$ 22,103	\$ 119,022
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>			
Operating Income:	\$ 42,383	\$ 43,321	\$ 85,704
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	-	85,609	85,609
Effect of Increases and Decreases in Current Assets and Liabilities:			
Decrease (increase) in Receivables	(11,366)	(599)	(11,965)
Increase (decrease) in Accounts Payable	3,811	-	3,811
Increase (decrease) in Accrued Expenses	-	(4,799)	(4,799)
Net Cash Provided by Operating Activities	\$ 34,828	\$ 123,532	\$ 158,360

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED AUGUST 31, 2018

	BALANCE SEPTEMBER 1 2017	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2018
<b>STUDENT ACTIVITY ACCOUNT</b>				
Assets:				
Cash and Temporary Investments	\$ 509,233	\$ 435,363	\$ 441,396	\$ 503,200
Other Receivables	840	877	1,228	489
Total Assets	<u>\$ 510,073</u>	<u>\$ 436,240</u>	<u>\$ 442,624</u>	<u>\$ 503,689</u>
Liabilities:				
Accounts Payable	\$ 224	\$ 42,598	\$ 40,533	\$ 2,289
Due to Student Groups	509,849	386,325	394,774	501,400
Total Liabilities	<u>\$ 510,073</u>	<u>\$ 428,923</u>	<u>\$ 435,307</u>	<u>\$ 503,689</u>
<b>TOTAL AGENCY FUNDS</b>				
Assets:				
Cash and Temporary Investments	\$ 509,233	\$ 435,363	\$ 441,396	\$ 503,200
Other Receivables	840	877	1,228	489
Total Assets	<u>\$ 510,073</u>	<u>\$ 436,240</u>	<u>\$ 442,624</u>	<u>\$ 503,689</u>
Liabilities:				
Accounts Payable	\$ 224	\$ 42,598	\$ 40,533	\$ 2,289
Due to Student Groups	509,849	386,325	394,774	501,400
Total Liabilities	<u>\$ 510,073</u>	<u>\$ 428,923</u>	<u>\$ 435,307</u>	<u>\$ 503,689</u>

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# **COMPLIANCE SCHEDULES**

**(Required by Texas Education Agency)**



SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FISCAL YEAR ENDED AUGUST 31, 2018

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2009 and prior years	Various	Various	\$ 2,718,372,546
2010	1.040000	0.312500	3,033,131,516
2011	1.040000	0.272500	3,064,378,472
2012	1.040000	0.240000	3,244,186,953
2013	1.040000	0.220000	3,672,571,745
2014	1.040000	0.220000	3,881,035,694
2015	1.040000	0.200000	4,295,874,565
2016	1.040000	0.195000	4,542,852,960
2017	1.040000	0.180000	4,702,034,461
2018 (School year under audit)	1.040000	0.170000	4,970,459,071
1000 TOTALS			

(10) Beginning Balance 9/1/2017	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2018
\$ 305,115	\$ -	\$ 4,292	\$ 254	\$ (9,533)	\$ 291,036
19,940	-	1,728	519	(784)	16,909
17,599	-	1,935	507	(476)	14,681
22,908	-	2,276	525	(665)	19,442
38,207	-	12,236	2,588	(758)	22,625
56,969	-	22,616	4,784	(1,316)	28,253
148,062	-	57,533	11,049	(245)	79,235
390,970	-	157,121	29,451	(61,793)	142,605
869,596	-	418,612	72,391	(110,270)	268,323
-	60,142,555	50,617,588	8,273,397	(365,168)	886,402
<u>\$ 1,869,366</u>	<u>\$ 60,142,555</u>	<u>\$ 51,295,937</u>	<u>\$ 8,395,465</u>	<u>\$ (551,008)</u>	<u>\$ 1,769,511</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM  
FOR THE YEAR ENDED AUGUST 31, 2018

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 1,653,150	\$ 1,653,150	\$ 1,632,001	\$ (21,149)
5800 State Program Revenues	36,000	36,000	206,980	170,980
5900 Federal Program Revenues	5,659,830	5,659,830	5,225,302	(434,528)
5020 Total Revenues	7,348,980	7,348,980	7,064,283	(284,697)
EXPENDITURES:				
0035 Food Services	7,527,460	7,900,082	7,398,405	501,677
0051 Facilities Maintenance and Operations	175,000	148,273	138,348	9,925
Capital Outlay:				
0081 Facilities Acquisition and Construction	130,000	105	-	105
6030 Total Expenditures	7,832,460	8,048,460	7,536,753	511,707
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(483,480)	(699,480)	(472,470)	227,010
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	5,332	5,332
1200 Net Change in Fund Balances	(483,480)	(699,480)	(467,138)	232,342
0100 Fund Balance - September 1 (Beginning)	3,548,732	3,548,732	3,548,732	-
3000 Fund Balance - August 31 (Ending)	\$ 3,065,252	\$ 2,849,252	\$ 3,081,594	\$ 232,342

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
FOR THE YEAR ENDED AUGUST 31, 2018

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 8,400,000	\$ 8,400,000	\$ 8,579,855	\$ 179,855
5800	State Program Revenues	340,000	340,000	223,759	(116,241)
5020	Total Revenues	8,740,000	8,740,000	8,803,614	63,614
EXPENDITURES:					
Debt Service:					
0071	Principal on Long-Term Debt	4,460,000	4,460,000	4,460,000	-
0072	Interest on Long-Term Debt	4,673,350	4,673,350	4,673,350	-
0073	Bond Issuance Cost and Fees	8,000	8,000	4,600	3,400
6030	Total Expenditures	9,141,350	9,141,350	9,137,950	3,400
1200	Net Change in Fund Balances	(401,350)	(401,350)	(334,336)	67,014
0100	Fund Balance - September 1 (Beginning)	3,844,236	3,844,236	3,844,236	-
3000	Fund Balance - August 31 (Ending)	\$ 3,442,886	\$ 3,442,886	\$ 3,509,900	\$ 67,014

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## STATISTICAL SECTION

### (UNAUDITED - for Analytical Purposes Only)

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

TABLE	CONTENTS
	<b>Financial Trends</b>
	<i>These tables contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>
	Entity-wide information:
1	Net position by component, last ten fiscal years
2	Changes in net position, last ten fiscal years
	Governmental Funds Information:
3	Fund balances, last ten fiscal years
4	Changes in fund balances, last ten fiscal years
	<b>Revenue Capacity</b>
	<i>These tables contain information to help the reader assess the District's most significant local revenue source, the property tax.</i>
5	Assessed value and actual value of taxable property, and Comptroller's valuation of standardized base, last ten fiscal years; and tax base distribution, last two tax years
6	Allocation of property tax rates and tax levies, last ten fiscal years
7	Direct and overlapping property tax rates, last ten fiscal years
8	Property use categories at gross appraised market value, tax year 2017
9	Principal property taxpayers, current year and nine years ago
10	Property tax levies and collections, last ten fiscal years
	<b>Debt Capacity</b>
	<i>These tables present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</i>
11	Ratios of outstanding debt by type, last ten fiscal years
12	Ratios of net general bonded debt outstanding, last ten fiscal years; and statement of legal debt margin
13	Direct and overlapping governmental activities debt as of August 31, 2017
14	Pledged revenue coverage, last five fiscal years
	<b>Demographic and Economic Information</b>
	<i>These tables offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.</i>
15	Demographic and economic statistics, last ten calendar years
16	Principal employers, current year and nine years ago
	<b>Operating Information</b>
	<i>These tables contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and activities it performs.</i>
17	Staff information, last ten fiscal years
18	Student information, last ten fiscal years
19	Operating statistics, last ten fiscal years
20	Capital assets information, last ten fiscal years

**Sources:** Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

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

	2017-18	2016-17	2015-16	2014-15
Governmental Activities:				
Net Investment in Capital Assets	\$ 100,353,298	\$ 97,955,870	\$ 90,140,840	\$ 86,764,060
Restricted	6,089,743	6,863,019	6,861,596	6,283,407
Unrestricted	(37,933,567)	21,555,112	28,242,791	25,114,945
Total Governmental Activities Net Position	<u>\$ 68,509,474</u>	<u>\$ 126,374,001</u>	<u>\$ 125,245,227</u>	<u>\$ 118,162,412</u>
Business-Type Activities:				
Net Investment in Capital Assets	\$ 61,311	\$ 66,107	\$ 109,382	\$ 113,000
Unrestricted	103,727	66,676	62,690	71,368
Total Business-Type Activities Net Position	<u>\$ 165,038</u>	<u>\$ 132,783</u>	<u>\$ 172,072</u>	<u>\$ 184,368</u>
Primary Government:				
Net Investment in Capital Assets	\$ 100,414,609	\$ 98,021,977	\$ 90,250,222	\$ 86,877,060
Restricted	6,089,743	6,863,019	6,861,596	6,283,407
Unrestricted	(37,829,840)	21,621,788	28,305,481	25,186,313
Total Primary Government Net position	<u>\$ 68,674,512</u>	<u>\$ 126,506,784</u>	<u>\$ 125,417,299</u>	<u>\$ 118,346,780</u>

Net Position includes prior period adjustments in fiscal years 2006, 2008, and 2009 and 2015

Net Position at 2013 has been restated to reflect the expense of bond issuance costs in 2006 & 2009 in compliance with GASB 65

Net Position at 2018 reflects a prior period adjustment due to the implementation of GASB 75.

TABLE 1

Fiscal Year					
2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
\$ 81,778,241	\$ 76,142,025	\$ 71,331,462	\$ 68,123,024	\$ 65,774,951	\$ 59,756,813
5,350,037	4,775,658	4,327,397	3,660,369	3,126,860	3,060,134
33,870,166	30,269,027	31,774,879	33,444,213	29,506,262	31,442,641
<u>\$ 120,998,444</u>	<u>\$ 111,186,710</u>	<u>\$ 107,433,738</u>	<u>\$ 105,227,606</u>	<u>\$ 98,408,073</u>	<u>\$ 94,259,588</u>
\$ (13,743)	\$ (27,899)	\$ (9,988)	\$ (994)	\$ 3,307	\$ 6,411
22,067	7,761	(16,094)	(37,514)	(39,262)	113,088
<u>\$ 8,324</u>	<u>\$ (20,138)</u>	<u>\$ (26,082)</u>	<u>\$ (38,508)</u>	<u>\$ (35,955)</u>	<u>\$ 119,499</u>
\$ 81,764,498	\$ 76,114,126	\$ 71,321,474	\$ 68,122,030	\$ 65,778,258	\$ 59,763,224
5,350,037	4,775,658	4,327,397	3,660,369	3,126,860	3,060,134
33,892,233	30,276,788	31,758,785	33,406,699	29,467,000	31,555,729
<u>\$ 121,006,768</u>	<u>\$ 111,166,572</u>	<u>\$ 107,407,656</u>	<u>\$ 105,189,098</u>	<u>\$ 98,372,118</u>	<u>\$ 94,379,087</u>



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

Expenses	2017-18	2016-17	2015-16	2014-15
Governmental Activities:				
Instruction	\$ 51,556,903	\$ 77,999,154	\$ 79,329,970	\$ 74,059,072
Instructional resources and media services	1,264,120	1,647,322	1,632,171	1,577,545
Curriculum and instructional staff development	1,435,773	1,716,081	1,309,828	1,106,285
Instructional leadership	1,506,818	2,213,468	2,304,859	2,123,211
School leadership	5,202,016	8,114,827	7,922,842	7,191,122
Guidance, counseling and evaluation services	3,319,490	5,045,874	5,124,249	4,623,658
Social work services	476,751	850,650	831,773	690,344
Health services	659,390	842,485	820,322	703,002
Student (pupil) transportation	2,525,348	3,365,482	3,436,964	3,141,761
Food Services	6,291,319	8,170,182	8,320,309	7,664,481
Cocurricular / extracurricular activities	4,920,402	5,919,093	6,050,147	5,621,490
General Administration	2,217,761	2,951,580	2,865,429	3,522,185
Facilities maintenance and operation	11,899,225	13,489,583	13,853,266	12,917,386
Security and monitoring services	887,986	533,421	537,672	580,352
Data processing services	2,274,922	3,053,492	2,768,960	2,946,972
Community services	241,135	321,991	292,545	286,510
Interest and fees on long-term debt	4,856,957	5,190,095	5,236,192	3,480,046
Other Governmental Charges (Appraisal District)	1,007,138	984,554	979,498	954,466
Total Governmental Activities Expenses	102,543,454 <sup>1</sup>	142,409,334	143,616,996	133,189,888
Business-Type Activities:				
Concessions	65,857	93,902	105,647	74,871
Jumbo-tron (FY 2005-06 first year of operations)	149,660	170,999	158,860	51,423
Total Business-Type Activities Expenses	215,517	264,901	264,507	126,294
Total Primary Government Expenses	\$ 102,758,971	\$ 142,674,235	\$ 143,881,503	\$ 133,316,182
<b>Program Revenues</b>				
Governmental Activities:				
Charges for services:				
Instruction	\$ 616,375	\$ 635,127	\$ 615,065	\$ 553,237
Curriculum and staff development	-	-	-	-
Instructional leadership	13,899	12,457	6,097	5,846
School leadership	284,925	255,372	280,450	303,999
Health services	36,446	-	-	-
Food services	1,600,561	1,659,254	1,640,888	1,969,013
Cocurricular / extracurricular activities	452,762	430,594	401,525	296,563
General administration	-	-	-	-
Facilities maintenance and operations	155,591	490,177	613,012	691,442
Security and monitoring & data processing	14,579	9,660	6,062	6,792
Community services	-	-	-	-
Operating grants and contributions	3,516,901 <sup>1</sup>	23,892,431	23,562,972	23,709,543
Total Governmental Activities Program Revenues	6,692,039	27,385,072	27,126,071	27,536,435
Business-Type Activities:				
Concessions	108,240	102,177	102,737	79,420
Jumbo-tron (FY 2005-06 first year of operations)	144,864	144,265	144,265	115,663
Total Business-Type Activities Program Revenues	253,104	246,442	247,002	195,083
Total Primary Government Program Revenues	\$ 6,945,143	\$ 27,631,514	\$ 27,373,073	\$ 27,731,518

(Continued)

TABLE 2

Fiscal Year					
2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
\$ 71,629,182	\$ 66,826,951	\$ 66,164,039	\$ 71,147,496	\$ 70,438,360	\$ 69,866,593
1,509,404	1,517,811	1,530,895	1,693,393	1,731,606	1,794,081
1,104,738	1,161,151	828,657	1,163,024	1,970,955	1,714,766
1,941,920	1,876,257	1,857,948	1,983,233	1,623,201	1,612,794
6,808,788	6,690,570	6,572,481	6,486,493	6,349,709	6,480,282
4,652,230	4,648,827	4,816,003	5,015,244	4,959,488	5,038,544
685,493	642,501	656,475	711,054	632,153	781,189
695,736	674,661	687,262	764,970	711,952	651,877
3,026,966	2,934,984	2,767,646	2,671,412	2,553,837	2,686,420
7,808,904	7,633,433	7,078,316	7,052,970	6,365,531	6,380,281
5,241,302	4,938,248	4,960,017	4,581,926	4,557,832	4,501,260
2,749,765	2,510,566	2,522,886	2,643,524	2,584,419	2,333,118
12,830,874	13,316,353	13,164,586	13,219,909	12,851,443	12,550,670
535,578	440,045	443,446	414,299	340,489	265,218
2,455,921	2,414,907	2,509,966	2,428,527	2,434,173	2,451,835
260,514	266,562	264,170	333,666	352,370	367,348
5,887,537	6,032,495	6,063,090	6,406,428	6,539,640	4,976,841
826,793	846,240	828,172	814,001	741,234	739,774
130,651,645	125,372,562	123,716,055	129,531,569	127,738,392	125,192,891
49,420	95,177	87,635	93,968	95,111	98,840
115,663	88,037	70,343	74,279	78,311	80,617
165,083	183,214	157,978	168,247	173,422	179,457
\$ 130,816,728	\$ 125,555,776	\$ 123,874,033	\$ 129,699,816	\$ 127,911,814	\$ 125,372,348
\$ 486,921	\$ 515,623	\$ 496,433	\$ 473,003	\$ 428,715	\$ 368,070
-	-	-	-	-	-
5,264	5,863	4,978	4,637	4,286	5,140
273,724	257,965	248,886	231,845	231,441	359,739
-	-	-	-	-	-
1,905,270	1,931,106	1,823,703	1,742,433	1,849,258	2,032,920
329,071	219,150	247,956	237,287	167,505	284,288
-	-	436,744	417,901	-	-
477,168	538,180	-	-	387,439	419,868
4,316	-	-	-	-	-
-	-	-	-	-	-
23,897,070	21,106,992	24,603,425	30,601,466	30,140,043	23,731,424
27,378,804	24,574,879	27,862,125	33,708,572	33,208,687	27,201,449
109,156	110,157	106,280	109,464	97,217	116,047
81,788	82,584	68,059	56,230	70,751	71,651
190,944	192,741	174,339	165,694	167,968	187,698
\$ 27,569,748	\$ 24,767,620	\$ 28,036,464	\$ 33,874,266	\$ 33,376,655	\$ 27,389,147

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

	2017-18	2016-17	2015-16	2014-15
<b>Expenses</b>				
<b>Net (Expense) / Revenue</b>				
Governmental Activities	\$ (95,850,200)	\$ (115,024,262)	\$ (116,490,925)	\$ (105,653,453)
Business-Type Activities	37,587	(18,459)	(17,505)	68,789
Total Primary Government Net Expense	<u>\$ (95,812,613)</u>	<u>\$ (115,042,721)</u>	<u>\$ (116,508,430)</u>	<u>\$ (105,584,664)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property taxes	\$ 59,730,056	\$ 57,105,830	\$ 55,799,787	\$ 53,143,786
State aid - formula grants not restricted	52,577,418	57,564,524	65,582,875	63,735,611
Grants and contributions not restricted	-	-	-	-
Investment earnings	782,475	539,120	356,437	198,903
Miscellaneous	781,210	922,732	1,839,850	745,617
Extraordinary Item	(34,698)	-	-	(150,000)
Transfers	5,332	20,830	(5,209)	(107,255)
Total Governmental Activities	<u>113,841,793</u>	<u>116,153,036</u>	<u>123,573,740</u>	<u>117,566,662</u>
Business-Type Activities:				
Transfers	(5,332)	(20,830)	5,209	107,255
Total Primary Government	<u>\$ 113,836,461</u>	<u>\$ 116,132,206</u>	<u>\$ 123,578,949</u>	<u>\$ 117,673,917</u>
<b>Change in Net Position Current Year Transactions</b>				
Governmental Activities	\$ 17,991,593	\$ 1,128,774	\$ 7,082,815	\$ 11,913,209
Business-Type Activities	32,255	(39,289)	(12,296)	176,044
Total Primary Government	<u>\$ 18,023,848</u>	<u>\$ 1,089,485</u>	<u>\$ 7,070,519</u>	<u>\$ 12,089,253</u>

1) Changes reflect the implementation of GASB 75

TABLE 2

Fiscal Year					
2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
\$ (103,272,841)	\$ (100,797,683)	\$ (95,853,930)	\$ (95,822,997)	\$ (94,529,705)	\$ (97,991,442)
25,861	9,527	16,361	(2,553)	(5,454)	8,241
<u>\$ (103,246,980)</u>	<u>\$ (100,788,156)</u>	<u>\$ (95,837,569)</u>	<u>\$ (95,825,550)</u>	<u>\$ (94,535,159)</u>	<u>\$ (97,983,201)</u>
\$ 48,741,279	\$ 46,231,283	\$ 41,265,609	\$ 40,180,884	\$ 40,380,438	\$ 32,030,863
63,225,151	57,369,244	55,449,625	55,337,595	55,040,403	59,682,867
-	-	-	3,519,460	1,216,227	973,798
219,106	189,976	432,806	1,005,471	1,457,996	1,368,623
894,303	756,568	996,085	2,599,119	433,126	887,619
-	-	(87,997)	-	-	-
4,735	3,584	3,934	-	150,000	-
<u>113,084,574</u>	<u>104,550,655</u>	<u>98,060,062</u>	<u>102,642,529</u>	<u>98,678,190</u>	<u>94,943,770</u>
(4,735)	(3,584)	(3,934)	-	(150,000)	-
<u>\$ 113,079,839</u>	<u>\$ 104,547,071</u>	<u>\$ 98,056,128</u>	<u>\$ 102,642,529</u>	<u>\$ 98,528,190</u>	<u>\$ 94,943,770</u>
\$ 9,811,733	\$ 3,752,972	\$ 2,206,132	\$ 6,819,532	\$ 4,148,485	\$ (3,047,672)
21,126	5,943	12,427	(2,553)	(155,454)	8,241
<u>\$ 9,832,859</u>	<u>\$ 3,758,915</u>	<u>\$ 2,218,559</u>	<u>\$ 6,816,979</u>	<u>\$ 3,993,031</u>	<u>\$ (3,039,431)</u>

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

	2017-18	2016-17	2015-16	2014-15
General Fund:				
Non Spendable Fund Balance				
Inventory	\$ -	\$ -	\$ -	\$ -
Prepaid Expenditures	350,605	511,256	577,644	539,955
Total Non Spendable Fund Balance	350,605	511,256	577,644	539,955
Restricted Fund Balance				
Retirement of LT Debt	999,713	952,593	1,020,034	1,052,186
Other Restricted	-	-	9,000	70,869
Total Restricted Fund Balance	999,713	952,593	1,029,034	1,123,055
Committed Fund Balance				
Construction	2,050,000	1,175,000	3,979,500	7,000,000
Capital Expenditures for Equipment	1,900,000	9,000,000	7,500,000	4,700,000
Self Insurance	-	-	-	-
Other Committed	1,550,000	500,000	500,000	500,000
Total Committed Fund Balance	5,500,000	10,675,000	11,979,500	12,200,000
Unassigned Fund Balance	32,513,383	25,080,869	28,345,279	22,792,153
Total General Fund	<u>\$ 39,363,701</u>	<u>\$ 37,219,718</u>	<u>\$ 41,931,457</u>	<u>\$ 36,655,163</u>
All Other Governmental Funds:				
Non Spendable Fund Balance				
Inventory	\$ 768,136	\$ 794,840	\$ 724,064	\$ 743,492
Restricted Fund Balance				
Retirement of Long Term Debt	3,509,900	3,844,236	4,143,962	3,683,852
Federal or State Funds and Grant Restrictions	2,579,843	3,018,783	2,708,634	2,528,686
Capital Acquisition and Contractual Obligations	-	-	-	1,765
Total Restricted Fund Balance	6,089,743	6,863,019	6,852,596	6,214,303
Committed Fund Balance				
Construction	-	-	-	-
Campus Activity Funds	-	-	-	-
Other Committed	395,167	349,942	447,182	417,745
Unassigned Fund Balance	-	-	-	-
Total Other Governmental Funds:	<u>\$ 7,253,046</u>	<u>\$ 8,007,801</u>	<u>\$ 8,023,842</u>	<u>\$ 7,375,540</u>
All Governmental Funds:				
Non Spendable	1,118,741	1,306,096	1,301,708	1,283,447
Restricted	7,089,456	7,815,612	7,881,630	7,337,358
Committed	5,895,167	11,024,942	12,426,682	12,617,745
Unassigned	32,513,383	25,080,869	28,345,279	22,792,153
Total All Governmental Funds	<u>\$ 46,616,747</u>	<u>\$ 45,227,519</u>	<u>\$ 49,955,299</u>	<u>\$ 44,030,703</u>

Note: Fund balances 2009-2014 reflect issue and spend down of school building bonds.

TABLE 3

Fiscal Year					
2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
804,326	977,720	733,001	313,487	236,893	133,491
804,326	977,720	733,001	313,487	236,893	133,491
1,017,649	1,075,374	1,115,869	1,132,018	1,128,768	1,127,281
114,756	187,520	331,113	224,212	338,562	469,812
1,132,405	1,262,894	1,446,982	1,356,230	1,467,330	1,597,093
1,800,000	775,000	825,000	400,000	-	3,000,000
2,000,000	1,500,000	3,150,000	2,000,000		
-	-	-	2,350,000	350,000	250,000
1,155,051	2,147,421	1,500,000	1,500,000	3,500,000	2,909,750
4,955,051	4,422,421	5,475,000	6,250,000	3,850,000	6,159,750
24,977,806	21,781,089	22,384,107	22,624,187	20,611,877	21,168,391
\$ 31,869,588	\$ 28,444,124	\$ 30,039,090	\$ 30,543,904	\$ 26,166,100	\$ 29,058,725
\$ 867,340	\$ 840,098	\$ 722,548	\$ 656,522	\$ 484,376	\$ 564,571
3,322,654	2,611,930	2,241,004	2,041,113	1,840,439	1,898,914
1,912,627	1,976,208	1,755,280	1,395,044	1,491,909	1,623,899
1,765	3,602,405	24,422,633	52,367,795	91,379,811	113,393,995
5,237,046	8,190,543	28,418,917	55,803,952	94,712,159	116,916,808
-	61,063	-	-	646,725	(53,483)
296,761	255,626	186,107	-	-	-
138,517	-	-	-	-	-
-	-	-	414,322	162,754	197,359
\$ 6,539,664	\$ 9,347,330	\$ 29,141,465	\$ 56,874,796	\$ 96,006,014	\$ 117,625,255
1,671,666	1,817,818	1,455,549	970,009	721,269	698,062
6,369,451	9,453,437	29,865,899	57,160,182	96,179,489	118,513,901
5,390,329	4,739,110	5,661,107	6,250,000	4,496,725	6,106,267
24,977,806	21,781,089	22,384,107	23,038,509	20,774,631	21,365,750
\$ 38,409,252	\$ 37,791,454	\$ 59,366,662	\$ 87,418,700	\$ 122,172,114	\$ 146,683,980

Fund balance for years prior to 2011 have been re-stated with GASB 54 Component Categories.

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

	2017-18	2016-17	2015-16	2014-15
<b>Revenues</b>				
Local and intermediate sources:				
Property taxes, penalty and interest	\$ 60,370,767	\$ 57,831,827	\$ 56,283,800	\$ 53,552,652
Gain (loss) from sale of WADA	-	-	-	-
Tuition and fees	194,748	231,798	225,355	224,136
Food services	1,600,561	1,659,690	1,640,888	1,969,013
Co-curricular and enterprising activities	1,131,570	1,044,900	1,005,138	895,712
Investment earnings	815,066	552,440	359,460	199,106
Insurance proceeds - property damage	-	-	53,656	-
Other revenues	484,636	780,608	815,495	849,990
Total local and intermediate sources	64,597,348	62,101,263	60,383,792	57,690,609
State program revenues	58,586,747	61,407,774	67,268,946	68,580,461
Federal program revenues	18,804,054	18,969,884	19,331,793	18,864,239
Total revenues	141,988,149	142,478,921	146,984,531	145,135,309
<b>Expenditures</b>				
Current:				
Instruction	69,386,687	71,092,471	71,380,540	70,073,414
Instructional resources and media services	1,474,314	1,479,302	1,447,992	1,455,745
Curriculum and instructional staff development	1,642,696	1,656,211	1,255,589	1,075,202
Instructional leadership	1,992,070	1,940,582	2,035,845	1,945,918
School leadership	7,692,242	7,723,820	7,401,004	7,101,710
Guidance, counseling and evaluation services	4,895,235	4,800,938	4,812,066	4,603,429
Social work services	660,177	735,417	720,293	662,779
Health services	960,327	809,041	775,995	703,989
Student (pupil) transportation	3,339,107	3,233,055	3,252,201	3,132,733
Food Services	8,047,245	7,825,896	7,963,012	7,626,807
Cocurricular / extracurricular activities	5,122,385	5,328,089	5,710,564	5,759,136
General Administration	2,873,253	2,876,563	2,794,252	2,609,530
Facilities maintenance and operation	14,206,772	13,307,696	13,610,153	12,854,485
Security and monitoring services	1,440,935	515,486	492,515	529,843
Data processing services	2,932,466	2,666,125	2,528,416	2,753,712
Community services	344,411	314,627	281,010	287,370
Debt service:				
Principal	4,761,271	4,475,000	4,825,000	4,910,000
Interest and fees	4,677,950	4,883,800	5,087,395	6,325,787
Capital outlay	3,174,590	10,618,289	4,760,726	4,898,029
Intergovernmental: tax appraisal and collection	1,007,138	984,554	979,498	954,466
Total expenditures	140,631,271	147,266,962	142,114,066	140,264,084
Excess revenues over (under) expenditures	1,356,878	(4,788,041)	4,870,465	4,871,225
<b>Other financing sources (uses)</b>				
Debt issued	-	-	-	99,939,982
Sale of real and personal property	61,716	39,431	1,059,340	92,276
Premium or (discount) on issuance of bonds	-	-	-	14,770,863
Prepaid interest	-	-	-	-
Transfers in	33,473	45,428	5,768	5,745
Transfers out	(28,141)	(24,598)	(10,977)	(113,000)
Payment to bond refunding escrow agent	-	-	-	(113,795,640)
Total other financing sources (uses)	67,048	60,261	1,054,131	900,226
Extraordinary Item (use)	(34,698)	-	-	(150,000)
Restatement of beginning fund balance	-	-	-	-
Net change in fund balances	\$ 1,389,228	\$ (4,727,780)	\$ 5,924,596	\$ 5,621,451
Debt service as a percentage of noncapital expenditures	6.9%	6.8%	7.2%	8.3%

TABLE 4

Fiscal Year					
2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
\$ 49,537,938	\$ 46,862,208	\$ 42,086,455	\$ 40,707,500	\$ 40,580,189	\$ 31,980,079
-	-	-	-	-	(6,577)
213,619	190,635	185,700	181,271	166,793	175,271
1,905,903	1,932,674	1,825,858	1,723,990	1,817,763	2,013,359
901,948	791,357	397,173	803,376	587,101	724,846
218,948	190,109	431,999	1,003,562	1,455,093	1,344,712
-	-	-	14,269	-	-
570,400	702,901	1,189,565	621,574	646,477	1,121,249
53,348,756	50,669,884	46,116,750	45,055,542	45,253,416	37,352,939
67,728,981	60,247,743	59,268,701	63,963,052	60,583,329	66,402,684
19,392,931	18,227,547	20,783,348	25,494,872	25,812,511	17,981,982
140,470,668	129,145,174	126,168,799	134,513,466	131,649,256	121,737,605
67,378,105	64,151,797	64,074,951	69,442,509	69,126,938	66,646,625
1,411,714	1,436,517	1,461,309	1,641,580	1,688,076	1,720,634
1,067,412	1,123,135	806,077	1,142,672	1,951,157	1,682,331
1,829,588	1,810,826	1,840,991	1,956,431	1,620,561	1,573,034
6,655,089	6,543,699	6,377,121	6,320,002	6,194,309	6,207,918
4,636,835	4,602,952	4,740,125	4,976,653	4,917,808	4,926,144
627,879	603,006	618,172	678,612	600,941	731,573
688,197	665,682	675,840	757,953	705,689	633,367
3,058,749	2,927,093	2,547,529	2,493,675	2,559,739	2,659,373
7,743,714	7,457,015	6,928,173	6,991,112	6,596,523	6,151,043
5,549,188	5,124,341	4,302,148	4,452,010	4,447,667	4,312,721
2,697,994	2,454,881	2,339,102	2,467,637	2,381,155	2,298,659
15,695,471	12,624,624	12,651,191	12,813,566	12,522,735	12,307,568
476,085	424,236	393,832	359,955	298,585	208,543
3,220,412	2,978,716	2,200,234	2,638,293	2,260,193	2,326,700
258,475	264,101	259,779	332,128	351,291	357,378
4,320,000	4,180,000	3,523,822	3,556,162	2,235,000	6,220,000
6,035,326	6,182,511	6,865,664	6,769,531	8,126,568	3,000,088
5,773,255	24,386,376	30,825,505	40,489,391	26,755,825	8,106,941
826,793	846,240	828,172	814,001	741,234	739,774
139,950,281	150,787,748	154,259,737	171,093,873	156,081,994	132,810,414
520,387	(21,642,574)	(28,090,938)	(36,580,407)	(24,432,738)	(11,072,809)
-	-	-	-	-	121,089,985
73,315	63,783	34,966	1,826,993	17,417	11,827
-	-	-	-	-	2,109,526
-	-	-	-	-	-
35,321	78,152	171,198	4,443	3,999,835	2,500,000
(11,225)	(74,568)	(167,264)	(4,443)	(4,096,380)	(2,500,000)
-	-	-	-	-	-
97,411	67,367	38,900	1,826,993	(79,128)	123,211,338
-	-	-	-	-	-
\$ 617,798	\$ (21,575,207)	\$ (28,052,038)	\$ (34,753,414)	\$ (24,511,866)	\$ 112,138,529
7.7%	8.2%	8.4%	7.9%	8.0%	7.4%



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

Fiscal Year	Tax Year	Actual Value				Less: Exemptions	Net Assessed Taxable Value	Standardized Local Tax Base (Comptroller's Valuation)
		Real Property	Personal Property	Minerals	Total			
2008-09	2008	3,413,826,818	584,451,554	738,620	3,999,016,992	1,092,467,934	2,906,549,058	3,155,991,134
2009-10	2009	3,700,835,549	580,548,049	588,530	4,281,972,128	1,252,285,419	3,029,686,709	3,271,153,786
2010-11	2010	3,774,575,922	557,021,230	1,208,690	4,332,805,842	1,248,042,382	3,084,763,460	3,367,273,539
2011-12	2011	3,918,783,728	611,004,314	891,120	4,530,679,162	1,289,737,911	3,240,941,251	3,542,638,679
2012-13	2012	3,960,104,305	650,656,498	1,007,260	4,611,768,063	938,218,977	3,673,549,086	3,665,872,806
2013-14	2013	4,033,087,635	776,290,319	1,025,980	4,810,403,934	929,368,240	3,881,035,694	3,869,227,850
2014-15	2014	4,540,479,994	846,992,690	828,400	5,388,301,084	1,092,426,519	4,295,874,565	4,093,504,667
2015-16	2015	4,898,701,375	1,000,476,170	376,080	5,899,553,625	1,356,700,665	4,542,852,960	4,545,509,107
2016-17	2016	5,190,440,400	924,336,790	326,370	6,115,103,560	1,413,069,099	4,702,034,461	4,694,723,962
2017-18	2017	5,449,465,714	959,433,783	724,990	6,409,624,487	1,439,165,416	4,970,459,071	4,950,639,042
<b>Tax Base Distribution</b>								
						2017 Tax Roll	2016 Tax Roll	
Property Type:								
Real Property						\$ 5,449,465,714	\$ 5,190,440,400	
Personal Property						959,433,783	924,336,790	
Minerals						724,990	326,370	
Total Gross Values						6,409,624,487	6,115,103,560	
Less Exemptions:								
Agricultural Productivity						116,699,620	116,263,440	
Freeport						24,961,379	16,568,168	
Pollution Control						5,950,939	6,040,334	
Mandatory Homestead						542,595,387	540,548,258	
Mandatory Over 65						76,216,970	74,232,260	
Mandatory Disabled						9,637,820	9,436,280	
Mandatory Disabled Veteran						62,631,050	55,433,112	
Optional \$25,000 Disability						19,636,962	18,869,110	
Over 65 & Disabled Freeze Credits						421,879,462	397,541,267	
Prorations / Exempt						3,080,654	7,708,145	
Cap Credit (on Appraisals of Real Estate)						155,875,173	170,428,725	
Total Exemptions						1,439,165,416	1,413,069,099	
Total Net Valuation						\$ 4,970,459,071	\$ 4,702,034,461	

**Sources:** Actual Value, Exemptions and Net Assessed Value - Tom Green County Appraisal District.  
 Standardized Local Tax Base - TEA TEA website reporting of Final Tax year values for school funding.  
 2014 values reflect \$25,000 residence homestead exemption authorized by 84th Legislature.

**Notes:** Property is assessed at full market value.

TABLE 6

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

Fiscal Year	District's Direct Tax Rates (Per \$100 of Assessed Value)			District's Tax Levies		
	General Fund	Debt Service Fund	Total	General Fund	Debt Service Fund	Original Levy Total
2008-09	1.04000	0.07000	1.11000	30,259,904	2,036,725	32,296,629
2009-10	1.04000	0.31250	1.35250	31,544,522	9,478,582	41,023,104
2010-11	1.04000	0.27250	1.31250	32,113,728	8,414,412	40,528,140
2011-12	1.04000	0.24000	1.28000	33,739,544	7,786,049	41,525,593
2012-13	1.04000	0.22000	1.26000	38,194,755	8,079,650	46,274,405
2013-14	1.04000	0.22000	1.26000	40,362,770	8,538,280	48,901,050
2014-15	1.04000	0.20000	1.24000	44,677,097	8,591,748	53,268,845
2015-16	1.04000	0.19500	1.23500	47,245,656	8,858,578	56,104,234
2016-17	1.04000	0.18000	1.22000	48,901,157	8,463,663	57,364,820
2017-18	1.04000	0.17000	1.21000	51,692,773	8,449,782	60,142,555

**Source:** Tom Green County Appraisal District.

TABLE 7

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

Fiscal Year	Tax Year	District's Total Direct Rates	Overlapping Rates*	
			Tom Green County	City of San Angelo
2008-09	2008	1.11000	0.52582	0.82750
2009-10	2009	1.35250	0.52500	0.81750
2010-11	2010	1.31250	0.52500	0.81750
2011-12	2011	1.28000	0.52500	0.78600
2012-13	2012	1.26000	0.52500	0.77600
2013-14	2013	1.26000	0.52500	0.77600
2014-15	2014	1.24000	0.51500	0.77600
2015-16	2015	1.23500	0.51250	0.77600
2016-17	2016	1.22000	0.51250	0.77600
2017-18	2017	1.21000	0.53500	0.77600
* Includes rates for maintenance & operations and debt service.				

**Tax Due Dates and Penalties:**

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

**Source:** Tom Green County Appraisal District.

TABLE 8

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
PROPERTY USE CATEGORIES AT GROSS APPRAISED MARKET VALUE  
TAX YEAR 2017  
(UNAUDITED)

Property Code	Property Use Category	Items		Gross Appraised Market Value
		Description	Number	
A	Single family residence	No. of properties	30,976	\$ 4,075,954,592
B	Multi-family residence	No. of properties	425	199,410,840
C	Vacant lots/tracts	No. of properties	4,068	94,465,652
D-1	Qualified Ag land	No. of acres	71,279	125,086,040
D-2	Non-qualified land	No. of accounts	105	2,773,420
E	Farm and ranch improvements	No. of parcels	457	33,499,160
F-1	Real: Commercial	No. of properties	2,524	856,775,300
F-2	Real: Industrial	No. of properties	71	29,653,640
G-1	Minerals: Oil and gas	No. of accounts	4	724,990
J	Real and personal: utilities	No. of companies	174	171,417,920
L-1	Personal: Commercial	No. of properties	3,959	517,467,543
L-2	Personal: Industrial	No. of properties	126	237,359,530
M-1	Mobile homes	No. of homes	745	9,579,650
O	Real property: Inventory	No. of properties	696	12,039,420
S	Special inventory	No. of accounts	58	43,416,790
Totals				<u>\$ 6,409,624,487</u>
Total parcels in category D			<u>658</u>	

**Source:** Tom Green County Appraisal District.

TABLE 9

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

Taxpayer	Type of Business	Fiscal Year 2017-18			Fiscal Year 2008-09		
		Assessed Value	Rank	Percent of Total Assessed Value	Assessed Value	Rank	Percent of Total Assessed Value
Walmart	Retail	\$ 90,988,160	1	1.83%	\$ 63,794,755	1	2.19%
AEP Texas North	Utility	66,873,620	2	1.35%	51,222,770	2	1.76%
Ethicon	Manufacturing	53,251,794	3	1.07%	44,396,038	3	1.53%
Hirschfeld Steel & Energy	Manufacturing	42,468,570	4	0.85%			
LCRA Transmission Services Corp	Utility	39,990,060	5	0.80%			
Envoy Air	Transportation	37,669,440	6	0.76%			
San Angelo Community Medical Center	Medical	34,006,720	7	0.68%	41,443,925	4	1.43%
C & J Well Services, Inc. (FKA/Nabors)	Petroleum Ind.	26,649,010	8	0.54%			
Glazers of Texas LLC	Wholesale	19,229,920	9	0.39%			
Sunset Mall	Retail	19,072,550	10	0.38%	22,926,430	7	0.79%
Frontier Communications (Prev Verizon)	Utility				37,855,782	5	1.30%
Shannon Medical Center	Medical				24,713,381	6	0.85%
Suddenlink Communication	Utility				22,569,616	8	0.78%
Alexander Properties	Real Estate				16,775,738	9	0.58%
Lowes Inc.	Retail				13,823,126	10	0.48%
	Total	<u>\$ 430,199,844</u>		<u>8.65%</u>	<u>\$ 339,521,561</u>		<u>11.69%</u>
	Total Assessed Value	<u>\$ 4,970,459,071</u>			<u>\$ 2,906,549,058</u>		

Source: Tom Green County Appraisal District.

TABLE 10

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

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percent of Original Levy		Amount	Percent of Adjusted Levy
2008-09	32,296,629	(375,702)	31,920,927	31,217,259	96.66%	692,183	31,909,442	99.96%
2009-10	41,023,104	(697,350)	40,325,754	39,528,397	96.36%	780,260	40,308,657	99.96%
2010-11	40,528,140	(405,871)	40,122,269	39,414,014	97.25%	693,346	40,107,360	99.96%
2011-12	41,525,593	(340,604)	41,184,989	40,661,953	97.92%	503,244	41,165,197	99.95%
2012-13	46,274,405	(33,169)	46,241,236	45,551,446	98.44%	665,780	46,217,226	99.95%
2013-14	48,901,050	(174,370)	48,726,680	48,093,415	98.35%	602,043	48,695,458	99.94%
2014-15	53,268,845	(127,144)	53,141,701	52,410,963	98.39%	640,353	53,051,316	99.83%
2015-16	56,104,234	(315,060)	55,789,174	54,855,433	97.77%	767,002	55,622,435	99.70%
2016-17	57,364,820	(324,744)	57,040,076	56,278,844	98.11%	397,163	56,676,007	99.36%
2017-18	60,142,555	(369,066)	59,773,489	58,887,087	97.91%	-	58,887,087	98.52%

**Source:** Tom Green County Appraisal District.

TABLE 11

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

Fiscal Year	Governmental Activities				Business- Type Activities	Total Primary Government	Percent of Personal Income	Per Capita
	General Obligation Bonds	Contractual Obligations	Loans Payable	Capital Leases	Cap. Lease or Debt			
2008-09	138,004,985	-	-	-	310,131	138,315,116	4.61%	1,505.39
2009-10	135,769,985	-	-	-	259,735	136,029,720	4.44%	1,476.19
2010-11	132,213,823	-	-	-	210,536	132,424,359	3.86%	1,420.86
2011-12	128,690,000	-	-	-	166,029	128,856,029	3.63%	1,362.92
2012-13	124,510,000	-	-	-	130,441	124,640,441	3.27%	1,299.87
2013-14	120,190,000	-	-	-	62,785	120,252,785	2.97%	1,233.46
2014-15	115,129,981	-	-	-	743,089	115,873,070	2.76%	1,170.73
2015-16	110,304,982	-	-	-	636,861	110,941,843	2.51%	1,104.45
2016-17	105,829,982	-	-	-	587,951	106,417,933	2.42%	1,056.76
2017-18	101,369,982	-	-	-	534,639	101,904,621	2.38%	1,017.83

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

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

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

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

Fiscal Year	Net General Bonded Debt Outstanding				Percent of Actual Value of Taxable Property	Per Capita	
	General Obligation Bonds	Contractual Obligations	Total General Bonded Debt	Less: Amount in Debt Service Fund			
2008-09	138,004,985	-	138,004,985	1,898,914	136,106,071	3.40%	1,481.35
2009-10	135,769,985	-	135,769,985	1,840,439	133,929,546	3.13%	1,453.40
2010-11	132,213,823	-	132,213,823	2,041,113	130,172,710	3.00%	1,396.70
2011-12	128,690,000	-	128,690,000	2,241,004	126,448,996	2.79%	1,337.46
2012-13	124,510,000	-	124,510,000	2,611,930	121,898,070	2.64%	1,271.27
2013-14	120,190,000	-	120,190,000	3,322,653	116,867,347	2.43%	1,198.74
2014-15	115,129,981	-	115,129,981	3,683,882	111,446,099	2.07%	1,126.00
2015-16	110,304,982	-	110,304,982	4,143,962	106,161,020	1.80%	1,056.85
2016-17	105,829,982	-	105,829,982	3,844,236	101,985,746	1.67%	1,012.75
2017-18	101,369,982	-	101,369,982	3,503,107	97,866,875	1.53%	977.51

Noting debt are in the notes to the financial statements.

**a** See Table 5 for property value data.

**b** See Table 15 for population data.

#### STATEMENT OF LEGAL DEBT MARGIN

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

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

The District's current debt service tax rate is \$0.17 per \$100 valuation, indicating a margin to service debt of approximately two times that currently being levied.



SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF AUGUST 31, 2017  
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>As of</u>	<u>Estimated Percentage Applicable</u> <b>a</b>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid With Property Taxes</b>				
City of San Angelo	\$ 49,227,232	9/30/2017	100.00%	\$ 49,227,232
Tom Green County	59,515,000	9/30/2017	73.88%	43,969,682
<b>Other Debt</b>				
City of San Angelo: COs Serviced by 1/2 Cent Sales Tax	12,915,000	9/30/2017	100.00%	12,915,000
Subtotal overlapping debt				<u>106,111,914</u>
<b>District direct debt</b>			<b>b</b>	<u>105,829,982</u>
<b>Total Direct &amp; Overlapping Debt</b>				<u><u>\$ 211,941,896</u></u>

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

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

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

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

This table reports values at year end 2017 because audited information for the City and County for year end 2018 is not available .

TABLE 14

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

Fiscal Year	Jumbotron Capital Lease Payable or Debt Payable						Coverage
	Advertising Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest	Total	
2008-09	71,651	-	71,651	28,832	27,117	55,949	128%
2009-10	70,751	-	70,751	50,395	24,810	75,205	94%
2010-11	56,229	-	56,229	49,199	20,778	69,977	80%
2011-12	68,059	-	68,059	44,507	16,843	61,350	111%
2012-13	82,584	-	82,584	35,588	34,537	70,125	118%
2013-14	81,788	-	81,788	67,657	7,693	75,350	109%
2014-15	115,663	-	115,663	62,784	2,382	65,166	177%
2015-16	144,265	-	144,265	106,228	57,317	163,545	88%
2016-17	144,265	32,474	111,791	48,910	52,916	101,826	110%
2017-18	144,865	15,934	128,931	53,312	48,117	101,429	127%

**Notes:** The Jumbo-tron scoreboard was acquired at the end of fiscal year 2004-05. Fiscal year 2005-06 was the first year of operations.  
 Revenues from advertising on the scoreboard are pledged for debt service payments on the capital lease.  
 Operating expenses do not include interest, depreciation, or amortization expenses.  
 The jumbotron was replaced with a new jumbotron at the end of fiscal 2015 under a similar agreement for the rights to advertising revenues being reported as debt.  
 Details of the District's outstanding debt are in the notes to the financial statements.

TABLE 15

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

<b>Calendar Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Income</b>	<b>Unemployment Rate</b>
	<b>a</b>	<b>[Calculated]</b>	<b>b</b>	<b>c</b>
2008	91,880	2,997,768,760	32,627	4.5%
2009	92,149	3,062,019,121	33,229	6.5%
2010	93,200	3,432,742,400	36,832	6.4%
2011	94,544	3,548,425,408	37,532	6.2%
2012	95,887	3,807,768,657	39,711	4.8%
2013	97,492	4,047,380,380	41,515	4.2%
2014	98,975	4,193,075,875	42,365	4.0%
2015	100,450	4,427,032,400	44,072	4.1%
2016	100,702	4,405,813,202	43,751	4.5%
2017	100,119	4,289,798,793	42,847	3.2%

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

Calendar Year 2017 is the most recent available information.

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

**b** U.S. Bureau of Economic Analysis for  
the San Angelo Metropolitan Statistical Area.

**c** Texas Workforce Commission and San Angelo Chamber of Commerce.

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

Employer	Fiscal Year 2017-18			Fiscal Year 2008-09		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
Goodfellow Air Force Base	5,127	1	10.30%	6,648	1	15.90%
Shannon Health System	2,712	2	5.45%	2,250	2	5.38%
San Angelo Independent School District	1,973	3	3.96%	2,051	3	4.91%
Angelo State University	1,625	4	3.26%	1,477	4	3.53%
City of San Angelo	936	5	1.88%	953	5	2.28%
San Angelo State Supported Living Center	950	6	1.91%			0.00%
San Angelo Community Medical Center	720	7	1.45%	857	7	2.05%
Sitel, Inc.	602	8	1.21%	744	9	1.78%
Tom Green County	514	9	1.03%	755	8	1.81%
Ethicon (Johnson & Johnson)	650	10	1.31%	650	10	1.55%
Totals	15,809		31.76%	16,385		39.19%
Total City of San Angelo Employment	49,800			41,806		

**Sources:** Principal Employers - San Angelo Chamber of Commerce.

Total City of San Angelo Employment - Texas Workforce Commission, Labor Market & Career Information.  
San Angelo metropolitan statistical area, total non-farm jobs

**Notes:** Employer information is for the dates indicated:

Fiscal Year 2017-18: San Angelo Chamber of Commerce January 2017

Fiscal Year 2008-09: San Angelo Chamber of Commerce November 2008

TABLE 17

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

	Fiscal Year									
	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
<u>Full-time-Equivalent Employees</u>										
Professional Staff:										
Teachers	936.1	943.6	954.8	943.1	931.3	921.7	944.2	987.4	1,016.2	984.1
Professional Support	173.9	187.1	181.5	176.5	173.6	176.0	168.7	186.5	186.7	178.8
Campus Administrators	55.1	54.5	52.6	51.0	48.4	47.5	46.1	45.2	45.3	45.5
Central Administrators	25.1	27.0	24.0	25.0	23.0	18.0	17.0	17.0	18.0	16.0
Educational Aides	251.8	243.9	233.1	238.1	227.6	214.3	226.7	244.2	249.0	238.0
Auxiliary Staff	504.5	498.5	472.9	486.6	491.8	500.3	486.2	505.1	498.0	491.1
Total Full-time-Equivalents	1,946.5	1,954.6	1,918.9	1,920.3	1,895.7	1,877.8	1,888.9	1,985.4	2,013.2	1,953.5
<u>Students per Teacher</u>	15.6	15.4	15.3	15.5	15.6	15.7	15.0	14.2	13.7	14.6
<u>Teachers by Years of Experience</u>										
Beginning Teachers	76.3	113.6	73.6	75.9	59.8	66.1	38.4	47.7	71.6	67.6
1-5 Years Experience	282.9	238.4	251.7	226.0	225.1	201.2	230.9	258.8	275.2	247.6
6-10 Years Experience	168.3	178.2	184.8	202.0	179.3	186.7	195.5	200.0	186.4	196.1
11-20 Years Experience	240.5	243.9	267.1	254.7	276.5	281.4	280.5	291.3	291.8	277.1
Over 20 Years Experience	168.2	169.5	177.6	184.4	190.7	186.3	199.0	189.6	191.1	195.7
<u>Average Teacher Salary by Years of Experience</u>										
Beginning Teachers	\$ 37,486	\$ 38,873	\$ 37,981	\$ 35,507	\$ 36,220	\$ 35,597	\$ 31,612	\$ 35,744	\$ 36,464	\$ 35,600
1-5 Years Experience	41,910	41,063	40,270	39,423	39,155	38,924	37,947	38,411	38,454	37,913
6-10 Years Experience	45,032	44,134	43,589	42,618	42,143	41,588	40,652	41,135	41,873	40,136
11-20 Years Experience	48,980	48,234	47,610	46,827	45,934	45,504	44,648	45,240	45,107	44,491
Over 20 Years Experience	56,584	56,138	55,749	54,749	53,945	54,082	53,530	54,061	53,888	53,264
<u>Turnover Rate for Teachers</u>	18.1%	16.5%	15.1%	15.4%	13.6%	16.7%	12.7%	11.6%	13.1%	14.2%
<u>Class Size Average:</u>										
Elementary:										
Kindergarten	17.5	17.9	17.8	18.3	18.6	18.7	19.1	18.5	17.8	19.2
Grade 1	18.4	17.5	18.1	19.1	19.0	19.1	19.0	19.2	17.9	17.4
Grade 2	18.5	18.2	18.3	18.6	18.3	19.3	23.8	18.6	18.3	19.6
Grade 3	18.8	18.9	19.0	18.4	18.5	18.9	34.2	17.8	16.6	17.6
Grade 4	18.6	17.3	17.5	17.5	18.3	18.8	39.0	18.4	17.2	16.9
Grade 5	19.9	19.5	19.1	19.6	20.2	20.7	37.5	21.1	18.6	19.9
Grade 6	21.0	21.2	20.6	20.2	18.6	21.9	22.4	21.8	22.3	21.9
Mixed Grades	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Secondary:										
English	19.7	19.7	18.2	18.8	17.5	20.2	17.0	20.1	19.5	19.4
Foreign Language	20.2	19.5	18.9	21.9	21.8	21.0	20.6	20.8	19.4	21.3
Mathematics	20.8	20.4	18.3	18.8	18.7	19.9	17.0	20.3	19.4	18.8
Science	20.9	20.8	19.3	19.5	18.7	21.3	18.0	20.6	20.4	19.2
Social Studies	20.9	21.1	19.1	20.4	20.0	21.0	17.8	20.6	20.7	20.6

**Source:** TEA Academic Excellence Indicator System-PEIMS Data  
TEA- Texas Academic Performance Report

**N/A:** Information not available

TABLE 18

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

Student Ethnic Distribution	Fiscal Year									
	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
African American	574	614	600	614	639	673	626	599	764	812
Hispanic	8,687	8,585	8,623	8,598	8,515	8,413	8,089	8,017	7,407	7,447
White	4,777	4,903	4,982	4,990	4,984	4,958	5,048	5,054	5,536	5,884
Asian/Pacific Islander	192	183	149	141	159	156	149	154	174	195
Native American	51	43	43	44	39	38	51	55	37	29
Two or more races	286	244	232	239	214	189	184	164		
Total	14,567	14,572	14,629	14,626	14,550	14,427	14,147	14,043	13,918	14,367
Economically Disadvantaged	8,452	8,762	8,785	8,483	8,716	8,700	8,616	8,683	8,527	7,786
English Language Learners (ELL)	684	694	764	748	699	643	641	659	718	767
Students w/ disciplinary Placements	N/A	191	234	212	205	188	171	N/A	384	691
Percent of Students Eligible for Free or Reduced Meals	57.9%	60.1%	60.1%	58.0%	59.9%	60.3%	59.2%	61.8%	61.3%	54.2%
Retention Rates by Grade (Non-Special Educ. Rates)										
Kindergarten	1.9%	2.9%	3.5%	2.3%	3.0%	2.9%	2.2%	1.9%	2.6%	4.1%
Grade 1	2.2%	3.4%	3.8%	3.6%	2.6%	2.2%	2.3%	2.5%	1.4%	4.3%
Grade 2	0.8%	2.5%	2.1%	1.4%	1.8%	1.3%	0.9%	1.3%	1.4%	2.2%
Grade 3	0.1%	0.2%	0.8%	1.2%	0.5%	0.6%	0.2%	0.2%	0.6%	1.7%
Grade 4	0.0%	0.2%	0.1%	0.3%	0.4%	0.1%	0.1%	0.2%	0.3%	0.3%
Grade 5	0.0%	0.1%	0.4%	0.5%	0.5%	0.1%	0.1%	0.2%	0.4%	0.6%
Grade 6	0.0%	0.0%	0.2%	0.4%	0.1%	0.4%	0.3%	0.5%	0.9%	1.5%
Grade 7	0.2%	0.4%	0.3%	0.2%	0.4%	0.2%	0.8%	0.8%	1.1%	1.8%
Grade 8	0.1%	0.0%	0.4%	0.4%	0.6%	0.2%	0.2%	0.5%	1.6%	0.7%
Attendance Rate	N/A	95.6%	95.9%	96.0%	96.2%	96.2%	96.6%	96.3%	96.3%	96.3%
Annual Dropout Rate Grades 7-8 - Method 1	N/A	0.4%	0.3%	0.8%	0.2%	0.7%	0.3%	0.2%	0.2%	0.3%
% Students Passing All Sections of the TAAS Exam, met TAKS Standard *†‡										
Grade 3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	84.0%	87.0%	84.0%
Grade 4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	81.0%	81.0%	83.0%
Grade 5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	79.0%	82.0%	78.0%
Grade 6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	73.0%	74.0%	77.0%
Grade 7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75.0%	77.0%	74.0%
Grade 8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	68.0%	70.0%	62.0%
Grade 10	N/A	N/A	N/A	N/A	N/A	N/A	N/A	60.0%	56.0%	53.0%
Cumulative Pass Rate--Exit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	91.0%	89.0%	85.0%
All Grades STAAR percent at Phase-in Satisfactory Standard or above, beginning 2016-17 at approaches Grade Level or Above										
Reading	65.0%	65.0%	70.0%	74.0%	74.0%	77.0%				
Mathematics	71.0%	74.0%	72.0%	71.0%	75.0%	77.0%				
Writing	60.0%	62.0%	67.0%	67.0%	72.0%	59.0%				
Science	73.0%	74.0%	76.0%	76.0%	77.0%	80.0%				
Social Studies	68.0%	68.0%	75.0%	73.0%	71.0%	74.0%				
SAT/ACT % Tested	N/A	61.7%	54.6%	59.6%	57.3%	54.3%	57.0%	N/A	55.6%	56.5%
Mean SAT Score	N/A	1065	1454	1430	1476	1503	1484	N/A	1052	1003
Mean ACT Score	N/A	20.7	20.4	20.5	21.1	21.1	20.5	N/A	20.8	20.2

Source: TEA Academic Excellence Indicator System-PEIMS Data, Beginning in 2013, Texas Academic Performance Report

N/A: Information not available

\* First year for TAKS 2002-03

† 2012 transition from TAKS to STAAR . Testing scores were not available.

TABLE 19

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

Fiscal Year	Modified Accrual Basis			Accrual Basis			Pupil- Teacher Ratio
	Operating Expenditures	Cost per Pupil	Percent Change	Expenses	Cost per Pupil	Percent Change	
2008-09	114,168,496	7,947	13.33%	123,380,944	8,588	16.18%	14.6
2009-10	117,667,207	8,454	6.38%	127,919,521	9,190	7.01%	13.6
2010-11	119,263,358	8,492	0.45%	129,676,953	9,234	0.48%	14.2
2011-12	112,460,649	7,949	-6.39%	123,852,998	8,755	-5.19%	15.0
2012-13	113,850,387	7,891	-0.73%	125,372,562	8,690	-0.74%	15.7
2013-14	117,864,334	8,101	2.65%	130,651,645	8,979	3.33%	15.6
2014-15	125,020,531	8,548	5.52%	133,189,888	9,106	1.41%	15.5
2015-16	125,137,262	8,554	0.07%	143,616,996	9,817	7.81%	15.3
2016-17	125,837,728	8,636	0.95%	142,409,334	9,773	-0.45%	15.4
2017-18	94,511,907	6,488	-24.87%	102,543,454	7,039	-27.97%	15.6

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

**a** See Table 18 for enrollment information.

**b** See Table 17 for teaching staff information.

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

	Fiscal Year									
	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
<b>Schools</b>										
Elementary:										
Campuses	17	17	17	17	17	17	17	17	17	17
Square feet	986,234	933,461	924,378	924,378	924,378	809,850	809,850	809,850	809,850	809,850
Capacity	8801	8801	8801	8,801	8,801	8,801	8,801	8,801	8,801	8,801
Enrollment	7104	7158	7415	7,416	7,570	7,053	7,150	7,012	7,204	7,003
Middle:										
Campuses	3	3	3	3	3	3	3	3	3	3
Square feet	460,347	460,356	452,347	452,347	452,347	430,576	430,576	430,576	430,576	430,576
Capacity	3115	3115	3115	3,115	3,115	3,115	3,115	3,115	3,115	3,115
Enrollment	3251	3190	3148	3,204	3,095	3,109	2,985	2,938	2,950	2,946
High:										
Campuses	3	3	3	3	3	3	3	3	3	3
Square feet	803,265	793,022	785,672	785,672	785,789	800,979	800,979	800,979	800,979	800,979
Capacity	4420	4420	4420	4,420	4,420	4,420	4,420	4,420	4,420	4,420
Enrollment	4078	4087	4063	3,930	3,762	3,865	3,929	3,967	4,228	4,237
Head Start:										
Campuses	3	3	3	3	3	3	3	3	3	3
Square feet	106,114	98,901	98,901	98,901	98,901	98,901	98,901	98,901	98,901	98,901
Capacity	837	837	837	837	837	837	837	837	837	837
Enrollment	573	588	559	532	572	120	581	527	564	527
Alternative Learning:										
Campuses	2	2	2	2	2	2	2	2	2	1
Square feet	24,463	24,855	24,855	24,855	24,855	24,855	24,855	24,855	24,855	16,641
Capacity	230	230	230	230	230	230	230	230	230	110
Enrollment	46	48	54	52	53	51	51	48	47	62
Idle Facilities:										
Campuses	1	1	1	1	1	1	1	1	1	1
Square feet	26,405	26,405	26,405	26,405	50,575	50,575	50,575	50,575	50,575	50,575
Capacity	0	0	0	-	1,124	1,124	1,124	1,124	1,124	1,124
<b>Administrative</b>										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	42,295	42,295	42,295	42,295	42,295	42,295	42,295	42,295	42,295	42,295
<b>Transportation</b>										
Garages / buildings	1	1	1	1	1	1	1	1	1	1
Buses	95	85	85	85	84	80	80	80	80	80
<b>Warehouses, Storage, Etc:</b>										
Buildings	13	8	8	8	8	8	8	8	8	9
Square feet	89,992	38,279	38,279	38,279	38,279	38,279	38,279	38,279	38,279	46,493
<b>Athletics</b>										
Stadium Field House	3	1	1	1	1	1	1	1	1	1
Football/Soccer fields	15	15	15	15	15	15	15	15	15	15
Running tracks	3	2	2	2	2	2	2	2	2	2
Baseball / softball	5	5	5	5	5	5	5	5	5	5
Swimming pools	1	1	1	1	1	1	1	1	1	1
Playgrounds	30	31	31	31	31	31	31	31	31	31

**Source:** District records.

**Notes:**

1. Sixth graders moved to Lee and Glenn in fiscal 2008 under middle school concept.
2. Pays campus (alternative learning) was opened in fy 2009.(was under storage etc). Student enrollment is still counted in the high schools.
3. 2013-Bond project added square footage to Elementary and Middle Schools. Buildings demolished in bond renovations slightly reduced High Schools.
4. In 2014 high schools added Lake View science wing and demolished Handel Hall. Demol some builds at Old Lincoln Idle campus, but science wing is storage
5. Overall capacity has not been re-evaluated by the district after the 2008 bond project completions.
6. 2017- added classrooms at Ft.Concho Elem, Glenn MS, and Tennis Dressing at CHS, and LVHS



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## **SINGLE AUDIT SECTION**

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# RICHARD WEBB

CERTIFIED PUBLIC ACCOUNTANT, PLLC

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

**Independent Auditor's Report**

San Angelo Independent School District  
1621 University  
San Angelo, Texas 76904

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of San Angelo Independent School District, as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise San Angelo Independent School District's basic financial statements, and have issued our report thereon dated January 11, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered San Angelo Independent School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of San Angelo Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of San Angelo Independent School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether San Angelo Independent School District's financial statements are free from 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*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Richard Webb CPA, PLLC*

*(signature on file with the District)*

San Angelo, TX

January 11, 2019



# **RICHARD WEBB**

**CERTIFIED PUBLIC ACCOUNTANT, PLLC**

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## **Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

### **Independent Auditor's Report**

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

### **Report on Compliance for Each Major Federal Program**

We have audited San Angelo Independent School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of San Angelo Independent School District's major federal programs for the year ended August 31, 2018. Example Entity's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of San Angelo Independent School District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about San Angelo Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of San Angelo Independent School District's compliance.

#### ***Opinion on Each Major Federal Program***

In our opinion, San Angelo Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2018.

### **Report on Internal Control Over Compliance**

Management of San Angelo Independent School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered San Angelo Independent School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 San Angelo Independent School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of San Angelo Independent School District as of and for the year ended August 31, 2018, and have issued our report thereon dated January 11, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Richard Webb CPA, PLLC*

*(signature on file with the District)*

San Angelo, TX

January 11, 2019

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2018

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

**Financial Statements**

The type of report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?: No

Significant deficiencies identified? No

Noncompliance material to the financial statements noted? No

**Federal Awards**

Internal control over major federal programs?

Material weakness(es) identified ? No

Significant deficiencies identified? No

Type of report issued on compliance for major programs: No

Any audit findings disclosed required to be reported in accordance with 2 CFR 200.516(a)? No

Major Programs:

84.010A ESEA, Title I, Part A-Improving Basis Programs

84.011 ESEA, Title I, Part C-Migratory Children

Special Education Cluster

84.027 IDEA-Part B, Formula

84.173 IDEA-Part B, Preschool

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low risk auditee? Yes

**II FINDINGS-FINANCIAL STATEMENT AUDIT**

There are no findings to report.

**III FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS  
AUDIT**

There are no findings to report.



SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED AUGUST 31, 2018

(Prepared by the District's Administration)

Not Applicable - No current year findings.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED AUGUST 31, 2018

(Prepared by the District's Administration)

Not Applicable-No current year findings.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2018

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<u>Direct Programs</u>			
Early Headstart	93.600	06CH7116-04-00	\$ 833,609
Early Headstart	93.600	06CH7116-05-00	258,602
Total CFDA Number 93.600			1,092,211
Child & Adult Care Feeding	10.558	03199	29,789
Child & Adult Care Feeding	10.558	03199	441,055
Total CFDA Number 10.558			470,844
Other Federally Funded Special Revenue Funds	84.369A	69551702	235,758
Total Direct Programs			1,798,813
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			1,798,813
<b>U.S. DEPARTMENT OF DEFENSE</b>			
<u>Direct Programs</u>			
Selected Res. Educ. Asst. Prog. - ROTC			161,714
Total Direct Programs			161,714
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>			161,714
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Direct Programs</u>			
Impact Aid - P.L. 81.874 (Note A)	84.041		59,995
Total Direct Programs			59,995
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	18610101226903	3,216,667
ESEA, Title I, Part C - Migratory Children	84.011A	18615001226903	71,034
**IDEA - Part B, Formula	84.027A	186600012269036600	3,392,357
**IDEA - Part B, Preschool	84.173A	186610012269036610	87,799
Total Special Education Cluster (IDEA)			3,480,156
Career and Technical - Basic Grant	84.048A	18420006226903	159,305
Career and Technical - Basic Grant	84.048A	19420006226903	14,750
Total CFDA Number 84.048A			174,055
Title III, Part A - English Language Acquisition	84.365A	18671001226903	70,074
ESEA, Title II, Part A, Supporting Effective Instr	84.367A	18694501226903	471,495
ESEA, Title II, Part A, Supporting Effective Instr	84.367A	19694501226903	1,327
Total CFDA Number 84.367A			472,822
Total Passed Through State Department of Education			7,484,808
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			7,544,803
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<u>Passed Through Texas Dept of Human Services</u>			
Medicaid Administrative Claiming Program - MAC	93.778	PC1274C	4,055
Total Passed Through Texas Dept of Human Services			4,055
<u>Passed Through State Department of Education</u>			
Head Start	93.600	06CH7116-04-00	2,306,036
Head Start	93.600	06CH7116-05-00	227,268
Total CFDA Number 93.600			2,533,304

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2018

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
Total Passed Through State Department of Education			2,533,304
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>2,537,359</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	01051	1,496,789
*National School Lunch Program - Cash Assistance	10.555	01051	3,227,502
*National School Lunch Prog - Non-Cash Assistance	10.555	01051	501,010
Total CFDA Number 10.555			3,728,512
*Summer Feeding Program - Cash Assistance	10.559	01051	75,086
Total Child Nutrition Cluster			5,300,387
Total Passed Through the State Department of Agriculture			5,300,387
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b>5,300,387</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 17,343,076</b>

\*Child Nutrition Cluster, \*\*Special Education Cluster

NOTE A - ROTC and Impact Aid revenues are accounted for in the General Fund. National School Breakfast and Lunch Program programs and the Child and Adult Care Feeding Program are accounted for in the Special Revenue Funds. Expenditures for programs are not specifically attributable to the Federal revenue source and shown on this schedule in an amount equal to the revenue for reporting purposes only.

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

\$17,343,077	Total expenditures of Federal Awards per this schedule
1,446,319	School Health and Related Services (SHARS) in the General Fund and not reported on this schedule
15,509	Excess of revenues over expenditures in CACFP
(858)	Excess of expenditures over Federal revenues in Head Start and Early Head Start, funded by local revenues and transfers
<hr/>	
\$18,804,053	Federal program revenues, per Exhibit C-3
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See Accompanying Notes to the Schedule of Expenditures of Federal Awards

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2018

1. For all Federal programs, the District uses the fund types specified in Texas Education Agency's ***Financial Accountability System Resource Guide***. Special revenue funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types and Expendable Trust Funds are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in either a Special Revenue Fund or the General Fund which are Governmental Fund types. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.
3. The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.
4. Expenditures reported on the Schedule are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable are limited as to reimbursement.
5. Federal grant funds are generally considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.
6. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period is extended 90 days beyond the federal project period ending date, in accordance with provisions in 2 CFR section 200.71.
7. CFDA number 10.550 pertains to food commodities distributed by USDA under the following categorical programs (as applicable): the National School Lunch Program (CFDA 10.555). USDA deleted this number from the CFDA on May 6, 2008. The audit covering San Angelo Independent School District fiscal year beginning September 1 2008, and future audits, will therefore identify commodity assistance by the CFDA numbers of the programs under which USDA donated the commodities.
8. The District has not elected to use the 10% de minimus indirect rate as allowed under Uniform Guidance.

# SCHOOLS FIRST QUESTIONNAIRE

San Angelo Independent School District

Fiscal Year 2018

SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF8	Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$945,515
SF11	Net Pension Assets (1920) at fiscal year-end.	
SF12	Net Pension Liabilities (2540) at fiscal year-end.	\$22,909,050
SF13	Pension Expense (6147) at fiscal year-end.	

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