

**Comprehensive  
Annual Financial Report  
of the**

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

**For The Year Ended August 31, 2016**

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**Comprehensive  
Annual Financial Report  
of the**

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

**For The Year Ended August 31, 2016**

**Prepared by  
FINANCE DEPARTMENT**

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SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED AUGUST, 31, 2016

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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) \_\_\_\_\_ approved \_\_\_\_\_ disapproved for the year ended August 31, 2016 at a meeting of the Board of Trustees of such school district on the 16<sup>th</sup> day of January, 2017.

Gerard Gallegos  
Signature of Board Secretary  
(Signature on file with district)

Lanny Layman  
Signature of Board President  
(Signature on file with 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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December 15, 2016

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, 2016.

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 Webb & Webb, a firm of licensed certified public accountants to audit this year’s financial statements. The goal of an independent audit is to provide reasonable

assurance that the financial statements of the District for fiscal year ended August 31, 2016, 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, 2016, 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. 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 over the last five years. In fiscal 2016 District enrollment was 14,629 students.

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, Verizon Communications, San Angelo Community Medical Center, Shannon Medical Center, Goodfellow Air Force Base, and many other local businesses provide the economic potential of San Angelo. 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

Board of Trustees and Citizens  
December 15, 2016

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. The District contracted a professional facility study to evaluate District facilities and determine facility needs after completion of a recent bond program.

**Major Initiatives** – The District has not taken on any new major 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, 2015. To be awarded a Certificate of Excellence, a school district must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

**Jeff Bright**

Jeff Bright, Assistant Superintendent Business and Operations  
Signed reports on file with the District



SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
DISTRICT OFFICIALS, STAFF AND CONSULTANTS  
FOR THE YEAR ENDED AUGUST 31, 2016

**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
Tim Archer, Treasurer	May 2017	Owner / Manager, Archer Floor Company
Gerard Gallegos, Secretary	May 2019	Access Billing Rep. / Verizon, Inc.
Art Hernandez, Trustee	May 2017	Funeral and Cemetery Family Service Counselor
Bill Dendle, Trustee	May 2017	Managing Partner, Angelo Plumbing Supply
Ami Mizell-Flint, Trustee	May 2017	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	7 Years	24 Years
Shelly Hullihen	Assistant Superintendent, Educational Support Services	9 Years	36 Years
Dr. Jeff Bright	Assistant Superintendent, Business & Support Services	13 Years	29 Years
Matt Kimble	Assistant Superintendent, Human Resources & Staff Development	2 Years	24 Years
Denise Huffman	Comptroller	14 Years	18 Years
Hope Flores	Director of Financial Services	18 Years	18 Years

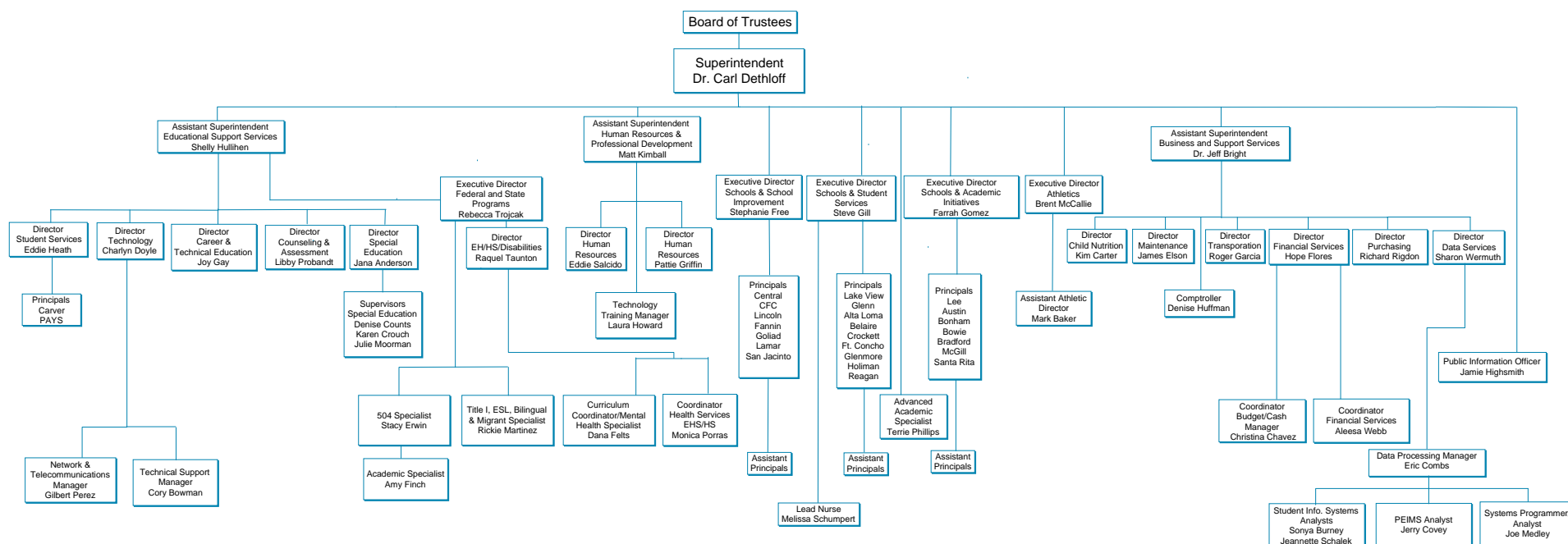
**Consultants and Advisors**

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

# San Angelo Independent School District

## Administrative Organizational Chart

### School Year 2015-2016



Revised  
8/2015



**ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**

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

**San Angelo Independent School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended August 31, 2015.**

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



*Brenda Burkett*

Brenda R. Burkett, CPA, CSBA, SFO  
President

*John D. Musso*

John D. Musso, CAE, RSBA  
Executive Director

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## **FINANCIAL SECTION**

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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 San Angelo Independent School District (the District) as of and for the year ended August 31, 2016, and the 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**

Managements 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 of 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 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 the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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, 2016, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **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 the 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 and other 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 taken as a whole.

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

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

In accordance with Government Auditing Standards, we have also issued our report dated December 15, 2016 on our consideration 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.

Webb & Webb

(Signature on file with District)

San Angelo, TX

December 15, 2016

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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, 2016. 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. 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 includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies. All of the current year's

revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the district, food service revenues, rents, and curriculum sales (program revenues), and revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years. 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 and liabilities) 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	
	2016	2015	2016	2015	2016	2015
Assets:						
Current and Other Assets	\$45,809	\$53,765	\$80	\$187	\$45,889	\$53,952
Capital Assets	215,547	202,701	771	856	216,318	\$203,557
Total Assets	261,356	256,466	851	1,043	262,207	\$257,509
Deferred Outflows	26,947	18,279	-	-	26,947	18,279
Liabilities:						
Current Liabilities	8,144	7,856	42	116	8,186	7,972
Long Term Liabilities	152,898	144,745	637	743	153,535	145,488
Total Liabilities	161,042	152,601	679	859	161,721	153,460
Deferred Inflows:	2,016	3,982	-	-	2,016	3,982
Net Position:						
Net Investment in						
capital assets	90,141	86,764	109	113	90,250	86,877
Restricted	6,861	6,283	-	-	6,861	6,283
Unrestricted	28,243	25,115	63	71	28,306	25,186
Total Net Position	\$125,245	\$118,162	\$172	\$184	\$125,417	\$118,346

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

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,563	\$ 3,827	\$ 247	\$ 195	\$ 3,810	\$ 4,022
Operating Grants & Contributions	23,563	23,709	-	-	23,563	23,709
General Revenues:					-	-
Maint & Oper Taxes	46,989	44,572	-	-	46,989	44,572
Debt Service Taxes	8,810	8,571	-	-	8,810	8,571
State Aid Formula Grants	65,583	63,736	-	-	65,583	63,736
Investment Earnings	356	199	-	-	356	199
Miscellaneous	1,840	746	-	-	1,840	746
Total Revenues	150,704	145,360	247	195	150,951	145,555
Expenses:						
Instruction, Curriculum, Media	82,272	76,743	-	-	82,272	76,743
Instructional/ School Leadership	10,228	9,314	-	-	10,228	9,314
Guidance, Social Work, Health			-	-	-	-
& Transportation	10,213	9,159	-	-	10,213	9,159
Child Nutrition	8,320	7,664	-	-	8,320	7,664
Co-curricular Activities	6,050	5,622	-	-	6,050	5,622
General Administration	2,865	3,522	-	-	2,865	3,522
Plant Maint, Security, Data Proc	17,160	16,445	-	-	17,160	16,445
Community Services	293	287	-	-	293	287
Debt Service	5,236	3,480	-	-	5,236	3,480
Other Intergovernmental Charges	979	954	-	-	979	954
Other: Business-type Activities	-	-	264	126	264	126
Total Expenses	143,616	133,190	264	126	143,880	133,316
Excess (Deficiency) before extraordinary item and transfers	7,088	12,170	(17)	69	7,071	12,239
Extraordinary Item (Use)	-	(150)			-	(150)
Transfer In (Out)	(5)	(107)	5	107	-	-
Change in Net Position	7,083	11,913	(12)	176	7,071	12,089
Prior Period Adjustment	-	(14,749)			-	(14,749)
Net Position at September 1	118,162	120,998	184	8	118,346	121,006
Ending Net Position at August 31	\$ 125,245	\$ 118,162	\$ 172	\$ 184	125,417	118,346

*Net Position.* Current year revenue gains outpaced expenses toward improvement of the District's net position in the governmental activities. Enrollment gains translated into a modest increase in specially funded student populations and brought increased formula revenues from the state. Local property taxes increased in response to city growth that was spurred by oil industry activity in the region. The District's total net position increased 6% from \$118 million to \$125 million.

In the business-type activities, current operations of the Concession Fund experienced a slight loss. The Jumbotron Fund current charges for interest and depreciation exceeded advertising revenue. A transfer from the Governmental Activities for maintenance cost on the Jumbotron offset the loss to net a \$12 reduction in net position in the Business type Activities from \$184 thousand to \$172 thousand.

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

*Changes in Net Position.* Total revenues increased by \$5.4 million (3.7%) above fiscal 2015, as expenses increased by \$10.5 million (1.8%). Revenues exceeded expenditures to improve net position by \$7 million. Increased enrollment, state funding formula gains, and increased property values for tax collections contributed to improve the District's net position.

## **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 and 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 and 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 \$36.7 million to \$41.9 million. At the end of the fiscal year, the General Fund's unassigned fund balance stood at \$28.3 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, the Debt Service fund, and the 2008 Bond Fund. Most special revenue funds are budgeted to fully expend current year grants awarded from federal or state initiatives. Special revenue funds report the District meal programs for the school year and a summer feeding program and hold a combined fund balance of \$3.36 million in non-spendable inventory and funds restricted for the meal programs. Other funds restricted for various grant programs total \$68 thousand. \$332 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 \$106 thousand committed by the board of for use in maintaining district athletic facilities. \$9 thousand remaining from the District's former self-insured health plan is committed by the board for employee wellness programs. The remains of the 2008 bond fund was exhausted in fiscal 2016 for minor repairs at one of the bond



renovated campuses. In the Debt Service Fund, although the debt tax was reduced from \$0.20 to \$0.195 per \$100 of property value, increased property values brought higher debt tax collections. At year-end, the Debt Service Fund had a \$4.1 million fund balance, an increase of \$0.5 million from the prior year.

*Proprietary 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 remains stable and reported net Position of approximately \$486 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.

*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 although the Jumbotron Fund is a major fund for financial statement reporting in fiscal 2016. The Concession Fund reported a net loss on concession services. The Jumbotron Fund reported net operating revenues from Jumbotron advertising at the District's athletic stadium but a net loss after non-operating interest costs and a transfer of funds from a special revenue fund used for improvements to District athletic facilities

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2016 the District had \$201.4 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 \$1.3 million from the prior year. Increases and decreases to investment in capital assets in governmental activities are shown below (**in thousands**):

#### San Angelo ISD Capital Assets (Governmental Activities)

##### Increases:

Furniture and Equipment	1,031	
Vehicles	1,137	
Buildings and Site Improvements	2,869	
		\$ 5,037

##### Construction Work in Progress

Project costs incurred	\$4,907	
Projects completed-increasing other categories		
McGill Elementary HVAC	( 1,059)	
Central High School tennis courts	( 942)	
Central High School band hall	( 728)	
Lincoln Middle School parking lot	( 140)	
		2,038

##### Decreases:

Land sold	( 11)	
Equipment sold or abandoned as obsolete	(123)	

Less accumulated depreciation	123	
Vehicles Sold	(415)	
Less accumulated depreciation	410	
Current year depreciation	(8,346)	(8,362)

Net decrease to capital assets (governmental activities) \$ (1,287)

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 \$110.3 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. The principal expenditure amendments were to budget capital expenditures. In the general fund, actual revenues reported were 102 % of the amended budget and expenditures were 95.3 % of the amended budget. Actual revenues exceeded expenditures by \$4.2 million.

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

As the 2016-2017 budget was prepared, the district maintained its maintenance and operating tax rate at \$1.04 and reduced the debt tax rate to \$0.18 per \$100 of property value. The District budgeted an increase in local property tax collections due to increased property values. Enrollment is a major factor in determining state 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 \$109.1 million and expenditures are budgeted at approximately \$106.9 million. Net budgeted revenue will be utilized for capital outlay requests to be considered if enrollment meets projections.

## **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, 2016

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	\$ 27,796,631	\$ 62,799	\$ 27,859,430
1120	Current Investments	9,127,501	-	9,127,501
1220	Property Taxes Receivable (Delinquent)	1,935,434	-	1,935,434
1230	Allowance for Uncollectible Taxes	(94,837)	-	(94,837)
1240	Due from Other Governments	5,015,905	-	5,015,905
1250	Accrued Interest	59,689	-	59,689
1290	Other Receivables, net	667,581	16,540	684,121
1300	Inventories	724,064	916	724,980
1410	Prepayments	577,647	-	577,647
	Capital Assets:			
1510	Land	6,854,234	-	6,854,234
1520	Buildings, Net	179,578,450	-	179,578,450
1530	Furniture and Equipment, Net	10,980,213	770,480	11,750,693
1580	Construction in Progress	4,001,584	-	4,001,584
1800	Restricted Assets	415,560	-	415,560
1910	Long Term Investments	13,716,983	-	13,716,983
1000	Total Assets	261,356,639	850,735	262,207,374
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
1701	Deferred Charge for Refunding	13,691,906	-	13,691,906
1705	Deferred Outflow Related to TRS	13,254,748	-	13,254,748
1700	Total Deferred Outflows of Resources	26,946,654	-	26,946,654
<b>LIABILITIES</b>				
2110	Accounts Payable	1,617,841	1,025	1,618,866
2140	Interest Payable	217,525	-	217,525
2150	Payroll Deductions & Withholdings	770,102	-	770,102
2160	Accrued Wages Payable	4,394,238	-	4,394,238
2180	Due to Other Governments	125,723	-	125,723
2190	Due to Student Groups	2,231	-	2,231
2200	Accrued Expenses	566,725	40,777	607,502
2300	Unearned Revenue	449,782	-	449,782
	Noncurrent Liabilities			
2501	Due Within One Year	4,880,000	48,910	4,928,910
2502	Due in More Than One Year	120,922,893	587,951	121,510,844
2540	Net Pension Liability (District's Share)	27,094,755	-	27,094,755
2000	Total Liabilities	161,041,815	678,663	161,720,478
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2605	Deferred Inflow Related to TRS	2,016,251	-	2,016,251
2600	Total Deferred Inflows of Resources	2,016,251	-	2,016,251
<b>NET POSITION</b>				
3200	Net Investment in Capital Assets	90,140,840	109,382	90,250,222
	Restricted:			
3820	Restricted for Federal and State Programs	2,708,634	-	2,708,634
3850	Restricted for Debt Service	4,143,962	-	4,143,962
3890	Restricted for Other Purposes	9,000	-	9,000
3900	Unrestricted	28,242,791	62,690	28,305,481
3000	Total Net Position	\$ 125,245,227	\$ 172,072	\$ 125,417,299

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, 2016

Data Control Codes	1	Program Revenues	
		3	4
	Expenses	Charges for Services	Operating Grants and Contributions
<b>Primary Government:</b>			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 79,329,970	\$ 608,968	\$ 12,300,186
12 Instructional Resources and Media Services	1,632,171	6,097	53,376
13 Curriculum and Staff Development	1,309,828	-	425,258
21 Instructional Leadership	2,304,859	6,097	418,950
23 School Leadership	7,922,842	280,450	912,120
31 Guidance, Counseling and Evaluation Services	5,124,249	-	980,504
32 Social Work Services	831,773	-	323,980
33 Health Services	820,322	-	199,699
34 Student (Pupil) Transportation	3,436,964	-	133,585
35 Food Services	8,320,309	1,640,888	6,553,149
36 Extracurricular Activities	6,050,147	401,525	119,845
41 General Administration	2,865,429	-	106,089
51 Facilities Maintenance and Operations	13,853,266	613,012	819,083
52 Security and Monitoring Services	537,672	-	5,411
53 Data Processing Services	2,768,960	6,062	84,733
61 Community Services	292,545	-	127,004
72 Debt Service - Interest on Long Term Debt	5,236,192	-	-
99 Other Intergovernmental Charges	979,498	-	-
[TG] Total Governmental Activities:	143,616,996	3,563,099	23,562,972
BUSINESS-TYPE ACTIVITIES:			
01 Concession Fund	105,647	102,737	-
02 JumboTron Fund	158,860	144,265	-
[TB] Total Business-Type Activities:	264,507	247,002	-
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 143,881,503	\$ 3,810,101	\$ 23,562,972
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		
FR	Transfers In (Out)		
TR	Total General Revenues & Transfers		
CN	Change in Net Position		
NB	Net Position - Beginning		
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
\$ (66,420,816)	\$ -	\$ (66,420,816)
(1,572,698)	-	(1,572,698)
(884,570)	-	(884,570)
(1,879,812)	-	(1,879,812)
(6,730,272)	-	(6,730,272)
(4,143,745)	-	(4,143,745)
(507,793)	-	(507,793)
(620,623)	-	(620,623)
(3,303,379)	-	(3,303,379)
(126,272)	-	(126,272)
(5,528,777)	-	(5,528,777)
(2,759,340)	-	(2,759,340)
(12,421,171)	-	(12,421,171)
(532,261)	-	(532,261)
(2,678,165)	-	(2,678,165)
(165,541)	-	(165,541)
(5,236,192)	-	(5,236,192)
(979,498)	-	(979,498)
(116,490,925)	-	(116,490,925)
-	(2,910)	(2,910)
-	(14,595)	(14,595)
-	(17,505)	(17,505)
(116,490,925)	(17,505)	(116,508,430)
46,989,297	-	46,989,297
8,810,490	-	8,810,490
65,582,875	-	65,582,875
356,437	-	356,437
1,839,850	-	1,839,850
(5,209)	5,209	-
123,573,740	5,209	123,578,949
7,082,815	(12,296)	7,070,519
118,162,412	184,368	118,346,780
\$ 125,245,227	\$ 172,072	\$ 125,417,299

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2016

Data Control Codes	10 General Fund	Other Funds	Total Governmental Funds
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 20,304,800	\$ 7,002,811	\$ 27,307,611
1120 Investments - Current	8,878,856	248,645	9,127,501
1220 Property Taxes - Delinquent	1,651,505	283,929	1,935,434
1230 Allowance for Uncollectible Taxes (Credit)	(80,924)	(13,913)	(94,837)
1240 Receivables from Other Governments	3,133,932	1,881,973	5,015,905
1250 Accrued Interest	58,564	1,125	59,689
1260 Due from Other Funds	1,607,961	4,543	1,612,504
1290 Other Receivables	611,473	52,345	663,818
1300 Inventories	-	724,064	724,064
1410 Prepayments	577,647	-	577,647
1900 Other Assets	13,468,090	248,893	13,716,983
1000 Total Assets	<u>\$ 50,211,904</u>	<u>\$ 10,434,415</u>	<u>\$ 60,646,319</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	\$ 1,467,601	\$ 150,240	\$ 1,617,841
2150 Payroll Deductions and Withholdings Payable	770,102	-	770,102
2160 Accrued Wages Payable	4,366,938	27,300	4,394,238
2170 Due to Other Funds	-	1,612,504	1,612,504
2180 Due to Other Governments	18,433	107,290	125,723
2190 Due to Student Groups	-	2,231	2,231
2200 Accrued Expenditures	144,851	-	144,851
2300 Unearned Revenues	166,115	283,667	449,782
2000 Total Liabilities	<u>6,934,040</u>	<u>2,183,232</u>	<u>9,117,272</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601 Unavailable Revenue - Property Taxes	1,346,407	227,341	1,573,748
2600 Total Deferred Inflows of Resources	<u>1,346,407</u>	<u>227,341</u>	<u>1,573,748</u>
<b>FUND BALANCES</b>			
Nonspendable Fund Balance:			
3410 Inventories	-	724,064	724,064
3430 Prepaid Items	577,644	-	577,644
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	2,708,634	2,708,634
3480 Retirement of Long-Term Debt	1,020,034	4,143,962	5,163,996
3490 Other Restricted Fund Balance	9,000	-	9,000
Committed Fund Balance:			
3510 Construction	3,979,500	-	3,979,500
3530 Capital Expenditures for Equipment	7,500,000	-	7,500,000
3545 Other Committed Fund Balance	500,000	447,182	947,182
3600 Unassigned Fund Balance	28,345,279	-	28,345,279
3000 Total Fund Balances	<u>41,931,457</u>	<u>8,023,842</u>	<u>49,955,299</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 50,211,904</u>	<u>\$ 10,434,415</u>	<u>\$ 60,646,319</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, 2016

<b>Total Fund Balances - Governmental Funds</b>	<b>\$ 49,955,299</b>
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.	486,469
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 \$281,213,145 and the accumulated depreciation was \$(78,512,001). In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. At the beginning of the year the balance for long term debt was \$(116,765,192) and the accrued interest payable was \$(225,842). 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.	85,710,110
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 - \$7,075,404, Write off capital asset disposition - \$(16,264), Debt retired and principle payments - \$4,825,000, Amortization of premium, discount and refund differences - \$(168,109), Decrease in accrued interest - \$8,317, Increase in compensated absences - \$(2,685) The net effect of including the 2016 capital outlays and debt principal payments is to increase (decrease) net position.	11,721,662
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 in the amount of \$(27,094,755), a Deferred Resource Inflow related to TRS in the amount of \$(2,016,251) and a Deferred Resource Outflow related to TRS in the amount of \$13,254,748. This amounted to a decrease in Net Position.	(15,856,258)
5 The 2016 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(8,345,803)
6 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 \$744,750, reclassifying unavailable delinquent roll property tax to beginning net position - \$828,998, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest, and eliminating interfund transaction. The net effect of these reclassifications and recognitions is to increase net position.	1,573,748
<b>19 Net Position of Governmental Activities</b>	<b>\$ 125,245,227</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 BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2016

Data Control Codes	10 General Fund	Other Funds	Total Governmental Funds
<b>REVENUES:</b>			
5700 Total Local and Intermediate Sources	\$ 49,152,770	\$ 11,231,022	\$ 60,383,792
5800 State Program Revenues	64,671,869	2,597,077	67,268,946
5900 Federal Program Revenues	1,925,055	17,406,738	19,331,793
5020 Total Revenues	115,749,694	31,234,837	146,984,531
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	62,032,050	9,348,490	71,380,540
0012 Instructional Resources and Media Services	1,440,996	6,996	1,447,992
0013 Curriculum and Instructional Staff Development	844,810	410,779	1,255,589
0021 Instructional Leadership	1,706,429	329,416	2,035,845
0023 School Leadership	6,505,620	895,384	7,401,004
0031 Guidance, Counseling and Evaluation Services	4,056,401	755,665	4,812,066
0032 Social Work Services	431,352	288,941	720,293
0033 Health Services	611,589	164,406	775,995
0034 Student (Pupil) Transportation	3,251,889	312	3,252,201
0035 Food Services	143,853	7,819,159	7,963,012
0036 Extracurricular Activities	5,710,564	-	5,710,564
0041 General Administration	2,783,116	11,136	2,794,252
0051 Facilities Maintenance and Operations	13,093,222	516,931	13,610,153
0052 Security and Monitoring Services	491,020	1,495	492,515
0053 Data Processing Services	2,528,416	-	2,528,416
0061 Community Services	162,954	118,056	281,010
Debt Service:			
0071 Principal on Long Term Debt	-	4,825,000	4,825,000
0072 Interest on Long Term Debt	-	5,076,400	5,076,400
0073 Bond Issuance Cost and Fees	-	10,995	10,995
Capital Outlay:			
0081 Facilities Acquisition and Construction	4,758,961	1,765	4,760,726
Intergovernmental:			
0099 Other Intergovernmental Charges	979,498	-	979,498
6030 Total Expenditures	111,532,740	30,581,326	142,114,066
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	4,216,954	653,511	4,870,465
<b>OTHER FINANCING SOURCES (USES):</b>			
7912 Sale of Real and Personal Property	1,059,340	-	1,059,340
7915 Transfers In	-	5,768	5,768
8911 Transfers Out (Use)	-	(10,977)	(10,977)
7080 Total Other Financing Sources (Uses)	1,059,340	(5,209)	1,054,131
1200 Net Change in Fund Balances	5,276,294	648,302	5,924,596
0100 Fund Balance - September 1 (Beginning)	36,655,163	7,375,540	44,030,703
3000 Fund Balance - August 31 (Ending)	\$ 41,931,457	\$ 8,023,842	\$ 49,955,299

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, 2016

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$ 5,924,596
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to decrease net position.	(174,046)
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 - \$7,075,404, Write off capital asset disposition - \$(16,264), Debt retired and principle payments - \$4,825,000, Amortization of premium, discount and refund differences - \$(168,109), Decrease in accrued interest - \$8,317, Increase in compensated absences - \$(2685) The net effect of including the 2016 capital outlays and debt principal payments is to increase (decrease) net position.	11,721,663
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.	(8,345,803)
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 - \$744,750, reclassifying current year collections of adjustments to prior years' property tax rolls to beginning net position - \$(614,959), and eliminating interfund transactions. The net effect of these reclassifications and recognitions is to decrease net position.	129,791
The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 8/31/2015 caused the change in the ending net position to increase in the amount of \$2,314,992. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability for the district. This caused a decrease in change in net position totaling \$(2,269,639) The District's proportionate share of the TRS pension expense as a whole had to be recorded. The net pension expense decreased the change in net position by \$(2,218,739) This caused a net decrease in the change in net position.	(2,173,386)
<b>Change in Net Position of Governmental Activities</b>	\$ 7,082,815

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, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities -
	Jumbotron Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ -	\$ 62,799	\$ 62,799	\$ 489,020
Other Receivables	16,540	-	16,540	3,763
Inventories	-	916	916	-
Total Current Assets	<u>16,540</u>	<u>63,715</u>	<u>80,255</u>	<u>492,783</u>
Noncurrent Assets:				
Capital Assets:				
Furniture and Equipment	856,089	-	856,089	-
Depreciation on Furniture and Equipment	(85,609)	-	(85,609)	-
Restricted Assets	-	-	-	415,560
Total Noncurrent Assets	<u>770,480</u>	<u>-</u>	<u>770,480</u>	<u>415,560</u>
Total Assets	<u>787,020</u>	<u>63,715</u>	<u>850,735</u>	<u>908,343</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	-	1,025	1,025	-
Short Term Debt Payable	48,910	-	48,910	-
Accrued Expenses	40,777	-	40,777	421,874
Total Current Liabilities	<u>89,687</u>	<u>1,025</u>	<u>90,712</u>	<u>421,874</u>
NonCurrent Liabilities:				
Loans Payable - Due in More than One Year	<u>587,951</u>	<u>-</u>	<u>587,951</u>	<u>-</u>
Total Noncurrent Liabilities	<u>587,951</u>	<u>-</u>	<u>587,951</u>	<u>-</u>
Total Liabilities	<u>677,638</u>	<u>1,025</u>	<u>678,663</u>	<u>421,874</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	109,382	-	109,382	-
Unrestricted Net Position	<u>-</u>	<u>62,690</u>	<u>62,690</u>	<u>486,469</u>
Total Net Position	<u>\$ 109,382</u>	<u>\$ 62,690</u>	<u>\$ 172,072</u>	<u>\$ 486,469</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, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities -
	Jumbotron Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
OPERATING REVENUES:				
Local and Intermediate Sources	\$ 144,265	\$ 102,737	\$ 247,002	\$ 423,209
Total Operating Revenues	144,265	102,737	247,002	423,209
OPERATING EXPENSES:				
Payroll Costs	-	39,119	39,119	3,053
Professional and Contracted Services	-	890	890	280,701
Supplies and Materials	-	65,638	65,638	-
Other Operating Costs	15,934	-	15,934	314,845
Depreciation Expense	85,609	-	85,609	-
Total Operating Expenses	101,543	105,647	207,190	598,599
Operating Income (Loss)	42,722	(2,910)	39,812	(175,390)
NONOPERATING REVENUES (EXPENSES):				
Earnings from Temporary Deposits & Investments	-	-	-	1,344
Non-operating Expenses	(57,317)	-	(57,317)	-
Total Nonoperating Revenues (Expenses)	(57,317)	-	(57,317)	1,344
Income (Loss) Before Transfers	(14,595)	(2,910)	(17,505)	(174,046)
Transfer In	10,977	-	10,977	-
Transfers Out	-	(5,768)	(5,768)	-
Change in Net Position	(3,618)	(8,678)	(12,296)	(174,046)
Total Net Position - September 1 (Beginning)	113,000	71,368	184,368	660,515
Total Net Position August 31 (Ending)	\$ 109,382	\$ 62,690	\$ 172,072	\$ 486,469

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, 2016

EXHIBIT D-3

	Business-Type Activities			Governmental Activities -
	Jumbotron Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
<u>Cash Flows from Operating Activities:</u>				
Cash Received from User Charges	\$ 168,503	\$ 102,737	\$ 271,240	\$ -
Cash Received from Assessments - Other Funds	-	-	-	436,053
Cash Payments to Employees for Services	-	(39,118)	(39,118)	(3,053)
Cash Payments for Insurance Claims	-	-	-	(317,201)
Cash Payments for Suppliers	(128,935)	(69,557)	(198,492)	(280,701)
Cash Payments for Claims Loss Fund	-	-	-	4,984
Net Cash Provided by (Used for) Operating Activities	39,568	(5,938)	33,630	(159,918)
<u>Cash Flows from Non-Capital Financing Activities:</u>				
Operating Transfer Out	-	(5,768)	(5,768)	-
Transfer In	10,977	-	10,977	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	10,977	(5,768)	5,209	-
<u>Cash Flows from Capital &amp; Related Financing Activities:</u>				
Retirement of Long-term Debt	(106,228)	-	(106,228)	-
Interest Paid on Long-term Debt	(57,317)	-	(57,317)	-
Net Cash Provided by (Used for) Capital & Related Financing Activities	(163,545)	-	(163,545)	-
<u>Cash Flows from Investing Activities:</u>				
Interest and Dividends on Investments	-	-	-	1,344
Net Decrease in Cash and Cash Equivalents	(113,000)	(11,706)	(124,706)	(158,574)
Cash and Cash Equivalents at Beginning of Year	113,000	74,505	187,505	647,594
Cash and Cash Equivalents at End of Year	\$ -	\$ 62,799	\$ 62,799	\$ 489,020
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>				
<u>Provided by (Used for) Operating Activities:</u>				
Operating Income (Loss):	\$ 42,722	\$ (2,910)	\$ 39,812	\$ (175,390)
<u>Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:</u>				
Depreciation	85,609	-	85,609	-
<u>Effect of Increases and Decreases in Current Assets and Liabilities:</u>				
Decrease (increase) in Receivables	(16,540)	-	(16,540)	12,844
Decrease (increase) in Inventories	-	(916)	(916)	-
Decrease (increase) in Restricted Assets	-	-	-	4,984
Increase (decrease) in Accounts Payable	(113,000)	(2,112)	(115,112)	-
Increase (decrease) in Accrued Expenses	40,777	-	40,777	(2,356)
Net Cash Provided by (Used for) Operating Activities	\$ 39,568	\$ (5,938)	\$ 33,630	\$ (159,918)

The accompanying notes are an integral part of this statement.



SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2016

	Private Purpose Trust Fund	Agency Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 56,657	\$ 546,894
Other Receivables	-	950
Total Assets	<u>56,657</u>	<u>\$ 547,844</u>
<b>LIABILITIES</b>		
Accounts Payable	-	\$ 559
Due to Student Groups	-	547,285
Total Liabilities	<u>-</u>	<u>\$ 547,844</u>
<b>NET POSITION</b>		
Restricted for Other Purposes	<u>56,657</u>	
Total Net Position	<u>\$ 56,657</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, 2016

	Private Purpose Trust Fund
<hr/>	
ADDITIONS:	
Local and Intermediate Sources	\$ 2,044
Total Additions	<u>2,044</u>
Change in Net Position	2,044
 Total Net Position - September 1 (Beginning)	 <u>54,613</u>
 Total Net Position - August 31 (Ending)	 <u><u>\$ 56,657</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, 2016

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**I.A. Reporting Entity**

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

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

The Statement of Net 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, 2016

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, 2016

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.
3. Capital Projects Fund -2008 Bond Fund – This fund is used to account for the proceeds of the Unlimited School Building Bonds issued in fiscal 2009 that are restricted by bond covenants to complete projects on eleven of the District's campuses. The majority of the projects were complete in fiscal 2014. In fiscal 2016 the District exhausted the remaining cash in the bond fund to make security improvements at one of the renovated campuses.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2016

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.

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.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2016

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 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 estimated fair market value at the date of donation. The District does not have any significant infrastructure assets.

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

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

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2016

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 have been no settlements in excess of insurance coverage paid in each of the last 3 years. The District joined the Texas Association of Public Schools Property and Liability Fund (TAPS) to obtain general liability and vehicle fleet coverage. 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 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, 2016 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.



SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2016

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.

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	\$ -	\$ 724,064
Prepaid expenditures	577,644	-
<b>Restricted</b>		
Federal and State Funds Grant Restriction	-	2,708,634
Long term debt- the estimated liability for District retirement benefits	1,020,034	-
Long term debt- restricted for payment of bonded debt	-	4,143,962
Other Restricted - Under terms of the agreement with the purchasing district, the gain on the sale of weighted average daily attendance (WADA) can only be expended for instructional technology. The unexpended balance at year-end is restricted.	9,000	-
<b>Committed by the Board of Trustees for:</b>		
Construction- Fort Concho Elementary Classrooms \$1,500,000		
Window replacements at three elementary campuses \$1,250,000		
Completion of Lou Gehrig Bldg Renovations \$729,500		
2017 Campus Revitalization Plan \$500,000	3,979,500	-
Capital Equipment-Boiler Replacement Central Freshman Campus \$3,000,000		
HVAC at Elementary Gymnasiums \$2,500,000		
Security Upgrades \$2,000,000	7,500,000	-
Other: Portable Buildings \$300,000		
Property Insurance Deductibles \$200,000	500,000	-
Campus Activity Funds	-	332,346
Maintenance or renovation of athletic facilities	-	106,073
Employee Wellness Programs	-	8,763
<b>Unassigned</b>	28,345,279	-
<b>Total Fund Balance Governmental Funds</b>	<b>\$ 41,931,457</b>	<b>\$ 8,023,842</b>

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

WADA Gain restricted to use for	
Instructional Technology	\$ 9,000
	<u>\$ 9,000</u>

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11. 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	\$ 201,414,481	\$ 770,480
Other receivable	-	16,540
Accrued interest on long term debt	(217,525)	(40,777)
Bonds payable	(111,056,116)	-
Capital lease payable	-	(636,861)
	<u>\$ 90,140,840</u>	<u>\$ 109,382</u>

12. 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.

13. 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):

14. GASB Statement No. 72, *Fair Value Assessment and Application*, is effective for reporting periods beginning after June 15, 2015 and provides guidance for applying fair value to certain investments and disclosures relating to all fair value measurements. Application of Statement No. 72 did not have a material effect on the District's 2016 financial statements.

15. GASB Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, is effective for reporting periods beginning after June 15, 2015 and establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68. The District does not participate in a plan subject to this Statement.

16. 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. Reporting for participating employers will be not be changed until GASB Statement No. 75 becomes effective in fiscal year 2018.

17. 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. The District is evaluating how implementation of GASB Statement No. 75 will impact its financial statements for fiscal year ended August 31, 2018.

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18. GASB Statement No. 76 *The Hierarchy of Generally Accepted Accounting Principles of State and Local Governments* is effective for reporting periods beginning after June 15, 2015 and gives guidance for the sources of accounting principles to apply in preparation of financial statements of state and local governments.

19. GASB Statement No. 77, *Tax Abatement Disclosures*, is effective for reporting periods beginning after December 15, 2015 and gives disclosure requirements for such abatement agreements. The District does not have any such abatement agreements.

20. GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, is effective for reporting periods beginning after December 15, 2015 and amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple –employer defined benefit pension plan meeting certain criteria. The District does not participate in a plan addressed by this Statement.

21. 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.

## **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.*

### **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, 2016.

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**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, 2016 and during the year ended August 31, 2016, 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 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, 2016, the Districts investments were diversified in U.S. Treasury securities, governmental agency securities and local government investment pools rated no lower than AAA or AAAM by at least one nationally recognized rating service as required by the District's

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investment policy, which follows the Public Funds Investment Act Sec. 2256.016. Ratings of Investments held at August 31, 2016 were:

TexPool	Standard & Poor's AAAM
Lone Star Government Overnight Fund	Standard & Poor's AAAM
Lone Star Corporate Overnight Plus Fund	Standard & Poor's AAAs/S1+
Texas CLASS	Standard & Poor's AAAM
Texas TERM Texas Daily Fund	Standard & Poor's AAAM
Texas TERM	Standard & Poor's AAAs

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.

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.

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Concentration of Credit Risk

Investments are diversified as required by District policy in terms of maturity scheduling, class of investment, and specific issuer. 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, 2016, 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	\$ 31,991,529	\$ 26,991,529	\$ 5,000,000	\$ -
Certificates of Deposit	6,861,066	1,395,144	1,731,294	3,734,628
U.S. Agency Securities	10,983,418		1,001,063	9,982,355
Total Investments	<u>\$ 49,836,013</u>	<u>\$ 28,386,673</u>	<u>\$ 7,732,357</u>	<u>\$ 13,716,983</u>
Presented on Balance Sheet and Statement of Net Position:				
Included in Cash and Cash Equivalents	\$ 26,991,529	\$ 21,991,529	\$ 5,000,000	\$ -
Current Investments	9,127,501	6,395,144	2,732,357	-
Long Term Investments	13,716,983	-	-	13,716,983
Total Investments	<u>\$ 49,836,013</u>	<u>\$ 28,386,673</u>	<u>\$ 7,732,357</u>	<u>\$ 13,716,983</u>

Proprietary and Fiduciary Funds

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

At August 31, 2016 those funds' investments included in cash and cash equivalents were:

Internal Service Funds	\$ 489,020
Fiduciary Funds	\$ 292,432

**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.

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**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.

**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:	General Fund	Special Revenue Funds	Debt Service Fund	Total
Federal Grants	\$ 669,067	\$ 247,711	\$ -	\$ 916,778
State Entitlements	2,464,865	1,284,915	-	3,749,780
Concho Valley Council of Governments	-	349,346	-	349,346
	<u>\$ 3,133,932</u>	<u>\$ 1,881,972</u>	<u>\$ -</u>	<u>\$ 5,015,904</u>

Due to:	General Fund	Special Revenue Funds	Debt Service Fund	Total
Federal Grants	\$ -	\$ -	\$ -	\$ -
State Entitlements	18,434	104,558	-	122,992
Concho Valley Council of Governments	-	2,732	-	2,732
	<u>\$ 18,434</u>	<u>\$ 107,290</u>	<u>\$ -</u>	<u>\$ 125,724</u>

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

1. Inter-fund balances at August 31, 2016 consisted of the following:

	Due from Other Funds	Due to Other Funds
General Fund:		
Nonmajor Governmental funds	\$ 1,607,961	\$ -
Nonmajor Governmental Funds:		
General Fund	-	1,607,961
Nonmajor Special Revenue Funds	4,543	4,543
Total All funds	<u>\$ 1,612,504</u>	<u>\$ 1,612,504</u>

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Purposes of the inter-fund balances:

\$1,567,073 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 \$40,889 is due to the General fund from Campus Activity Special Revenue Funds for fees collected on school campuses. \$4,542 is due from the Head Start and Early Head Start Special Revenue Funds to the Campus Activity Fund for vending commissions on the campus.

Transfers at August 31, 2016 consisted of the following:

	Transfer In	Transfer out
Nonmajor Governmental Funds		
Enterprise Funds	\$ 5,768	\$ 10,977
Proprietary Funds:		
Enterprise Funds		
Nonmajor Governmental Funds	\$ 10,977	\$ 5,768

Purpose of transfers:

The Concession Fund transferred \$5,768 to the National Breakfast and Lunch Fund to cover uncollected school lunch fees. The San Angelo Stadium Fund transferred a prepaid maintenance agreement for the Jumbotron Sound System to the Jumbotron (enterprise) Fund.

The Jumbotron Fund returned \$5,563 in advertising revenues back to the San Angelo Stadium Fund. The net of those two transactions was \$10,977 transferred from the San Angelo Stadium Fund to the Jumbotron Fund.

#### IV.F. Capital Asset Activity

##### Governmental Activities

	Beginning Balance	Additions	Reclassifi- cations	Dispositions	Ending Balance
<b>Assets Not Being Depreciated</b>					
Land	\$ 6,864,962	\$ -	\$ -	\$ (10,728)	\$ 6,854,234
Construction in Progress	1,963,976	4,907,028	(2,869,420)	-	4,001,584
Total Not Being Depreciated	8,828,938	4,907,028	(2,869,420)	(10,728)	10,855,818
<b>Assets Being Depreciated</b>					
Buildings & Improvements	243,462,244	-	2,869,420	-	246,331,664
Vehicles	10,572,485	1,137,249	-	(415,537)	11,294,197
Furniture and Equipment	18,349,478	1,031,127	-	(122,552)	19,258,053
	272,384,207	2,168,376	2,869,420	(538,089)	276,883,914
<b>Accumulated Depreciation</b>					
Buildings & Improvements	(60,907,782)	(5,845,432)	-	-	(66,753,214)
Vehicles	(5,999,169)	(821,412)	-	410,001	(6,410,580)
Furniture and Equipment	(11,605,050)	(1,678,959)	-	122,552	(13,161,457)
	(78,512,001)	(8,345,803)	-	532,553	(86,325,251)
Total Being Depreciated, Net	193,872,206	(6,177,427)	2,869,420	(5,536)	190,558,663
<b>Total Capital Assets, Net</b>	\$ 202,701,144	\$ (1,270,399)	\$ -	\$ (16,264)	\$ 201,414,481



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

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

E Rate network installations	\$ 463,275
Central and Lake View tennis facilities	2,197,855
Glenn classroom addition	748,264
Lou Gehrig renovation	567,425
Bleacher shade project	965
Pool locker tile project	23,800
	\$ 4,001,584

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	-	(85,609)	-	\$ (85,609)
Total Capital Assets, Net	\$ 856,089	\$ (85,609)	\$ -	\$ 770,480

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:

Instruction	\$ 5,000,308
Instructional Resources	138,977
Curriculum Development & Staff Development	37,186
Instructional Leadership	203,550
School Leadership	185,902
Guidance Counseling & Evaluation	98,813
Social Work Services	85,638
Health Services	7,121
Student Transportation	650,807
Food Service	171,719
Cocurricular/Extracurricular	674,152
General Administration	45,936
Plant Maintenance & Operations	672,052
Security & Monitoring Services	43,621
Data Processing Services	329,366
Community Services	655
Total Depreciation Expense - Governmental Activities	\$ 8,345,803

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

Unearned Revenue:	General Fund	Special Rev Funds	Debt Svce Fund	Total
Season Ticket Sales	\$ 35,962	\$ -	\$ -	\$ 35,962
Rent, Fees, Insurance	31,250	-	-	31,250
State Revenues	94,109	1,913	-	96,022
Federal Revenues	-	-	-	-
Local and Donation Revenue	4,794	114,936	-	119,730
Campus Miscellaneous Revenues	-	17,036	-	17,036
USDA Donated Commodities on Hand	-	149,782	-	149,782
Total Unearned Revenue Exhibit C-1	<u>\$ 166,115</u>	<u>\$ 283,667</u>	<u>\$ -</u>	<u>449,782</u>
Total Unearned Revenue Exhibit A-1				<u><u>\$ 449,782</u></u>
Unavailable Revenue- Property taxes :				
Total Deferred Inflows Exhibit C-1	<u>\$ 1,346,407</u>	<u>\$ -</u>	<u>\$ 227,341</u>	<u>\$ 1,573,748</u>
Related to Net Pension Liability:				
Differences between expected & actual experience				\$ 1,041,276
Changes in assumptions				966,622
Difference and changes in Proportions				8,353
Total Deferred Inflows Exhibit A-1				<u><u>\$ 2,016,251</u></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, 2016 \$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.

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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	\$ 115,129,982	\$ -	\$ (4,825,000)	\$ 110,304,982	\$ 4,825,000	105,479,982
Bond Premiums	15,331,542	-	(1,346,009)	13,985,533	-	13,985,533
Interest Accretion CAB	213,503	-	244,004	457,507	-	457,507
Net Bonds Payable	130,675,027	-	(5,927,005)	124,748,022	4,825,000	119,923,022
Vested Sick Leave	1,052,186	124,760	(122,075)	1,054,871	55,000	999,871
Totals Debt Exhibit A-1	\$ 131,727,213	\$ 124,760	\$ (6,049,080)	\$ 125,802,893	\$ 4,880,000	120,922,893
Deferred Outflow						
Difference on Refunding	\$ (14,962,020)	\$ -	\$ 1,270,114	\$ (13,691,906)		

Business-Type Activities

Description	Beginning	New Debt	Debt Retired	Ending	Due Within One Year	Due in More Than One Year
2015 Jumbotron	\$ 743,089	\$ -	\$ (106,228)	\$ 636,861	\$ 48,910	\$ 587,951

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	Interest Curr. Yr.	Outstanding at Year-End				
					Face	Prem.	Ref. Diff.	CAB int	Net
Par Bonds:									
2004 Refunding Bonds	\$ 14,315	2.15.06-2.15.16	4.75%	\$ 44	\$ -	\$ -	\$ -	\$ -	\$ -
2009 School Bldg. Bonds	117,000	2.15.11-2.15.34	4.0-5.0%	572	10,660	1,164	-	-	11,824
2009 Refunding Bonds	4,090	8.15.09-2.15.17	3.50%	30	590	2	-	-	592
2015-A Refunding Bonds	96,590	2.15.15-2.15.34	1.9-5.0%	4,316	96,030	12,637	(13,650)	457	95,474
2015-B Refunding Bonds	3,350	2.15.15-2.15.21	3.0-4.0%	114	3,025	183	(42)	-	3,166
Total Bonds Payable	\$ 235,345			\$ 5,076	\$ 110,305	\$ 13,986	\$ (13,692)	\$ 457	\$ 111,056

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

Fiscal Year	Principal	Interest	Total
2017	\$ 4,475	\$ 4,877	\$ 9,352
2018	4,460	4,673	9,133
2019	4,675	4,457	9,132
2020	3,580	5,552	9,132
2021	4,940	4,199	9,139
2022-2026	27,570	17,084	44,654
2027-2031	35,355	9,292	44,647
2032-2034	25,250	1,542	26,792
	\$ 110,305	\$ 51,676	\$ 161,981

\$4,143,962 is available in the Debt Service Fund for bonded debt service.

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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 \$55,000, based on the payoffs budgeted in the next fiscal year. The budget will be amended near year end when employees communicate plans to retire.

Other Long Term Debt

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 \$319,185 at 8% reduces the total \$956,050 debt payments to \$636,861.

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
2017	\$ 106,228	\$ 57,317	\$ 48,911
2018	106,228	52,917	53,311
2019	106,228	48,117	58,111
2020	106,228	42,888	63,340
2021	106,228	37,188	69,040
2022-2025	424,910	80,762	344,148
	<u>\$ 956,050</u>	<u>\$ 319,189</u>	<u>\$ 636,861</u>

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

**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.

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**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 information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

**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 above.

**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) on certain employees effective for fiscal year 2015 as discussed in Note 1 of the TRS 2014 CAFR. 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 2015 and 2016.

	<u>Contribution Rates</u>	
	<u>2015</u>	<u>2016</u>
Member	6.4%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
San Angelo ISD- 2016 Employer Contributions	\$ 2,314,992	
San Angelo ISD - 2016 Member Contributions	\$ 5,633,607	
San Angelo ISD - 2016 NECE On-behalf Contributions	\$ 4,023,984	

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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, they must contribute 1.5% of the applicable salaries.

**Actuarial Assumptions.** The total pension liability in the August 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2015
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%
Salary Increases including inflation	3.5% to 9.5%
Payroll Growth Rate	2.5%
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 contributing employers and the non-employer contributing entity are made at the statutorily

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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, 2015 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 2014 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:	42,452,374	27,094,755	\$14,302,812

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

At August 31, 2014, the San Angelo ISD reported a liability of \$ 27,094,755 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	\$27,094,755
State's proportionate share that is associated with [employer]	<u>46,073,448</u>
Total	<u>\$73,168,203</u>

The net pension liability was measured as of August 31, 2015 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, 2014 thru August 31, 2015.

At August 31, 2015 the SAISD employer's proportion of the collective net pension liability was .0766500% which was an increase of 0.0279149% from its proportion measured as of August 31, 2014.

**Changes since the prior actuarial valuation-** The following are changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period:

*Economic Assumptions:*

1. The inflation assumption was decreased from 3.00% to 2.50%.
2. The ultimate merit assumption for long-service employees was decreased from 1.25% to 1.00%.
3. In accordance with the observed experience, there were small adjustments in the service-based promotional/longevity component of the salary scale.
4. The payroll growth assumption was lowered from 3.50% to 2.50%.
5. The post-retirement mortality tables for non-disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.



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6. The post-retirement mortality tables for disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
7. The pre-retirement mortality tables for active employees were updated to use 90% of the recently published RP-2014 mortality table for active employees. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.

*Other Demographic Assumptions:*

8. Previously, it was assumed 10% of all members who had contributed in the past 5 years to be an active member. This was an implicit rehire assumption because teachers have historically had a high incidence of terminating employment for a time and then returning to the workforce at a later date. This methodology was modified to add a more explicit valuation of the rehire incidence in the termination liabilities, and therefore these 10% are no longer being counted as active members.
9. There were adjustments to the termination patterns for members consistent with experience and future expectations. The termination patterns were adjusted to reflect the rehire assumption. The timing of the termination decrement was also changed from the middle of the year to the beginning to match the actual pattern in the data.
10. Small adjustments were made to the retirement patterns for members consistent with experience and future expectations.
11. Small adjustments to the disability patterns were made for members consistent with experience and future expectations. Two separate patterns were created based on whether the member has 10 years of service or more.
12. For members that become disabled in the future, it is assumed 20% of them will choose a 100% joint and survivor annuity option.

*Actuarial Methods and Policies*

13. The method of using celled data in the valuation process was changed to now using individual data records to allow for better reporting of some items, such as actuarial gains and losses by source

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

For the year ended August 31, 2016, San Angelo ISD recognized pension expense of \$4,488,378 and revenue of \$3,860,567 for support provided by the State.

At August 31, 2015, 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.)

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$167,435	\$(1,041,276)
Changes in actuarial assumptions	\$703,734	\$(966,622)
Difference between projected and actual investment earnings	\$3,688,752	
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	\$6,379,835	\$(8,353)
Contributions paid to TRS subsequent to the measurement date [to be calculated by employer]	\$2,314,992	\$0
Total	\$13,254,748	\$(2,016,251)

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

Year ended August 31:	Pension Expense Amount
2017	\$3,903,971
2018	\$1,588,977
2019	\$1,588,977
2020	\$2,583,670
2021	\$905,019
Thereafter	\$667,883

#### 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

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program operations. Then reports are presented and approved by the TWCS Board in January after its fiscal year end of August 31 and are available at the TWCS office located at 1002 Marble Heights Drive, Marble Falls Texas.

### 3. Changes in Claims Liabilities

Estimates of workers compensation claims payable and of claims incurred, but not reported at August 31, 2016 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, 2014	\$ 459,352
FY 2015:	
Incurred Claims - Including IBNR	83,542
Claim Payments - Net of Stop Loss Reimbursements	(118,663)
August 31, 2015	424,231
FY 2016:	
Incurred Claims - Including IBNR	314,845
Claim Payments - Net of Stop Loss Reimbursements	(317,202)
August 31, 2016	<u>\$ 421,874</u>

## IV.K. Participation in Risk Management Pools

### 1. Unemployment Compensation

During the year ended August 31, 2016, 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, 2015, are available on the TASB Risk Management Fund website and have been filed with the Texas State Board of Insurance in Austin, Texas.

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2. General Liability and Vehicle Coverage

During the year ended August 31, 2016, San Angelo Independent School District provided for general liability and vehicle coverage by participation in the Texas Association of Public Schools (TAPS) Property and Liability Fund (the Fund). The Fund was created as a public entity risk sharing pool for Texas public schools, junior or community colleges, and education service centers. The Fund was created in accordance with the Inter-local Cooperation Act, Chapter 791 of the Texas Government Code and operates within the appropriate rules, regulations, and laws of the state of Texas. The Fund was formed for the purpose of providing competitive costs for coverage, loss control, and administrative services for members. Members join the Fund by executing Inter-local Participation Agreements. The Fund uses excess insurance and reinsurance contracts with insurance carriers to reduce its exposure to large losses in insured events.

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 November following year end. The Fund's audited financial statements as of August 31, 2015, are available at Texas Association of Public Schools, 216E Blanco Road Suite 204, Boerne, TX 78006.

**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 for Retiree health care coverage made by District employees, the State of Texas, the Federal government (state share for federal funded positions), and the school district are shown in the following table. Contributions made by the State are recorded as both revenue and expenditure as on-behalf payments.

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Year	Member		State (on behalf)		Federal for State	School District	
	Rate	Amount	Rate	Amount	Amount	Rate	Amount
2016	0.65%	\$ 508,591	1.00%	\$ 696,833	\$ 85,613	0.55%	\$ 430,350.00
2015	0.65%	\$ 490,909	1.00%	\$ 579,063	\$ 82,036	0.55%	\$ 415,381.00
2014	0.65%	\$ 480,280	1.00%	\$ 577,963	\$ 82,570	0.55%	\$ 411,645.00

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 "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
2016	\$ 299,584
2015	\$ 306,426
2014	\$ 204,591

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**IV.M. 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	\$ 46,834,419	\$ -	\$ 8,785,776	\$ 55,620,195
Penalty, Interest and Other				
Tax-Related Revenue	576,767	-	86,839	663,606
Sale of WADA	-	-	-	-
Tuition and Fees	225,355	-	-	225,355
Investment Earnings	320,813	4,366	34,280	359,459
Rental Revenues	126,830	-	-	126,830
Gifts and Bequests	81,726	53,269	-	134,995
Food Sales	-	1,642,875	-	1,642,875
Sale of Surplus Items	1,096	-	-	1,096
Co-curricular and Enterprising				
Activities	395,463	609,675	-	1,005,138
E-Rate reimbursements	412,518	-	-	412,518
Campus payroll reimbursements	24,783	-	-	24,783
PEP	24,964	-	-	24,964
Other Local Revenues	128,036	13,942	-	141,978
Totals	\$ 49,152,770	\$ 2,324,127	\$ 8,906,895	\$ 60,383,792

**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 as of August 31, 2016:

Lou Gehrig athletic facility renovation: \$2.6 million not yet paid of \$3.2 million contracted costs.  
Glenn Middle School classroom addition: \$1.2 million not yet paid of \$1.9 million contracted costs.  
Multi campus bleacher renovations: \$0.5 million remain not yet paid of \$0.5 million contracted costs.  
CHS and Lake View Tennis Dressing facilities: \$39 thousand not yet paid of \$2.2 million contracted costs.

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

All encumbrances lapse at year end, however the District amended the fiscal 2016 budget for \$4.6 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, 2016

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	\$ 47,835,000	\$ 48,418,000	\$ 49,152,770	\$ 734,770
5800 State Program Revenues	60,585,000	63,675,000	64,671,869	996,869
5900 Federal Program Revenues	1,015,000	1,257,000	1,925,055	668,055
5020 Total Revenues	109,435,000	113,350,000	115,749,694	2,399,694
EXPENDITURES:				
Current:				
0011 Instruction	62,607,709	62,581,675	62,032,050	549,625
0012 Instructional Resources and Media Services	1,512,857	1,498,218	1,440,996	57,222
0013 Curriculum and Instructional Staff Development	550,782	932,627	844,810	87,817
0021 Instructional Leadership	1,687,054	1,723,772	1,706,429	17,343
0023 School Leadership	6,603,688	6,579,085	6,505,620	73,465
0031 Guidance, Counseling and Evaluation Services	3,996,160	4,105,837	4,056,401	49,436
0032 Social Work Services	391,394	432,698	431,352	1,346
0033 Health Services	602,315	615,532	611,589	3,943
0034 Student (Pupil) Transportation	2,744,450	3,408,179	3,251,889	156,290
0035 Food Services	170,143	145,143	143,853	1,290
0036 Extracurricular Activities	4,769,530	5,763,133	5,710,564	52,569
0041 General Administration	2,736,646	2,801,818	2,783,116	18,702
0051 Facilities Maintenance and Operations	12,844,062	13,355,568	13,093,222	262,346
0052 Security and Monitoring Services	479,600	524,556	491,020	33,536
0053 Data Processing Services	2,414,556	2,600,348	2,528,416	71,932
0061 Community Services	159,552	169,552	162,954	6,598
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	8,797,187	4,758,961	4,038,226
Intergovernmental:				
0099 Other Intergovernmental Charges	986,000	986,000	979,498	6,502
6030 Total Expenditures	105,256,498	117,020,928	111,532,740	5,488,188
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	4,178,502	(3,670,928)	4,216,954	7,887,882
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	1,059,340	1,059,340
1200 Net Change in Fund Balances	4,178,502	(3,670,928)	5,276,294	8,947,222
0100 Fund Balance - September 1 (Beginning)	36,655,163	36,655,163	36,655,163	-
3000 Fund Balance - August 31 (Ending)	\$ 40,833,665	\$ 32,984,235	\$ 41,931,457	\$ 8,947,222

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED AUGUST 31, 2016

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

**BUDGETARY PROCESS**

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

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

Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. All budget appropriations lapse at year end. The budgets were amended shortly after the beginning of the year to adjust the beginning fund balances to actual after prior year end adjustments. The General Fund budget was also amended during the year to reflect revised revenue estimates and provide for supplemental appropriations and reallocations between functions (net increase in expenditures of \$8,685,386 and increase in revenues of \$3,800,000, and the addition of an extraordinary item).

**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	\$ 57,777
Child and Adult Care Feeding	118,013
Life Skills Program	11,792
Advanced Placement Incentives	53,924
Other State Special Revenue Funds	2,985
Campus Activity Funds	332,346
San Angelo Stadium Fund	106,073
Health Fund	8,763
	<hr/>
	691,673
Appropriated Budget Funds - National Breakfast and Lunch Program	3,188,207
Total Special Revenue Fund Balances	<hr/>
	\$ 3,879,880

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, 2016

EXHIBIT G-6

	2016	2015
District's Proportion of the Net Pension Liability (Asset)	0.07665%	0.0487351%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 27,094,755	\$ 13,017,820
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	46,073,448	40,432,025
Total	<u>\$ 73,168,203</u>	<u>\$ 53,449,845</u>
District's Covered-Employee Payroll	\$ 75,523,372	\$ 73,897,210
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	35.88%	17.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.48%	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, 2015 for Year 2016 and August 31, 2014 for 2015.

Note: In accordance with GASB 68, Paragraph 138, only two 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 CONTRIBUTIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR FISCAL YEAR 2016

EXHIBIT G-7

	2016	2015
Contractually Required Contribution	\$ 2,314,992	\$ 2,269,639
Contribution in Relation to the Contractually Required Contribution	(2,314,992)	(2,269,639)
Contribution Deficiency (Excess)	\$ -0-	\$ -0-
District's Covered-Employee Payroll	\$ 78,244,552	\$ 75,523,372
Contributions as a Percentage of Covered-Employee Payroll	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, 2014 for Fiscal Year 2015 and August 31, 2015 for Fiscal Year 2016.

Note: In accordance with GASB 68, Paragraph 138, only two 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."

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

##### Capital Project Funds

- San Angelo Fieldhouse Project is used to account for funds received for the purpose of building a fieldhouse.
- 2008 Bond Fund is used to account for the expenditure of the proceeds of general obligation bonds issued to fund projects as authorized in the bond election.

### AGENCY FUND

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AUGUST 31, 2016

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 (Credit)	-	-	-	-
1240	Receivables from Other Governments	260,030	503,771	21,582	498,811
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	1,374
1300	Inventories	-	-	-	-
1900	Other Assets	-	-	-	-
1000	Total Assets	<u>\$ 260,030</u>	<u>\$ 503,771</u>	<u>\$ 21,582</u>	<u>\$ 500,185</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ 16,789	\$ 31	\$ 274	\$ 15,729
2160	Accrued Wages Payable	-	-	-	-
2170	Due to Other Funds	240,513	503,740	21,308	484,456
2180	Due to Other Governments	2,728	-	-	-
2190	Due to Student Groups	-	-	-	-
2300	Unearned Revenues	-	-	-	-
2000	Total Liabilities	<u>260,030</u>	<u>503,771</u>	<u>21,582</u>	<u>500,185</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>\$ 260,030</u>	<u>\$ 503,771</u>	<u>\$ 21,582</u>	<u>\$ 500,185</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 Head Start	288 Child and Adult Care Feeding
\$ -	\$ 2,574,140	\$ 57,777	\$ -	\$ -	\$ -	\$ -	\$ 97,041
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
13,763	221,360	-	20,841	185,766	6,344	89,316	26,351
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	10,045	-	-	-	-	-	-
-	724,064	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 13,763</u>	<u>\$ 3,529,609</u>	<u>\$ 57,777</u>	<u>\$ 20,841</u>	<u>\$ 185,766</u>	<u>\$ 6,344</u>	<u>\$ 89,316</u>	<u>\$ 123,392</u>
\$ -	\$ 76,685	\$ -	\$ -	\$ 1,167	\$ -	\$ 1,720	\$ 5,379
-	-	-	-	-	-	-	-
13,763	-	-	20,841	184,599	6,344	87,592	-
-	-	-	-	-	-	4	-
-	-	-	-	-	-	-	-
-	264,717	-	-	-	-	-	-
<u>13,763</u>	<u>341,402</u>	<u>-</u>	<u>20,841</u>	<u>185,766</u>	<u>6,344</u>	<u>89,316</u>	<u>5,379</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	724,064	-	-	-	-	-	-
-	2,464,143	57,777	-	-	-	-	118,013
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>3,188,207</u>	<u>57,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,013</u>
<u>\$ 13,763</u>	<u>\$ 3,529,609</u>	<u>\$ 57,777</u>	<u>\$ 20,841</u>	<u>\$ 185,766</u>	<u>\$ 6,344</u>	<u>\$ 89,316</u>	<u>\$ 123,392</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AUGUST 31, 2016

Data Control Codes		289 Other Federal Special Revenue Funds	392 Non-Ed. Community Based Support	394 Life Skills Program	397 Advanced Placement Incentives
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ 11,792	\$ 53,924
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	-	-	-	-
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	330	-	-
1300	Inventories	-	-	-	-
1900	Other Assets	-	-	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ 330</u>	<u>\$ 11,792</u>	<u>\$ 53,924</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	-	-	-	-
2170	Due to Other Funds	-	330	-	-
2180	Due to Other Governments	-	-	-	-
2190	Due to Student Groups	-	-	-	-
2300	Unearned Revenues	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>330</u>	<u>-</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	-	-	11,792	53,924
3480	Retirement of Long-Term Debt	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>11,792</u>	<u>53,924</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ -</u>	<u>\$ 330</u>	<u>\$ 11,792</u>	<u>\$ 53,924</u>

410 State Textbook Fund	428 High School Allotment	429 Other State Special Revenue Funds	461 Campus Activity Funds	480 San Angelo Stadium Fund	481 Health Fund	Total Nonmajor Special Revenue Funds	599 Debt Service Fund
\$ -	\$ -	\$ 9,985	\$ 397,790	\$ 117,050	\$ 8,763	\$ 3,328,262	\$ 3,674,549
-	-	-	-	-	-	-	248,645
-	-	-	-	-	-	-	283,929
-	-	-	-	-	-	-	(13,913)
13,738	-	20,300	-	-	-	1,881,973	-
-	-	-	-	-	-	-	1,125
-	-	-	4,543	-	-	4,543	-
-	-	-	-	5,563	-	17,312	35,033
-	-	-	-	-	-	724,064	-
-	-	-	-	-	-	-	248,893
<u>\$ 13,738</u>	<u>\$ -</u>	<u>\$ 30,285</u>	<u>\$ 402,333</u>	<u>\$ 122,613</u>	<u>\$ 8,763</u>	<u>\$ 5,956,154</u>	<u>\$ 4,478,261</u>
\$ 3,694	\$ -	\$ -	\$ 9,832	\$ 16,540	\$ -	\$ 147,840	\$ 2,400
-	-	27,300	-	-	-	27,300	-
8,130	-	-	40,888	-	-	1,612,504	-
-	-	-	-	-	-	2,732	104,558
-	-	-	2,231	-	-	2,231	-
1,914	-	-	17,036	-	-	283,667	-
<u>13,738</u>	<u>-</u>	<u>27,300</u>	<u>69,987</u>	<u>16,540</u>	<u>-</u>	<u>2,076,274</u>	<u>106,958</u>
-	-	-	-	-	-	-	227,341
-	-	-	-	-	-	-	227,341
-	-	-	-	-	-	724,064	-
-	-	2,985	-	-	-	2,708,634	-
-	-	-	-	-	-	-	4,143,962
-	-	-	332,346	106,073	8,763	447,182	-
-	-	2,985	332,346	106,073	8,763	3,879,880	4,143,962
<u>\$ 13,738</u>	<u>\$ -</u>	<u>\$ 30,285</u>	<u>\$ 402,333</u>	<u>\$ 122,613</u>	<u>\$ 8,763</u>	<u>\$ 5,956,154</u>	<u>\$ 4,478,261</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2016

Data Control Codes		640  2008 Bond Fund	Total Nonmajor Governmental Funds
ASSETS			
1110	Cash and Cash Equivalents	\$ -	\$ 7,002,811
1120	Investments - Current	-	248,645
1220	Property Taxes - Delinquent	-	283,929
1230	Allowance for Uncollectible Taxes (Credit)	-	(13,913)
1240	Receivables from Other Governments	-	1,881,973
1250	Accrued Interest	-	1,125
1260	Due from Other Funds	-	4,543
1290	Other Receivables	-	52,345
1300	Inventories	-	724,064
1900	Other Assets	-	248,893
1000	Total Assets	<u>\$ -</u>	<u>\$ 10,434,415</u>
LIABILITIES			
2110	Accounts Payable	\$ -	\$ 150,240
2160	Accrued Wages Payable	-	27,300
2170	Due to Other Funds	-	1,612,504
2180	Due to Other Governments	-	107,290
2190	Due to Student Groups	-	2,231
2300	Unearned Revenues	-	283,667
2000	Total Liabilities	<u>-</u>	<u>2,183,232</u>
DEFERRED INFLOWS OF RESOURCES			
2601	Unavailable Revenue - Property Taxes	-	227,341
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>227,341</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410	Inventories	-	724,064
Restricted Fund Balance:			
3450	Federal or State Funds Grant Restriction	-	2,708,634
3480	Retirement of Long-Term Debt	-	4,143,962
Committed Fund Balance:			
3545	Other Committed Fund Balance	-	447,182
3000	Total Fund Balances	<u>-</u>	<u>8,023,842</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	\$ -	\$ 10,434,415

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SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2016

Data Control Codes		205	211	212	224
		Head Start	ESEA I, A Improving Basic Program	ESEA Title I Part C Migrant	IDEA - Part B Formula
<b>REVENUES:</b>					
5700	Total Local and Intermediate Sources	\$ 1,110	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	2,542,381	3,098,297	137,633	3,131,347
5020	Total Revenues	2,543,491	3,098,297	137,633	3,131,347
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	1,208,632	2,865,717	46,261	2,267,895
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	92,260	46,395	-	24,444
0021	Instructional Leadership	-	134,630	53,701	92,509
0023	School Leadership	490,102	-	-	-
0031	Guidance, Counseling and Evaluation Services	10,929	-	-	717,590
0032	Social Work Services	200,531	-	36,923	-
0033	Health Services	114,446	2,345	-	26,064
0034	Student (Pupil) Transportation	312	-	-	-
0035	Food Services	54,190	-	-	-
0041	General Administration	-	-	-	-
0051	Facilities Maintenance and Operations	323,944	-	-	-
0052	Security and Monitoring Services	1,061	-	-	-
0061	Community Services	47,084	49,210	748	2,845
Debt Service:					
0071	Principal on Long Term Debt	-	-	-	-
0072	Interest on Long Term Debt	-	-	-	-
0073	Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	-	-	-
6030	Total Expenditures	2,543,491	3,098,297	137,633	3,131,347
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>					
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 Head Start	288 Child and Adult Care Feeding
\$ -	\$ 1,644,752	\$ 1,772	\$ -	\$ -	\$ -	\$ -	\$ -
-	219,774	-	-	-	-	-	-
87,386	5,627,013	86,317	167,305	791,574	69,587	1,148,803	515,756
87,386	7,491,539	88,089	167,305	791,574	69,587	1,148,803	515,756
87,386	-	-	88,357	561,769	68,331	947,337	-
-	-	-	-	-	-	-	-
-	-	-	51,252	174,181	-	21,685	-
-	-	-	1,556	41,807	1,030	-	-
-	-	-	-	-	-	63,309	-
-	-	-	26,140	-	-	1,006	-
-	-	-	-	-	-	51,487	-
-	-	-	-	-	-	21,551	-
-	-	-	-	-	-	-	-
-	7,184,382	86,297	-	-	-	2,962	491,328
-	-	-	-	-	-	-	-
-	135,443	2,735	-	-	-	35,946	-
-	-	-	-	-	-	434	-
-	-	-	-	13,817	226	3,086	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
87,386	7,319,825	89,032	167,305	791,574	69,587	1,148,803	491,328
-	171,714	(943)	-	-	-	-	24,428
-	5,768	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	5,768	-	-	-	-	-	-
-	177,482	(943)	-	-	-	-	24,428
-	3,010,725	58,720	-	-	-	-	93,585
\$ -	\$ 3,188,207	\$ 57,777	\$ -	\$ -	\$ -	\$ -	\$ 118,013

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2016

Data Control Codes		289 Other Federal Special Revenue Funds	392 Non-Ed. Community Based Support	394 Life Skills Program	397 Advanced Placement Incentives
<b>REVENUES:</b>					
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ 12,832	\$ -
5800	State Program Revenues	-	-	-	8,550
5900	Federal Program Revenues	3,339	-	-	-
5020	Total Revenues	3,339	-	12,832	8,550
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	3,339	-	-	384
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	-	-	-	-
0021	Instructional Leadership	-	-	-	-
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling and Evaluation Services	-	-	-	-
0032	Social Work Services	-	-	-	-
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	-	-	1,040	-
Debt Service:					
0071	Principal on Long Term Debt	-	-	-	-
0072	Interest on Long Term Debt	-	-	-	-
0073	Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	-	-	-
6030	Total Expenditures	3,339	-	1,040	384
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	11,792	8,166
<b>OTHER FINANCING SOURCES (USES):</b>					
7915	Transfers In	-	-	-	-
8911	Transfers Out (Use)	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net Change in Fund Balance	-	-	11,792	8,166
0100	Fund Balance - September 1 (Beginning)	-	-	-	45,758
3000	Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ 11,792	\$ 53,924



410 State Textbook Fund	428 High School Allotment	429 Other State Special Revenue Funds	461 Campus Activity Funds	480 San Angelo Stadium Fund	481 Health Fund	Total Nonmajor Special Revenue Funds	599 Debt Service Fund
\$ -	\$ -	\$ -	\$ 610,349	\$ 53,269	\$ 43	\$ 2,324,127	\$ 8,906,895
875,786	-	27,357	-	-	-	1,131,467	1,465,610
-	-	-	-	-	-	17,406,738	-
875,786	-	27,357	610,349	53,269	43	20,862,332	10,372,505
875,786	-	27,301	299,995	-	-	9,348,490	-
-	-	-	6,996	-	-	6,996	-
-	-	-	562	-	-	410,779	-
-	-	-	4,183	-	-	329,416	-
-	60,461	-	281,512	-	-	895,384	-
-	-	-	-	-	-	755,665	-
-	-	-	-	-	-	288,941	-
-	-	-	-	-	-	164,406	-
-	-	-	-	-	-	312	-
-	-	-	-	-	-	7,819,159	-
-	-	-	436	-	10,700	11,136	-
-	-	-	18,863	-	-	516,931	-
-	-	-	-	-	-	1,495	-
-	-	-	-	-	-	118,056	-
-	-	-	-	-	-	-	4,825,000
-	-	-	-	-	-	-	5,076,400
-	-	-	-	-	-	-	10,995
-	-	-	-	-	-	-	-
875,786	60,461	27,301	612,547	-	10,700	20,667,166	9,912,395
-	(60,461)	56	(2,198)	53,269	(10,657)	195,166	460,110
-	-	-	-	-	-	5,768	-
-	-	-	-	(10,977)	-	(10,977)	-
-	-	-	-	(10,977)	-	(5,209)	-
-	(60,461)	56	(2,198)	42,292	(10,657)	189,957	460,110
-	60,461	2,929	334,544	63,781	19,420	3,689,923	3,683,852
\$ -	\$ -	\$ 2,985	\$ 332,346	\$ 106,073	\$ 8,763	\$ 3,879,880	\$ 4,143,962

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2016

		640	Total
Data			Nonmajor
Control		2008 Bond	Governmental
Codes		Fund	Funds
REVENUES:			
5700	Total Local and Intermediate Sources	\$ -	\$ 11,231,022
5800	State Program Revenues	-	2,597,077
5900	Federal Program Revenues	-	17,406,738
5020	Total Revenues	-	31,234,837
EXPENDITURES:			
Current:			
0011	Instruction	-	9,348,490
0012	Instructional Resources and Media Services	-	6,996
0013	Curriculum and Instructional Staff Development	-	410,779
0021	Instructional Leadership	-	329,416
0023	School Leadership	-	895,384
0031	Guidance, Counseling and Evaluation Services	-	755,665
0032	Social Work Services	-	288,941
0033	Health Services	-	164,406
0034	Student (Pupil) Transportation	-	312
0035	Food Services	-	7,819,159
0041	General Administration	-	11,136
0051	Facilities Maintenance and Operations	-	516,931
0052	Security and Monitoring Services	-	1,495
0061	Community Services	-	118,056
Debt Service:			
0071	Principal on Long Term Debt	-	4,825,000
0072	Interest on Long Term Debt	-	5,076,400
0073	Bond Issuance Cost and Fees	-	10,995
Capital Outlay:			
0081	Facilities Acquisition and Construction	1,765	1,765
6030	Total Expenditures	1,765	30,581,326
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,765)	653,511
OTHER FINANCING SOURCES (USES):			
7915	Transfers In	-	5,768
8911	Transfers Out (Use)	-	(10,977)
7080	Total Other Financing Sources (Uses)	-	(5,209)
1200	Net Change in Fund Balance	(1,765)	648,302
0100	Fund Balance - September 1 (Beginning)	1,765	7,375,540
3000	Fund Balance - August 31 (Ending)	\$ -	\$ 8,023,842

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED AUGUST 31, 2016

	BALANCE SEPTEMBER 1 2015	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2016
<b>STUDENT ACTIVITY ACCOUNT</b>				
Assets:				
Cash and Temporary Investments	\$ 459,693	\$ 439,198	\$ 351,997	\$ 546,894
Other Receivables	2,006	1,628	2,684	950
Total Assets	<u>\$ 461,699</u>	<u>\$ 440,826</u>	<u>\$ 354,681</u>	<u>\$ 547,844</u>
Liabilities:				
Accounts Payable	\$ 243	\$ 27,882	\$ 27,566	\$ 559
Due to Student Groups	461,456	468,392	382,563	547,285
Total Liabilities	<u>\$ 461,699</u>	<u>\$ 496,274</u>	<u>\$ 410,129</u>	<u>\$ 547,844</u>
<b>TOTAL AGENCY FUNDS</b>				
Assets:				
Cash and Temporary Investments	\$ 459,693	\$ 439,198	\$ 351,997	\$ 546,894
Other Receivables	2,006	1,628	2,684	950
Total Assets	<u>\$ 461,699</u>	<u>\$ 440,826</u>	<u>\$ 354,681</u>	<u>\$ 547,844</u>
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Total Liabilities	<u>\$ 461,699</u>	<u>\$ 496,274</u>	<u>\$ 410,129</u>	<u>\$ 547,844</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, 2016

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2007 and prior years	Various	Various	\$ Various
2008	1.040000	0.070000	2,178,372,546
2009	1.040000	0.070000	2,888,797,097
2010	1.040000	0.315000	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	0.200000	3,881,035,694
2015	1.040000	0.200000	4,295,874,565
2016 (School year under audit)	1.040000	0.195000	4,542,856,159
1000 TOTALS			

(10) Beginning Balance 9/1/2015	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2016
\$ 322,115	\$ -	\$ 12,239	\$ 578	\$ (6,111)	\$ 303,187
11,059	-	656	44	(688)	9,671
19,679	-	1,704	115	(947)	16,913
34,219	-	3,320	998	(4,222)	25,679
41,114	-	8,372	2,194	(6,209)	24,339
77,846	-	24,618	5,681	(13,584)	33,963
153,452	-	56,500	11,952	(13,348)	71,652
269,327	-	113,820	24,078	(3,436)	127,993
770,580	-	338,173	65,033	(38,347)	329,027
-	56,104,234	46,194,049	8,661,384	(255,791)	993,010
<u>\$ 1,699,391</u>	<u>\$ 56,104,234</u>	<u>\$ 46,753,451</u>	<u>\$ 8,772,057</u>	<u>\$ (342,683)</u>	<u>\$ 1,935,434</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, 2016

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	\$ 1,998,649	\$ 1,998,649	\$ 1,644,752	\$ (353,897)
5800 State Program Revenues	40,000	40,000	219,774	179,774
5900 Federal Program Revenues	5,567,151	5,561,383	5,627,013	65,630
5020 Total Revenues	7,605,800	7,600,032	7,491,539	(108,493)
EXPENDITURES:				
0035 Food Services	7,430,800	7,430,800	7,184,382	246,418
0051 Facilities Maintenance and Operations	175,000	175,000	135,443	39,557
6030 Total Expenditures	7,605,800	7,605,800	7,319,825	285,975
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(5,768)	171,714	177,482
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	5,768	5,768
1200 Net Change in Fund Balances	-	(5,768)	177,482	183,250
0100 Fund Balance - September 1 (Beginning)	3,010,725	3,010,725	3,010,725	-
3000 Fund Balance - August 31 (Ending)	\$ 3,010,725	\$ 3,004,957	\$ 3,188,207	\$ 183,250



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, 2016

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	\$ 8,639,011	\$ 8,780,000	\$ 8,906,895	\$ 126,895
5800	State Program Revenues	1,017,172	1,550,000	1,465,610	(84,390)
5020	Total Revenues	9,656,183	10,330,000	10,372,505	42,505
EXPENDITURES:					
Debt Service:					
0071	Principal on Long Term Debt	-	4,825,000	4,825,000	-
0072	Interest on Long Term Debt	-	5,076,400	5,076,400	-
0073	Bond Issuance Cost and Fees	-	10,600	10,995	(395)
6030	Total Expenditures	-	9,912,000	9,912,395	(395)
1200	Net Change in Fund Balances	9,656,183	418,000	460,110	42,110
0100	Fund Balance - September 1 (Beginning)	3,683,852	3,683,852	3,683,852	-
3000	Fund Balance - August 31 (Ending)	\$ 13,340,035	\$ 4,101,852	\$ 4,143,962	\$ 42,110

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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 2015
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, 2015
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*)

	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
Governmental Activities:				
Net Investment in Capital Assets	\$ 90,140,840	\$ 86,764,060	\$ 81,778,241	\$ 76,142,025
Restricted	6,861,596	6,283,407	5,350,037	4,775,658
Unrestricted	28,242,791	25,114,945	33,870,166	30,269,027
Total Governmental Activities Net Position	<u>\$ 125,245,227</u>	<u>\$ 118,162,412</u>	<u>\$ 120,998,444</u>	<u>\$ 111,186,710</u>
Business-Type Activities:				
Net Investment in Capital Assets	\$ 109,382	\$ 113,000	\$ (13,743)	\$ (27,899)
Unrestricted	62,690	71,368	22,067	7,761
Total Business-Type Activities Net Position	<u>\$ 172,072</u>	<u>\$ 184,368</u>	<u>\$ 8,324</u>	<u>\$ (20,138)</u>
Primary Government:				
Net Investment in Capital Assets	\$ 90,250,222	\$ 86,877,060	\$ 81,764,498	\$ 76,114,126
Restricted	6,861,596	6,283,407	5,350,037	4,775,658
Unrestricted	28,305,481	25,186,313	33,892,233	30,276,788
Total Primary Government Net position	<u>\$ 125,417,299</u>	<u>\$ 118,346,780</u>	<u>\$ 121,006,768</u>	<u>\$ 111,166,572</u>

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

Note: Net Position at 2013 has been restated to reflect immediate expense of bond issuance costs in 2006 and 2009 in compliance with GASB 65

TABLE 1

Fiscal Year					
2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
\$ 71,331,462	\$ 68,123,024	\$ 65,774,951	\$ 59,756,813	\$ 59,894,274	\$ 56,027,686
4,327,397	3,660,369	3,126,860	3,060,134	2,683,486	5,411,438
31,774,879	33,444,213	29,506,262	31,442,641	34,527,934	34,130,802
<u>\$ 107,433,738</u>	<u>\$ 105,227,606</u>	<u>\$ 98,408,073</u>	<u>\$ 94,259,588</u>	<u>\$ 97,105,694</u>	<u>\$ 95,569,926</u>
\$ (9,988)	\$ (994)	\$ 3,307	\$ 6,411	\$ 31,079	\$ 56,724
(16,094)	(37,514)	(39,262)	113,088	80,179	37,797
<u>\$ (26,082)</u>	<u>\$ (38,508)</u>	<u>\$ (35,955)</u>	<u>\$ 119,499</u>	<u>\$ 111,258</u>	<u>\$ 94,521</u>
\$ 71,321,474	\$ 68,122,030	\$ 65,778,258	\$ 59,763,224	\$ 59,925,353	\$ 56,084,410
4,327,397	3,660,369	3,126,860	3,060,134	2,683,486	5,411,438
31,758,785	33,406,699	29,467,000	31,555,729	34,608,113	34,168,599
<u>\$ 107,407,656</u>	<u>\$ 105,189,098</u>	<u>\$ 98,372,118</u>	<u>\$ 94,379,087</u>	<u>\$ 97,216,952</u>	<u>\$ 95,664,447</u>

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

	2015-16	2014-15	2013-14	2012-13
<b>Expenses</b>				
Governmental Activities:				
Instruction	\$ 79,329,970	\$ 74,059,072	\$ 71,629,182	\$ 66,826,951
Instructional resources and media services	1,632,171	1,577,545	1,509,404	1,517,811
Curriculum and instructional staff development	1,309,828	1,106,285	1,104,738	1,161,151
Instructional leadership	2,304,859	2,123,211	1,941,920	1,876,257
School leadership	7,922,842	7,191,122	6,808,788	6,690,570
Guidance, counseling and evaluation services	5,124,249	4,623,658	4,652,230	4,648,827
Social work services	831,773	690,344	685,493	642,501
Health services	820,322	703,002	695,736	674,661
Student (pupil) transportation	3,436,964	3,141,761	3,026,966	2,934,984
Food Services	8,320,309	7,664,481	7,808,904	7,633,433
Cocurricular / extracurricular activities	6,050,147	5,621,490	5,241,302	4,938,248
General Administration	2,865,429	3,522,185	2,749,765	2,510,566
Facilities maintenance and operation	13,853,266	12,917,386	12,830,874	13,316,353
Security and monitoring services	537,672	580,352	535,578	440,045
Data processing services	2,768,960	2,946,972	2,455,921	2,414,907
Community services	292,545	286,510	260,514	266,562
Interest and fees on long-term debt	5,236,192	3,480,046	5,887,537	6,032,495
Other Governmental Charges (Appraisal District)	979,498	954,466	826,793	846,240
Total Governmental Activities Expenses	<u>143,616,996</u>	<u>133,189,888</u>	<u>130,651,645</u>	<u>125,372,562</u>
Business-Type Activities:				
Concessions	105,647	74,871	49,420	95,177
Jumbo-tron (FY 2005-06 first year of operations)	158,860	51,423	115,663	88,037
Total Business-Type Activities Expenses	<u>264,507</u>	<u>126,294</u>	<u>165,083</u>	<u>183,214</u>
Total Primary Government Expenses	<u>\$ 143,881,503</u>	<u>\$ 133,316,182</u>	<u>\$ 130,816,728</u>	<u>\$ 125,555,776</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for services:				
Instruction	\$ 615,065	\$ 553,237	\$ 486,921	\$ 515,623
Curriculum and staff development	-	-	-	-
Instructional leadership	6,097	5,846	5,264	5,863
School leadership	280,450	303,999	273,724	257,965
Health services	-	-	-	-
Food services	1,640,888	1,969,013	1,905,270	1,931,106
Cocurricular / extracurricular activities	401,525	296,563	329,071	219,150
General administration	-	-	-	-
Facilities maintenance and operations	613,012	691,442	477,168	538,180
Security and monitoring & data processing	6,062	6,792	4,316	-
Community services	-	-	-	-
Operating grants and contributions	23,562,972	23,709,543	23,897,070	21,106,992
Total Governmental Activities Program Revenues	<u>27,126,071</u>	<u>27,536,435</u>	<u>27,378,804</u>	<u>24,574,879</u>
Business-Type Activities:				
Concessions	102,737	79,420	109,156	110,157
Jumbo-tron (FY 2005-06 first year of operations)	144,265	115,663	81,788	82,584
Total Business-Type Activities Program Revenues	<u>247,002</u>	<u>195,083</u>	<u>190,944</u>	<u>192,741</u>
Total Primary Government Program Revenues	<u>\$ 27,373,073</u>	<u>\$ 27,731,518</u>	<u>\$ 27,569,748</u>	<u>\$ 24,767,620</u>

TABLE 2

Fiscal Year					
2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
\$ 66,164,039	\$ 71,147,496	\$ 70,438,360	\$ 69,866,593	\$ 66,730,115	\$ 62,891,886
1,530,895	1,693,393	1,731,606	1,794,081	1,752,858	1,731,854
828,657	1,163,024	1,970,955	1,714,766	1,854,410	1,968,999
1,857,948	1,983,233	1,623,201	1,612,794	1,483,523	1,503,316
6,572,481	6,486,493	6,349,709	6,480,282	6,128,517	5,506,764
4,816,003	5,015,244	4,959,488	5,038,544	4,875,257	4,728,389
656,475	711,054	632,153	781,189	687,144	881,673
687,262	764,970	711,952	651,877	642,762	642,670
2,767,646	2,671,412	2,553,837	2,686,420	2,472,937	2,061,204
7,078,316	7,052,970	6,365,531	6,380,281	6,078,305	5,637,225
4,960,017	4,581,926	4,557,832	4,501,260	3,855,451	3,568,880
2,522,886	2,643,524	2,584,419	2,333,118	2,571,825	2,306,466
13,164,586	13,219,909	12,851,443	12,550,670	13,258,884	12,063,215
443,446	414,299	340,489	265,218	310,337	300,352
2,509,966	2,428,527	2,434,173	2,451,835	3,974,257	2,910,624
264,170	333,666	352,370	367,348	364,730	367,276
6,063,090	6,406,428	6,539,640	4,976,841	1,050,218	1,139,625
828,172	814,001	741,234	739,774	782,194	749,415
123,716,055	129,531,569	127,738,392	125,192,891	118,873,724	110,959,833
87,635	93,968	95,111	98,840	99,653	93,721
70,343	74,279	78,311	80,617	82,845	84,249
157,978	168,247	173,422	179,457	182,498	177,970
\$ 123,874,033	\$ 129,699,816	\$ 127,911,814	\$ 125,372,348	\$ 119,056,222	\$ 111,137,803
\$ 496,433	\$ 473,003	\$ 428,715	\$ 368,070	\$ 635,338	\$ 499,170
-	-	-	-	40,843	83,735
4,978	4,637	4,286	5,140	5,427	9,362
248,886	231,845	231,441	359,739	206,233	168,519
-	-	-	-	265,619	-
1,823,703	1,742,433	1,849,258	2,032,920	1,926,885	1,727,874
247,956	237,287	167,505	284,288	254,284	191,127
436,744	417,901	-	-	-	-
-	-	387,439	419,868	410,424	361,988
-	-	-	-	8,854	-
-	-	-	-	-	-
24,603,425	30,601,466	30,140,043	23,731,424	22,919,311	21,459,740
27,862,125	33,708,572	33,208,687	27,201,449	26,673,218	24,501,515
106,280	109,464	97,217	116,047	118,184	99,106
68,059	56,230	70,751	71,651	81,051	62,551
174,339	165,694	167,968	187,698	199,235	161,657
\$ 28,036,464	\$ 33,874,266	\$ 33,376,655	\$ 27,389,147	\$ 26,872,453	\$ 24,663,172

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

	2015-16	2014-15	2013-14	2012-13
(Continued)				
<b>Net (Expense) / Revenue</b>				
Governmental Activities	\$ (116,490,925)	\$ (105,653,453)	\$ (103,272,841)	\$ (100,797,683)
Business-Type Activities	(17,505)	68,789	25,861	9,527
Total Primary Government Net Expense	<u>\$ (116,508,430)</u>	<u>\$ (105,584,664)</u>	<u>\$ (103,246,980)</u>	<u>\$ (100,788,156)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property taxes	\$ 55,799,787	\$ 53,143,786	\$ 48,741,279	\$ 46,231,283
State aid - formula grants not restricted	65,582,875	63,735,611	63,225,151	57,369,244
Grants and contributions not restricted	-	-	-	-
Investment earnings	356,437	198,903	219,106	189,976
Miscellaneous	1,839,850	745,617	894,303	756,568
Special items	-	(150,000)	-	-
Transfers	(5,209)	(107,255)	4,735	3,584
Total Governmental Activities	123,573,740	117,566,662	113,084,574	104,550,655
Business-Type Activities:				
Transfers	5,209	107,255	(4,735)	(3,584)
Total Primary Government	<u>\$ 123,578,949</u>	<u>\$ 117,673,917</u>	<u>\$ 113,079,839</u>	<u>\$ 104,547,071</u>
Prior period adjustment Governmental activities				
<b>Change in Net Position Current Year Transactions</b>				
Governmental Activities	\$ 7,082,815	\$ 11,913,209	\$ 9,811,733	\$ 3,752,972
Business-Type Activities	(12,296)	176,044	21,126	5,943
Total Primary Government	<u>\$ 7,070,519</u>	<u>\$ 12,089,253</u>	<u>\$ 9,832,859</u>	<u>\$ 3,758,915</u>
Prior period adjustment Governmental Activities reported in these years:				
		(\$14,749,242)		

This table has been re-stated for the effect of expensing bond issuance costs in the year of purchase (per GASB 65).



TABLE 2

Fiscal Year					
2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
\$ (95,853,930)	\$ (95,822,997)	\$ (94,529,705)	\$ (97,991,442)	\$ (92,200,506)	\$ (86,458,318)
16,361	(2,553)	(5,454)	8,241	16,737	(16,313)
<u>\$ (95,837,569)</u>	<u>\$ (95,825,550)</u>	<u>\$ (94,535,159)</u>	<u>\$ (97,983,201)</u>	<u>\$ (92,183,769)</u>	<u>\$ (86,474,631)</u>
\$ 41,265,609	\$ 40,180,884	\$ 40,380,438	\$ 32,030,863	\$ 30,024,562	\$ 36,770,046
55,449,625	55,337,595	55,040,403	59,682,867	60,271,087	52,935,269
-	3,519,460	1,216,227	973,798	931,001	972,650
432,806	1,005,471	1,457,996	1,368,623	1,624,328	2,420,467
996,085	2,599,119	433,126	887,619	546,413	621,516
(87,997)	-	-	-	-	-
3,934	-	150,000	-	-	-
98,060,062	102,642,529	98,678,190	94,943,770	93,397,391	93,719,948
(3,934)	-	(150,000)	-	-	-
<u>\$ 98,056,128</u>	<u>\$ 102,642,529</u>	<u>\$ 98,528,190</u>	<u>\$ 94,943,770</u>	<u>\$ 93,397,391</u>	<u>\$ 93,719,948</u>
			\$ -	\$ 338,883	
\$ 2,206,132	\$ 6,819,532	\$ 4,148,485	\$ (3,047,672)	\$ 1,196,885	\$ 7,261,630
12,427	(2,553)	(155,454)	8,241	16,737	(16,313)
<u>\$ 2,218,559</u>	<u>\$ 6,816,979</u>	<u>\$ 3,993,031</u>	<u>\$ (3,039,431)</u>	<u>\$ 1,213,622</u>	<u>\$ 7,245,317</u>
			\$ 201,566	\$ 338,883	

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

	2015-16	2014-15	2013-14	2012-13
General Fund:				
Non Spendable Fund Balance				
Inventory	\$ -	\$ -	\$ -	\$ -
Prepaid Expenditures	577,644	539,955	804,326	977,720
Total Non Spendable Fund Balance	577,644	539,955	804,326	977,720
Restricted Fund Balance				
Retirement of LT Debt	1,020,034	1,052,186	1,017,649	1,075,374
Other Restricted	9,000	70,869	114,756	187,520
Total Restricted Fund Balance	1,029,034	1,123,055	1,132,405	1,262,894
Committed Fund Balance				
Construction	3,979,500	7,000,000	1,800,000	775,000
Capital Expenditures for Equipment	7,500,000	4,700,000	2,000,000	1,500,000
Self Insurance	-	-	-	-
Other Committed	500,000	500,000	1,155,051	2,147,421
Total Committed Fund Balance	11,979,500	12,200,000	4,955,051	4,422,421
Unassigned Fund Balance	28,345,279	22,792,153	24,977,806	21,781,089
Total General Fund	<u>\$ 41,931,457</u>	<u>\$ 36,655,163</u>	<u>\$ 31,869,588</u>	<u>\$ 28,444,124</u>
All Other Governmental Funds:				
Non Spendable Fund Balance				
Inventory	\$ 724,064	\$ 743,492	\$ 867,340	\$ 840,098
Restricted Fund Balance				
Retirement of Long Term Debt	4,143,962	3,683,852	3,322,654	2,611,930
Federal or State Funds and Grant Restrictions	2,708,634	2,528,686	1,912,627	1,976,208
Capital Acquisition and Contractual Obligations	-	1,765	1,765	3,602,405
Total Restricted Fund Balance	6,852,596	6,214,303	5,237,046	8,190,543
Committed Fund Balance				
Construction	-	-	-	61,063
Campus Activity Funds	-	-	296,761	255,626
Other Committed	447,182	417,745	138,517	-
Unassigned Fund Balance	-	-	-	-
Total Other Governmental Funds:	<u>\$ 8,023,842</u>	<u>\$ 7,375,540</u>	<u>\$ 6,539,664</u>	<u>\$ 9,347,330</u>
All Governmental Funds:				
Non Spendable	1,301,708	1,283,447	1,671,666	1,817,818
Restricted	7,881,630	7,337,358	6,369,451	9,453,437
Committed	12,426,682	12,617,745	5,390,329	4,739,110
Unassigned	28,345,279	22,792,153	24,977,806	21,781,089
Total All Governmental Funds	<u>\$ 49,955,299</u>	<u>\$ 44,030,703</u>	<u>\$ 38,409,252</u>	<u>\$ 37,791,454</u>

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

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

TABLE 3

Fiscal Year					
2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
733,001	313,487	236,893	133,491	104,224	52,276
733,001	313,487	236,893	133,491	104,224	52,276
1,115,869	1,132,018	1,128,768	1,127,281	1,036,984	1,112,901
331,113	224,212	338,562	469,812	826,006	2,612,188
1,446,982	1,356,230	1,467,330	1,597,093	1,862,990	3,725,089
825,000	400,000	-	3,000,000	5,500,000	2,500,000
3,150,000	2,000,000				
-	2,350,000	350,000	250,000	-	
1,500,000	1,500,000	3,500,000	2,909,750	2,512,352	3,360,216
5,475,000	6,250,000	3,850,000	6,159,750	8,012,352	5,860,216
22,384,107	22,624,187	20,611,877	21,168,391	21,222,296	24,642,524
\$ 30,039,090	\$ 30,543,904	\$ 26,166,100	\$ 29,058,725	\$ 31,201,862	\$ 34,280,105
\$ 722,548	\$ 656,522	\$ 484,376	\$ 564,571	\$ 539,757	\$ 408,909
2,241,004	2,041,113	1,840,439	1,898,914	1,395,582	1,238,235
1,755,280	1,395,044	1,491,909	1,623,899	1,066,155	1,047,471
24,422,633	52,367,795	91,379,811	113,393,995	-	-
28,418,917	55,803,952	94,712,159	116,916,808	2,461,737	2,285,706
-	-	646,725	(53,483)	181,853	-
186,107	-	-	-	-	-
-	-	-	-	-	-
-	414,322	162,754	197,359	160,242	205,484
\$ 29,141,465	\$ 56,874,796	\$ 96,006,014	\$ 117,625,255	\$ 3,343,589	\$ 2,900,099
1,455,549	970,009	721,269	698,062	643,981	461,185
29,865,899	57,160,182	96,179,489	118,513,901	4,324,727	6,010,795
5,661,107	6,250,000	4,496,725	6,106,267	8,194,205	5,860,216
22,384,107	23,038,509	20,774,631	21,365,750	21,382,538	24,848,008
\$ 59,366,662	\$ 87,418,700	\$ 122,172,114	\$ 146,683,980	\$ 34,545,451	\$ 37,180,204

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

	2015-16	2014-15	2013-14	2012-13
<b>Revenues</b>				
Local and intermediate sources:				
Property taxes, penalty and interest	\$ 56,283,800	\$ 53,552,652	\$ 49,537,938	\$ 46,862,208
Gain (loss) from sale of WADA	-	-	-	-
Tuition and fees	225,355	224,136	213,619	190,635
Food services	1,640,888	1,969,013	1,905,903	1,932,674
Co-curricular and enterprising activities	1,005,138	895,712	901,948	791,357
Investment earnings	359,460	199,106	218,948	190,109
Insurance proceeds - property damage	53,656	-	-	-
Other revenues	815,495	849,990	570,400	702,901
Total local and intermediate sources	60,383,792	57,690,609	53,348,756	50,669,884
State program revenues	67,268,946	68,580,461	67,728,981	60,247,743
Federal program revenues	19,331,793	18,864,239	19,392,931	18,227,547
Total revenues	146,984,531	145,135,309	140,470,668	129,145,174
<b>Expenditures</b>				
Instruction	71,380,540	70,073,414	67,378,105	64,151,797
Instructional resources and media services	1,447,992	1,455,745	1,411,714	1,436,517
Curriculum and instructional staff development	1,255,589	1,075,202	1,067,412	1,123,135
Instructional leadership	2,035,845	1,945,918	1,829,588	1,810,826
School leadership	7,401,004	7,101,710	6,655,089	6,543,699
Guidance, counseling and evaluation services	4,812,066	4,603,429	4,636,835	4,602,952
Social work services	720,293	662,779	627,879	603,006
Health services	775,995	703,989	688,197	665,682
Student (pupil) transportation	3,252,201	3,132,733	3,058,749	2,927,093
Food Services	7,963,012	7,626,807	7,743,714	7,457,015
Cocurricular / extracurricular activities	5,710,564	5,759,136	5,549,188	5,124,341
General Administration	2,794,252	2,609,530	2,697,994	2,454,881
Facilities maintenance and operation	13,610,153	12,854,485	15,695,471	12,624,624
Security and monitoring services	492,515	529,843	476,085	424,236
Data processing services	2,528,416	2,753,712	3,220,412	2,978,716
Community services	281,010	287,370	258,475	264,101
Debt service:				
Principal	4,825,000	4,910,000	4,320,000	4,180,000
Interest and fees	5,087,395	6,325,787	6,035,326	6,182,511
Capital outlay	4,760,726	4,898,029	5,773,255	24,386,376
Intergovernmental: tax appraisal and collection	979,498	954,466	826,793	846,240
Total expenditures	142,114,066	140,264,084	139,950,281	150,787,748
Excess revenues over (under) expenditures	4,870,465	4,871,225	520,387	(21,642,574)
<b>Other financing sources (uses)</b>				
Proceeds of debt issued	-	99,939,982	-	-
Sale of real and personal property	1,059,340	92,276	73,315	63,783
Premium or (discount) on issuance of bonds	-	14,770,863	-	-
Prepaid interest	-	-	-	-
Transfers in	5,768	5,745	35,321	78,152
Transfers out	(10,977)	(113,000)	(11,225)	(74,568)
Payment to bond refunding escrow agent	-	(113,795,640)	-	-
Total other financing sources (uses)	1,054,131	900,226	97,411	67,367
Extraordinary Item (use)	-	(150,000)	-	-
Restatement of beginning fund balance	-	-	-	-
Net change in fund balances	\$ 5,924,596	\$ 5,621,451	\$ 617,798	\$ (21,575,207)
Debt service as a percentage of noncapital expenditures	7.2%	8.3%	7.7%	8.2%

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

Fiscal Year 2014-15 debt service included issuance cost on \$ 99,940,000 in refunding bonds issued.

TABLE 4

Fiscal Year					
2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
\$ 42,086,455	\$ 40,707,500	\$ 40,580,189	\$ 31,980,079	\$ 30,378,113	\$ 37,177,634
-	-	-	(6,577)	18,433	33,459
185,700	181,271	166,793	175,271	162,899	123,464
1,825,858	1,723,990	1,817,763	2,013,359	1,918,031	1,727,874
397,173	803,376	587,101	724,846	726,169	659,236
431,999	1,003,562	1,455,093	1,344,712	1,523,015	2,288,266
-	14,269	-	-	-	-
1,189,565	621,574	646,477	1,121,249	1,058,919	669,701
46,116,750	45,055,542	45,253,416	37,352,939	35,785,579	42,679,634
59,268,701	63,963,052	60,583,329	66,402,684	67,239,684	59,242,151
20,783,348	25,494,872	25,812,511	17,981,982	16,870,719	16,063,156
126,168,799	134,513,466	131,649,256	121,737,605	119,895,982	117,984,941
64,074,951	69,442,509	69,126,938	66,646,625	66,689,574	61,798,924
1,461,309	1,641,580	1,688,076	1,720,634	1,701,402	1,719,874
806,077	1,142,672	1,951,157	1,682,331	1,831,746	1,941,101
1,840,991	1,956,431	1,620,561	1,573,034	1,465,325	1,473,094
6,377,121	6,320,002	6,194,309	6,207,918	5,964,782	5,321,636
4,740,125	4,976,653	4,917,808	4,926,144	4,819,169	4,679,206
618,172	678,612	600,941	731,573	653,472	855,569
675,840	757,953	705,689	633,367	639,602	637,811
2,547,529	2,493,675	2,559,739	2,659,373	2,557,399	2,210,572
6,928,173	6,991,112	6,596,523	6,151,043	5,976,265	5,472,914
4,302,148	4,452,010	4,447,667	4,312,721	4,430,190	3,440,628
2,339,102	2,467,637	2,381,155	2,298,659	2,574,113	2,245,536
12,651,191	12,813,566	12,522,735	12,307,568	14,362,296	11,745,817
393,832	359,955	298,585	208,543	430,212	257,293
2,200,234	2,638,293	2,260,193	2,326,700	2,374,291	2,466,624
259,779	332,128	351,291	357,378	361,770	362,671
3,523,822	3,556,162	2,235,000	6,220,000	2,060,000	1,858,283
6,865,664	6,769,531	8,126,568	3,000,088	1,067,260	1,304,324
30,825,505	40,489,391	26,755,825	8,106,941	2,059,483	4,028,422
828,172	814,001	741,234	739,774	782,194	749,415
154,259,737	171,093,873	156,081,994	132,810,414	122,800,545	114,569,714
(28,090,938)	(36,580,407)	(24,432,738)	(11,072,809)	(2,904,563)	3,415,227
-	-	-	121,089,985	-	-
34,966	1,826,993	17,417	11,827	269,810	42,577
-	-	-	2,109,526	-	-
-	-	-	-	-	-
171,198	4,443	3,999,835	2,500,000	1,441,938	49,712
(167,264)	(4,443)	(4,096,380)	(2,500,000)	(1,441,938)	(49,712)
-	-	-	-	-	-
38,900	1,826,993	(79,128)	123,211,338	269,810	42,577
-	-	-	-	-	-
\$ (28,052,038)	\$ (34,753,414)	\$ (24,511,866)	\$ 112,138,529	\$ (2,634,753)	\$ 3,457,804
8.4%	7.9%	8.0%	7.4%	2.6%	2.9%

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			
2006-07	2006	\$ 2,953,804,520	\$ 559,553,004	\$ 1,162,270	\$3,514,519,794	\$ 946,543,175	\$ 2,567,976,619	\$ 2,793,904,510
2007-08	2007	\$ 3,149,706,998	\$ 548,977,256	\$ 1,249,600	\$3,699,933,854	\$ 984,141,502	\$ 2,715,792,352	\$ 2,955,169,446
2008-09	2008	\$ 3,413,826,818	\$ 584,451,554	\$ 738,620	\$3,999,016,992	\$ 1,092,467,934	\$ 2,906,549,058	\$ 3,155,991,134
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	#####	\$ 376,080	\$5,899,553,625	\$ 1,356,700,665	\$ 4,542,852,960	\$ 4,545,509,107
<b>Tax Base Distribution</b>								
						<u>2015 Tax Roll</u>	<u>2014 Tax Roll</u>	
Property Type:								
Real Property						\$ 4,898,701,375	\$ 4,540,479,994	
Personal Property						1,000,476,170	846,992,690	
Minerals						376,080	828,400	
Total Gross Values						<u>5,899,553,625</u>	<u>5,388,301,084</u>	
Less Exemptions:								
Agricultural Productivity						116,498,390	117,274,750	
Freeport						21,911,605	17,536,922	
Pollution Control						6,058,964	5,959,924	
Mandatory Homestead						537,057,325	322,455,427	
Mandatory Over 65						71,853,470	74,903,720	
Mandatory Disabled						9,520,250	10,320,280	
Mandatory Disabled Veteran						45,954,900	41,959,060	
Optional \$25,000 Disability						18,789,320	20,599,340	
Over 65 & Disabled Freeze Credits						367,536,617	354,258,836	
Prorations / Exempt						6,436,700	11,133,711	
Cap Credit (on Appraisals of Real Estate)						155,083,124	116,024,549	
Total Exemptions						<u>1,356,700,665</u>	<u>1,092,426,519</u>	
Total Net Valuation						<u>\$ 4,542,852,960</u>	<u>\$ 4,295,874,565</u>	

**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 used for school funding. 2014 values reflect \$25,0000 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
2006-07	1.37000	0.07000	1.44000	\$ 35,181,280	\$ 1,797,584	\$ 36,978,864
2007-08	1.04000	0.07000	1.11000	\$ 28,244,254	\$ 1,901,057	\$ 30,145,311
2008-09	1.04000	0.07000	1.11000	\$ 30,259,904	\$ 2,036,725	\$ 32,296,629
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

**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
2006-07	2006	1.44000	0.52285	0.85000
2007-08	2007	1.11000	0.52582	0.84000
2008-09	2008	1.11000	0.52582	0.82750
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

\* 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 2015  
(UNAUDITED)

Property Code	Property Use Category	Items		Gross Appraised Market Value
		Description	Number	
A	Single family residence	No. of properties	30,524	\$ 3,658,226,555
B	Multi-family residence	No. of properties	423	177,705,370
C	Vacant lots/tracts	No. of properties	4,276	73,820,200
D-1	Qualified Ag land	No. of acres	71,598	124,483,330
D-2	Non-qualified land	No. of accounts	98	2,739,020
E	Farm and ranch improvements	No. of parcels	489	30,724,620
F-1	Real: Commercial	No. of properties	2,607	774,812,900
F-2	Real: Industrial	No. of properties	72	27,858,880
G-1	Minerals: Oil and gas	No. of accounts	5	376,080
J	Real and personal: utilities	No. of companies	32	138,203,170
L-1	Personal: Commercial	No. of properties	3,659	477,524,710
L-2	Personal: Industrial	No. of properties	133	348,498,570
M-1	Mobile homes	No. of homes	714	8,876,940
O	Real property: Inventory	No. of properties	662	9,636,060
S	Special inventory	No. of accounts	52	46,067,220
Totals				\$ 5,899,553,625
Total parcels in category D			646	

**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 2015-16			Fiscal Year 2006-07		
		Assessed Value	Rank	Percent of Total Assessed Value	Assessed Value	Rank	Percent of Total Assessed Value
Nabors Well Service	Petroleum Ind.	\$ 61,776,830	1	1.36%	\$ -		0.00%
Walmart	Retail	54,166,310	2	1.19%	26,123,009	5	1.13%
Ethicon, Inc.	Mfg.	50,226,706	3	1.11%	49,374,090	2	2.13%
AEP Texas North	Utility	49,569,960	4	1.09%	51,454,260	1	2.22%
Hirschfeld Steel & Energy	Mfg.	41,908,320	5	0.92%	-		-
Pumpco	Petroleum Ind.	35,305,270	6	0.78%	-		-
Angelo Community Medical	Hospital	33,950,260	7	0.75%	37,968,760	4	1.64%
Verizon	Utility	24,295,220	8	0.53%	43,039,516	3	1.86%
LCRA Transmission Srv	Utility	20,498,270	9	0.45%	-		-
Envoy Air	Transportation	20,271,290	10	0.45%	-		-
Sunset Mall LLP	Real Estate	-		-	16,584,050	6	0.72%
Shannon Medical Center	Hospital	-		-	14,208,794	7	0.61%
Cox Communications	Utility	-		-	13,620,350	8	0.59%
Lowe's, Inc.	Retail	-		-	13,013,178	9	0.56%
Town & Country Food Stores	Retail	-		-	11,705,061	10	0.50%
	Total	<u>\$ 391,968,436</u>		<u>8.63%</u>	<u>\$ 277,091,068</u>		<u>11.96%</u>
	Total Assessed Value	<u>\$ 4,542,852,960</u>			<u>\$ 2,318,913,431</u>		

Source: Tom Green County Appraisal District.

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

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percent of Original Levy		Amount	Percent of Adjusted Levy
2006-07	\$ 36,978,864	\$ (256,371)	\$ 36,722,493	\$ 36,192,868	97.87%	\$ 514,505	\$ 36,707,373	99.96%
2007-08	\$ 30,173,935	\$ (180,088)	\$ 29,993,847	\$ 29,542,993	97.91%	\$ 439,602	\$ 29,982,595	99.96%
2008-09	\$ 32,296,629	\$ (368,099)	\$ 31,928,530	\$ 31,217,259	96.66%	\$ 688,413	\$ 31,905,672	99.93%
2009-10	\$ 41,023,104	\$ (696,388)	\$ 40,326,716	\$ 39,528,397	96.36%	\$ 773,120	\$ 40,301,517	99.94%
2010-11	\$ 40,528,140	\$ (371,510)	\$ 40,156,630	\$ 39,414,014	97.25%	\$ 685,336	\$ 40,099,350	99.86%
2011-12	\$ 41,525,593	\$ (262,452)	\$ 41,263,141	\$ 40,661,953	97.92%	\$ 490,574	\$ 41,152,527	99.73%
2012-13	\$ 46,274,405	\$ (18,385)	\$ 46,256,020	\$ 45,551,446	98.44%	\$ 619,574	\$ 46,171,020	99.82%
2013-14	\$ 48,901,050	\$ (168,977)	\$ 48,732,073	\$ 48,093,415	98.35%	\$ 507,229	\$ 48,600,644	99.73%
2014-15	\$ 53,268,845	\$ (87,302)	\$ 53,181,543	\$ 52,410,963	98.39%	\$ 403,206	\$ 52,814,169	99.31%
2015-16	\$ 56,104,234	\$ (255,791)	\$ 55,848,443	\$ 54,855,433	97.77%	\$ -	\$ 54,855,433	98.22%

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

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

Fiscal Year	Governmental Activities				Business- Type Activities	Total Primary Government	Percent of Personal Income	Per Capita
	General Obligation Bonds	Contractual Obligations	Loans Payable	Capital Leases	Cap. Lease or Debt			
2006-07	\$ 25,195,000	\$ -	\$ -	\$ -	\$ 366,818	\$ 25,561,818	0.97%	289.49
2007-08	\$ 23,135,000	\$ -	\$ -	\$ -	\$ 338,963	\$ 23,473,963	0.84%	259.43
2008-09	\$ 138,004,985	\$ -	\$ -	\$ -	\$ 310,131	\$ 138,315,116	4.61%	1,505.39
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

**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	Net General Bonded Debt		
2006-07	\$ 25,195,000	\$ -	\$ 25,195,000	\$ 1,238,235	\$ 23,956,765	0.68%	271.31
2007-08	\$ 23,135,000	\$ -	\$ 23,135,000	\$ 1,395,582	\$ 21,739,418	0.59%	240.26
2008-09	\$ 138,004,985	\$ -	\$ 138,004,985	\$ 1,898,914	\$ 136,106,071	3.40%	1,481.35
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

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

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

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

#### STATEMENT OF LEGAL DEBT MARGIN

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

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

The District's current debt service tax rate is \$0.200 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, 2015  
(UNAUDITED)

Governmental Unit	Debt Outstanding	As of	Estimated Percentage Applicable <b>a</b>	Estimated Share of Overlapping Debt
<b>Debt Repaid With Property Taxes</b>				
City of San Angelo	\$ 31,530,000	09/30/15	100.00%	\$ 31,530,000
Tom Green County	\$ 2,780,000	09/30/14	73.88%	2,053,864
<b>Other Debt</b>				
City of San Angelo: COs Serviced by 1/2 Cent Sales Tax	\$ 23,845,000	09/30/15	100.00%	23,845,000
Subtotal overlapping debt				<u>57,428,864</u>
<b>District direct debt</b>			<b>b</b>	<u>115,129,981</u>
<b>Total Direct &amp; Overlapping Debt</b>				<u><u>\$ 172,558,845</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 2015 because audited information for the City and County for year end 2016 is not available .

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	
2006-07	\$ 62,551	\$ -	\$ 62,551	\$ 17,551	\$ 30,749	\$ 48,300	130%
2007-08	\$ 81,051	\$ -	\$ 81,051	\$ 27,855	\$ 29,345	\$ 57,200	142%
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%

**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. Only principal was paid in fiscal 2016 but the interest payment for fiscal 2017 due Sept 2016 was accrued at 8.31.16.

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)

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>
	<b>a</b>	[Calculated]	<b>b</b>	<b>c</b>
2006	88,300	\$ 2,639,198,700	\$ 29,889	3.4%
2007	90,483	\$ 2,803,434,789	\$ 30,983	3.8%
2008	91,880	\$ 2,997,768,760	\$ 32,627	4.5%
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%

**Note:** Information is for the City of San Angelo, Texas, since the geographic area is approximately the same. Calendar Year 2015 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 2015-16			Fiscal Year 2006-07		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
Goodfellow Air Force Base	5,127	1	10.24%	6,015	1	13.22%
Shannon Health System	2,712	2	5.42%	2,206	2	4.85%
San Angelo Independent School District	1,973	3	3.94%	2,012	3	4.42%
Angelo State University	1,625	4	3.25%	1,360	4	2.99%
City of San Angelo	936	5	1.87%	944	7	2.07%
San Angelo State Supported Living Center	950	6	1.90%	753	9	1.65%
San Angelo Community Medical Center	720	7	1.44%	715	10	1.57%
Sitel, Inc.	602	8	1.20%	1,350	5	2.97%
Tom Green County	514	9	1.03%	688	11	1.51%
Ethicon (Johnson & Johnson)	510	10	1.02%	841	7	1.85%
Totals	15,669		31.31%	16,884		37.10%
Total City of San Angelo Employment	50,072			45,500		

**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 2015-16: San Angelo Chamber of Commerce November 2014

Fiscal Year 2006-07 : San Angelo Chamber of Commerce November 2005

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

	Fiscal Year									
	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
<u>Full-time-Equivalent Employees</u>										
Professional Staff:										
Teachers	954.8	943.1	931.3	921.7	944.2	987.4	1,016.2	984.1	979.6	968.0
Professional Support	181.5	176.5	173.6	176.0	168.7	186.5	186.7	178.8	176.6	169.1
Campus Administrators	52.6	51.0	48.4	47.5	46.1	45.2	45.3	45.5	44.8	45.3
Central Administrators	24.0	25.0	23.0	18.0	17.0	17.0	18.0	16.0	16.5	16.0
Educational Aides	233.1	238.1	227.6	214.3	226.7	244.2	249.0	238.0	228.4	228.9
Auxiliary Staff	472.9	486.6	491.8	500.3	486.2	505.1	498.0	491.1	490.1	499.5
Total Full-time-Equivalents	1,918.9	1,920.3	1,895.7	1,877.8	1,888.9	1,985.4	2,013.2	1,953.5	1,936.0	1,926.8
<u>Students per Teacher</u>	15.3	15.5	15.6	15.7	15.0	14.2	13.7	14.6	14.5	14.8
<u>Teachers by Years of Experience</u>										
Beginning Teachers	73.6	75.9	59.8	66.1	38.4	47.7	71.6	67.6	54.9	48.8
1-5 Years Experience	251.7	226.0	225.1	201.2	230.9	258.8	275.2	247.6	238.6	241.6
6-10 Years Experience	184.8	202.0	179.3	186.7	195.5	200.0	186.4	196.1	193.9	213.2
11-20 Years Experience	267.1	254.7	276.5	281.4	280.5	291.3	291.8	277.1	281.3	259.3
Over 20 Years Experience	177.6	184.4	190.7	186.3	199.0	189.6	191.1	195.7	210.8	205.2
<u>Average Teacher Salary by Years of Experience</u>										
Beginning Teachers	\$ 37,981	\$ 35,507	\$ 36,220	\$ 35,597	\$ 31,612	\$ 35,744	\$ 36,464	\$ 35,600	\$ 32,803	\$ 33,959
1-5 Years Experience	40,270	39,423	39,155	38,924	37,947	38,411	38,454	37,913	37,085	36,270
6-10 Years Experience	43,589	42,618	42,143	41,588	40,652	41,135	41,873	40,136	39,126	37,932
11-20 Years Experience	47,610	46,827	45,934	45,504	44,648	45,240	45,107	44,491	43,874	43,714
Over 20 Years Experience	55,749	54,749	53,945	54,082	53,530	54,061	53,888	53,264	52,363	51,263
<u>Turnover Rate for Teachers</u>	15.1%	15.4%	13.6%	16.7%	12.7%	11.6%	13.1%	14.2%	11.2%	12.1%
<u>Class Size Average:</u>										
Elementary:										
Kindergarten	17.8	18.3	18.6	18.7	19.1	18.5	17.8	19.2	17.9	17.1
Grade 1	18.1	19.1	19.0	19.1	19.0	19.2	17.9	17.4	18.4	17.1
Grade 2	18.3	18.6	18.3	19.3	23.8	18.6	18.3	19.6	18.8	17.2
Grade 3	19.0	18.4	18.5	18.9	34.2	17.8	16.6	17.6	19.5	16.4
Grade 4	17.5	17.5	18.3	18.8	39.0	18.4	17.2	16.9	19.1	17.6
Grade 5	19.1	19.6	20.2	20.7	37.5	21.1	18.6	19.9	20.7	19.6
Grade 6	20.6	20.2	18.6	21.9	22.4	21.8	22.3	21.9	20.1	20.5
Mixed Grades	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	45.3	N/A
Secondary:										
English	18.2	18.8	17.5	20.2	17.0	20.1	19.5	19.4	21.4	21.9
Foreign Language	18.9	21.9	21.8	21.0	20.6	20.8	19.4	21.3	23.0	23.0
Mathematics	18.3	18.8	18.7	19.9	17.0	20.3	19.4	18.8	20.5	19.4
Science	19.3	19.5	18.7	21.3	18.0	20.6	20.4	19.2	20.8	21.3
Social Studies	19.1	20.4	20.0	21.0	17.8	20.6	20.7	20.6	21.6	22.5

**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									
	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
African American	600	614	639	673	626	599	764	812	782	819
Hispanic	8,623	8,598	8,515	8,413	8,089	8,017	7,407	7,447	7,259	7,205
White	4,982	4,990	4,984	4,958	5,048	5,054	5,536	5,884	5,937	6,102
Asian/Pacific Islander	149	141	159	156	149	154	174	195	171	173
Native American	43	44	39	38	51	55	37	29	27	34
Two or more races	232	239	214	189	184	164				
Total	14,629	14,626	14,550	14,427	14,147	14,043	13,918	14,367	14,176	14,333
Economically Disadvantaged	8785	8,483	8,716	8,700	8,616	8,683	8,527	7,786	7,630	7,779
English Language Learners (ELL)	764	748	699	643	641	659	718	767	814	767
Students w/ disciplinary Placements	N/A	212	205	188	171	N/A	384	691	772	257
Percent of Students Eligible for Free or Reduced Meals	60.1%	58.0%	59.9%	60.3%	59.2%	61.8%	61.3%	54.2%	53.8%	54.3%
Retention Rates by Grade (Non-Special Educ. Rates)										
Kindergarten	3.5%	2.3%	3.0%	2.9%	2.2%	1.9%	2.6%	4.1%	4.3%	5.5%
Grade 1	3.8%	3.6%	2.6%	2.2%	2.3%	2.5%	1.4%	4.3%	3.3%	5.8%
Grade 2	2.1%	1.4%	1.8%	1.3%	0.9%	1.3%	1.4%	2.2%	2.6%	2.4%
Grade 3	0.8%	1.2%	0.5%	0.6%	0.2%	0.2%	0.6%	1.7%	0.2%	1.6%
Grade 4	0.1%	0.3%	0.4%	0.1%	0.1%	0.2%	0.3%	0.3%	0.2%	0.8%
Grade 5	0.4%	0.5%	0.5%	0.1%	0.1%	0.2%	0.4%	0.6%	0.6%	1.0%
Grade 6	0.2%	0.4%	0.1%	0.4%	0.3%	0.5%	0.9%	1.5%	0.4%	1.7%
Grade 7	0.3%	0.2%	0.4%	0.2%	0.8%	0.8%	1.1%	1.8%	2.3%	3.8%
Grade 8	0.4%	0.4%	0.6%	0.2%	0.2%	0.5%	1.6%	0.7%	2.9%	4.3%
Attendance Rate	N/A	96.0%	96.2%	96.2%	96.6%	96.3%	96.3%	96.3%	96.2%	96.1%
Annual Dropout Rate Grades 7-8 - Method 1										
	N/A	0.8%	0.2%	0.7%	0.3%	0.2%	0.2%	0.3%	0.5%	0.6%
% Students Passing All Sections of the TAAS Exam,met TAKS Standard *†‡										
Grade 3		N/A	N/A	N/A	N/A	84.0%	87.0%	84.0%	85.0%	81.0%
Grade 4		N/A	N/A	N/A	N/A	81.0%	81.0%	83.0%	82.0%	78.0%
Grade 5		N/A	N/A	N/A	N/A	79.0%	82.0%	78.0%	78.0%	76.0%
Grade 6		N/A	N/A	N/A	N/A	73.0%	74.0%	77.0%	76.0%	78.0%
Grade 7		N/A	N/A	N/A	N/A	75.0%	77.0%	74.0%	75.0%	70.0%
Grade 8		N/A	N/A	N/A	N/A	68.0%	70.0%	62.0%	56.0%	56.0%
Grade 10		N/A	N/A	N/A	N/A	60.0%	56.0%	53.0%	56.0%	53.0%
Cumulative Pass Rate--Exit		N/A	N/A	N/A	N/A	91.0%	89.0%	85.0%	85.0%	81.0%
All Grades STAAR percent at Phase-in Satisfactory Standard or above										
Reading	70.0%	74.0%	74.0%	77.0%						
Mathematics	72.0%	71.0%	75.0%	77.0%						
Writing	67.0%	67.0%	72.0%	59.0%						
Science	76.0%	76.0%	77.0%	80.0%						
Social Studies	75.0%	73.0%	71.0%	74.0%						
SAT/ACT % Tested	N/A	59.6%	57.3%	54.3%	57.0%	N/A	55.6%	56.5%	59.0%	66.1%
Mean SAT Score	N/A	1430	1476	1503	1484	N/A	1052	1003	1016	1000
Mean ACT Score	N/A	20.5	21.1	21.1	20.5	N/A	20.8	20.2	20.7	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			c Accrual Basis			Pupil- Teacher Ratio
	Operating Expenditures	Cost per Pupil	Percent Change	Expenses	Cost per Pupil	Percent Change	
2006-07	105,063,376	7,330	4.54%	111,000,080	7,744	4.76%	14.8
2007-08	112,460,305	7,933	8.23%	118,910,887	8,388	8.32%	14.5
2008-09	114,168,496	7,947	0.18%	123,380,944	8,588	2.38%	14.6
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

**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									
	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
<b>Schools</b>										
Elementary:										
Campuses	17	17	17	17	17	17	17	17	17	17
Square feet	924,378	924,378	924,378	924,378	809,850	809,850	809,850	809,850	809,850	809,850
Capacity	8,801	8,801	8,801	8,801	8,801	8,801	8,801	8,801	8,801	8,801
Enrollment	7,415	7,415	7,416	7,570	7,053	7,150	7,012	7,204	7,003	7,605
Middle:										
Campuses	3	3	3	3	3	3	3	3	3	3
Square feet	452,347	452,347	452,347	452,347	430,576	430,576	430,576	430,576	430,576	430,576
Capacity	3,115	3,115	3,115	3,115	3,115	3,115	3,115	3,115	3,115	3,115
Enrollment	3,148	3,148	3,204	3,095	3,109	2,985	2,938	2,950	2,946	2,370
High:										
Campuses	3	3	3	3	3	3	3	3	3	3
Square feet	785,672	785,672	785,672	785,789	800,979	800,979	800,979	800,979	800,979	800,979
Capacity	4,420	4,420	4,420	4,420	4,420	4,420	4,420	4,420	4,420	4,420
Enrollment	4,063	4,063	3,930	3,762	3,865	3,929	3,967	4,228	4,237	4,341
Head Start:										
Campuses	3	3	3	3	3	3	3	3	3	3
Square feet	98,901	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	559	559	532	572	120	581	527	564	527	532
Alternative Learning:										
Campuses	2	2	2	2	2	2	2	2	1	1
Square feet	24,855	24,855	24,855	24,855	24,855	24,855	24,855	24,855	16,641	16,641
Capacity	230	230	230	230	230	230	230	230	110	110
Enrollment	54	54	52	53	51	51	48	47	62	68
Idle Facilities:										
Campuses	1	1	1	1	1	1	1	1	1	2
Square feet	26,405	26,405	26,405	50,575	50,575	50,575	50,575	50,575	50,575	76,630
Capacity	0	0	-	1,124	1,124	1,124	1,124	1,124	1,124	1,704
<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	85	85	85	84	80	80	80	80	80	80
<b>Warehouses, Storage, Etc:</b>										
Buildings	8	8	8	8	8	8	8	8	9	9
Square feet	38,279	38,279	38,279	38,279	38,279	38,279	38,279	38,279	46,493	46,493
<b>Athletics</b>										
Stadium Field House	1	1	1	1	1	1	1	1	1	1
Football/Soccer fields	15	15	15	15	15	15	15	15	15	15
Running tracks	2	2	2	2	2	2	2	2	2	2
Baseball / softball	5	5	5	5	5	5	5	5	5	5
Swimming pools	1	1	1	1	1	1	1	1	1	1
Playgrounds	31	31	31	31	31	31	31	31	31	31

**Source:** District records.

**Notes:**

1. Prior to fiscal year 2005-06 typically: Elementary Schools were pre-K through 6th grade; Middle (Jr. High) Schools were grades 7 through 9; and High Schools were grades 10 through 12. Beginning with fiscal year 2005-06, transition was started to: Elementary Schools pre-K through 5th grade; Middle Schools grades 6 through 8; and High Schools grades 9 through 12.
2. Portable buildings were extensively used prior to and during the construction and renovation of school buildings which began in fiscal year 1996-97, therefore enrollment exceed capacity in the permanent buildings in some of the fiscal years.
3. Edison Junior High School was converted to the Central Freshmen campus in fiscal year 2005-06.
4. Lamar Elementary School was completed and placed in service in fiscal year 2004-05, and Blackshear, Day and RioVista elementary schools were converted to Head Start Campuses. Day Elementary was temporarily idle in fiscal years 2003-04 and 2002-03.
5. Old Lincoln Junior High became idle in fiscal year 2001-02, and Travis Elementary became idle in fiscal year 2004-05.
6. Travis Elementary was sold in fiscal year 2007-08.
7. Sixth graders moved to Lee and Glenn in fiscal 2008 under middle school concept.
8. Pays campus (alternative learning) was opened in fy 2009.(was under storage etc). Student enrollment is still counted in the high schools.
9. Bond project added square footage to Elementary and Middle Schools. Buildings demolished in bond renovations slightly reduced High Schools.
10. In 2014 high schools added Lake View science wing and demolished Handel Hall. Also demolished buildings at Old Lincoln campus.
11. Overall capacity has not been re-evaluated by the district after the 2008 bond project completions.

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## **SINGLE AUDIT SECTION**

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

Board of Trustees  
San Angelo Independent School District  
1621 University Avenue  
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, 2016, 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 December 15, 2016.

**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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying *schedule of findings and questioned costs* that we consider to be a significant deficiency, as described in *Finding 2016-001*.

**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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of San Angelo Independent School District in separate governance letter dated December 15, 2016.

#### **San Angelo Independent School District's Response to Findings**

San Angelo Independent School District's responses to the findings identified in our audit are described in the *schedule of findings and questioned costs and corrective action plan*. San Angelo Independent School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### **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 result 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.

Webb & Webb

(Signature on file with District)

San Angelo, TX

December 15, 2016

Independent Auditor's Report on Compliance for Each Major Program and on Internal  
Control Over Compliance Required by the Uniform Guidance

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, 2016. San Angelo Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***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, 2016.

**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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2016-002 that we consider to be significant deficiency.

San Angelo Independent School District's response to the internal control over the compliance finding identified in our audit are described in the accompanying *schedule of findings and questioned costs and corrective action plan*. San Angelo Independent School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

We noted certain matters that we reported to management of San Angelo Independent School District in separate governance letter dated December 15, 2016.

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.

Webb & Webb  
(Signature on file with District)

San Angelo, TX  
December 15, 2016

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2016

**I SUMMARY OF THE AUDITOR'S RESULTS:**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiencies identified? Yes

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiencies identified? Yes

Type of auditor's report issued on compliance with major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? Yes

Major Programs:

93.600 – Head Start

84.367 – Title II, Part A (Improving Teacher Quality State Grants)

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**

**SIGNIFICANT DEFICIENCY**

**FINDING 2016-001: Improperly Deferred Revenues**

**Condition:** During the course of audit procedures, we found that SAISD improperly deferred revenues of \$7,194 within the Head Start program. These revenues consisted primarily of coke machine receipts, class picture commissions, and donations, and had been recorded as miscellaneous revenues prior to deferral. We also noted that some disbursements to vendors were incorrectly posted to the deferred revenue account rather than properly recorded as expenditures.

**Criteria:** Generally Accepted Accounting Principles (GAAP) require that revenue be recognized in governmental fund types on the modified accrual basis. Under this basis, revenue is recognized when it is both measurable and available. GAAP also requires that disbursements representing payments for goods or services for governmental funds be properly recognized in expenditure accounts.

Program income is defined in 2 CFR Section 200.80 as “gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance”. When a grantee receives such income, it has three options for use of that income (2 CFR Section 200.307):

1. Deduction of program income from total allowable costs.
2. Addition of program income to the total amount of the Federal award (with prior approval).
3. Application of program income to the grantee's portion of cost sharing/matching for the grant.

**Cause:** District personnel had been reclassifying miscellaneous income to deferred revenue at the end of each fiscal year with the intent of reserving the income for use by the Head Start program in subsequent fiscal years.

**Effect:** Deferred revenue was overstated in the financial statements, while miscellaneous income was understated. In addition, some expenditures were not properly reported as expenditures. Amounts that represented program income (classroom picture commissions, donations) were not properly identified and used by the Head Start program.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2016

**Prevalence & Consequences:** The District improperly deferred revenue in the Head Start program for several years. However, the dollar value of the improperly deferred revenue (\$7,194) is immaterial to the financial statements.

**Recommendation:** Future revenues should be properly recorded on the modified accrual basis, and future disbursements for goods and services should be properly recorded as expenditures. The District should seek guidance from the pass-through agency as to how past and future program income should be utilized within the Head Start program.

**Views of responsible officials and planned corrective actions:** District personnel agreed that the \$2,651 representing donations and photo commissions represents program income. Therefore, the District has recorded a liability to Concho Valley Council of Governments for this amount until a determination can be made by the passthrough agency as to how the fund representing program income should be utilized by the District.

District personnel determined that a total of \$4,543, representing commissions from vending machines that were available to staff members before and after program hours, was best classified as other local non-program revenue. Therefore, the District reclassified this amount as an inter-fund liability to campus activity funds.

### III FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

#### U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

##### **FINDING 2016-002: Improperly Deferred Revenues**

**CFDA Title and Number:** 93.600 – Head Start

**Federal Award ID Number(s)/ Year(s):** 06CH7116 (6/1/15–5/31/16) & 06CH7116-03-01 (6/1/16–5/31/17)

**Federal Agency:** U.S. Department of Health and Human Services

**Pass-Through Entity:** Concho Valley Council of Governments

**Repeat Finding from Prior Audit?:** No **Finding Number (if repeat):** N/A

**Questioned Costs:** \$0

*Significant Deficiency:* The significant deficiency described in Finding 2016-001 also applies to this grant.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED AUGUST 31, 2016

(Prepared by the District's Administration)

Not applicable – no prior year audit findings.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED AUGUST 31, 2016

(Prepared by the District's Administration)

**FINDING 2016-001: Improperly Deferred Revenues**

Contact Person: Denise Huffman, Comptroller (325) 947-3700

Corrective Action:

The District has segregated the deferred revenues to program revenues (donations and photo commissions) of \$2,651 and other local non program revenue (commission from vending machine sales to staff, before and after program hours) of \$4,543. The District has recorded a liability to the grantee for the program funds and an inter-fund liability to campus activity funds for the non-program revenue. Campus activity funds will be used to benefit the staff on the campus in the same manner that vending commissions are handled on other District campuses.

Anticipated Completion Date:

Corrective action was completed during the course of the audit.

**FINDING 2016-002: Improperly Deferred Revenues**

**CFDA Title and Number:** 93.600 – Head Start

**Federal Award ID Number(s)/ Year(s):** 06CH7116 (6/1/15–5/31/16) & 06CH7116-03-01 (6/1/16–5/31/17)

**Federal Agency:** U.S. Department of Health and Human Services

**Pass-Through Entity:** Concho Valley Council of Governments

Corrective action set forth in Finding 2016-001 also applies to this finding.



SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2016

(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 DEFENSE</b>			
<u>Direct Programs</u>			
Selected Res. Educ. Asst. Prog. - ROTC	12.00		\$ 160,202
Total Direct Programs			\$ 160,202
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>			<b>\$ 160,202</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Direct Programs</u>			
Impact Aid - P.L. 81.874 (Note A)	84.041		\$ 78,690
Total Direct Programs			\$ 78,690
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	16610101226903	\$ 3,128,760
ESEA, Title I, 1003A Priority & Focus School Grant	84.010A	16610112226903000	17,002
Total CFDA Number 84.010A			3,145,762
ESEA, Title I, Part C - Migratory Children	84.011	16615001226903	139,741
**IDEA - Part B, Formula	84.027	166600012269036600	3,179,263
**IDEA - Part B, Preschool	84.173	166610012269036610	88,724
Total Special Education Cluster (IDEA)			3,267,987
Career and Technical - Basic Grant	84.048A	16420006226903	169,746
Title III, Part A - English Language Acquisition	84.365A	16671001226903	70,653
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	16694501226903	803,700
Summer School LEP	84.369A	69551502	3,339
Total Passed Through State Department of Education			\$ 7,600,928
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b>\$ 7,679,618</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<u>Passed Through Concho Valley Council of Government</u>			
Head Start	93.600	06CH7116-03-01	\$ 264,760
Head Start	93.600	06CH7116	2,278,731
Early Head Start	93.600	06CH7116-03-01	242,704
Early Head Start	93.600	06CH7116	906,099
Total CFDA Number 93.600			3,692,294
Total Passed Through Concho Valley Council of Government			\$ 3,692,294
<u>Passed Through Texas Dept of Human Services</u>			
Medicaid Administrative Claiming Program - MAC	93.778	PC1274C	\$ 25,197
Total Passed Through Texas Dept of Human Services			\$ 25,197
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>\$ 3,717,491</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	010501	\$ 1,644,357
*National School Lunch Program - Cash Assistance	10.555	010501	3,570,039
*National School Lunch Prog. - Non-Cash Assistance	10.555	010501	406,935
Total CFDA Number 10.555			3,976,974
Total Child Nutrition Cluster			5,707,648
Child and Adult Care Feeding	10.558	03199	58,457
Child and Adult Care Feeding	10.558	03199	432,871

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2016

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
Total CFDA Number 10.558			491,328
*Summer Feeding Program - Cash Assistance	10.559	010501	86,317
2016 NSLP Training Assistance Grant	10.560	010501	5,682
Total Passed Through the State Department of Agriculture			\$ 6,204,658
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b>\$ 6,204,658</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 17,761,969</b>

\*Child Nutrition Cluster (Total Expenditure = \$5,887,648) \*\*Special Education Cluster

NOTE A: ROTC and Impact Aid revenues are accounted for in the General Fund and the National School Breakfast & Lunch programs and Child & Adult Care Feeding Program are accounted for in 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:

\$17,761,969	Total expenditure of federal awards per this schedule
1,543,977	School Health and Related Services (SHARS) in the general fund and not on this schedule
2,529	Flood Control revenues in General Fund, not on this schedule
24,428	Excess of revenues over expenditures in CACFP
(1,110)	Excess of expenditures over Federal revenues in Head Start, funded by local revenues
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\$19,331,793	Federal Program Revenues, per Schedule 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, 2016

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 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.

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# SCHOOLS FIRST QUESTIONNAIRE

San Angelo Independent School District

Fiscal Year 2016

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.	457,507
SF11	Net Pension Assets (1920) at fiscal year-end.	0
SF12	Net Pension Liabilities (2540) at fiscal year-end.	27,094,755
SF13	Pension Expense (6147) at fiscal year-end.	2,173,386

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