

**Comprehensive
Annual Financial Report
of the**

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

For The Year Ended August 31, 2017

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Annual Financial Report
of the**

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San Angelo, Texas**

For The Year Ended August 31, 2017

**Prepared by
FINANCE DEPARTMENT**

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SAN ANGELO INDEPENDENT SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST, 31, 2017

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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, 2017 at a meeting of the Board of Trustees of such school district on the 22nd day of January, 2018.

Gerard Gallegos
Signature of Board Secretary

Lanny Layman
Signature of Board President

Signed certificate on file with the District

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

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INTRODUCTORY SECTION

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San Angelo Independent School District
Business Services
1621 University
San Angelo, Texas 76904
(325)947-3766 PHONE
(325)949-1415 FAX

December 15, 2017

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, 2017.

This report is presented in four sections as described below.

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

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

The Texas Education Code requires an annual audit of the District's financial statements. The Board of Trustees selected Richard Webb CPA, PLLC, a firm of licensed certified public accountants to audit this year's financial statements. The goal of an independent audit is to

provide reasonable assurance that the financial statements of the District for fiscal year ended August 31, 2017, 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, 2017, 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 requires 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

previous five years and a very slight decline in fiscal 2017. In fiscal 2017, District enrollment was 14,572 students. Fall enrollment for fiscal 2018 was 14,477.

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 any Capital Project Fund.

FACTORS AFFECTING FINANCIAL CONDITION

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

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

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

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

Financial Policies – The District follows school board policy in administration of the District educational and business transactions. Texas Association of School Boards assists in drafting

Board of Trustees and Citizens
December 15, 2017

legal policy and the District adopts local policy to augment those policies when necessary. District policy can be found on the District website at SAISD.org. Additional information regarding accounting policies and Governmental Accounting Standards Board pronouncements followed in preparation of these financial statements can be found in the Notes to the Financial Statements in the Financial Section of this Comprehensive Annual Financial Report.

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

Major Initiatives – In fiscal 2017, the District contracted a facility study to determine the educational capacity of campuses that were not renovated in the 2008 bond program and in fiscal 2018 will examine the necessity and feasibility of an additional bond program to address needs on those campuses. Portions of those campuses were built in 1928-1949. The District has not taken on any new major educational initiatives that are expected to affect future financial position of the district.

AWARDS AND ACKNOWLEDGMENTS

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to San Angelo ISD for its comprehensive annual financial report for the fiscal year ended August 31, 2016. 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, 2017

Elected Officials – Board of Trustees

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

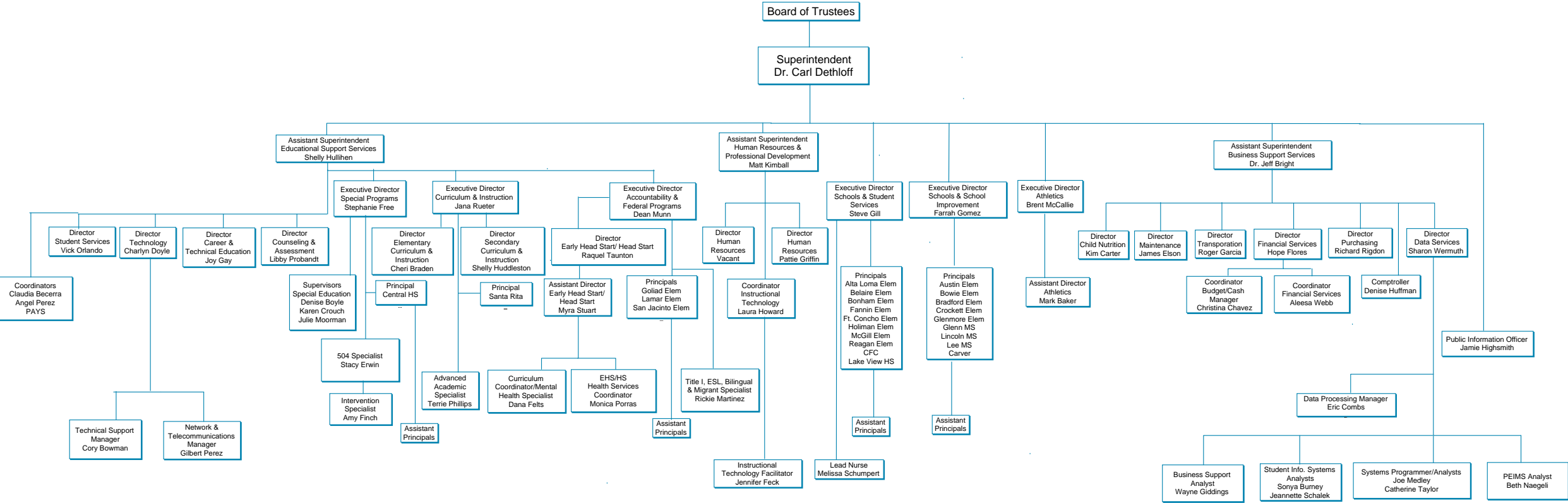
Selected Administrative Staff

<u>Name</u>	<u>Position</u>	<u>Length of Service</u>	<u>Total School District Service</u>
Dr. Carl Dethloff	Superintendent of Schools	8 Years	25 Years
Shelly Hullihen	Assistant Superintendent, Educational Support Services	10 Years	37 Years
Dr. Jeff Bright	Assistant Superintendent, Business & Support Services	14 Years	30 Years
Matt Kimball	Assistant Superintendent, Human Resources & Staff Development	3 Years	25 Years
Denise Huffman	Comptroller	15 Years	21 Years
Hope Flores	Director of Financial Services	19 Years	19 Years

Consultants and Advisors

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

San Angelo Independent School District
Administrative Organizational Chart
School Year 2016-2017



Revised
9/2016



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

San Angelo Independent School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended August 31, 2016.**

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



Anthony N. Dragona, Ed.D., RSBA
President

John D. Musso, CAE
Executive Director

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FINANCIAL SECTION

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RICHARD WEBB

CERTIFIED PUBLIC ACCOUNTANT, PLLC

**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, 2017, 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, 2017, 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, 2017 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.

Richard Webb CPA, PLLC

(signature on file with District)

San Angelo, TX
December 15, 2017

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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, 2017. Please read it in conjunction with, the independent auditor's 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 plus deferred outflows of resources and liabilities plus deferred inflows of resources) provides one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider non-financial factors as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

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

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

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

- Proprietary funds – The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. The District's enterprise funds, one category of proprietary funds, are the business-type activities reported in the government-wide statements but contain more detail and additional information, such as cash flows. The internal service fund (the other category of proprietary funds) reports activities that provide services for the District's other programs and activities through the District's risk management program for worker's compensation.

THE DISTRICT AS TRUSTEE

Reporting the District's Fiduciary Responsibilities

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

GOVERNMENT WIDE FINANCIAL ANALYSIS

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

Table I
Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and Other Assets	\$59,032	\$45,809	\$89	\$80	\$59,121	\$45,889
Capital Assets	205,068	215,547	685	771	205,753	216,318
Total Assets	264,100	261,356	774	851	264,874	262,207
Deferred Outflows	23,681	26,947	-	-	23,681	26,947
Liabilities:						
Current Liabilities	12,099	8,144	54	42	12,153	8,186
Long Term Liabilities	147,682	152,898	588	637	148,270	153,535
Total Liabilities	159,781	161,042	642	679	160,423	161,721
Deferred Inflows:	1,626	2,016	-	-	1,626	2,016
Net Position:						
Net Investment in						
capital assets	97,956	90,141	66	109	98,022	90,250
Restricted	6,863	6,861	-	-	6,863	6,861
Unrestricted	21,555	28,243	67	63	21,622	28,306
Total Net Position	\$126,374	\$125,245	\$133	\$172	\$126,507	\$125,417

Table II
Changes in Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,493	\$ 3,563	\$ 246	\$ 247	\$ 3,739	\$ 3,810
Operating Grants & Contributions	23,892	23,563	-	-	23,892	23,563
General Revenues:					-	-
Maint & Oper Taxes	48,680	46,989	-	-	48,680	46,989
Debt Service Taxes	8,425	8,810	-	-	8,425	8,810
State Aid Formula Grants	57,565	65,583	-	-	57,565	65,583
Investment Earnings	539	356	-	-	539	356
Miscellaneous	923	1,840	-	-	923	1,840
Total Revenues	143,517	150,704	247	247	143,764	150,951
Expenses:						
Instruction, Curriculum, Media	81,363	82,272	-	-	81,363	82,272
Instructional/ School Leadership	10,328	10,228	-	-	10,328	10,228
Guidance, Social Work, Health			-	-	-	-
& Transportation	10,104	10,213	-	-	10,104	10,213
Child Nutrition	8,170	8,320	-	-	8,170	8,320
Co-curricular Activities	5,919	6,050	-	-	5,919	6,050
General Administration	2,952	2,865	-	-	2,952	2,865
Plant Maint, Security, Data Proc	17,076	17,160	-	-	17,076	17,160
Community Services	322	293	-	-	322	293
Debt Service	5,190	5,236	-	-	5,190	5,236
Other Intergovernmental Charges	985	979	-	-	985	979
Other: Business-type Activities		-	265	264	265	264
Total Expenses	142,409	143,616	265	264	142,674	143,880
Excess (Deficiency) before extraordinary item	1,108	7,088	(18)	(17)	1,090	7,071
Extraordinary Item (Use)	-				-	-
Transfer In (Out)	21	(5)	(21)	5	-	-
Change in Net Position	1,129	7,083	(39)	(12)	1,090	7,071
Prior Period Adjustment	-	-	-	-	-	-
Net Position at September 1	125,245	118,162	172	184	125,417	118,346
Ending Net Position at August 31	\$ 126,374	\$ 125,245	\$ 133	\$ 172	126,507	125,417

Net Position and Changes in Net Position. Revenues declined slightly but still outpaced expenses toward improvement of the District's net position in the governmental activities. Current year revenue gains outpaced expenses. Formula funding changes and shifts in specially funded student populations brought a decline in formula revenues from the State but local property value gain and collection efforts bolstered tax revenue. The District's total net position increased 1% from \$125 million to \$127 million.

In the business-type activities, current operations of the Concession Fund were profitable to add \$4 thousand to net position slightly offsetting the loss from the Jumbotron Fund. In the Jumbotron Fund, maintenance costs added to current charges for interest and depreciation exceeded current year advertising revenue bringing a \$43 thousand reduction to net position. Overall net position in the business type activities decreased \$39 thousand to \$133 thousand. The results of the governmental and business-type activities compared to the results from the prior year are summarized in Table II.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

The District's General Fund reported a decrease in fund balance from \$41.9 million to \$37.2 million as the Board continued to support planned expenditures from fund balance to improve District facilities. At the end of the fiscal year, the General Fund's unassigned fund balance stood at \$25.1 million. The remainder of the fund balance is non-spendable, restricted, committed, or assigned through board action as required by GASB 54.

The non-major governmental funds include special revenue funds and the Debt Service fund. Most special revenue funds are budgeted to fully expend current year grants awarded from federal or state initiatives. Several of the special revenue funds report the District school and preschool meal programs for the school year and a summer feeding program and hold a combined fund balance of \$0.8 million in non-spendable inventory and \$3 million in funds restricted for the meal programs. Other funds restricted for various grant programs total \$65 thousand. \$226 thousand raised by the campuses is committed by the board of trustees for campus activities. A special revenue fund for revenues from an exclusive beverage contract holds \$122 thousand committed by the board for use in maintaining district athletic facilities. In the Debt Service Fund, although the debt tax was reduced from \$0.195 to \$0.18 per \$100 of property value, collection efforts and increased property values brought higher debt tax collection. State support for debt payment declined along with the debt tax rate. At year-end, the Debt Service Fund had a \$3.8 million fund balance, a decrease of \$0.3 million from the prior year.

Proprietary Funds-Internal Service Funds. The District's risk management strategy used an internal service fund to report the accumulation of reserves for self-insurance of workers' compensation benefits. The reserves are accumulated through payroll charges to the governmental funds based on actuarial estimates of the relevant claims liabilities. The Worker's Compensation Fund reported net position increase of approximately \$ 64 thousand and remains stable at \$550 thousand available to meet the ongoing claims liabilities. The internal service funds are consolidated into the governmental activities in the government-wide financial statements. Additional information about the internal service funds is found in note IV.J in this report.

Proprietary Funds -Enterprise Funds. The funds reported in the government wide financial statements as business-type activities are the District's enterprise funds. The business-type activities are relatively insignificant to the overall operations of the District and are operations that support co-curricular activities of the District. The Concession Fund reported a slight gain on concession services. The Jumbotron Fund reported 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 to a special revenue fund used for improvements to District athletic facilities.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2017 the District had \$205.1 million (net of accumulated depreciation) invested in a broad range of capital assets, including land, construction in progress, buildings and improvements, and furniture and equipment. This amount represents an increase of \$3.6 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	\$ 1,032	
Vehicles	799	
Buildings and Site Improvements	5,630	
		\$ 7,461

Construction Work in Progress

Project costs incurred	\$10,639	
Projects completed-increasing other categories		
Erate funded network, several campuses	(464)	
Central and Lake View High Tennis Dressing	(2,220)	
Glenn Middle School Classrooms	(1,836)	
Central and Lake View Bleacher Shade	(469)	
Central High pool locker-room tile	(24)	
Central High library foundation lift	(49)	
Transportation department paving	(94)	
Central High band doors	(55)	
Lake View dressing room plumbing	(96)	
Alta Loma El. and Santa Rita El. Windows	(714)	
		\$ 4,618

Decreases:

Building demolished for replacement (CHS Tennis) (10,499)	
Less accumulated depreciation	10,499	
Vehicles Sold	(409)	
Less accumulated depreciation	407	
Current year depreciation	(8,424)	(8,426)

Net increase to capital assets (governmental activities) \$ 3,653

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 \$105.8 million have maturities scheduled into 2034 with fixed interest rates ranging from 3.0% to 5.0%. The District's bonds are rated AA- by Standard and Poor's and AA by Fitch. Other obligations of the district include a retirement benefit for unused vested sick leave and a debt to be satisfied by granting future advertising rights in the proprietary Jumbo-tron Fund. More information about debt can be found at Note IV. H. in this report.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's Board of Trustees adopts the general fund, debt service, and food service fund budgets annually. Over the course of the year, the Board of Trustees revised the District's general fund budget several times. These budget amendments fall into three categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the year for items the board committed from prior year fund balance. The second category includes changes that the Board made during the year. The third category involved amendments that moved funds from programs that did not need all the resources originally appropriated to programs with resource needs. Revenues were amended for increased tax collections, to adjust state formula allotments and to increase federal revenues related to health services. Amendments increased the revenue budget 11%. The principal expenditure amendments were to budget capital expenditures. Amendments increased the expenditure budget 1%. In the general fund, actual revenues reported were 102 % of the amended budget and expenditures were 98.1 % of the amended budget. Actual expenditures exceeded revenues by \$4.7 million as capital improvements were completed from committed fund balance reserves.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

As the 2017-2018 budget was prepared, the district maintained its maintenance and operating tax rate at \$1.04 and reduced the debt tax rate to \$0.17 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 \$111.4

million and expenditures are budgeted at approximately \$108.3 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, 2017

EXHIBIT A-1

		1	2	3
		Primary Government		
Data				
Control			Business	
Codes		Governmental	Type	
		Activities	Activities	Total
ASSETS				
1110	Cash and Cash Equivalents	\$ 24,300,083	\$ 67,423	\$ 24,367,506
1120	Current Investments	9,603,783	-	9,603,783
1220	Property Taxes Receivable (Delinquent)	1,869,366	-	1,869,366
1230	Allowance for Uncollectible Taxes	(91,599)	-	(91,599)
1240	Due from Other Governments	6,522,755	-	6,522,755
1250	Accrued Interest	61,872	-	61,872
1290	Other Receivables, net	358,759	22,103	380,862
1300	Inventories	794,840	-	794,840
1410	Prepayments	514,316	-	514,316
	Capital Assets:			
1510	Land	6,854,234	-	6,854,234
1520	Buildings, Net	179,261,258	-	179,261,258
1530	Furniture and Equipment, Net	10,332,233	684,871	11,017,104
1580	Construction in Progress	8,620,080	-	8,620,080
1800	Restricted Assets	439,446	-	439,446
1910	Long Term Investments	14,658,603	-	14,658,603
1000	Total Assets	264,100,029	774,397	264,874,426
DEFERRED OUTFLOWS OF RESOURCES				
1701	Deferred Charge for Refunding	12,436,112	-	12,436,112
1705	Deferred Outflow Related to TRS	11,244,987	-	11,244,987
1700	Total Deferred Outflows of Resources	23,681,099	-	23,681,099
LIABILITIES				
2110	Accounts Payable	2,455,421	747	2,456,168
2140	Interest Payable	351,544	-	351,544
2150	Payroll Deductions & Withholdings	796,474	-	796,474
2160	Accrued Wages Payable	5,044,282	-	5,044,282
2180	Due to Other Governments	224,399	-	224,399
2190	Due to Student Groups	1,485	-	1,485
2200	Accrued Expenses	748,770	52,916	801,686
2300	Unearned Revenue	2,476,689	-	2,476,689
	Noncurrent Liabilities			
2501	Due Within One Year	4,490,000	53,312	4,543,312
2502	Due in More Than One Year	115,659,096	534,639	116,193,735
2540	Net Pension Liability (District's Share)	27,533,250	-	27,533,250
2000	Total Liabilities	159,781,410	641,614	160,423,024
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred Inflow Related to TRS	1,625,717	-	1,625,717
2600	Total Deferred Inflows of Resources	1,625,717	-	1,625,717
NET POSITION				
3200	Net Investment in Capital Assets	97,955,870	66,107	98,021,977
	Restricted:			
3820	Restricted for Federal and State Programs	3,018,783	-	3,018,783
3850	Restricted for Debt Service	3,844,236	-	3,844,236
3900	Unrestricted	21,555,112	66,676	21,621,788
3000	Total Net Position	\$ 126,374,001	\$ 132,783	\$ 126,506,784

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, 2017

Data Control Codes	1	Program Revenues	
		3	4
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 77,999,154	\$ 628,899	\$ 12,602,259
12 Instructional Resources and Media Services	1,647,322	6,228	52,407
13 Curriculum and Staff Development	1,716,081	-	480,599
21 Instructional Leadership	2,213,468	12,457	403,272
23 School Leadership	8,114,827	255,372	953,015
31 Guidance, Counseling and Evaluation Services	5,045,874	-	939,320
32 Social Work Services	850,650	-	337,679
33 Health Services	842,485	-	186,797
34 Student (Pupil) Transportation	3,365,482	-	127,765
35 Food Services	8,170,181	1,659,254	6,571,806
36 Extracurricular Activities	5,919,093	430,594	122,459
41 General Administration	2,951,580	-	101,366
51 Facilities Maintenance and Operations	13,489,583	490,177	796,130
52 Security and Monitoring Services	533,421	-	6,307
53 Data Processing Services	3,053,492	9,660	84,390
61 Community Services	321,992	-	126,860
72 Debt Service - Interest on Long Term Debt	5,190,095	-	-
99 Other Intergovernmental Charges	984,554	-	-
[TG] Total Governmental Activities:	142,409,334	3,492,641	23,892,431
BUSINESS-TYPE ACTIVITIES:			
01 Concession Fund	93,902	102,177	-
02 JumboTron Fund	170,999	144,265	-
[TB] Total Business-Type Activities:	264,901	246,442	-
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 142,674,235	\$ 3,739,083	\$ 23,892,431
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
\$ (64,767,996)	\$ -	\$ (64,767,996)
(1,588,687)	-	(1,588,687)
(1,235,482)	-	(1,235,482)
(1,797,739)	-	(1,797,739)
(6,906,440)	-	(6,906,440)
(4,106,554)	-	(4,106,554)
(512,971)	-	(512,971)
(655,688)	-	(655,688)
(3,237,717)	-	(3,237,717)
60,879	-	60,879
(5,366,040)	-	(5,366,040)
(2,850,214)	-	(2,850,214)
(12,203,276)	-	(12,203,276)
(527,114)	-	(527,114)
(2,959,442)	-	(2,959,442)
(195,132)	-	(195,132)
(5,190,095)	-	(5,190,095)
(984,554)	-	(984,554)
(115,024,262)	-	(115,024,262)
-	8,275	8,275
-	(26,734)	(26,734)
-	(18,459)	(18,459)
(115,024,262)	(18,459)	(115,042,721)
48,680,379	-	48,680,379
8,425,451	-	8,425,451
57,564,524	-	57,564,524
539,120	-	539,120
922,732	-	922,732
20,830	(20,830)	-
116,153,036	(20,830)	116,132,206
1,128,774	(39,289)	1,089,485
125,245,227	172,072	125,417,299
\$ 126,374,001	\$ 132,783	\$ 126,506,784

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2017

Data Control Codes	10 General Fund	Other Funds	Total Governmental Funds
ASSETS			
1110 Cash and Cash Equivalents	\$ 17,404,684	\$ 6,450,611	\$ 23,855,295
1120 Investments - Current	9,110,779	493,004	9,603,783
1220 Property Taxes - Delinquent	1,605,760	263,606	1,869,366
1230 Allowance for Uncollectible Taxes (Credit)	(78,682)	(12,917)	(91,599)
1240 Receivables from Other Governments	4,220,380	2,302,375	6,522,755
1250 Accrued Interest	60,411	1,461	61,872
1260 Due from Other Funds	1,735,512	-	1,735,512
1290 Other Receivables	287,859	57,989	345,848
1300 Inventories	-	794,840	794,840
1410 Prepayments	511,256	3,060	514,316
1800 Restricted Assets	9,978	-	9,978
1900 Other Assets	14,161,676	496,927	14,658,603
1000 Total Assets	<u>\$ 49,029,613</u>	<u>\$ 10,850,956</u>	<u>\$ 59,880,569</u>
LIABILITIES			
2110 Accounts Payable	\$ 2,070,975	\$ 384,446	\$ 2,455,421
2150 Payroll Deductions and Withholdings Payable	796,474	-	796,474
2160 Accrued Wages Payable	5,032,032	12,250	5,044,282
2170 Due to Other Funds	-	1,735,512	1,735,512
2180 Due to Other Governments	16,817	207,582	224,399
2190 Due to Student Groups	-	1,485	1,485
2200 Accrued Expenditures	412,090	-	412,090
2300 Unearned Revenues	2,184,833	291,856	2,476,689
2000 Total Liabilities	<u>10,513,221</u>	<u>2,633,131</u>	<u>13,146,352</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	1,296,674	210,024	1,506,698
2600 Total Deferred Inflows of Resources	<u>1,296,674</u>	<u>210,024</u>	<u>1,506,698</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	-	794,840	794,840
3430 Prepaid Items	511,256	-	511,256
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	3,018,783	3,018,783
3480 Retirement of Long-Term Debt	952,593	3,844,236	4,796,829
Committed Fund Balance:			
3510 Construction	1,175,000	-	1,175,000
3530 Capital Expenditures for Equipment	9,000,000	-	9,000,000
3545 Other Committed Fund Balance	500,000	349,942	849,942
3600 Unassigned Fund Balance	25,080,869	-	25,080,869
3000 Total Fund Balances	<u>37,219,718</u>	<u>8,007,801</u>	<u>45,227,519</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 49,029,613</u>	<u>\$ 10,850,956</u>	<u>\$ 59,880,569</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, 2017

Total Fund Balances - Governmental Funds	\$ 45,227,519
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.	550,487
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 \$287,739,732 and the accumulated depreciation was \$(86,325,251). 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 \$(112,110,986) and the accrued interest payable was \$(217,525). The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net position. Note: Beginning balances related to TRS are NOT included in this amount.	89,085,970
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 - \$12,079,329, write off of capital asset disposition - \$(1985), Debt retired and principle payments - \$(4,475,000), Amortization of premium, discount, and refunding differences - \$(179,276), Increase in accrued interest - \$(134,019), Decrease in compensated absences - \$102,278 The net effect of including the 2017 capital outlays and debt principal payments is to increase net position.	16,341,417
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. The ending net position related to TRS included a Deferred Resource Outflow in the amount of \$11,244,987, a Deferred Resource Inflow in the amount of \$(1,625,717) and a net pension liability in the amount of \$(27,533,250). This resulted in a decrease in net position.	(17,913,980)
5 The 2017 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(8,424,110)
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 \$682,960, reclassifying unavailable delinquent roll property tax to beginning net position - \$823,738, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.	1,506,698
19 Net Position of Governmental Activities	\$ 126,374,001

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, 2017

Data Control Codes	10 General Fund	Other Funds	Total Governmental Funds
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 51,159,006	\$ 10,942,257	\$ 62,101,263
5800 State Program Revenues	59,465,221	1,942,553	61,407,774
5900 Federal Program Revenues	1,468,022	17,501,862	18,969,884
5020 Total Revenues	<u>112,092,249</u>	<u>30,386,672</u>	<u>142,478,921</u>
EXPENDITURES:			
Current:			
0011 Instruction	61,201,192	9,891,279	71,092,471
0012 Instructional Resources and Media Services	1,474,324	4,978	1,479,302
0013 Curriculum and Instructional Staff Development	1,207,193	449,018	1,656,211
0021 Instructional Leadership	1,606,225	334,357	1,940,582
0023 School Leadership	6,826,924	896,896	7,723,820
0031 Guidance, Counseling and Evaluation Services	4,089,145	711,793	4,800,938
0032 Social Work Services	432,557	302,860	735,417
0033 Health Services	659,407	149,634	809,041
0034 Student (Pupil) Transportation	3,232,476	579	3,233,055
0035 Food Services	148,448	7,677,448	7,825,896
0036 Extracurricular Activities	5,328,021	68	5,328,089
0041 General Administration	2,867,885	8,678	2,876,563
0051 Facilities Maintenance and Operations	12,812,604	495,092	13,307,696
0052 Security and Monitoring Services	513,056	2,430	515,486
0053 Data Processing Services	2,666,125	-	2,666,125
0061 Community Services	168,996	145,631	314,627
Debt Service:			
0071 Principal on Long Term Debt	-	4,475,000	4,475,000
0072 Interest on Long Term Debt	-	4,876,800	4,876,800
0073 Bond Issuance Cost and Fees	-	7,000	7,000
Capital Outlay:			
0081 Facilities Acquisition and Construction	10,618,289	-	10,618,289
Intergovernmental:			
0099 Other Intergovernmental Charges	984,554	-	984,554
6030 Total Expenditures	<u>116,837,421</u>	<u>30,429,541</u>	<u>147,266,962</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,745,172)</u>	<u>(42,869)</u>	<u>(4,788,041)</u>
OTHER FINANCING SOURCES (USES):			
7912 Sale of Real and Personal Property	39,431	-	39,431
7915 Transfers In	-	45,428	45,428
8911 Transfers Out (Use)	(5,998)	(18,600)	(24,598)
7080 Total Other Financing Sources (Uses)	<u>33,433</u>	<u>26,828</u>	<u>60,261</u>
1200 Net Change in Fund Balances	(4,711,739)	(16,041)	(4,727,780)
0100 Fund Balance - September 1 (Beginning)	<u>41,931,457</u>	<u>8,023,842</u>	<u>49,955,299</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 37,219,718</u>	<u>\$ 8,007,801</u>	<u>\$ 45,227,519</u>

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, 2017

Total Net Change in Fund Balances - Governmental Funds	\$ (4,727,780)
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net position.	64,018
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 - \$12,079,329, write off of capital asset disposition - \$(1985), Debt retired and principle payments - \$(4,475,000), Amortization of premium, discount, and refunding differences - \$(179,276), Increase in accrued interest - \$(134,019), Decrease in compensated absences - \$102,278. The net effect of removing the 2017 capital outlays and debt principal payments is to increase net position.	16,341,417
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.	(8,424,110)
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 \$682,960, adjusting current year collections of adjustments to prior years' property tax rolls to beginning net position of \$(750,009), and eliminating interfund transactions. The net effect of these reclassifications and recognitions is to decrease net position.	(67,049)
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$2,348,191. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position of \$(2,314,992). Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$(2,090,921). The result is a (decrease) in the change in net position.	(2,057,722)
Change in Net Position of Governmental Activities	\$ 1,128,774

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, 2017

EXHIBIT D-1

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Internal Service Fund
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 67,423	\$ 444,788
Other Receivables	22,103	12,911
Total Current Assets	<u>89,526</u>	<u>457,699</u>
Noncurrent Assets:		
Capital Assets:		
Furniture and Equipment	856,089	-
Depreciation on Furniture and Equipment	(171,218)	-
Restricted Assets	-	429,468
Total Noncurrent Assets	<u>684,871</u>	<u>429,468</u>
Total Assets	<u>774,397</u>	<u>887,167</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	747	-
Accrued Expenses	52,916	336,680
Total Current Liabilities	<u>53,663</u>	<u>336,680</u>
Noncurrent Liabilities:		
Bonds, Loans & Other Payable - Due Within One Year	53,312	-
Loans Payable - Due in More than One Year	534,639	-
Total Noncurrent Liabilities	<u>587,951</u>	<u>-</u>
Total Liabilities	<u>641,614</u>	<u>336,680</u>
NET POSITION		
Net Investment in Capital Assets	66,107	-
Unrestricted Net Position	66,676	550,487
Total Net Position	<u>\$ 132,783</u>	<u>\$ 550,487</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, 2017

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Internal Service Fund
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 246,443	\$ 485,355
Total Operating Revenues	<u>246,443</u>	<u>485,355</u>
OPERATING EXPENSES:		
Payroll Costs	30,728	2,289
Professional and Contracted Services	17,762	295,532
Supplies and Materials	61,952	8,947
Other Operating Costs	15,934	116,513
Depreciation Expense	85,609	-
Total Operating Expenses	<u>211,985</u>	<u>423,281</u>
Operating Income	<u>34,458</u>	<u>62,074</u>
NONOPERATING REVENUES (EXPENSES):		
Earnings from Temporary Deposits & Investments	-	1,944
Non-operating Expenses	<u>(52,916)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>(52,916)</u>	<u>1,944</u>
Income (Loss) Before Transfers	<u>(18,458)</u>	<u>64,018</u>
Transfers Out	<u>(20,830)</u>	<u>-</u>
Change in Net Position	<u>(39,288)</u>	<u>64,018</u>
Total Net Position - September 1 (Beginning)	<u>172,071</u>	<u>486,469</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 132,783</u></u>	<u><u>\$ 550,487</u></u>

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2017

EXHIBIT D-3

	Business-Type Activities	Governmental Activities -
	Total Enterprise Funds	Internal Service Fund
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 253,019	\$ -
Cash Received from Assessments - Other Funds	-	476,207
Cash Payments to Employees for Services	(30,728)	(2,289)
Cash Payments for Insurance Claims	-	(210,654)
Cash Payments for Suppliers	(95,011)	(295,532)
Cash Payments for Claims Loss Fund	-	(13,908)
Net Cash Provided by (Used for) Operating Activities	<u>127,280</u>	<u>(46,176)</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Operating Transfer Out	<u>(20,830)</u>	<u>-</u>
<u>Cash Flows from Capital & Related Financing Activities:</u>		
Retirement of Long-term Debt	(48,910)	-
Interest Paid on Long-term Debt	(52,916)	-
Net Cash Provided by (Used for) Capital & Related Financing Activities	<u>(101,826)</u>	<u>-</u>
<u>Cash Flows from Investing Activities:</u>		
Interest and Dividends on Investments	<u>-</u>	<u>1,944</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,624	(44,232)
Cash and Cash Equivalents at Beginning of Year	62,799	489,020
Cash and Cash Equivalents at End of Year	<u>\$ 67,423</u>	<u>\$ 444,788</u>
<u>Reconciliation of Operating Income to Net Cash</u>		
<u>Provided by (Used for) Operating Activities:</u>		
Operating Income:	\$ 34,458	\$ 62,074
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:		
Depreciation	85,609	-
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Receivables	(5,563)	(9,148)
Decrease (increase) in Inventories	916	-
Decrease (increase) in Restricted Assets	-	(13,908)
Increase (decrease) in Accounts Payable	(278)	-
Increase (decrease) in Accrued Expense	12,138	(85,194)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 127,280</u>	<u>\$ (46,176)</u>

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2017

	Private Purpose Trust Fund	Agency Fund
ASSETS		
Cash and Cash Equivalents	\$ 55,184	\$ 509,233
Other Receivables	-	840
Total Assets	<u>55,184</u>	<u>\$ 510,073</u>
LIABILITIES		
Accounts Payable	-	\$ 224
Due to Student Groups	-	509,849
Total Liabilities	<u>-</u>	<u>\$ 510,073</u>
NET POSITION		
Restricted for Other Purposes	<u>55,184</u>	
Total Net Position	<u>\$ 55,184</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, 2017

	Private Purpose Trust Fund
ADDITIONS:	
Local and Intermediate Sources	\$ 1,427
Total Additions	<u>1,427</u>
DEDUCTIONS:	
Other Operating Costs	<u>2,900</u>
Total Deductions	<u>2,900</u>
Change in Net Position	(1,473)
 Total Net Position - September 1 (Beginning)	 <u>56,657</u>
 Total Net Position - August 31 (Ending)	 <u><u>\$ 55,184</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, 2017

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, 2017

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, 2017

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

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

I.D. Fund Accounting

The District reports the following major governmental funds:

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

Additionally, the District reports the following fund types:

Governmental Funds:

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

Proprietary Funds:

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

Fiduciary Funds:

1. Private Purpose Trust Funds – The District accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District in a private purpose trust fund. The District's private purpose trust fund is the scholarship fund.

2. Agency Funds – The District accounts for resources held for others in a custodial capacity in agency funds. The District's agency fund is student activity.

I.E. Other Accounting Policies

1. For purposes of the statement of cash flows for proprietary and similar fund-types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

2. Investments are carried at fair value and temporary investments are reported in cash and cash equivalents in the financial statements. U. S. Treasury and State of Texas obligations are valued at the last reported sales price on a national exchange. Local government investment pools use amortized cost instead of fair value to report net assets to compute share prices. Accordingly, the fair value of the position in the pools is the same as the value of the shares. The State Comptroller of Public Accounts exercises oversight responsibility over Tex Pool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Other local government investment pools have established advisory boards elected by member investors. The advisory board members review the investment policy and management fee structure. Year to year changes in the fair value of investments other than the pools, if any, are shown as an adjustment to investment income. Additional investment reporting information is presented in Note IV.A.

3. The District reports inventories of cafeteria food products and supplies at weighted average cost. Food products and supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount. Following the consumption method, certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government wide and fund financial statements.

4. In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts and difference on advance refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and difference on advance refunding. Bond issuance costs are expensed in the year paid, in accordance with GASB 65. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued, along with accrued interest between debt date and issue date, is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

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

7. The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Coverage has not declined in any risk area and there were no settlements in excess of insurance coverage paid in each of the last 3 years. The District was a member of the Texas Association of Public Schools Property and Liability Fund (TAPS) to obtain general liability and vehicle fleet coverage for fiscal year 2017. Property insurance was purchased from a commercial insurance company. Unemployment compensation risk is provided for by participation in the Texas Association of School Boards (TASB) Risk Management Fund. Risks from employee injuries on the job are provided through participation in Texas Workers Compensation Solutions Program. The District's reserves for workers compensation are accounted for in an internal service fund. As an employee benefit, the District contributes toward the cost of health insurance for full time employees through TRS Active Care administered by the Teacher Retirement System of Texas. Costs for premiums paid for health, workers' compensation, and unemployment are recorded in the funds where salaries for the covered employees are reported. Additional disclosures are provided in Notes IV.J and IV.K in this report.

8. Since internal service funds support the operations of governmental funds, they are consolidated with the governmental funds in the government-wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are adjusted for their pro-rata

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

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, 2017 the District financial statements are prepared in accordance with Governmental Accounting Standards Board Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* which established a fund balance hierarchy based on the extent to which a government must observe constraints imposed upon the use of the resources reported in governmental funds. Prescribed fund balance classifications are described below:

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

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

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

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

Unassigned - Amounts that are available for any purpose.

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

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

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

GASB 54 Categories	Governmental Funds	
	Major	Non-major
	General Fund	Other Funds
Non Spendable		
Inventories	\$ -	\$ 794,840
Prepaid expenditures	511,256	-
Restricted		
Federal and State Funds Grant Restriction	-	3,018,783
Long term debt- the estimated liability for District retirement benefits	952,593	-
Long term debt- restricted for payment of bonded debt	-	3,844,236
Committed by the Board of Trustees for:		
Construction-		
Construction- Window replacements at Austin Elementary \$250,000		
Completion of Lou Gehrig Bldg renovations \$500,000		
2018 campus revitalization plan \$425,000	1,175,000	-
Capital Equipment -District security upgrade \$2,500,000		
HVAC at elementary gymnasiums \$2,500,000		
Turf for baseball and softball fields \$4,000,000	9,000,000	-
Other: Portable Buildings \$300,000		
Property Insurance Deductibles \$200,000	500,000	-
Campus Activity Funds	-	226,108
Korean Student Teacher Program		945
Maintenance or renovation of athletic facilities	-	122,613
Employee Wellness Programs	-	276
Unassigned	25,080,869	-
Total Fund Balance Governmental Funds	\$ 37,219,718	\$ 8,007,801

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

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

	Governmental Activities	Business-Type Activities / Enterprise
Capital assets, net of depreciation	\$ 205,067,805	\$ 684,871
Other receivable	-	22,103
Accrued interest on long term debt	(351,544)	(52,916)
Bonds payable	(106,760,391)	-
Note payable	-	(587,951)
	<u>\$ 97,955,870</u>	<u>\$ 66,107</u>

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

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

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

13. GASB Statement No. 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 2017 financial statements.

14. 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.

15. 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.

16. 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

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

17. 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.

18. 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.

19. 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.

20. 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.

21. GASB Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14*, is effective for reporting periods beginning after June 15, 2016. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The District does not have component units.

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

24. GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements no 67, 68, and No 73*, is effective for reporting periods after June 15, 2016 except for requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Not yet effective as the District's pension liability measurement date is August 31, 2016.

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

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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, 2017.

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, 2017 and during the year ended August 31, 2017, 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.

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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, 2017, the District's investments were diversified in U.S. Treasury securities, governmental agency securities and local government investment pools rated no lower than AAA or AAAM by at least one nationally recognized rating service as required by the District's investment policy, which follows the Public Funds Investment Act Sec. 2256.016. Ratings of Investments held at August 31, 2017 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	Fitch/Kroll 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 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.

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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.

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 investments that exceeded 5% of total investments were as follows: FHLMC \$2.5 million, FNMA \$7.5 million, FHLB \$2.5 million and Texas Term \$2.5 million.

The District's investments on August 31, 2017, 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	\$ 25,486,704	\$ 22,986,704	\$ 2,500,000	\$ -
Certificates of Deposit	9,478,191	2,315,197	2,472,141	4,690,853
U.S. Agency Securities	12,464,195	2,496,445	-	9,967,750
Total Investments	<u>\$ 47,429,090</u>	<u>\$ 27,798,346</u>	<u>\$ 4,972,141</u>	<u>\$ 14,658,603</u>
Presented on Balance Sheet and Statement of Net Position:				
Included in Cash and Cash Equivalents	\$ 22,986,704	\$ 22,986,704	\$ -	\$ -
Current Investments	9,603,783	4,631,642	4,972,141	-
Long Term Investments	14,658,603	-	-	14,658,603
Total Investments	<u>\$ 47,249,090</u>	<u>\$ 27,618,346</u>	<u>\$ 4,972,141</u>	<u>\$ 14,658,603</u>
	Investments	Cash	Cash Equivalents	
	incl in cash & equiv	Accounts	A-1	
Governmental Funds	\$ 22,541,916	\$ 1,313,379	\$ 23,855,295	
Internal Service Funds	444,788	-	444,788	
Total Governmental Activities	22,986,704	1,313,379	24,300,083	
Business Type Activities	-	67,423	67,423	
Total Cash and Equivalents	<u>\$ 22,986,704</u>	<u>\$ 1,380,802</u>	<u>\$ 24,367,506</u>	

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Proprietary and Fiduciary Funds

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

At August 31, 2017 those funds' investments included in cash and cash equivalents were:

	Proprietary Fund		Fiduciary Funds	
	Enterprise Funds	Internal Service Fund	Private Purpose Trust Fund	Agency Fund
Cash Accounts	\$ 4,800	\$ -	\$ 75	\$ 271,559
Investment in Pools	62,623	444,788	55,109	237,674
Total Cash and Equivalents D-1	<u>\$ 67,423</u>	<u>\$ 444,788</u>		
Total Cash and Equivalents E-1			<u>\$ 55,184</u>	<u>\$ 509,233</u>

IV.B. Property Taxes

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

IV.C. Delinquent Taxes Receivable

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

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

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

Due from other governments:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
Federal Grants	\$ 660,854	\$ 93,874	\$ -	\$ 754,728
State Entitlements	3,559,526	1,820,745	-	5,380,271
Concho Valley Council of Governments	-	387,756	-	387,756
	<u>\$ 4,220,380</u>	<u>\$ 2,302,375</u>	<u>\$ -</u>	<u>\$ 6,522,755</u>

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Due to other governments:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
Federal Grants	\$ -	\$ -	\$ -	-
State Entitlements	16,817	-	207,582	224,399
Concho Valley Council of Governments	-	-	-	-
	<u>\$ 16,817</u>	<u>\$ -</u>	<u>\$ 207,582</u>	<u>\$ 224,399</u>

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

1. Inter-fund balances at August 31, 2017 consisted of the following:

	Due from Other Funds	Due to Other Funds
General Fund:		
Nonmajor Governmental funds	\$ 1,735,512	\$ -
Nonmajor Governmental Funds:		
General Fund	-	1,735,512
Total All funds	<u>\$ 1,735,512</u>	<u>\$ 1,735,512</u>

Purposes of the inter-fund balances:

\$1,686,719 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 \$48,793 is due to the General fund from Campus Activity Special Revenue Funds for fees collected on school campuses.

Transfers at August 31, 2017 consisted of the following:

	Transfer In	Transfer out
General Fund		
Non Major Governmental Funds	\$ -	\$ 5,998
Nonmajor Governmental Funds		
General Fund	5,998	-
Nonmajor Governmental Funds	18,600	18,600
Enterprise Funds	20,830	-
Proprietary Funds:		
Enterprise Funds	-	-
Nonmajor Governmental Funds	-	20,830
Total All Funds	<u>\$ 45,428</u>	<u>\$ 45,428</u>

Purpose of transfers:

The General Fund transferred \$2,539 to the Head Start Fund, \$1,713 to the Early Head Start Fund, and \$1,746 to the Korean Teacher Fund to cover expenditures that were not covered by the revenue sources of the funds. The Korean Teacher Fund, a program partnership with Angelo State University, transferred \$18,600 to the activity funds of the campuses that hosted the Korean student teachers. In the Enterprise Funds, the Concession Fund transferred \$4290 to the National Breakfast and Lunch Fund to cover uncollected school lunch fees. The Jumbotron Fund transferred \$16,540

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cash to the San Angelo Stadium Fund to clear a payable for a Jumbotron maintenance contract.

IV.F. Capital Asset Activity

Governmental Activities

	Beginning Balance	Additions	Reclassifi- cations	Dispositions	Ending Balance
<u>Assets Not Being Depreciated</u>					
Land	\$ 6,854,234	\$ -	\$ -	\$ -	\$ 6,854,234
Construction in Progress	4,001,584	10,639,551	(6,021,055)	-	8,620,080
Total Not Being Depreciated	10,855,818	10,639,551	(6,021,055)	-	15,474,314
<u>Assets Being Depreciated</u>					
Buildings & Improvements	246,331,664	71,860	5,557,779	(10,499)	251,950,804
Vehicles	11,294,197	799,060	-	(409,111)	11,684,146
Furniture and Equipment	19,258,053	1,032,134	-	-	20,290,187
	276,883,914	1,903,054	5,557,779	(419,610)	283,925,137
<u>Accumulated Depreciation</u>					
Buildings & Improvements	(66,753,214)	(5,946,831)	-	10,499	(72,689,546)
Vehicles	(6,410,580)	(844,867)	-	407,217	(6,848,230)
Furniture and Equipment	(13,161,457)	(1,632,413)	-	-	(14,793,870)
	(86,325,251)	(8,424,111)	-	417,716	(94,331,646)
Total Being Depreciated, Net	190,558,663	(6,521,057)	5,557,779	(1,894)	189,593,491
Total Capital Assets, Net	\$ 201,414,481	\$ 4,118,494	\$ (463,276)	\$ (1,894)	\$ 205,067,805

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:

Lou Gehrig Bldg renovation	\$ 3,136,967
Ft. Concho Elementary classrooms	1,475,100
Central Freshman Campus HVAC	3,318,263
Austin Elementary renovation	560,967
District Security Improvements	49,582
Recruitment Module Software	3,840
Multipurpose Bldgs HVAC	75,361
	<u>\$ 8,620,080</u>

Business-Type Activities

	Beginning Balance	Additions	Dispositions	Ending Balance
<u>Assets Being Depreciated</u>				
Furniture and Equipment	\$ 856,089	\$ -	\$ -	\$ 856,089
<u>Accumulated Depreciation</u>				
Furniture and Equipment	(85,609)	(85,609)		\$ (171,218)
Total Capital Assets, Net	\$ 770,480	\$ (85,609)	\$ -	\$ 684,871

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Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
Instruction	\$ 4,911,911
Instructional Resources	141,075
Curriculum Development & Staff Development	37,186
Instructional Leadership	209,884
School Leadership	182,220
Guidance Counseling & Evaluation	100,589
Social Work Services	86,141
Health Services	7,121
Student Transportation	656,260
Food Service	176,541
Cocurricular/Extracurricular	723,248
General Administration	56,605
Plant Maintenance & Operations	695,528
Security & Monitoring Services	23,849
Data Processing Services	415,953
Community Services	-
Total Depreciation Expense - Governmental Activities	<u><u>\$ 8,424,111</u></u>

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

Unearned Revenue:	General Fund	Special Rev Funds	Debt Svce Fund	Total
Season Ticket Sales	\$ 55,851			\$ 55,851
Rent, Fees, Insurance	30,000			30,000
State Revenues	2,094,451	410		2,094,861
Federal Revenues				-
Local and Donation Revenue	4,531	114,814		119,345
Campus Miscellaneous Revenues		15,102		15,102
USDA Donated Commodities on Hand		161,530		161,530
Total Unearned Revenue Exhibit C-1	<u>\$ 2,184,833</u>	<u>\$ 291,856</u>	<u>\$ -</u>	<u>2,476,689</u>

Total Unearned Revenue Exhibit A-1	<u><u>\$ 2,476,689</u></u>
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Unavailable Revenue- Property taxes :

Total Deferred Inflows Exhibit C-1	<u><u>\$ 1,296,674</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 210,024</u></u>	<u><u>\$ 1,506,698</u></u>
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Related to Net Pension Liability:

Differences between expected & actual experience	\$ 822,127
Changes in assumptions	763,185
Difference and changes in Proportions	40,405
Total Deferred Inflows Exhibit A-1	<u><u>\$ 1,625,717</u></u>

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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, 2017 \$96,590,000 of the defeased debt remained outstanding and will be redeemed by the trust assets on February 15, 2019 prior to original maturity.

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

Governmental Activities

Description	Beginning	New Debt	Debt Retired	Ending	Due Within One Year	Due in More than One Year
Par Bonds Payable - Face	\$ 110,304,982	\$ -	\$ (4,475,000)	\$ 105,829,982	\$ 4,460,000	101,369,982
Bond Premiums	13,985,533	-	(1,320,522)	12,665,011	-	12,665,011
Interest Accretion CAB	457,507	-	244,004	701,511	-	701,511
Net Bonds Payable	124,748,022	-	(5,551,518)	119,196,504	4,460,000	114,736,504
Vested Sick Leave	1,054,871	52,348	(154,627)	952,592	30,000	922,592
Totals Debt Exhibit A-1	\$ 125,802,893	\$ 52,348	\$ (5,706,145)	\$ 120,149,096	\$ 4,490,000	115,659,096
Deferred Outflow Difference on Refunding	\$ (13,691,905)	\$ -	\$ 1,255,793	\$ (12,436,112)		

Business-Type Activities

Description	Beginning	New Debt	Debt Retired	Ending	Due Within One Year	Due in More Than One Year
2015 Jumbotron	\$ 636,861	\$ -	\$ (48,910)	\$ 587,951	\$ 53,312	\$ 534,639

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)**:

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Issue	Original Principal	Maturities	Interest Rate	Interest Curr. Yr.	Outstanding at Year-End					
					Face	Prem.	Ref. Diff.	CAB int	Net	
Par Bonds:										
2009 School Bldg. Bonds	\$ 117,000	2.15.11-2.15.34	4.0-5.0%	\$ 455	\$ 7,540	\$ 1,056	\$ -	\$ -	\$ 8,596	
2009 Refunding Bonds	4,090	8.15.09-2.15.17	3.50%	10	-	-	-	-	-	
2015-A Refunding Bonds	96,590	2.15.15-2.15.34	1.9-5.0%	4,310	95,830	11,487	(12,408)	702	95,611	
2015-B Refunding Bonds	3,350	2.15.15-2.15.21	3.0-4.0%	101	2,460	121	(28)	-	2,553	
Total Bonds Payable	<u>\$ 221,030</u>			<u>\$ 4,876</u>	<u>\$ 105,830</u>	<u>\$ 12,664</u>	<u>\$ (12,436)</u>	<u>\$ 702</u>	<u>\$ 106,760</u>	

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

Fiscal Year	Principal	Interest	Total
2017	\$ 4,460	\$ 4,673	\$ 9,133
2018	4,675	4,457	9,132
2019	3,580	5,552	9,132
2020	4,940	4,199	9,139
2021	4,975	3,954	8,929
2023-2027	28,985	15,671	44,656
2028-2032	37,050	7,600	44,650
2033-2034	17,165	693	17,858
	<u>\$ 105,830</u>	<u>\$ 46,799</u>	<u>\$ 152,629</u>

\$3,844,236 is available in the Debt Service Fund for bonded debt service.

2. Vested Sick Leave

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

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

3. Net Pension Liability

	Beginning Balance	Additions	Retirements	Ending Balance
Net Pension Liability	27,094,755	2,753,487	2,314,992	27,533,250

4. Other Long Term Debt-in Business Type Activities

The District entered into an agreement with Daktronics, Inc. (Daktronics) whereby the District received a Jumbotron electronic scoreboard in exchange for granting exclusive rights to advertising revenues sufficient to pay for the scoreboard to Daktronics over a period of ten years or more. The transaction is being reported in an enterprise fund as debt financed purchase. Interest of \$261,871 at 9% reduces the total \$849,822 debt payments to \$587,951.

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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
2018	\$ 106,228	\$ 52,916	\$ 53,312
2019	106,228	48,117	58,111
2020	106,228	42,888	63,340
2021	106,228	37,188	69,040
2022	106,228	30,973	75,255
2023-2025	318,682	49,789	268,893
	<u>\$ 849,822</u>	<u>\$ 261,871</u>	<u>\$ 587,951</u>

IV.I. Defined Benefit Pension Plan

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

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

B. Pension Plan Fiduciary Net Position. Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [https://www.trs.texas.gov/TRS%20Documents/cafr 2016.pdf](https://www.trs.texas.gov/TRS%20Documents/cafr%202016.pdf); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

C. Benefits Provided. TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes,

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (A) above.

- D. Contributions.** Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. It also added a 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) 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 84th Texas legislature, General appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017. Contribution rates can be found in the TRS 2016 CAFR, Note 12, on page 82.

Contribution Rates

	<u>2016 (district fiscal)</u>	<u>2017 (district fiscal)</u>
Member	7.2%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers (as described below)	6.8%	6.8%
Employers Not Paying OASDI	1.5%	1.5%
 San Angelo ISD- 2017 fiscal year Employer Contributions		\$ 2,348,191
San Angelo ISD – 2017 fiscal year Member Contributions		\$ 6,020,394
2016 Measurement year NECE On-behalf Contributions		\$ 4,089,557

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:

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

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

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

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

Actuarial Assumptions. The total pension liability in the August 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2016
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term expected Investment Rate of Return	8.00%
Inflation	2.5%
Payroll growth rate	2.5%
Salary Increases including inflation	3.5% to 9.5%
Benefit Changes during the year	none
Ad hoc post-employment benefit changes	none

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

Discount Rate. The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
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Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2016 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 ¹
Global Equity			
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
Stable Value			
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
Real Return			
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
Risk Parity			
Risk Parity	5	6.7	0.3
Inflation Expectation			2.2%
Alpha			1.0
Total	100%		8.7%

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

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 2016 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:	\$ 42,612,196	\$ 27,533,250	\$ 14,743,255

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

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

At August 31, 2017, the San Angelo ISD reported a liability of \$ 27,533,250 for its proportionate share of the TRS's net pension liability measured at August 31, 2016. 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	\$27,533,250
State's proportionate share that is associated with [employer]	<u>48,542,407</u>
Total	<u>\$76,075,657</u>

The net pension liability was measured as of August 31, 2016 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, 2015 thru August 31, 2016.

At August 31, 2016 the SAISD employer's proportion of the collective net pension liability was .0728614% which was a decrease of 0.0037886% from its proportion measured as of August 31, 2015.

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:

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, 2017, San Angelo ISD recognized pension expense of \$5,037,544 and revenue of \$5,037,544 for support provided by the State and District contributed pension expense of \$2,057,722 after adjustments of deferred inflows and outflows to total \$7,095,266 in pension expense.

At August 31, 2017, 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	\$ 431,716	\$ 822,127
Changes in actuarial assumptions	\$ 839,164	\$ 763,185
Difference between projected and actual investment earnings	\$ 2,331,459	
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	\$ 5,294,457	\$ 40,405
Total as of August 31, 2016 measurement date	\$ 8,896,796	\$ 1,625,717
Contributions paid to TRS subsequent to the measurement date [to be calculated by employer]	\$ 2,348,191	\$0
Total	\$11,244,987	\$ 1,625,717

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions as of the August 31, 2016 measurement date will be recognized in pension expense as follows:

Year ended August 31:	Pension Expense Amount
2018	\$ 1,288,905
2019	\$ 1,288,905
2020	\$ 2,776,023
2021	\$ 1,174,642
2022	\$ 716,653
Thereafter	\$ 25,951

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

member districts' maximum loss funds. The District has contributed to its internal service fund annually to reserve funds for its actuarially determined expected losses as well as a portion of the contractual maximum loss. TWCS contracts annually for an independent audit of its financial statements and an actuarial study to provide estimates necessary for its financial statements and program operations. Then reports are presented and approved by the TWCS Board in January after its fiscal year end of August 31 and are available at the TWCS office located at 1002 Marble Heights Drive, Marble Falls Texas.

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, 2015	\$ 424,231
FY 2015:	
Incurred Claims - Including IBNR	314,845
Claim Payments - Net of Stop Loss Reimbursements	(317,202)
August 31, 2016	<u>421,874</u>
FY 2017:	
Incurred Claims - Including IBNR	133,591
Claim Payments	(218,785)
August 31, 2017	<u><u>\$ 336,680</u></u>

IV.K. Participation in Risk Management Pools

1. Unemployment Compensation

During the year ended August 31, 2017, 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

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

2. General Liability, Vehicle and Property Coverage

Property insurance was obtained from a commercial insurance company in fiscal 2017.

During the year ended August 31, 2017, 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 joined the Fund by executing Inter-local Participation Agreements. The Fund used excess insurance and reinsurance contracts with insurance carriers to reduce its exposure to large losses in insured events. The TAPS Fund experienced unprecedented loss claims during the year requiring members to contribute additional loss fund payments. The District contributed a \$15,871 loss fund payment. The District was no longer a member of the group in fiscal 2018 and purchased vehicle and liability insurance from a different insurer for fiscal 2018. TAPS Fund filed for bankruptcy in October 2017. The TAPS Fund engaged 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, 2016, were requested and kept on file by the District.

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 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.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

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. Contribution amounts reported in the fund financial statements were as follows:

Year	Member		State (on behalf)		Federal for State	School District	
	Rate	Amount	Rate	Amount	Amount	Rate	Amount
2017	0.65%	\$ 508,219	1.00%	\$ 695,241	\$ 86,628	0.55%	\$ 430,035
2016	0.65%	\$ 508,591	1.00%	\$ 696,833	\$ 85,613	0.55%	\$ 430,350
2015	0.65%	\$ 490,909	1.00%	\$ 579,063	\$ 82,036	0.55%	\$ 415,381

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.

Medicare Part D	
Year	Amount
2017	\$ 232,969
2016	\$ 299,584
2015	\$ 306,426

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

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	\$ 48,726,039	\$ -	\$ 8,444,183	\$ 57,170,222
Penalty, Interest and Other				
Tax-Related Revenue	571,879	-	89,726	661,605
Sale of WADA	-	-	-	-
Tuition and Fees	231,798	-	-	231,798
Investment Earnings	481,010	15,264	56,166	552,440
Rental Revenues	129,107	-	-	129,107
Gifts and Bequests	109,459	4,085	-	113,544
Food Sales	-	1,659,690	-	1,659,690
Sale of Surplus Items	8,476	-	-	8,476
Co-curricular and Enterprising				
Activities	420,934	623,966	-	1,044,900
E-Rate reimbursements	356,132	-	-	356,132
Campus payroll reimbursements	34,419	-	-	34,419
PEP	14,067	-	-	14,067
Other Local Revenues	75,686	49,177	-	124,863
Totals	\$ 51,159,006	\$ 2,352,182	\$ 8,590,075	\$ 62,101,263

V. CONTINGENCIES AND COMMITMENTS

V.A. Federal Assistance Programs

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

V.B. Construction Commitments

The District had the following construction commitments for construction work in progress as of August 31, 2017:

Lou Gehrig athletic facility renovation: \$56 thousand to be paid of \$2.8 million contracted costs.
Ft Concho Elementary Classrooms: \$479 thousand to be paid of \$1.7 million contracted costs.
Central Freshman Campus HVAC: \$323 thousand to be paid of \$3.4 million contracted costs.
Austin Elementary Renovations: \$73 thousand to be paid of \$585 thousand contracted costs.
Planning for District Security Improvements: \$158 thousand to be paid of \$208 thousand contracted costs.

Shortly after year end the District awarded the construction contract for \$1.7 million for air conditioning at elementary multipurpose buildings.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

V.C. Purchase Orders in Progress

All encumbrances lapse at year end, however the District amended the fiscal 2018 budget for \$1.7 million to include purchase orders that were in progress but incomplete at year end. Items included construction in progress completions detailed in note V.B. as well as facility repairs and technology upgrades that were in progress.

W. SUBSEQUENT EVENTS

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

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REQUIRED SUPPLEMENTARY INFORMATION

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SAN ANGELO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2017

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	\$ 49,815,000	\$ 50,667,000	\$ 51,159,006	\$ 492,006
5800 State Program Revenues	58,450,000	58,108,000	59,465,221	1,357,221
5900 Federal Program Revenues	915,000	1,403,000	1,468,022	65,022
5020 Total Revenues	109,180,000	110,178,000	112,092,249	1,914,249
EXPENDITURES:				
Current:				
0011 Instruction	62,636,229	62,594,728	61,201,192	1,393,536
0012 Instructional Resources and Media Services	1,523,531	1,524,531	1,474,324	50,207
0013 Curriculum and Instructional Staff Development	1,210,577	1,264,962	1,207,193	57,769
0021 Instructional Leadership	1,617,277	1,640,748	1,606,225	34,523
0023 School Leadership	6,782,650	6,921,203	6,826,924	94,279
0031 Guidance, Counseling and Evaluation Services	4,152,188	4,140,888	4,089,145	51,743
0032 Social Work Services	403,791	450,756	432,557	18,199
0033 Health Services	672,352	687,342	659,407	27,935
0034 Student (Pupil) Transportation	2,780,273	3,391,380	3,232,476	158,904
0035 Food Services	165,031	155,031	148,448	6,583
0036 Extracurricular Activities	4,954,601	5,431,191	5,328,021	103,170
0041 General Administration	2,780,079	2,960,543	2,867,885	92,658
0051 Facilities Maintenance and Operations	12,872,027	13,128,021	12,812,604	315,417
0052 Security and Monitoring Services	660,859	612,079	513,056	99,023
0053 Data Processing Services	2,499,895	2,754,860	2,666,125	88,735
0061 Community Services	162,367	178,622	168,996	9,626
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	10,315,875	10,618,289	(302,414)
Intergovernmental:				
0099 Other Intergovernmental Charges	995,000	995,000	984,554	10,446
6030 Total Expenditures	106,868,727	119,147,760	116,837,421	2,310,339
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	2,311,273	(8,969,760)	(4,745,172)	4,224,588
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	39,431	39,431
8911 Transfers Out (Use)	-	-	(5,998)	(5,998)
7080 Total Other Financing Sources (Uses)	-	-	33,433	33,433
1200 Net Change in Fund Balances	2,311,273	(8,969,760)	(4,711,739)	4,258,021
0100 Fund Balance - September 1 (Beginning)	41,931,457	41,931,457	41,931,457	-
3000 Fund Balance - August 31 (Ending)	\$ 44,242,730	\$ 32,961,697	\$ 37,219,718	\$ 4,258,021

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2017

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 \$12,279,033 and increase in revenues of \$998,000).

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

There were expenditures in excess of appropriations in function 81, Facilities Acquisition and Construction.

RECONCILIATION OF SPECIAL REVENUE FUND BALANCES

Nonappropriated Budget Funds:	
Summer Feeding Program	\$ 54,895
Child and Adult Care Feeding	145,215
Life Skills Program	9,959
Advanced Placement Incentives	53,374
Other State Special Revenue Funds	1,448
Campus Activity Funds	226,107
San Angelo Stadium Fund	122,613
Health Fund	276
Korean Teacher Exchange Program	946
	<hr/>
	614,833
Appropriated Budget Funds - National Breakfast and Lunch Program	3,548,732
Total Special Revenue Fund Balances	<hr/> <hr/>
	\$ 4,163,565

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, 2017

	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
District's Proportion of the Net Pension Liability (Asset)	0.0728614%	0.07665%	0.0487351%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 27,533,250	\$ 27,094,755	\$ 13,017,820
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	48,542,407	46,073,448	40,432,025
Total	<u>\$ 76,075,657</u>	<u>\$ 73,168,203</u>	<u>\$ 53,449,845</u>
District's Covered-Employee Payroll	\$ 78,244,552	\$ 75,523,375	\$ 73,897,210
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	35.19%	35.88%	17.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.00%	78.43%	83.25%

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

Note: In accordance with GASB 68, Paragraph 138, only three 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 2017

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

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

Note: In accordance with GASB 68, Paragraph 138, the years of data presented this reporting period are those for which data is available. "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.

ENTERPRISE FUNDS

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

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

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

AGENCY FUND

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

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2017

Data Control Codes		205 Head Start	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant
ASSETS				
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1120	Investments - Current	-	-	-
1220	Property Taxes - Delinquent	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-
1240	Receivables from Other Governments	299,855	449,691	15,308
1250	Accrued Interest	-	-	-
1290	Other Receivables	-	-	-
1300	Inventories	-	-	-
1410	Prepayments	-	-	-
1900	Other Assets	-	-	-
1000	Total Assets	<u>\$ 299,855</u>	<u>\$ 449,691</u>	<u>\$ 15,308</u>
LIABILITIES				
2110	Accounts Payable	\$ 16,155	\$ 1,297	\$ 327
2160	Accrued Wages Payable	-	-	-
2170	Due to Other Funds	283,700	448,394	14,981
2180	Due to Other Governments	-	-	-
2190	Due to Student Groups	-	-	-
2300	Unearned Revenues	-	-	-
2000	Total Liabilities	<u>299,855</u>	<u>449,691</u>	<u>15,308</u>
DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable Revenue - Property Taxes	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
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>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 299,855</u>	<u>\$ 449,691</u>	<u>\$ 15,308</u>

224	225	240	242	244	255	263	281
IDEA - Part B Formula	IDEA - Part B Preschool	National Breakfast and Lunch Program	Summer Feeding Program	Career and Technical - Basic Grant	ESEA II,A Training and Recruiting	Title III, A English Lang. Acquisition	Early Head Start
\$ -	\$ -	\$ 2,815,198	\$ 54,895	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
537,593	12,430	298,573	-	25,017	218,443	7,625	87,902
-	-	-	-	-	-	-	-
-	-	9,552	-	-	-	-	-
-	-	794,840	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 537,593</u>	<u>\$ 12,430</u>	<u>\$ 3,918,163</u>	<u>\$ 54,895</u>	<u>\$ 25,017</u>	<u>\$ 218,443</u>	<u>\$ 7,625</u>	<u>\$ 87,902</u>
\$ 21,660	\$ -	\$ 93,087	\$ -	\$ -	\$ -	\$ -	\$ 3,064
-	-	-	-	-	-	-	-
515,933	12,430	-	-	25,017	218,443	7,625	84,838
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	276,344	-	-	-	-	-
<u>537,593</u>	<u>12,430</u>	<u>369,431</u>	<u>-</u>	<u>25,017</u>	<u>218,443</u>	<u>7,625</u>	<u>87,902</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	794,840	-	-	-	-	-
-	-	2,753,892	54,895	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	3,548,732	54,895	-	-	-	-
<u>\$ 537,593</u>	<u>\$ 12,430</u>	<u>\$ 3,918,163</u>	<u>\$ 54,895</u>	<u>\$ 25,017</u>	<u>\$ 218,443</u>	<u>\$ 7,625</u>	<u>\$ 87,902</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2017

Data Control Codes		288 Child and Adult Care Feeding	289 Other Federal Special Revenue Funds	392 Non-Ed. Community Based Support	394 Life Skills Program
ASSETS					
1110	Cash and Cash Equivalents	\$ 102,256	\$ -	\$ -	\$ 9,959
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	89,624	4,250	-	-
1250	Accrued Interest	-	-	-	-
1290	Other Receivables	-	-	430	-
1300	Inventories	-	-	-	-
1410	Prepayments	-	-	-	-
1900	Other Assets	-	-	-	-
1000	Total Assets	<u>\$ 191,880</u>	<u>\$ 4,250</u>	<u>\$ 430</u>	<u>\$ 9,959</u>
LIABILITIES					
2110	Accounts Payable	\$ 46,665	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	-	-	-	-
2170	Due to Other Funds	-	4,250	430	-
2180	Due to Other Governments	-	-	-	-
2190	Due to Student Groups	-	-	-	-
2300	Unearned Revenues	-	-	-	-
2000	Total Liabilities	<u>46,665</u>	<u>4,250</u>	<u>430</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	145,215	-	-	9,959
3480	Retirement of Long-Term Debt	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>145,215</u>	<u>-</u>	<u>-</u>	<u>9,959</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 191,880</u>	<u>\$ 4,250</u>	<u>\$ 430</u>	<u>\$ 9,959</u>

397 Advanced Placement Incentives	410 State Textbook Fund	429 Other State Special Revenue Funds	461 Campus Activity Funds	480 San Angelo Stadium Fund	481 Health Fund	482 Korean Teacher Exchange	Total Nonmajor Special Revenue Funds
\$ 53,374	\$ -	\$ 3,548	\$ 310,942	\$ 122,613	\$ 276	\$ 946	\$ 3,474,007
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	248,364	7,700	-	-	-	-	2,302,375
-	-	-	-	-	-	-	-
-	-	2,450	-	-	-	-	12,432
-	-	-	-	-	-	-	794,840
-	3,060	-	-	-	-	-	3,060
-	-	-	-	-	-	-	-
<u>\$ 53,374</u>	<u>\$ 251,424</u>	<u>\$ 13,698</u>	<u>\$ 310,942</u>	<u>\$ 122,613</u>	<u>\$ 276</u>	<u>\$ 946</u>	<u>\$ 6,586,714</u>
\$ -	\$ 180,336	\$ -	\$ 19,455	\$ -	\$ -	\$ -	\$ 382,046
-	-	12,250	-	-	-	-	12,250
-	70,678	-	48,793	-	-	-	1,735,512
-	-	-	-	-	-	-	-
-	-	-	1,485	-	-	-	1,485
-	410	-	15,102	-	-	-	291,856
-	251,424	12,250	84,835	-	-	-	2,423,149
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	794,840
53,374	-	1,448	-	-	-	-	3,018,783
-	-	-	-	-	-	-	-
-	-	-	226,107	122,613	276	946	349,942
<u>53,374</u>	<u>-</u>	<u>1,448</u>	<u>226,107</u>	<u>122,613</u>	<u>276</u>	<u>946</u>	<u>4,163,565</u>
<u>\$ 53,374</u>	<u>\$ 251,424</u>	<u>\$ 13,698</u>	<u>\$ 310,942</u>	<u>\$ 122,613</u>	<u>\$ 276</u>	<u>\$ 946</u>	<u>\$ 6,586,714</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2017

Data Control Codes		599	Total
		Debt Service Fund	Nonmajor Governmental Funds
ASSETS			
1110	Cash and Cash Equivalents	\$ 2,976,604	\$ 6,450,611
1120	Investments - Current	493,004	493,004
1220	Property Taxes - Delinquent	263,606	263,606
1230	Allowance for Uncollectible Taxes (Credit)	(12,917)	(12,917)
1240	Receivables from Other Governments	-	2,302,375
1250	Accrued Interest	1,461	1,461
1290	Other Receivables	45,557	57,989
1300	Inventories	-	794,840
1410	Prepayments	-	3,060
1900	Other Assets	496,927	496,927
1000	Total Assets	<u>\$ 4,264,242</u>	<u>\$ 10,850,956</u>
LIABILITIES			
2110	Accounts Payable	\$ 2,400	\$ 384,446
2160	Accrued Wages Payable	-	12,250
2170	Due to Other Funds	-	1,735,512
2180	Due to Other Governments	207,582	207,582
2190	Due to Student Groups	-	1,485
2300	Unearned Revenues	-	291,856
2000	Total Liabilities	<u>209,982</u>	<u>2,633,131</u>
DEFERRED INFLOWS OF RESOURCES			
2601	Unavailable Revenue - Property Taxes	210,024	210,024
2600	Total Deferred Inflows of Resources	<u>210,024</u>	<u>210,024</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410	Inventories	-	794,840
Restricted Fund Balance:			
3450	Federal or State Funds Grant Restriction	-	3,018,783
3480	Retirement of Long-Term Debt	3,844,236	3,844,236
Committed Fund Balance:			
3545	Other Committed Fund Balance	-	349,942
3000	Total Fund Balances	<u>3,844,236</u>	<u>8,007,801</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 4,264,242</u>	<u>\$ 10,850,956</u>

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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, 2017

Data Control Codes		205 Head Start	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant
REVENUES:				
5700	Total Local and Intermediate Sources	\$ 1,154	\$ -	\$ -
5800	State Program Revenues	-	-	-
5900	Federal Program Revenues	2,511,911	3,428,919	94,732
5020	Total Revenues	2,513,065	3,428,919	94,732
EXPENDITURES:				
Current:				
0011	Instruction	1,135,921	3,213,303	30,119
0012	Instructional Resources and Media Services	-	-	-
0013	Curriculum and Instructional Staff Development	94,387	28,368	-
0021	Instructional Leadership	-	134,682	37,203
0023	School Leadership	528,526	-	-
0031	Guidance, Counseling and Evaluation Services	10,862	-	-
0032	Social Work Services	221,692	-	26,840
0033	Health Services	103,928	2,343	-
0034	Student (Pupil) Transportation	579	-	-
0035	Food Services	47,241	-	-
0036	Extracurricular Activities	-	-	-
0041	General Administration	-	-	-
0051	Facilities Maintenance and Operations	321,498	-	-
0052	Security and Monitoring Services	2,430	-	-
0061	Community Services	48,540	50,223	570
Debt Service:				
0071	Principal on Long Term Debt	-	-	-
0072	Interest on Long Term Debt	-	-	-
0073	Bond Issuance Cost and Fees	-	-	-
6030	Total Expenditures	2,515,604	3,428,919	94,732
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,539)	-	-
OTHER FINANCING SOURCES (USES):				
7915	Transfers In	2,539	-	-
8911	Transfers Out (Use)	-	-	-
7080	Total Other Financing Sources (Uses)	2,539	-	-
1200	Net Change in Fund Balance	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	-	-
3000	Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -

224	225	240	242	244	255	263	281
IDEA - Part B Formula	IDEA - Part B Preschool	National Breakfast and Lunch Program	Summer Feeding Program	Career and Technical - Basic Grant	ESEA II,A Training and Recruiting	Title III, A English Lang. Acquisition	Early Head Start
\$ -	\$ -	\$ 1,672,266	\$ 1,050	\$ -	\$ -	\$ -	\$ 4
-	-	211,334	-	-	-	-	-
3,088,426	78,815	5,621,664	75,865	177,295	683,269	85,706	1,080,050
3,088,426	78,815	7,505,264	76,915	177,295	683,269	85,706	1,080,054
2,273,064	76,560	-	-	104,985	402,155	82,772	881,789
-	-	-	-	-	-	-	-
17,966	-	-	-	42,411	227,915	1,423	31,748
99,767	-	-	-	3,342	40,801	1,486	-
-	-	-	-	-	-	-	58,950
671,487	2,255	-	-	26,557	-	-	632
-	-	-	-	-	-	-	54,328
26,142	-	-	-	-	-	-	17,221
-	-	-	-	-	-	-	-
-	-	7,007,285	79,797	-	-	-	2,862
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	141,744	-	-	-	-	30,668
-	-	-	-	-	-	-	-
-	-	-	-	-	12,398	25	3,569
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,088,426	78,815	7,149,029	79,797	177,295	683,269	85,706	1,081,767
-	-	356,235	(2,882)	-	-	-	(1,713)
-	-	4,290	-	-	-	-	1,713
-	-	-	-	-	-	-	-
-	-	4,290	-	-	-	-	1,713
-	-	360,525	(2,882)	-	-	-	-
-	-	3,188,207	57,777	-	-	-	-
\$ -	\$ -	\$ 3,548,732	\$ 54,895	\$ -	\$ -	\$ -	\$ -

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes		288 Child and Adult Care Feeding	289 Other Federal Special Revenue Funds	392 Non-Ed. Community Based Support	394 Life Skills Program
REVENUES:					
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	567,465	7,745	-	-
5020	Total Revenues	567,465	7,745	-	-
EXPENDITURES:					
Current:					
0011	Instruction	-	3,495	-	-
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	-	4,250	-	-
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	540,263	-	-	-
0036	Extracurricular Activities	-	-	-	-
0041	General Administration	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-
0061	Community Services	-	-	-	1,833
Debt Service:					
0071	Principal on Long Term Debt	-	-	-	-
0072	Interest on Long Term Debt	-	-	-	-
0073	Bond Issuance Cost and Fees	-	-	-	-
6030	Total Expenditures	540,263	7,745	-	1,833
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	27,202	-	-	(1,833)
OTHER FINANCING SOURCES (USES):					
7915	Transfers In	-	-	-	-
8911	Transfers Out (Use)	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net Change in Fund Balance	27,202	-	-	(1,833)
0100	Fund Balance - September 1 (Beginning)	118,013	-	-	11,792
3000	Fund Balance - August 31 (Ending)	\$ 145,215	\$ -	\$ -	\$ 9,959

397 Advanced Placement Incentives	410 State Textbook Fund	429 Other State Special Revenue Funds	461 Campus Activity Funds	480 San Angelo Stadium Fund	481 Health Fund	482 Korean Teacher Exchange	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 629,678	\$ -	\$ 11	\$ 48,019	\$ 2,352,182
-	1,243,232	18,988	-	-	-	-	1,473,554
-	-	-	-	-	-	-	17,501,862
-	1,243,232	18,988	629,678	-	11	48,019	21,327,598
-	1,243,232	20,646	423,238	-	-	-	9,891,279
-	-	1,625	3,353	-	-	-	4,978
550	-	-	-	-	-	-	449,018
-	-	-	17,076	-	-	-	334,357
-	-	-	309,420	-	-	-	896,896
-	-	-	-	-	-	-	711,793
-	-	-	-	-	-	-	302,860
-	-	-	-	-	-	-	149,634
-	-	-	-	-	-	-	579
-	-	-	-	-	-	-	7,677,448
-	-	-	68	-	-	-	68
-	-	-	180	-	8,498	-	8,678
-	-	-	1,182	-	-	-	495,092
-	-	-	-	-	-	-	2,430
-	-	-	-	-	-	28,473	145,631
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
550	1,243,232	22,271	754,517	-	8,498	28,473	21,070,741
(550)	-	(3,283)	(124,839)	-	(8,487)	19,546	256,857
-	-	1,746	18,600	16,540	-	-	45,428
-	-	-	-	-	-	(18,600)	(18,600)
-	-	1,746	18,600	16,540	-	(18,600)	26,828
(550)	-	(1,537)	(106,239)	16,540	(8,487)	946	283,685
53,924	-	2,985	332,346	106,073	8,763	-	3,879,880
\$ 53,374	\$ -	\$ 1,448	\$ 226,107	\$ 122,613	\$ 276	\$ 946	\$ 4,163,565

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes		599	Total
		Debt Service Fund	Nonmajor Governmental Funds
REVENUES:			
5700	Total Local and Intermediate Sources	\$ 8,590,075	\$ 10,942,257
5800	State Program Revenues	468,999	1,942,553
5900	Federal Program Revenues	-	17,501,862
5020	Total Revenues	<u>9,059,074</u>	<u>30,386,672</u>
EXPENDITURES:			
Current:			
0011	Instruction	-	9,891,279
0012	Instructional Resources and Media Services	-	4,978
0013	Curriculum and Instructional Staff Development	-	449,018
0021	Instructional Leadership	-	334,357
0023	School Leadership	-	896,896
0031	Guidance, Counseling and Evaluation Services	-	711,793
0032	Social Work Services	-	302,860
0033	Health Services	-	149,634
0034	Student (Pupil) Transportation	-	579
0035	Food Services	-	7,677,448
0036	Extracurricular Activities	-	68
0041	General Administration	-	8,678
0051	Facilities Maintenance and Operations	-	495,092
0052	Security and Monitoring Services	-	2,430
0061	Community Services	-	145,631
Debt Service:			
0071	Principal on Long Term Debt	4,475,000	4,475,000
0072	Interest on Long Term Debt	4,876,800	4,876,800
0073	Bond Issuance Cost and Fees	7,000	7,000
6030	Total Expenditures	<u>9,358,800</u>	<u>30,429,541</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(299,726)</u>	<u>(42,869)</u>
OTHER FINANCING SOURCES (USES):			
7915	Transfers In	-	45,428
8911	Transfers Out (Use)	-	(18,600)
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>26,828</u>
1200	Net Change in Fund Balance	(299,726)	(16,041)
0100	Fund Balance - September 1 (Beginning)	<u>4,143,962</u>	<u>8,023,842</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ 3,844,236</u>	<u>\$ 8,007,801</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 AUGUST 31, 2017

	711	712	Total
	Concession	Jumbotron	Nonmajor
	Fund	Fund	Enterprise
			Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 67,423	\$ -	\$ 67,423
Other Receivables	-	22,103	22,103
Total Current Assets	<u>67,423</u>	<u>22,103</u>	<u>89,526</u>
Noncurrent Assets:			
Capital Assets:			
Furniture and Equipment	-	856,089	856,089
Depreciation on Furniture and Equipment	-	(171,218)	(171,218)
Total Noncurrent Assets	<u>-</u>	<u>684,871</u>	<u>684,871</u>
Total Assets	<u>67,423</u>	<u>706,974</u>	<u>774,397</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	747	-	747
Accrued Expenses	-	52,916	52,916
Total Current Liabilities	<u>747</u>	<u>52,916</u>	<u>53,663</u>
NonCurrent Liabilities:			
Bonds, Loans & Other Payable - Due Within One Year	-	53,312	53,312
Loans Payable - Due in More than One Year	-	534,639	534,639
Total Noncurrent Liabilities	<u>-</u>	<u>587,951</u>	<u>587,951</u>
Total Liabilities	<u>747</u>	<u>640,867</u>	<u>641,614</u>
NET POSITION			
Net Investment in Capital Assets	-	66,107	66,107
Unrestricted Net Position	66,676	-	66,676
Total Net Position	<u>\$ 66,676</u>	<u>\$ 66,107</u>	<u>\$ 132,783</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2017

	711	712	Total Nonmajor Enterprise Funds
	Concession Fund	Jumbotron Fund	
OPERATING REVENUES:			
Local and Intermediate Sources	\$ 102,178	\$ 144,265	\$ 246,443
Total Operating Revenues	<u>102,178</u>	<u>144,265</u>	<u>246,443</u>
OPERATING EXPENSES:			
Payroll Costs	30,728	-	30,728
Professional and Contracted Services	1,222	16,540	17,762
Supplies and Materials	61,952	-	61,952
Other Operating Costs	-	15,934	15,934
Depreciation Expense	-	85,609	85,609
Total Operating Expenses	<u>93,902</u>	<u>118,083</u>	<u>211,985</u>
Operating Income	<u>8,276</u>	<u>26,182</u>	<u>34,458</u>
NONOPERATING REVENUES (EXPENSES):			
Non-operating Expenses	-	(52,916)	(52,916)
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>(52,916)</u>	<u>(52,916)</u>
Income (Loss) Before Transfers	8,276	(26,734)	(18,458)
Transfers Out	<u>(4,290)</u>	<u>(16,540)</u>	<u>(20,830)</u>
Change in Net Position	3,986	(43,274)	(39,288)
Total Net Position - September 1 (Beginning)	<u>62,690</u>	<u>109,381</u>	<u>172,071</u>
Total Net Position August 31 (Ending)	<u>\$ 66,676</u>	<u>\$ 66,107</u>	<u>\$ 132,783</u>

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2017

	711	712	Total
	Concession	Jumbotron	Nonmajor
	Fund	Fund	Enterprise
			Funds
<u>Cash Flows from Operating Activities:</u>			
Cash Received from User Charges	\$ 102,178	\$ 150,841	\$ 253,019
Cash Payments to Employees for Services	(30,728)	-	(30,728)
Cash Payments for Suppliers	(62,536)	(32,475)	(95,011)
Net Cash Provided by Operating Activities	8,914	118,366	127,280
<u>Cash Flows from Non-Capital Financing Activities:</u>			
Operating Transfer Out	(4,290)	(16,540)	(20,830)
<u>Cash Flows from Capital & Related Financing Activities:</u>			
Retirement of Long-term Debt	-	(48,910)	(48,910)
Interest Paid on Long-term Debt	-	(52,916)	(52,916)
Net Cash Used For Capital and Related Financing Activities	-	(101,826)	(101,826)
Net Increase in Cash and Cash Equivalents	4,624	-	4,624
Cash and Cash Equivalents at Beginning of Year	62,799	-	62,799
Cash and Cash Equivalents at End of Year	\$ 67,423	\$ -	\$ 67,423
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>			
Operating Income:	\$ 8,276	\$ 26,182	\$ 34,458
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	-	85,609	85,609
Effect of Increases and Decreases in Current Assets and Liabilities:			
Decrease (increase) in Receivables	-	(5,563)	(5,563)
Decrease (increase) in Inventories	916	-	916
Increase (decrease) in Accounts Payable	(278)	-	(278)
Increase (decrease) in Accrued Expense	-	12,138	12,138
Net Cash Provided by Operating Activities	\$ 8,914	\$ 118,366	\$ 127,280

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE SEPTEMBER 1 2016	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2017
STUDENT ACTIVITY ACCOUNT				
Assets:				
Cash and Temporary Investments	\$ 546,894	\$ 501,135	\$ 538,796	\$ 509,233
Other Receivables	950	3,120	3,230	840
Total Assets	<u>\$ 547,844</u>	<u>\$ 504,255</u>	<u>\$ 542,026</u>	<u>\$ 510,073</u>
Liabilities:				
Accounts Payable	\$ 559	\$ 29,043	\$ 29,378	\$ 224
Due to Student Groups	547,285	504,726	542,162	509,849
Total Liabilities	<u>\$ 547,844</u>	<u>\$ 533,769</u>	<u>\$ 571,540</u>	<u>\$ 510,073</u>
TOTAL AGENCY FUNDS				
Assets:				
Cash and Temporary Investments	\$ 546,894	\$ 501,135	\$ 538,796	\$ 509,233
Other Receivables	950	3,120	3,230	840
Total Assets	<u>\$ 547,844</u>	<u>\$ 504,255</u>	<u>\$ 542,026</u>	<u>\$ 510,073</u>
Liabilities:				
Accounts Payable	\$ 559	\$ 29,043	\$ 29,378	\$ 224
Due to Student Groups	547,285	504,726	542,162	509,849
Total Liabilities	<u>\$ 547,844</u>	<u>\$ 533,769</u>	<u>\$ 571,540</u>	<u>\$ 510,073</u>

COMPLIANCE SCHEDULES

(Required by Texas Education Agency)

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2017

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2008 and prior years	Various	Various	\$ 2,718,372,546
2009	1.040000	0.070000	2,888,797,097
2010	1.040000	0.312500	3,033,131,516
2011	1.040000	0.272500	3,064,378,472
2012	1.040000	0.240000	3,244,186,953
2013	1.040000	0.220000	3,672,571,745
2014	1.040000	0.220000	3,881,035,694
2015	1.040000	0.200000	4,295,874,565
2016	1.040000	0.195000	4,542,852,960
2017 (School year under audit)	1.040000	0.180000	4,702,034,461
1000 TOTALS			

(10) Beginning Balance 9/1/2016	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2017
\$ 312,858	\$ -	\$ 3,197	\$ 191	\$ (17,772)	\$ 291,698
16,913	-	2,648	178	(670)	13,417
25,679	-	3,907	1,174	(658)	19,940
24,339	-	4,592	1,203	(945)	17,599
33,963	-	8,287	1,912	(856)	22,908
71,652	-	27,014	5,714	(717)	38,207
127,993	-	57,975	12,264	(785)	56,969
329,027	-	150,501	28,942	(1,522)	148,062
993,010	-	486,282	91,178	(24,580)	390,970
-	57,364,820	47,975,408	8,303,436	(216,380)	869,596
<u>\$ 1,935,434</u>	<u>\$ 57,364,820</u>	<u>\$ 48,719,811</u>	<u>\$ 8,446,192</u>	<u>\$ (264,885)</u>	<u>\$ 1,869,366</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, 2017

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	\$ 1,761,650	\$ 1,761,650	\$ 1,672,266	\$ (89,384)
5800 State Program Revenues	37,000	37,000	211,334	174,334
5900 Federal Program Revenues	5,721,885	5,721,885	5,621,664	(100,221)
5020 Total Revenues	7,520,535	7,520,535	7,505,264	(15,271)
EXPENDITURES:				
0035 Food Services	7,345,535	7,345,535	7,007,285	338,250
0051 Facilities Maintenance and Operations	175,000	175,000	141,744	33,256
6030 Total Expenditures	7,520,535	7,520,535	7,149,029	371,506
1100 Excess of Revenues Over Expenditures	-	-	356,235	356,235
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	4,290	4,290
1200 Net Change in Fund Balances	-	-	360,525	360,525
0100 Fund Balance - September 1 (Beginning)	3,188,207	3,188,207	3,188,207	-
3000 Fund Balance - August 31 (Ending)	\$ 3,188,207	\$ 3,188,207	\$ 3,548,732	\$ 360,525

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, 2017

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	\$ 8,415,000	\$ 8,415,000	\$ 8,590,075	\$ 175,075
5800 State Program Revenues	500,000	500,000	468,999	(31,001)
5020 Total Revenues	8,915,000	8,915,000	9,059,074	144,074
EXPENDITURES:				
Debt Service:				
0071 Principal on Long Term Debt	4,475,000	4,475,000	4,475,000	-
0072 Interest on Long Term Debt	4,876,800	4,876,800	4,876,800	-
0073 Bond Issuance Cost and Fees	10,000	10,000	7,000	3,000
6030 Total Expenditures	9,361,800	9,361,800	9,358,800	3,000
1200 Net Change in Fund Balances	(446,800)	(446,800)	(299,726)	147,074
0100 Fund Balance - September 1 (Beginning)	4,143,962	4,143,962	4,143,962	-
3000 Fund Balance - August 31 (Ending)	\$ 3,697,162	\$ 3,697,162	\$ 3,844,236	\$ 147,074

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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
	Financial Trends
	<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
	Revenue Capacity
	<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 2016
9	Principal property taxpayers, current year and nine years ago
10	Property tax levies and collections, last ten fiscal years
	Debt Capacity
	<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, 2016
14	Pledged revenue coverage, last five fiscal years
	Demographic and Economic Information
	<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
	Operating Information
	<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>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
Governmental Activities:				
Net Investment in Capital Assets	\$ 97,955,870	\$ 90,140,840	\$ 86,764,060	\$ 81,778,241
Restricted	6,863,019	6,861,596	6,283,407	5,350,037
Unrestricted	21,555,112	28,242,791	25,114,945	33,870,166
Total Governmental Activities Net Position	<u>\$ 126,374,001</u>	<u>\$ 125,245,227</u>	<u>\$ 118,162,412</u>	<u>\$ 120,998,444</u>
Business-Type Activities:				
Net Investment in Capital Assets	\$ 66,107	\$ 109,382	\$ 113,000	\$ (13,743)
Unrestricted	66,676	62,690	71,368	22,067
Total Business-Type Activities Net Position	<u>\$ 132,783</u>	<u>\$ 172,072</u>	<u>\$ 184,368</u>	<u>\$ 8,324</u>
Primary Government:				
Net Investment in Capital Assets	\$ 98,021,977	\$ 90,250,222	\$ 86,877,060	\$ 81,764,498
Restricted	6,863,019	6,861,596	6,283,407	5,350,037
Unrestricted	21,621,788	28,305,481	25,186,313	33,892,233
Total Primary Government Net position	<u>\$ 126,506,784</u>	<u>\$ 125,417,299</u>	<u>\$ 118,346,780</u>	<u>\$ 121,006,768</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					
2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
\$ 76,142,025	\$ 71,331,462	\$ 68,123,024	\$ 65,774,951	\$ 59,756,813	\$ 59,894,274
4,775,658	4,327,397	3,660,369	3,126,860	3,060,134	2,683,486
30,269,027	31,774,879	33,444,213	29,506,262	31,442,641	34,527,934
<u>\$ 111,186,710</u>	<u>\$ 107,433,738</u>	<u>\$ 105,227,606</u>	<u>\$ 98,408,073</u>	<u>\$ 94,259,588</u>	<u>\$ 97,105,694</u>
\$ (27,899)	\$ (9,988)	\$ (994)	\$ 3,307	\$ 6,411	\$ 31,079
7,761	(16,094)	(37,514)	(39,262)	113,088	80,179
<u>\$ (20,138)</u>	<u>\$ (26,082)</u>	<u>\$ (38,508)</u>	<u>\$ (35,955)</u>	<u>\$ 119,499</u>	<u>\$ 111,258</u>
\$ 76,114,126	\$ 71,321,474	\$ 68,122,030	\$ 65,778,258	\$ 59,763,224	\$ 59,925,353
4,775,658	4,327,397	3,660,369	3,126,860	3,060,134	2,683,486
30,276,788	31,758,785	33,406,699	29,467,000	31,555,729	34,608,113
<u>\$ 111,166,572</u>	<u>\$ 107,407,656</u>	<u>\$ 105,189,098</u>	<u>\$ 98,372,118</u>	<u>\$ 94,379,087</u>	<u>\$ 97,216,952</u>

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

	2016-17	2015-16	2014-15	2013-14
Expenses				
Governmental Activities:				
Instruction	\$ 77,999,154	\$ 79,329,970	\$ 74,059,072	\$ 71,629,182
Instructional resources and media services	1,647,322	1,632,171	1,577,545	1,509,404
Curriculum and instructional staff development	1,716,081	1,309,828	1,106,285	1,104,738
Instructional leadership	2,213,468	2,304,859	2,123,211	1,941,920
School leadership	8,114,827	7,922,842	7,191,122	6,808,788
Guidance, counseling and evaluation services	5,045,874	5,124,249	4,623,658	4,652,230
Social work services	850,650	831,773	690,344	685,493
Health services	842,485	820,322	703,002	695,736
Student (pupil) transportation	3,365,482	3,436,964	3,141,761	3,026,966
Food Services	8,170,182	8,320,309	7,664,481	7,808,904
Cocurricular / extracurricular activities	5,919,093	6,050,147	5,621,490	5,241,302
General Administration	2,951,580	2,865,429	3,522,185	2,749,765
Facilities maintenance and operation	13,489,583	13,853,266	12,917,386	12,830,874
Security and monitoring services	533,421	537,672	580,352	535,578
Data processing services	3,053,492	2,768,960	2,946,972	2,455,921
Community services	321,991	292,545	286,510	260,514
Interest and fees on long-term debt	5,190,095	5,236,192	3,480,046	5,887,537
Other Governmental Charges (Appraisal District)	984,554	979,498	954,466	826,793
Total Governmental Activities Expenses	<u>142,409,334</u>	<u>143,616,996</u>	<u>133,189,888</u>	<u>130,651,645</u>
Business-Type Activities:				
Concessions	93,902	105,647	74,871	49,420
Jumbo-tron (FY 2005-06 first year of operations)	170,999	158,860	51,423	115,663
Total Business-Type Activities Expenses	<u>264,901</u>	<u>264,507</u>	<u>126,294</u>	<u>165,083</u>
Total Primary Government Expenses	<u>\$ 142,674,235</u>	<u>\$ 143,881,503</u>	<u>\$ 133,316,182</u>	<u>\$ 130,816,728</u>
Program Revenues				
Governmental Activities:				
Charges for services:				
Instruction	\$ 635,127	\$ 615,065	\$ 553,237	\$ 486,921
Curriculum and staff development	-	-	-	-
Instructional leadership	12,457	6,097	5,846	5,264
School leadership	255,372	280,450	303,999	273,724
Health services	-	-	-	-
Food services	1,659,254	1,640,888	1,969,013	1,905,270
Cocurricular / extracurricular activities	430,594	401,525	296,563	329,071
General administration	-	-	-	-
Facilities maintenance and operations	490,177	613,012	691,442	477,168
Security and monitoring & data processing	9,660	6,062	6,792	4,316
Community services	-	-	-	-
Operating grants and contributions	23,892,431	23,562,972	23,709,543	23,897,070
Total Governmental Activities Program Revenues	<u>27,385,072</u>	<u>27,126,071</u>	<u>27,536,435</u>	<u>27,378,804</u>
Business-Type Activities:				
Concessions	102,177	102,737	79,420	109,156
Jumbo-tron (FY 2005-06 first year of operations)	144,265	144,265	115,663	81,788
Total Business-Type Activities Program Revenues	<u>246,442</u>	<u>247,002</u>	<u>195,083</u>	<u>190,944</u>
Total Primary Government Program Revenues	<u>\$ 27,631,514</u>	<u>\$ 27,373,073</u>	<u>\$ 27,731,518</u>	<u>\$ 27,569,748</u>

TABLE 2

Fiscal Year						
2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	
\$ 66,826,951	\$ 66,164,039	\$ 71,147,496	\$ 70,438,360	\$ 69,866,593	\$ 66,730,115	
1,517,811	1,530,895	1,693,393	1,731,606	1,794,081	1,752,858	
1,161,151	828,657	1,163,024	1,970,955	1,714,766	1,854,410	
1,876,257	1,857,948	1,983,233	1,623,201	1,612,794	1,483,523	
6,690,570	6,572,481	6,486,493	6,349,709	6,480,282	6,128,517	
4,648,827	4,816,003	5,015,244	4,959,488	5,038,544	4,875,257	
642,501	656,475	711,054	632,153	781,189	687,144	
674,661	687,262	764,970	711,952	651,877	642,762	
2,934,984	2,767,646	2,671,412	2,553,837	2,686,420	2,472,937	
7,633,433	7,078,316	7,052,970	6,365,531	6,380,281	6,078,305	
4,938,248	4,960,017	4,581,926	4,557,832	4,501,260	3,855,451	
2,510,566	2,522,886	2,643,524	2,584,419	2,333,118	2,571,825	
13,316,353	13,164,586	13,219,909	12,851,443	12,550,670	13,258,884	
440,045	443,446	414,299	340,489	265,218	310,337	
2,414,907	2,509,966	2,428,527	2,434,173	2,451,835	3,974,257	
266,562	264,170	333,666	352,370	367,348	364,730	
6,032,495	6,063,090	6,406,428	6,539,640	4,976,841	1,050,218	
846,240	828,172	814,001	741,234	739,774	782,194	
125,372,562	123,716,055	129,531,569	127,738,392	125,192,891	118,873,724	
95,177	87,635	93,968	95,111	98,840	99,653	
88,037	70,343	74,279	78,311	80,617	82,845	
183,214	157,978	168,247	173,422	179,457	182,498	
\$ 125,555,776	\$ 123,874,033	\$ 129,699,816	\$ 127,911,814	\$ 125,372,348	\$ 119,056,222	
\$ 515,623	\$ 496,433	\$ 473,003	\$ 428,715	\$ 368,070	\$ 635,338	
-	-	-	-	-	40,843	
5,863	4,978	4,637	4,286	5,140	5,427	
257,965	248,886	231,845	231,441	359,739	206,233	
-	-	-	-	-	265,619	
1,931,106	1,823,703	1,742,433	1,849,258	2,032,920	1,926,885	
219,150	247,956	237,287	167,505	284,288	254,284	
-	436,744	417,901	-	-	-	
538,180	-	-	387,439	419,868	410,424	
-	-	-	-	-	8,854	
-	-	-	-	-	-	
21,106,992	24,603,425	30,601,466	30,140,043	23,731,424	22,919,311	
24,574,879	27,862,125	33,708,572	33,208,687	27,201,449	26,673,218	
110,157	106,280	109,464	97,217	116,047	118,184	
82,584	68,059	56,230	70,751	71,651	81,051	
192,741	174,339	165,694	167,968	187,698	199,235	
\$ 24,767,620	\$ 28,036,464	\$ 33,874,266	\$ 33,376,655	\$ 27,389,147	\$ 26,872,453	

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

	2016-17	2015-16	2014-15	2013-14
(Continued)				
Net (Expense) / Revenue				
Governmental Activities	\$ (115,024,262)	\$ (116,490,925)	\$ (105,653,453)	\$ (103,272,841)
Business-Type Activities	(18,459)	(17,505)	68,789	25,861
Total Primary Government Net Expense	<u>\$ (115,042,721)</u>	<u>\$ (116,508,430)</u>	<u>\$ (105,584,664)</u>	<u>\$ (103,246,980)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property taxes	\$ 57,105,830	\$ 55,799,787	\$ 53,143,786	\$ 48,741,279
State aid - formula grants not restricted	57,564,524	65,582,875	63,735,611	63,225,151
Grants and contributions not restricted	-	-	-	-
Investment earnings	539,120	356,437	198,903	219,106
Miscellaneous	922,732	1,839,850	745,617	894,303
Special items	-	-	(150,000)	-
Transfers	20,830	(5,209)	(107,255)	4,735
Total Governmental Activities	<u>116,153,036</u>	<u>123,573,740</u>	<u>117,566,662</u>	<u>113,084,574</u>
Business-Type Activities:				
Transfers	(20,830)	5,209	107,255	(4,735)
Total Primary Government	<u>\$ 116,132,206</u>	<u>\$ 123,578,949</u>	<u>\$ 117,673,917</u>	<u>\$ 113,079,839</u>
Prior period adjustment Governmental activities				
Change in Net Position Current Year Transactions				
Governmental Activities	\$ 1,128,774	\$ 7,082,815	\$ 11,913,209	\$ 9,811,733
Business-Type Activities	(39,289)	(12,296)	176,044	21,126
Total Primary Government	<u>\$ 1,089,485</u>	<u>\$ 7,070,519</u>	<u>\$ 12,089,253</u>	<u>\$ 9,832,859</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					
2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
\$ (100,797,683)	\$ (95,853,930)	\$ (95,822,997)	\$ (94,529,705)	\$ (97,991,442)	\$ (92,200,506)
9,527	16,361	(2,553)	(5,454)	8,241	16,737
<u>\$ (100,788,156)</u>	<u>\$ (95,837,569)</u>	<u>\$ (95,825,550)</u>	<u>\$ (94,535,159)</u>	<u>\$ (97,983,201)</u>	<u>\$ (92,183,769)</u>
\$ 46,231,283	\$ 41,265,609	\$ 40,180,884	\$ 40,380,438	\$ 32,030,863	\$ 30,024,562
57,369,244	55,449,625	55,337,595	55,040,403	59,682,867	60,271,087
-	-	3,519,460	1,216,227	973,798	931,001
189,976	432,806	1,005,471	1,457,996	1,368,623	1,624,328
756,568	996,085	2,599,119	433,126	887,619	546,413
-	(87,997)	-	-	-	-
3,584	3,934	-	150,000	-	-
<u>104,550,655</u>	<u>98,060,062</u>	<u>102,642,529</u>	<u>98,678,190</u>	<u>94,943,770</u>	<u>93,397,391</u>
(3,584)	(3,934)	-	(150,000)	-	-
<u>\$ 104,547,071</u>	<u>\$ 98,056,128</u>	<u>\$ 102,642,529</u>	<u>\$ 98,528,190</u>	<u>\$ 94,943,770</u>	<u>\$ 93,397,391</u>
			\$ -	\$ -	\$ 338,883
\$ 3,752,972	\$ 2,206,132	\$ 6,819,532	\$ 4,148,485	\$ (3,047,672)	\$ 1,196,885
5,943	12,427	(2,553)	(155,454)	8,241	16,737
<u>\$ 3,758,915</u>	<u>\$ 2,218,559</u>	<u>\$ 6,816,979</u>	<u>\$ 3,993,031</u>	<u>\$ (3,039,431)</u>	<u>\$ 1,213,622</u>
			\$ 201,566	\$ -	\$ 338,883

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

	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
General Fund:				
Non Spendable Fund Balance				
Inventory	\$ -	\$ -	\$ -	\$ -
Prepaid Expenditures	511,256	577,644	539,955	804,326
Total Non Spendable Fund Balance	<u>511,256</u>	<u>577,644</u>	<u>539,955</u>	<u>804,326</u>
Restricted Fund Balance				
Retirement of LT Debt	952,593	1,020,034	1,052,186	1,017,649
Other Restricted	-	9,000	70,869	114,756
Total Restricted Fund Balance	<u>952,593</u>	<u>1,029,034</u>	<u>1,123,055</u>	<u>1,132,405</u>
Committed Fund Balance				
Construction	1,175,000	3,979,500	7,000,000	1,800,000
Capital Expenditures for Equipment	9,000,000	7,500,000	4,700,000	2,000,000
Self Insurance	-	-	-	-
Other Committed	500,000	500,000	500,000	1,155,051
Total Committed Fund Balance	<u>10,675,000</u>	<u>11,979,500</u>	<u>12,200,000</u>	<u>4,955,051</u>
Unassigned Fund Balance	<u>25,080,869</u>	<u>28,345,279</u>	<u>22,792,153</u>	<u>24,977,806</u>
Total General Fund	<u><u>\$ 37,219,718</u></u>	<u><u>\$ 41,931,457</u></u>	<u><u>\$ 36,655,163</u></u>	<u><u>\$ 31,869,588</u></u>
All Other Governmental Funds:				
Non Spendable Fund Balance				
Inventory	\$ 794,840	\$ 724,064	\$ 743,492	\$ 867,340
Restricted Fund Balance				
Retirement of Long Term Debt	3,844,236	4,143,962	3,683,852	3,322,654
Federal or State Funds and Grant Restrictions	3,018,783	2,708,634	2,528,686	1,912,627
Capital Acquisition and Contractual Obligations	-	-	1,765	1,765
Total Restricted Fund Balance	<u>6,863,019</u>	<u>6,852,596</u>	<u>6,214,303</u>	<u>5,237,046</u>
Committed Fund Balance				
Construction	-	-	-	-
Campus Activity Funds	-	-	-	296,761
Other Committed	349,942	447,182	417,745	138,517
Unassigned Fund Balance	-	-	-	-
Total Other Governmental Funds:	<u><u>\$ 8,007,801</u></u>	<u><u>\$ 8,023,842</u></u>	<u><u>\$ 7,375,540</u></u>	<u><u>\$ 6,539,664</u></u>
All Governmental Funds:				
Non Spendable	1,306,096	1,301,708	1,283,447	1,671,666
Restricted	7,815,612	7,881,630	7,337,358	6,369,451
Committed	11,024,942	12,426,682	12,617,745	5,390,329
Unassigned	25,080,869	28,345,279	22,792,153	24,977,806
Total All Governmental Funds	<u><u>\$ 45,227,519</u></u>	<u><u>\$ 49,955,299</u></u>	<u><u>\$ 44,030,703</u></u>	<u><u>\$ 38,409,252</u></u>

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

Fund bal

TABLE 3

Fiscal Year					
2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
977,720	733,001	313,487	236,893	133,491	104,224
977,720	733,001	313,487	236,893	133,491	104,224
1,075,374	1,115,869	1,132,018	1,128,768	1,127,281	1,036,984
187,520	331,113	224,212	338,562	469,812	826,006
1,262,894	1,446,982	1,356,230	1,467,330	1,597,093	1,862,990
775,000	825,000	400,000	-	3,000,000	5,500,000
1,500,000	3,150,000	2,000,000			
-	-	2,350,000	350,000	250,000	-
2,147,421	1,500,000	1,500,000	3,500,000	2,909,750	2,512,352
4,422,421	5,475,000	6,250,000	3,850,000	6,159,750	8,012,352
21,781,089	22,384,107	22,624,187	20,611,877	21,168,391	21,222,296
\$ 28,444,124	\$ 30,039,090	\$ 30,543,904	\$ 26,166,100	\$ 29,058,725	\$ 31,201,862
\$ 840,098	\$ 722,548	\$ 656,522	\$ 484,376	\$ 564,571	\$ 539,757
2,611,930	2,241,004	2,041,113	1,840,439	1,898,914	1,395,582
1,976,208	1,755,280	1,395,044	1,491,909	1,623,899	1,066,155
3,602,405	24,422,633	52,367,795	91,379,811	113,393,995	-
8,190,543	28,418,917	55,803,952	94,712,159	116,916,808	2,461,737
61,063	-	-	646,725	(53,483)	181,853
255,626	186,107	-	-	-	-
-	-	-	-	-	-
-	-	414,322	162,754	197,359	160,242
\$ 9,347,330	\$ 29,141,465	\$ 56,874,796	\$ 96,006,014	\$ 117,625,255	\$ 3,343,589
1,817,818	1,455,549	970,009	721,269	698,062	643,981
9,453,437	29,865,899	57,160,182	96,179,489	118,513,901	4,324,727
4,739,110	5,661,107	6,250,000	4,496,725	6,106,267	8,194,205
21,781,089	22,384,107	23,038,509	20,774,631	21,365,750	21,382,538
\$ 37,791,454	\$ 59,366,662	\$ 87,418,700	\$ 122,172,114	\$ 146,683,980	\$ 34,545,451

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

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

	2016-17	2015-16	2014-15	2013-14
Revenues				
Local and intermediate sources:				
Property taxes, penalty and interest	\$ 57,831,827	\$ 56,283,800	\$ 53,552,652	\$ 49,537,938
Gain (loss) from sale of WADA	-	-	-	-
Tuition and fees	231,798	225,355	224,136	213,619
Food services	1,659,690	1,640,888	1,969,013	1,905,903
Co-curricular and enterprising activities	1,044,900	1,005,138	895,712	901,948
Investment earnings	552,440	359,460	199,106	218,948
Insurance proceeds - property damage	-	53,656	-	-
Other revenues	780,608	815,495	849,990	570,400
Total local and intermediate sources	62,101,263	60,383,792	57,690,609	53,348,756
State program revenues	61,407,774	67,268,946	68,580,461	67,728,981
Federal program revenues	18,969,884	19,331,793	18,864,239	19,392,931
Total revenues	142,478,921	146,984,531	145,135,309	140,470,668
Expenditures				
Instruction	71,092,471	71,380,540	70,073,414	67,378,105
Instructional resources and media services	1,479,302	1,447,992	1,455,745	1,411,714
Curriculum and instructional staff development	1,656,211	1,255,589	1,075,202	1,067,412
Instructional leadership	1,940,582	2,035,845	1,945,918	1,829,588
School leadership	7,723,820	7,401,004	7,101,710	6,655,089
Guidance, counseling and evaluation services	4,800,938	4,812,066	4,603,429	4,636,835
Social work services	735,417	720,293	662,779	627,879
Health services	809,041	775,995	703,989	688,197
Student (pupil) transportation	3,233,055	3,252,201	3,132,733	3,058,749
Food Services	7,825,896	7,963,012	7,626,807	7,743,714
Cocurricular / extracurricular activities	5,328,089	5,710,564	5,759,136	5,549,188
General Administration	2,876,563	2,794,252	2,609,530	2,697,994
Facilities maintenance and operation	13,307,696	13,610,153	12,854,485	15,695,471
Security and monitoring services	515,486	492,515	529,843	476,085
Data processing services	2,666,125	2,528,416	2,753,712	3,220,412
Community services	314,627	281,010	287,370	258,475
Debt service:				
Principal	4,475,000	4,825,000	4,910,000	4,320,000
Interest and fees	4,883,800	5,087,395	6,325,787	6,035,326
Capital outlay	10,618,289	4,760,726	4,898,029	5,773,255
Intergovernmental: tax appraisal and collection	984,554	979,498	954,466	826,793
Total expenditures	147,266,962	142,114,066	140,264,084	139,950,281
Excess revenues over (under) expenditures	(4,788,041)	4,870,465	4,871,225	520,387
Other financing sources (uses)				
Proceeds of debt issued	-	-	99,939,982	-
Sale of real and personal property	39,431	1,059,340	92,276	73,315
Premium or (discount) on issuance of bonds	-	-	14,770,863	-
Prepaid interest	-	-	-	-
Transfers in	45,428	5,768	5,745	35,321
Transfers out	(24,598)	(10,977)	(113,000)	(11,225)
Payment to bond refunding escrow agent	-	-	(113,795,640)	-
Total other financing sources (uses)	60,261	1,054,131	900,226	97,411
Extraordinary Item (use)	-	-	(150,000)	-
Restatement of beginning fund balance	-	-	-	-
Net change in fund balances	\$ (4,727,780)	\$ 5,924,596	\$ 5,621,451	\$ 617,798
Debt service as a percentage of noncapital expenditures	6.9%	7.3%	8.3%	7.7%

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						
2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	
\$ 46,862,208	\$ 42,086,455	\$ 40,707,500	\$ 40,580,189	\$ 31,980,079	\$ 30,378,113	
-	-	-	-	(6,577)	18,433	
190,635	185,700	181,271	166,793	175,271	162,899	
1,932,674	1,825,858	1,723,990	1,817,763	2,013,359	1,918,031	
791,357	397,173	803,376	587,101	724,846	726,169	
190,109	431,999	1,003,562	1,455,093	1,344,712	1,523,015	
-	-	14,269	-	-	-	
702,901	1,189,565	621,574	646,477	1,121,249	1,058,919	
50,669,884	46,116,750	45,055,542	45,253,416	37,352,939	35,785,579	
60,247,743	59,268,701	63,963,052	60,583,329	66,402,684	67,239,684	
18,227,547	20,783,348	25,494,872	25,812,511	17,981,982	16,870,719	
129,145,174	126,168,799	134,513,466	131,649,256	121,737,605	119,895,982	
64,151,797	64,074,951	69,442,509	69,126,938	66,646,625	66,689,574	
1,436,517	1,461,309	1,641,580	1,688,076	1,720,634	1,701,402	
1,123,135	806,077	1,142,672	1,951,157	1,682,331	1,831,746	
1,810,826	1,840,991	1,956,431	1,620,561	1,573,034	1,465,325	
6,543,699	6,377,121	6,320,002	6,194,309	6,207,918	5,964,782	
4,602,952	4,740,125	4,976,653	4,917,808	4,926,144	4,819,169	
603,006	618,172	678,612	600,941	731,573	653,472	
665,682	675,840	757,953	705,689	633,367	639,602	
2,927,093	2,547,529	2,493,675	2,559,739	2,659,373	2,557,399	
7,457,015	6,928,173	6,991,112	6,596,523	6,151,043	5,976,265	
5,124,341	4,302,148	4,452,010	4,447,667	4,312,721	4,430,190	
2,454,881	2,339,102	2,467,637	2,381,155	2,298,659	2,574,113	
12,624,624	12,651,191	12,813,566	12,522,735	12,307,568	14,362,296	
424,236	393,832	359,955	298,585	208,543	430,212	
2,978,716	2,200,234	2,638,293	2,260,193	2,326,700	2,374,291	
264,101	259,779	332,128	351,291	357,378	361,770	
4,180,000	3,523,822	3,556,162	2,235,000	6,220,000	2,060,000	
6,182,511	6,865,664	6,769,531	8,126,568	3,000,088	1,067,260	
24,386,376	30,825,505	40,489,391	26,755,825	8,106,941	2,059,483	
846,240	828,172	814,001	741,234	739,774	782,194	
150,787,748	154,259,737	171,093,873	156,081,994	132,810,414	122,800,545	
(21,642,574)	(28,090,938)	(36,580,407)	(24,432,738)	(11,072,809)	(2,904,563)	
-	-	-	-	121,089,985	-	
63,783	34,966	1,826,993	17,417	11,827	269,810	
-	-	-	-	2,109,526	-	
-	-	-	-	-	-	
78,152	171,198	4,443	3,999,835	2,500,000	1,441,938	
(74,568)	(167,264)	(4,443)	(4,096,380)	(2,500,000)	(1,441,938)	
-	-	-	-	-	-	
67,367	38,900	1,826,993	(79,128)	123,211,338	269,810	
-	-	-	-	-	-	
\$ (21,575,207)	\$ (28,052,038)	\$ (34,753,414)	\$ (24,511,866)	\$ 112,138,529	\$ (2,634,753)	
8.2%	8.4%	7.9%	8.0%	7.4%	2.6%	

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			
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	\$ 1,000,476,170	\$ 376,080	\$ 5,899,553,625	\$ 1,356,700,665	\$ 4,542,852,960	\$ 4,545,509,107
2016-17	2016	\$ 5,190,440,400	\$ 924,336,790	\$ 326,370	\$ 6,115,103,560	\$ 1,413,069,099	\$ 4,702,034,461	\$ 4,726,047,210
Tax Base Distribution								
						2016 Tax Roll	2015 Tax Roll	
Property Type:								
Real Property						\$ 5,190,440,400	\$ 4,898,701,375	
Personal Property						924,336,790	1,000,476,170	
Minerals						326,370	376,080	
Total Gross Values						6,115,103,560	5,899,553,625	
Less Exemptions:								
Agricultural Productivity						116,263,440	116,498,390	
Freeport						16,568,168	21,911,605	
Pollution Control						6,040,334	6,058,964	
Mandatory Homestead						540,548,258	537,057,325	
Mandatory Over 65						74,232,260	71,853,470	
Mandatory Disabled						9,436,280	9,520,250	
Mandatory Disabled Veteran						55,433,112	45,954,900	
Optional \$25,000 Disability						18,869,110	18,789,320	
Over 65 & Disabled Freeze Credits						397,541,267	367,536,617	
Prorations / Exempt						7,708,145	6,436,700	
Cap Credit (on Appraisals of Real Estate)						170,428,725	155,083,124	
Total Exemptions						1,413,069,099	1,356,700,665	
Total Net Valuation						\$ 4,702,034,461	\$ 4,542,852,960	

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 \$25,000 residence homestead exemption authorized by 84th Legislature.

Notes: Property is assessed at full market value.

TABLE 6

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

Fiscal Year	District's Direct Tax Rates (Per \$100 of Assessed Value)			District's Tax Levies		
	General Fund	Debt Service Fund	Total	General Fund	Debt Service Fund	Original Levy Total
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
2016-17	1.04000	0.18000	1.22000	\$ 48,901,157	\$ 8,463,663	\$ 57,364,820

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
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
2016-17	2016	1.22000	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 2016
(UNAUDITED)

Property Code	Property Use Category	Items		Gross Appraised Market Value
		Description	Number	
A	Single family residence	No. of properties	30,724	\$ 3,889,684,000
B	Multi-family residence	No. of properties	425	188,564,250
C	Vacant lots/tracts	No. of properties	4,144	72,321,860
D-1	Qualified Ag land	No. of acres	71,024	124,411,320
D-2	Non-qualified land	No. of accounts	99	2,285,440
E	Farm and ranch improvements	No. of parcels	467	31,526,000
F-1	Real: Commercial	No. of properties	2,537	822,333,460
F-2	Real: Industrial	No. of properties	74	28,079,290
G-1	Minerals: Oil and gas	No. of accounts	4	326,370
J	Real and personal: utilities	No. of companies	178	134,724,720
L-1	Personal: Commercial	No. of properties	3,773	513,064,830
L-2	Personal: Industrial	No. of properties	135	246,443,100
M-1	Mobile homes	No. of homes	743	9,290,640
O	Real property: Inventory	No. of properties	637	9,067,340
S	Special inventory	No. of accounts	39	42,980,940
Totals				<u>\$ 6,115,103,560</u>
Total parcels in category D			<u>642</u>	

Source: Tom Green County Appraisal District.

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

Taxpayer	Type of Business	Fiscal Year 2016-17			Fiscal Year 2007-08		
		Assessed Value	Rank	Percent of Total Assessed Value	Assessed Value	Rank	Percent of Total Assessed Value
Walmart	Retail	\$ 72,618,980	1	1.54%	\$ 65,307,686	1	2.40%
Ethicon	Manufacturing	51,868,706	2	1.10%	45,847,616	3	1.69%
AEP Texas North	Utility	49,366,700	3	1.05%	50,446,940	2	1.86%
Hirschfeld Steel & Energy	Manufacturing	38,562,810	4	0.82%	-		0.00%
Envoy Air	Transportation	32,816,970	5	0.70%	-		0.00%
San Angelo Community Medical Center	Medical	31,228,490	6	0.66%	36,861,801	5	1.36%
C & J Well Services, Inc. (FKA/Nabors)	Petroleum Ind.	34,738,880	7	0.74%	-		0.00%
Lithia, Inc.	Auto Dealer	20,568,230	8	0.44%	-		0.00%
Sunset Mall	Retail	19,071,800	9	0.41%	20,707,260	7	0.76%
Frontier Communications (Prev Verizon)	Utility	18,432,970	10	0.39%	37,078,670	4	1.37%
Shannon Medical Center	Medical	-		-	24,617,668	6	0.91%
Suddenlink Communication	Utility	-		-	20,105,753	8	0.74%
Town & Country Food Stores	Retail	-		-	16,433,522	9	0.61%
Lowes Inc.	Retail	-		-	14,132,677	10	0.52%
	Total	<u>\$ 369,274,536</u>		<u>7.85%</u>	<u>\$ 331,539,593</u>		<u>12.22%</u>
	Total Assessed Value	<u>\$ 4,702,034,461</u>			<u>\$ 2,715,792,352</u>		

Source: Tom Green County Appraisal District.

TABLE 10

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

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percent of Original Levy		Amount	Percent of Adjusted Levy
2007-08	\$ 30,173,935	\$ (182,353)	\$ 29,991,582	\$ 29,542,993	97.91%	\$ 441,169	\$ 29,984,162	99.98%
2008-09	\$ 32,296,629	\$ (374,714)	\$ 31,921,915	\$ 31,217,259	96.66%	\$ 691,239	\$ 31,908,498	99.96%
2009-10	\$ 41,023,104	\$ (696,566)	\$ 40,326,538	\$ 39,528,397	96.36%	\$ 778,201	\$ 40,306,598	99.95%
2010-11	\$ 40,528,140	\$ (405,396)	\$ 40,122,744	\$ 39,414,014	97.25%	\$ 691,131	\$ 40,105,145	99.96%
2011-12	\$ 41,525,593	\$ (339,959)	\$ 41,185,634	\$ 40,661,953	97.92%	\$ 500,773	\$ 41,162,726	99.94%
2012-13	\$ 46,274,405	\$ (32,450)	\$ 46,241,955	\$ 45,551,446	98.44%	\$ 652,302	\$ 46,203,748	99.92%
2013-14	\$ 48,901,050	\$ (173,198)	\$ 48,727,852	\$ 48,093,415	98.35%	\$ 577,468	\$ 48,670,883	99.88%
2014-15	\$ 53,268,845	\$ (127,170)	\$ 53,141,675	\$ 52,410,963	98.39%	\$ 582,649	\$ 52,993,612	99.72%
2015-16	\$ 56,104,234	\$ (280,371)	\$ 55,823,863	\$ 54,855,433	97.77%	\$ 577,460	\$ 55,432,893	99.30%
2016-17	\$ 57,364,820	\$ (216,380)	\$ 57,148,440	\$ 56,278,844	98.11%	\$ -	\$ 56,278,844	98.48%

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			
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
2016-17	\$ 105,829,982	\$ -	\$ -	\$ -	\$ 587,951	\$ 106,417,933	2.06%	902.65

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		
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
2016-17	\$ 105,829,982	\$ -	\$ 105,829,982	\$ 3,844,236	\$ 101,985,746	1.67%	865.06

Noting debt are in the notes to the financial statements.

a See Table 5 for property value data.

b See Table 15 for population data.

STATEMENT OF LEGAL DEBT MARGIN

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

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

The District's current debt service tax rate is \$0.180 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, 2016
(UNAUDITED)

Governmental Unit	Debt Outstanding	As of	Estimated Percentage Applicable a	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes				
City of San Angelo	\$ 51,520,000	09/30/16	100.00%	\$ 51,520,000
Tom Green County	\$ 50,000,000	09/30/16	73.88%	36,940,000
Other Debt				
City of San Angelo: COs Serviced by 1/2 Cent Sales Tax	\$ 13,185,000	09/30/16	100.00%	13,185,000
Subtotal overlapping debt				<u>101,645,000</u>
District direct debt			b	<u>110,304,982</u>
Total Direct & Overlapping Debt				<u><u>\$ 211,949,982</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 2016 because audited information for the City and County for year end 2017 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	
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%
2016-17	\$ 144,265	\$ 32,474	\$ 111,791	\$ 48,910	\$ 52,916	\$ 101,826	110%

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>
	a	[Calculated]	b	c
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%
2016	117,895	\$ 5,158,024,000	\$ 43,751	4.5%

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

Calendar Year 2016 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 2016-17			Fiscal Year 2007-08		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
Goodfellow Air Force Base	5,127	1	10.46%	6,237	1	13.71%
Shannon Health System	2,712	2	5.53%	2,274	2	5.00%
San Angelo Independent School District	1,973	3	4.03%	2,010	3	4.42%
Angelo State University	1,625	4	3.32%	1,311	4	2.88%
City of San Angelo	936	5	1.91%	962	7	2.11%
San Angelo State Supported Living Center	950	6	1.94%	740	10	1.63%
San Angelo Community Medical Center	720	7	1.47%	761	9	1.67%
Sitel, Inc.	602	8	1.23%	985	6	2.16%
Tom Green County	514	9	1.05%	698	11	1.53%
Ethicon (Johnson & Johnson)	650	10	1.33%	775	8	1.70%
Totals	15,809		32.27%	16,753		36.81%
Total City of San Angelo Employment	49,000			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 2016-17: San Angelo Chamber of Commerce January 2017

Fiscal Year 2007-08 : San Angelo Chamber of Commerce November 2007

TABLE 17

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

	Fiscal Year									
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
<u>Full-time-Equivalent Employees</u>										
Professional Staff:										
Teachers	943.6	954.8	943.1	931.3	921.7	944.2	987.4	1,016.2	984.1	979.6
Professional Support	187.1	181.5	176.5	173.6	176.0	168.7	186.5	186.7	178.8	176.6
Campus Administrators	54.5	52.6	51.0	48.4	47.5	46.1	45.2	45.3	45.5	44.8
Central Administrators	27.0	24.0	25.0	23.0	18.0	17.0	17.0	18.0	16.0	16.5
Educational Aides	243.9	233.1	238.1	227.6	214.3	226.7	244.2	249.0	238.0	228.4
Auxiliary Staff	498.5	472.9	486.6	491.8	500.3	486.2	505.1	498.0	491.1	490.1
Total Full-time-Equivalents	<u>1,954.6</u>	<u>1,918.9</u>	<u>1,920.3</u>	<u>1,895.7</u>	<u>1,877.8</u>	<u>1,888.9</u>	<u>1,985.4</u>	<u>2,013.2</u>	<u>1,953.5</u>	<u>1,936.0</u>
<u>Students per Teacher</u>	15.4	15.3	15.5	15.6	15.7	15.0	14.2	13.7	14.6	14.5
<u>Teachers by Years of Experience</u>										
Beginning Teachers	113.6	73.6	75.9	59.8	66.1	38.4	47.7	71.6	67.6	54.9
1-5 Years Experience	238.4	251.7	226.0	225.1	201.2	230.9	258.8	275.2	247.6	238.6
6-10 Years Experience	178.2	184.8	202.0	179.3	186.7	195.5	200.0	186.4	196.1	193.9
11-20 Years Experience	243.9	267.1	254.7	276.5	281.4	280.5	291.3	291.8	277.1	281.3
Over 20 Years Experience	169.5	177.6	184.4	190.7	186.3	199.0	189.6	191.1	195.7	210.8
<u>Average Teacher Salary by Years of Experience</u>										
Beginning Teachers	\$ 38,873	\$ 37,981	\$ 35,507	\$ 36,220	\$ 35,597	\$ 31,612	\$ 35,744	\$ 36,464	\$ 35,600	\$ 32,803
1-5 Years Experience	41,063	40,270	39,423	39,155	38,924	37,947	38,411	38,454	37,913	37,085
6-10 Years Experience	44,134	43,589	42,618	42,143	41,588	40,652	41,135	41,873	40,136	39,126
11-20 Years Experience	48,234	47,610	46,827	45,934	45,504	44,648	45,240	45,107	44,491	43,874
Over 20 Years Experience	56,138	55,749	54,749	53,945	54,082	53,530	54,061	53,888	53,264	52,363
<u>Turnover Rate for Teachers</u>	16.5%	15.1%	15.4%	13.6%	16.7%	12.7%	11.6%	13.1%	14.2%	11.2%
<u>Class Size Average:</u>										
Elementary:										
Kindergarten	17.9	17.8	18.3	18.6	18.7	19.1	18.5	17.8	19.2	17.9
Grade 1	17.5	18.1	19.1	19.0	19.1	19.0	19.2	17.9	17.4	18.4
Grade 2	18.2	18.3	18.6	18.3	19.3	23.8	18.6	18.3	19.6	18.8
Grade 3	18.9	19.0	18.4	18.5	18.9	34.2	17.8	16.6	17.6	19.5
Grade 4	17.3	17.5	17.5	18.3	18.8	39.0	18.4	17.2	16.9	19.1
Grade 5	19.5	19.1	19.6	20.2	20.7	37.5	21.1	18.6	19.9	20.7
Grade 6	21.2	20.6	20.2	18.6	21.9	22.4	21.8	22.3	21.9	20.1
Mixed Grades	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	45.3
Secondary:										
English	19.7	18.2	18.8	17.5	20.2	17.0	20.1	19.5	19.4	21.4
Foreign Language	19.5	18.9	21.9	21.8	21.0	20.6	20.8	19.4	21.3	23.0
Mathematics	20.4	18.3	18.8	18.7	19.9	17.0	20.3	19.4	18.8	20.5
Science	20.8	19.3	19.5	18.7	21.3	18.0	20.6	20.4	19.2	20.8
Social Studies	21.1	19.1	20.4	20.0	21.0	17.8	20.6	20.7	20.6	21.6

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

N/A: Information not available

TABLE 18

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

Student Ethnic Distribution	Fiscal Year									
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
African American	614	600	614	639	673	626	599	764	812	782
Hispanic	8,585	8,623	8,598	8,515	8,413	8,089	8,017	7,407	7,447	7,259
White	4,903	4,982	4,990	4,984	4,958	5,048	5,054	5,536	5,884	5,937
Asian/Pacific Islander	183	149	141	159	156	149	154	174	195	171
Native American	43	43	44	39	38	51	55	37	29	27
Two or more races	244	232	239	214	189	184	164			
Total	14,572	14,629	14,626	14,550	14,427	14,147	14,043	13,918	14,367	14,176
Economically Disadvantaged	8,762	8,785	8,483	8,716	8,700	8,616	8,683	8,527	7,786	7,630
English Language Learners (ELL)	694	764	748	699	643	641	659	718	767	814
Students w/ disciplinary Placements	N/A	234	212	205	188	171	N/A	384	691	772
Percent of Students Eligible for Free or Reduced Meals	60.1%	60.1%	58.0%	59.9%	60.3%	59.2%	61.8%	61.3%	54.2%	53.8%
Retention Rates by Grade (Non-Special Educ. Rates)										
Kindergarten	2.9%	3.5%	2.3%	3.0%	2.9%	2.2%	1.9%	2.6%	4.1%	4.3%
Grade 1	3.4%	3.8%	3.6%	2.6%	2.2%	2.3%	2.5%	1.4%	4.3%	3.3%
Grade 2	2.5%	2.1%	1.4%	1.8%	1.3%	0.9%	1.3%	1.4%	2.2%	2.6%
Grade 3	0.2%	0.8%	1.2%	0.5%	0.6%	0.2%	0.2%	0.6%	1.7%	0.2%
Grade 4	0.2%	0.1%	0.3%	0.4%	0.1%	0.1%	0.2%	0.3%	0.3%	0.2%
Grade 5	0.1%	0.4%	0.5%	0.5%	0.1%	0.1%	0.2%	0.4%	0.6%	0.6%
Grade 6	0.0%	0.2%	0.4%	0.1%	0.4%	0.3%	0.5%	0.9%	1.5%	0.4%
Grade 7	0.4%	0.3%	0.2%	0.4%	0.2%	0.8%	0.8%	1.1%	1.8%	2.3%
Grade 8	0.0%	0.4%	0.4%	0.6%	0.2%	0.2%	0.5%	1.6%	0.7%	2.9%
Attendance Rate	N/A	95.9%	96.0%	96.2%	96.2%	96.6%	96.3%	96.3%	96.3%	96.2%
Annual Dropout Rate Grades 7-8 - Method 1	N/A	0.3%	0.8%	0.2%	0.7%	0.3%	0.2%	0.2%	0.3%	0.5%
% Students Passing All Sections of the TAAS Exam, met TAKS Standard *††										
Grade 3	N/A	N/A	N/A	N/A	N/A	N/A	84.0%	87.0%	84.0%	85.0%
Grade 4	N/A	N/A	N/A	N/A	N/A	N/A	81.0%	81.0%	83.0%	82.0%
Grade 5	N/A	N/A	N/A	N/A	N/A	N/A	79.0%	82.0%	78.0%	78.0%
Grade 6	N/A	N/A	N/A	N/A	N/A	N/A	73.0%	74.0%	77.0%	76.0%
Grade 7	N/A	N/A	N/A	N/A	N/A	N/A	75.0%	77.0%	74.0%	75.0%
Grade 8	N/A	N/A	N/A	N/A	N/A	N/A	68.0%	70.0%	62.0%	56.0%
Grade 10	N/A	N/A	N/A	N/A	N/A	N/A	60.0%	56.0%	53.0%	56.0%
Cumulative Pass Rate--Exit	N/A	N/A	N/A	N/A	N/A	N/A	91.0%	89.0%	85.0%	85.0%
All Grades STAAR percent at Phase-in Satisfactory Standard or above, beginning 2016-17 at approaches Grade Level or Above										
Reading	65.0%	70.0%	74.0%	74.0%	77.0%					
Mathematics	74.0%	72.0%	71.0%	75.0%	77.0%					
Writing	62.0%	67.0%	67.0%	72.0%	59.0%					
Science	74.0%	76.0%	76.0%	77.0%	80.0%					
Social Studies	68.0%	75.0%	73.0%	71.0%	74.0%					
SAT/ACT % Tested	N/A	54.6%	59.6%	57.3%	54.3%	57.0%	N/A	55.6%	56.5%	59.0%
Mean SAT Score	N/A	1454	1430	1476	1503	1484	N/A	1052	1003	1016
Mean ACT Score	N/A	20.4	20.5	21.1	21.1	20.5	N/A	20.8	20.2	20.7

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	
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
2016-17	\$ 125,837,728	\$ 8,636	0.95%	\$ 142,409,334	\$ 9,773	-0.45%	15.4

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
Schools										
Elementary:										
Campuses	17	17	17	17	17	17	17	17	17	17
Square feet	933,461	924,378	924,378	924,378	809,850	809,850	809,850	809,850	809,850	809,850
Capacity	8801	8801	8,801	8,801	8,801	8,801	8,801	8,801	8,801	8,801
Enrollment	7415	7415	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	460,356	452,347	452,347	452,347	430,576	430,576	430,576	430,576	430,576	430,576
Capacity	3115	3115	3,115	3,115	3,115	3,115	3,115	3,115	3,115	3,115
Enrollment	3148	3148	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	793,022	785,672	785,672	785,789	800,979	800,979	800,979	800,979	800,979	800,979
Capacity	4420	4420	4,420	4,420	4,420	4,420	4,420	4,420	4,420	4,420
Enrollment	4063	4063	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
Administrative										
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
Transportation										
Garages / buildings	1	1	1	1	1	1	1	1	1	1
Buses	85	85	85	84	80	80	80	80	80	80
Warehouses, Storage, Etc:										
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
Athletics										
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. 2013-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. Demol some builds at Old Lincoln Idle campus, but science wing is storage
11. Overall capacity has not been re-evaluated by the district after the 2008 bond project completions.
12. 2017- added classrooms at Ft.Concho Elem, Glenn MS, and Tennis Dressing at CHS, and LVHS

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SINGLE AUDIT SECTION

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RICHARD WEBB

CERTIFIED PUBLIC ACCOUNTANT, PLLC

**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, 2017, 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, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of San Angelo Independent School District in separate governance letter dated December 15, 2017.

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.

Richard Webb CPA, PLLC

(signature on file with District)

San Angelo, TX

December 15, 2017



RICHARD WEBB

CERTIFIED PUBLIC ACCOUNTANT, PLLC

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, 2017. 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, 2017.

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, material weaknesses may exist that were not identified.

We noted certain matters that we reported to management of San Angelo Independent School District in separate governance letter dated December 15, 2017.

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.

Richard Webb CPA, PLLC

(signature on file with District)

San Angelo, TX
December 15, 2017

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2017

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? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiencies identified? No

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)? No

Major Programs:

Child Nutrition Cluster

10.553 – School Breakfast Program

10.555 – National School Lunch Program

10.559 – Summer Feeding Program

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

Auditee qualified as a low-risk auditee? Yes

II FINDINGS – FINANCIAL STATEMENT AUDIT

There are no findings to report.

III FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

There are no findings to report.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2017

(Prepared by the District's Administration)

FINDING 2016-001: Improperly Deferred Revenues and FINDING 2016-002: Improperly Deferred Revenues

The finding has been corrected. The District made payment to the grantee on January 19, 2017. District staff also attended the grantee's April board meeting to discuss the audit finding and corrective action. The vending machine sales are now recorded in the campus activity fund in the same manner as other District campuses.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2017

(Prepared by the District's Administration)

Not Applicable – No current year audit findings.

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2017

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF DEFENSE			
<u>Direct Programs</u>			
Selected Res. Educ. Asst. Prog. - ROTC	12.000		\$ 166,355
Total Direct Programs			166,355
TOTAL U.S. DEPARTMENT OF DEFENSE			166,355
U.S. DEPARTMENT OF EDUCATION			
<u>Direct Programs</u>			
Impact Aid - P.L. 81.874 (Note A)	84.041		64,894
Total Direct Programs			64,894
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	17610101226903	3,359,545
	84.010A	17610101226903	121,904
Total CFDA Number 84.010A			3,481,449
ESEA, Title I, Part C - Migratory Children	84.011A	17615001226903	96,183
**IDEA - Part B, Formula	84.027A	166600012269036600	1,058
**IDEA - Part B, Formula	84.027A	176600012269036600	3,134,738
Total CFDA Number 84.027A			3,135,796
**IDEA - Part B, Preschool	84.173A	176610012269036610	80,022
Total Special Education Cluster (IDEA)			3,215,818
Career and Technical - Basic Grant	84.048A	17420006226903	180,010
Title III, Part A - English Language Acquisition	84.365A	17671001226903	87,019
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	17694501226903	693,736
Summer School LEP	84.369A	69551602	3,495
Title IV	84.424A	18680101226903	4,250
Total Passed Through State Department of Education			7,761,960
TOTAL U.S. DEPARTMENT OF EDUCATION			7,826,854
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Concho Valley Council of Government</u>			
Head Start	93.600	06CH7116-03-01	2,265,921
Head Start	93.600	06CH7116-04-01	249,684
Early Head Start	93.600	06CH7116-04-01	249,834
Early Head Start	93.600	06CH7116-03-01	831,932
Total CFDA Number 93.600			3,597,371
Total Passed Through Concho Valley Council of Government			3,597,371
<u>Passed Through Texas Dept of Human Services</u>			
Medicaid Administrative Claiming Program - MAC	93.778	PC1274C	6,283
Total Passed Through Texas Dept of Human Services			6,283
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			3,603,654
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	01051	1,625,121
*National School Lunch Program - Cash Assistance	10.555	01051	3,553,233
*National School Lunch Prog. - Non-Cash Assistance	10.555	01051	443,310
Total CFDA Number 10.555			3,996,543

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2017

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
Total Child Nutrition Cluster			5,697,529
Child and Adult Care Feeding	10.558	03199	57,411
Child and Adult Care Feeding	10.558	03199	482,853
Total CFDA Number 10.558			540,264
*Summer Feeding Program - Cash Assistance	10.559	01051	75,865
Total Passed Through the State Department of Agriculture			6,237,793
TOTAL U.S. DEPARTMENT OF AGRICULTURE			6,237,793
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 17,834,656

*Child Nutrition Cluster, **Special Education Cluster

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

\$17,834,656	Total expenditures of Federal Awards per this schedule
1,111,606	School Health and Related Services (SHARS) in the General Fund and not reported on this schedule
1,831	Flood Control Revenues in the General Fund and not reported on this schedule
27,201	Excess of revenues over expenditures in CACFP
(5,410)	Excess of expenditures over Federal revenues in Head Start, funded by local revenues and transfers

\$18,969,884	Federal program revenues, per Exhibit C-3
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See Accompanying Notes to the Schedule of Expenditures of Federal Awards

SAN ANGELO INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2017

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

SCHOOLS FIRST QUESTIONNAIRE

San Angelo Independent School District

Fiscal Year 2017

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.	701,511
SF11	Net Pension Assets (1920) at fiscal year-end.	
SF12	Net Pension Liabilities (2540) at fiscal year-end.	27,533,250
SF13	Pension Expense (6147) at fiscal year-end.	

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