



Comprehensive Annual Financial Report of the  
**San Angelo Independent School District**  
San Angelo, Texas

For the Year Ended August 31, 2019

Prepared by the Finance Department of San Angelo Independent School District

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CERTIFICATE OF BOARD

San Angelo Independent School District  
Name of School District

Tom Green  
County

226-903  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and approved   X  disapproved        for the year ended August 31, 2019, at a meeting of the Board of Trustees of such school district on the 21<sup>st</sup> day of January, 2020.

Gerard Gallegos  
Signature of Board Secretary

Lany Layman  
Signature of Board President

*(signed certificate on file with the District)*

## **INTRODUCTORY SECTION**

January 13, 2020

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, 2019.

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 Eide Bailly, LLP, 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,



2019, 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, 2019, are fairly stated in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. The independent audit of the District's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on the administration of federal awards. These reports are found in the fourth section of the report, the single audit section.

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

## **PROFILE OF THE DISTRICT**

The San Angelo Independent School District is located 210 miles west northwest of Austin, Texas in Tom Green County, Texas. Established in 1903, San Angelo Independent School District is comprised of 17 elementary schools, 3 middle schools, 1 freshman campus, 2 high schools and 5 special program facilities. Situated in San Angelo, Texas, a city of close to 100,000 in population, the District had over 14,000 students for the 2018-19 school year. The District is not included in any other governmental reporting entity and there are no component units. The District is empowered to levy property taxes on all real and personal property within its boundaries.

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

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

gifted and talented, head start, early head start, and academic alternative education. District enrollment has remained stable with slight increases and decreases over the previous six years. In fiscal 2019, District enrollment was 14,275 students. Fall enrollment for fiscal 2020 was 14,595.

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

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

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

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

There are two institutions of higher education in San Angelo. Angelo State University (ASU), a member of the Texas Tech University system, delivers undergraduate programs in the liberal arts, sciences and professional disciplines. ASU offers more than 100 majors and concentrations that lead to 43 undergraduate degrees, 24 master's degrees and one doctoral degree. Howard College has an extension campus in San Angelo, which concentrates predominately in technical and occupational fields of study. The District offers dual credit courses for high school students with credit programs with both ASU and Howard College.

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

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

**Major Initiatives** – In fiscal 2019 the District continued to upgrade security across all campus locations with the installation of fencing, controlled entrances and a district-wide radio system. The District continues to evaluate the educational capacity of campuses that were not renovated in the 2008 bond program to address needs on those campuses. Portions of those campuses were built in 1928-1949. The District has not taken on any new major educational initiatives that are expected to affect future financial position of the district.

## **AWARDS AND ACKNOWLEDGMENTS**

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to San Angelo ISD for its comprehensive annual financial report for the fiscal year ended August 31, 2018. To be awarded a Certificate of Excellence, a school district must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Dr. Jeff Bright,  
Assistant Superintendent Business and Support Services

Signed reports on file with the District

SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
DISTRICT OFFICIALS, STAFF AND CONSULTANTS  
FOR THE YEAR ENDED AUGUST 31, 2019

**Elected Officials – Board of Trustees**

<u>Name and Title</u>	<u>Term Expires</u>	<u>Occupation</u>
Lanny Layman, President	May 2023	President / CEO – Standard Sales Company, LP
Max Parker, Vice President	May 2023	Attorney
Bill Dendle, Treasurer	May 2021	Managing Partner, Angelo Plumbing Supply
Gerard Gallegos, Secretary	May 2023	Access Billing Rep/ OSC Business/ Frontier Communications
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	10 Years	27 Years
Shelly Hullihen	Deputy Superintendent	12 Years	39 Years
Dr. Jeff Bright	Assistant Superintendent Business & Support Services	16 Years	32 Years
Dr. Jana Rueter	Assistant Superintendent Curriculum & Instruction	3 Years	27 Years
Dr. Farrah Gomez	Assistant Superintendent, Human Resources & Professional Learning	16 Years	24 Years
Hope Flores	Director of Financial Services	21 Years	21 Years

**Consultants and Advisors**

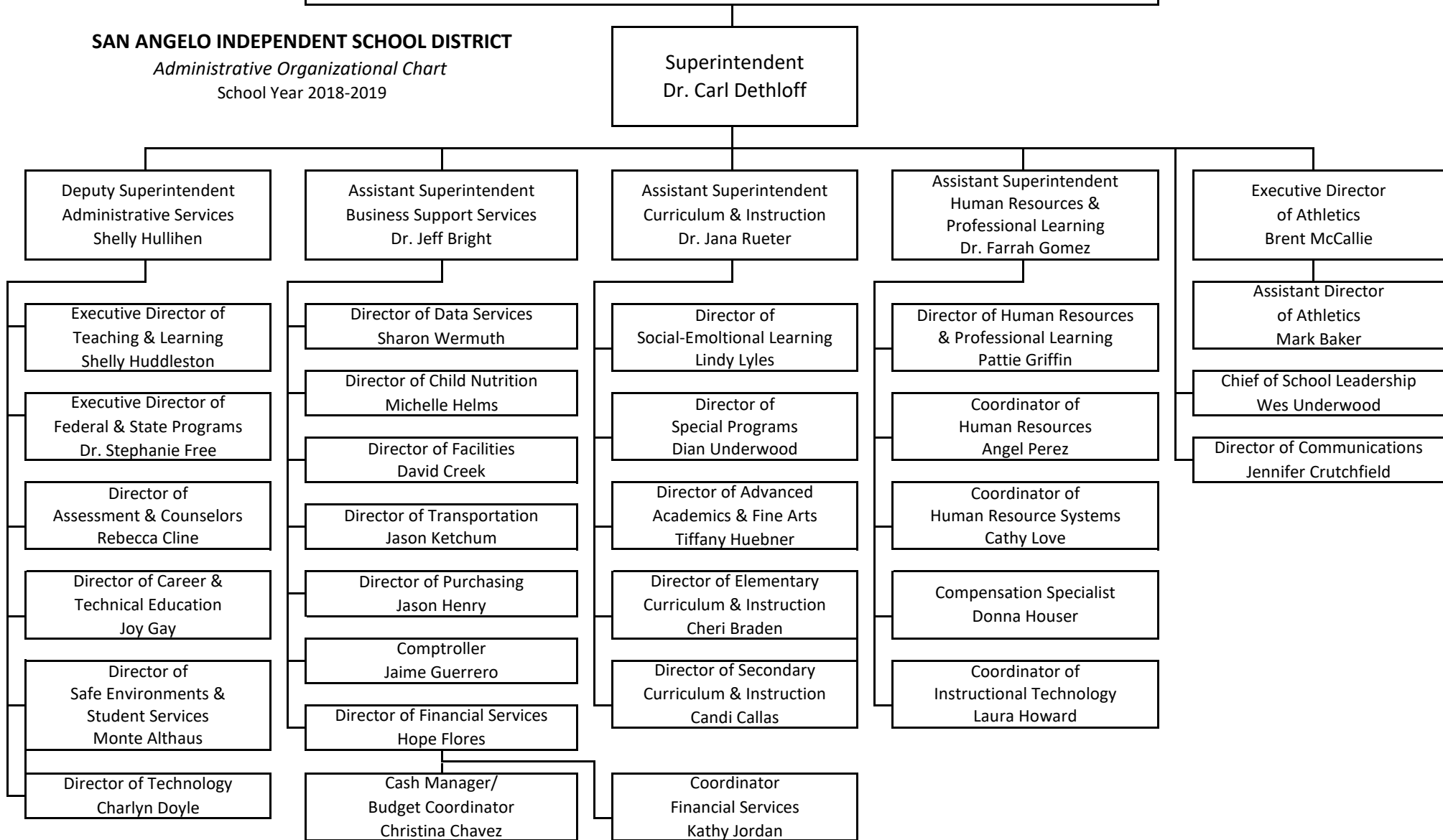
Auditors	Eide Bailly, LLP	Abilene, Texas
Bond Counsel	Fulbright & Jaworski, L.L.P.	Dallas, Texas
Financial Advisor	First Southwest Company	Dallas, Texas

# BOARD OF TRUSTEES

## SAN ANGELO INDEPENDENT SCHOOL DISTRICT

*Administrative Organizational Chart*

School Year 2018-2019





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, 2018.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSRM  
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis  
Executive Director

## **FINANCIAL SECTION**



## Independent Auditor's Report

The Board of Trustees  
San Angelo Independent School District  
San Angelo, Texas

### Report on the Financial Statements

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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of August 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension plan schedules and OPEB plan schedules on pages 12 through 20 and 67 through 73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The introductory section, combining nonmajor fund financial statements, TEA required schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements.

The combining nonmajor fund financial statements, the TEA required schedules, and the schedule of expenditures of federal awards 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 nonmajor fund financial statements, the TEA required schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 a report dated January 13, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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 the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Abilene, Texas  
January 13, 2020

## **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, 2019. Please read it in conjunction with, the independent auditors' report immediately preceding this report, and the District's Basic Financial Statements, which begin with Exhibit A-1.

### **USING THIS ANNUAL REPORT**

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

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

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

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

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

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

The analysis of the District's overall financial condition and operations begins with Exhibit A-1, the Statement of Net Position. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position.

The Statement of Activities presents all of the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the district, food service revenues, rents, and curriculum sales (program revenues), and revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years. Following GASB Statements 68 and 75, the District has recognized its proportionate share of Texas Teacher Retirement System's net pension and net OPEB 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	
	2019	2018	2019	2018	2019	2018
<b>Assets:</b>						
Current and Other Assets	\$56,129	\$57,323	\$145	\$153	\$56,274	\$57,476
Capital Assets	198,839	203,189	514	599	199,353	203,788
Total Assets	254,968	260,512	659	752	255,627	261,264
 Deferred Outflows:	36,275	19,921	-	-	36,275	19,921
 <b>Liabilities:</b>						
Current Liabilities	9,899	9,076	58	53	9,957	9,128
Long Term Liabilities	200,412	180,846	476	534	200,888	181,380
Total Liabilities	210,311	189,922	534	587	210,845	190,508
 Deferred Inflows:	18,621	22,003	-	-	18,621	22,003
 <b>Net Position:</b>						
Net Investment in						
capital assets	101,248	100,353	37	61	101,285	100,414
Restricted	6,400	6,090	-	-	6,400	6,090
Unrestricted	(45,336)	(37,934)	87	104	(45,249)	(37,830)
Total Net Position	\$62,311	\$68,509	\$125	\$165	\$62,436	\$68,674

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,553	\$ 3,176	\$ 217	\$ 253	\$ 3,770	\$ 3,429
Operating Grants & Contributions	28,081	3,517	-	-	28,081	3,517
General Revenues:						
Maint & Oper Taxes	51,944	51,338	-	-	51,944	51,338
Debt Service Taxes	8,496	8,392	-	-	8,496	8,392
State Aid Formula Grants	50,299	52,577	-	-	50,299	52,577
Investment Earnings	1,409	783	-	-	1,409	783
Miscellaneous	2,750	781	-	-	2,750	781
Total Revenues	146,532	120,564	217	253	146,749	120,817
Expenses:						
Instruction, Curriculum, Media Services	86,261	54,257	-	-	86,261	54,257
Instructional School Leadership	10,806	6,709	-	-	10,806	6,709
Guidance, Social Work, Health & Transportation	11,527	6,981	-	-	11,527	6,981
Child Nutrition	8,159	6,291	-	-	8,159	6,291
Co-curricular Activities	6,209	4,920	-	-	6,209	4,920
General Administration	3,118	2,218	-	-	3,118	2,218
Plant Maint, Security, Data Processing	19,815	15,062	-	-	19,815	15,062
Community Services	382	241	-	-	382	241
Debt Service	5,304	4,857	-	-	5,304	4,857
Other Intergovernmental Charges	1,175	1,007	-	-	1,175	1,007
Other: Business-type Activities	-	-	230	216	230	216
Total Expenses	152,757	102,543	230	216	152,987	102,759
Excess (Deficiency) before extraordinary item and transfer	(6,225)	18,021	(13)	37	(6,238)	18,058
Extraordinary Item (Use)	-	(35)	-	-	-	(35)
Transfer In (Out)	27	5	(27)	(5)	-	-
Change in Net Position	(6,198)	17,991	(40)	32	(6,238)	18,023
Prior Period Adjustment - GASB 75	-	(75,856)	-	-	-	(75,856)
Net Position at September 1	68,509	126,374	165	133	68,674	126,507
Ending Net Position at August 31	\$ 62,311	\$ 68,509	\$ 125	\$ 165	62,436	68,674

*Net Position and Changes in Net Position.* Unrestricted net position of (\$45,336,461) remains a deficit due to adjustments made in the prior fiscal year from the implementation of GASB Statement No. 75 for OPEB (other post-employment benefit) plans. The deficit is primarily due to reporting the District's proportionate share of the net OPEB liability.

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

In the business-type activities, current operations of the Concession Fund were down and incurred a \$13 thousand reduction to net position, adding to a loss from the Jumbotron Fund. Even though the Jumbo-tron Fund avoided any major maintenance costs again this fiscal year, the current charges for interest and depreciation exceeded current year advertising revenue, resulting in a \$28 thousand reduction in net position. Overall, net position in the business type activities decreased \$40 thousand to end at \$125 thousand for the fiscal year. The results of the governmental and business-type activities compared to the results from the prior year are summarized in Table II.

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

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

The District's General Fund reported a decrease in fund balance from \$39.3 million to \$37.2 million, a decrease of \$2.1 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 \$26.5 million. The remainder of the fund balance is non-spendable, restricted, committed, or assigned through board action as required by GASB 54.

The non-major governmental funds include special revenue funds and the Debt Service fund. Most special revenue funds are budgeted to fully expend current year grants awarded from federal or state initiatives. Several of the special revenue funds report the District school and preschool meal programs for the school year and a summer feeding program and hold a combined fund balance of \$645 thousand in non-spendable inventory and \$2.5 million in funds restricted for the meal programs. Other funds restricted for various grant programs total \$150 thousand, while \$264 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, State support for debt payment declined along with an adjustment to calculating the allowance for uncollectible taxes. At year-end, the Debt Service Fund had a \$3.1 million fund balance, a decrease of \$0.4 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 \$84 thousand and remains stable at \$708 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 K 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 loss on concession services. The Jumbotron Fund reported operating revenues from Jumbotron advertising at the District's athletic stadium and a small net loss after operating and depreciation costs.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of fiscal 2019 the District had \$198.8 million (net of accumulated depreciation) invested in a broad range of capital assets, including land, construction in progress, buildings and improvements, and furniture and equipment. This amount represents a decrease of \$4.3 million from the prior year. Increases and decreases to investment in capital assets in governmental activities are shown below **(in thousands)**:

<b>San Angelo ISD Capital Assets (Governmental Activities)</b>		
		\$ thousand
Increases:		
Furniture and Equipment		\$ 2,624
Vehicles		844
Buildings and Site Improvements		1,168
		\$4,636
Construction Work in Progress		
Project costs incurred		\$ 2,436
<u>Projects completed-increasing other categories</u>		
District Wide Security	( 1,638)	
District Wide Communications Upgrade	( 276)	
District Firewall Upgrade	( 232)	
Central Freshman Campus HVAC Phase 2	( 669)	
Central High School Softball Paving	( 204)	
		\$ ( 583)

Decreases:		
Current year depreciation	( 8,401)	\$( 8,401)
Net decrease to capital assets (governmental activities)		<u>\$( 4,348)</u>

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

## Debt

At year end, District bonds payable totaling \$96.7 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 O 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 changes in tax collections, to adjust state formula allotments as well as federal revenues. Amendments increased the revenue budget by less than 1%. Expenditure amendments to the budget increased it by 4.7%, mostly due to maintenance, capital outlay and security projects district wide. In the general fund, actual revenues reported were 100.1% of the amended budget and expenditures were 99.3% of the amended budget. Actual expenditures exceeded revenues by \$1.3 million as the District continued to focus on capital and security district wide.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

School Finance reform and property tax relief imposed in House Bill 3 of the 86<sup>th</sup> Texas Legislative Session was a primary factor in preparing the District's 2019-2020 budget. The District budgeted an increase to revenues, keeping local property tax collections relatively flat while increasing the State funding due to the new funding formula. Enrollment is a major factor in determining revenues for the district as funding formulas are driven by average daily student attendance. Enrollment is forecast to remain stable or slightly increase. Budgeted revenues available for appropriation in the general fund budget are \$124 million and expenditures are budgeted at \$124 million as well.

The District's 2019-20 adopted tax rate of \$1.13 per \$100 of assessed value reflects a decrease of 8 cents. The total tax rate includes a maintenance and operations tax rate of \$0.97 and an interest

and sinking tax rate of \$0.16. House Bill 3 of the 86<sup>th</sup> Texas Legislative Session reduced maintenance and operations tax rates by 7 cents and increased state funding to offset the decrease in property taxes. The Board of Trustees also voted to decrease the interest and sinking tax rate by \$0.01.

## **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.

# San Angelo Independent School District

## Statement of Net Position (Exhibit A-1)

August 31, 2019

Data Control Codes		1 Governmental Activities	2 Business-Type Activities	3 Total
<b>Assets</b>				
1110	Cash and cash equivalents	\$ 34,844,627	\$ 142,166	\$ 34,986,793
1120	Current investments	8,708,206	-	8,708,206
1220	Property taxes receivable (delinquent)	1,969,521	-	1,969,521
1230	Allowance for uncollectible taxes	(762,846)	-	(762,846)
1240	Due from other governments	5,402,348	-	5,402,348
1250	Accrued interest	29,683	-	29,683
1290	Other receivables, net	673,516	3,106	676,622
1300	Inventories	645,705	-	645,705
1410	Prepaid expenses	849,563	-	849,563
<b>Capital Assets</b>				
1510	Land	6,854,234	-	6,854,234
1520	Buildings and improvements, net	179,791,688	-	179,791,688
1530	Furniture and equipment, net	11,622,005	513,653	12,135,658
1580	Construction in progress	571,338	-	571,338
1800	Restricted assets	520,221	-	520,221
1910	Long-term investments	3,248,529	-	3,248,529
1000	Total assets	254,968,338	658,925	255,627,263
<b>Deferred outflows of resources</b>				
1705	Deferred outflows - pension	20,388,536	-	20,388,536
1706	Deferred outflows - OPEB	5,677,072	-	5,677,072
1710	Deferred charge for refunding	10,209,168	-	10,209,168
1700	Total deferred outflows of resources	36,274,776	-	36,274,776
<b>Liabilities</b>				
2110	Accounts payable	2,075,224	9,754	2,084,978
2140	Interest payable	188,872	-	188,872
2150	Payroll deductions & withholdings	820,498	-	820,498
2160	Accrued wages payable	4,561,199	-	4,561,199
2180	Due to other governments	182,030	-	182,030
2200	Accrued expenses	306,498	48,117	354,615
2300	Unearned revenues	1,764,363	-	1,764,363
<b>Noncurrent liabilities</b>				
2501	Due within one year	3,579,982	63,340	3,643,322
2502	Due in more than one year	95,024,743	413,189	95,437,932
2516	Premium on issuance of bonds	11,105,874	-	11,105,874
2540	Net pension liability	39,753,257	-	39,753,257
2545	Net OPEB liability	50,948,192	-	50,948,192
2000	Total liabilities	210,310,732	534,400	210,845,132

# San Angelo Independent School District

## Statement of Net Position (Exhibit A-1)

August 31, 2019

Data Control Codes		1 Governmental Activities	2 Business Type Activities	3 Total
	Deferred Inflows of Resources			
2605	Deferred inflows - pension	2,510,398	-	2,510,398
2606	Deferred inflows - OPEB	16,111,045	-	16,111,045
2600	Total deferred inflows of resources	18,621,443	-	18,621,443
	Net Position			
3200	Net investment in capital assets	101,247,577	37,124	101,284,701
3820	Restricted for federal and state programs	2,646,388	-	2,646,388
3850	Restricted for debt service	3,753,435	-	3,753,435
3900	Unrestricted	(45,336,461)	87,401	(45,249,060)
3000	Total net position	\$ 62,310,939	\$ 124,525	\$ 62,435,464

Data Control Codes	Functions/Programs	1  Expenses	Program Revenues	
			3  Charges for Services	4  Operating Grants and Contributions
	Governmental activities			
11	Instruction	\$ 82,687,563	\$ 1,267,634	\$ 14,993,339
12	Instructional resources and media services	1,612,730	-	89,141
13	Curriculum and staff development	1,961,160	-	843,387
21	Instructional leadership	2,200,484	-	510,781
23	School leadership	8,605,223	-	1,176,000
31	Guidance, counseling, and evaluation services	5,469,420	-	1,554,251
32	Social work services	783,298	-	313,307
33	Health services	1,072,014	-	245,623
34	Student (pupil) transportation	4,202,486	-	253,714
35	Food services	8,159,075	1,764,661	6,270,515
36	Extracurricular activities	6,209,293	375,278	218,588
41	General administration	3,117,518	-	192,466
51	Facilities maintenance and operations	15,364,938	145,737	964,914
52	Security and monitoring services	890,969	-	93,759
53	Data processing services	3,559,359	-	164,626
61	Community services	381,899	-	190,314
72	Debt service - interest on long term debt	5,296,911	-	6,621
73	Debt service - bond issuance cost and fees	7,500	-	-
81	Facilities acquisition and construction	144,290	-	-
99	Other intergovernmental charges	1,031,123	-	-
TG	Total governmental activities	152,757,253	3,553,310	28,081,346
	Business-type activities			
01	Concession Fund	65,608	57,168	-
02	JumboTron Fund	164,399	159,004	-
TB	Total business-type activities	230,007	216,172	-
TP	Total primary government	\$ 152,987,260	\$ 3,769,482	\$ 28,081,346
	General Revenues			
	Taxes			
MT	Property taxes, levied for general purposes			
DT	Property taxes, levied for debt service			
SF	State aid - formula grants			
GC	Grants and contributions not restricted			
IE	Investment earnings			
MI	Miscellaneous local and intermediate revenue			
S1	Special item			
S2	Special item			
FR	Transfers in (out)			
TR	Total general revenues			
CN	Change in net position			
NB	Net position, beginning			
NE	Net position, ending			

See Notes to Financial Statements

San Angelo Independent School District  
Statement of Activities (Exhibit B-1)  
Year Ended August 31, 2019

Net (Expense) Revenue and Changes in Net Position		
6	7	8
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (66,426,590)	\$ -	\$ (66,426,590)
(1,523,589)	-	(1,523,589)
(1,117,773)	-	(1,117,773)
(1,689,703)	-	(1,689,703)
(7,429,223)	-	(7,429,223)
(3,915,169)	-	(3,915,169)
(469,991)	-	(469,991)
(826,391)	-	(826,391)
(3,948,772)	-	(3,948,772)
(123,899)	-	(123,899)
(5,615,427)	-	(5,615,427)
(2,925,052)	-	(2,925,052)
(14,254,287)	-	(14,254,287)
(797,210)	-	(797,210)
(3,394,733)	-	(3,394,733)
(191,585)	-	(191,585)
(5,290,290)	-	(5,290,290)
(7,500)	-	(7,500)
(144,290)	-	(144,290)
(1,031,123)	-	(1,031,123)
(121,122,597)	-	(121,122,597)
-	(8,440)	(8,440)
-	(5,395)	(5,395)
-	(13,835)	(13,835)
(121,122,597)	(13,835)	(121,136,432)
51,944,320	-	51,944,320
8,495,681	-	8,495,681
50,299,398	-	50,299,398
587,685	-	587,685
1,409,116	-	1,409,116
2,207,779	-	2,207,779
150,000	-	150,000
(196,595)	-	(196,595)
26,678	(26,678)	-
114,924,062	(26,678)	114,897,384
(6,198,535)	(40,513)	(6,239,048)
68,509,474	165,038	68,674,512
\$ 62,310,939	\$ 124,525	\$ 62,435,464

San Angelo Independent School District  
Balance Sheet – Governmental Funds (Exhibit C-1)  
August 31, 2019

Data Control Codes		199	Total	98
		General Fund	Nonmajor Funds	Total Governmental Funds
	<b>Assets</b>			
1110	Cash and cash equivalents	\$ 28,597,726	\$ 5,705,523	\$ 34,303,249
1120	Investments - current	7,963,584	744,622	8,708,206
1220	Property taxes receivable - delinquent	1,705,128	264,393	1,969,521
1230	Allowance for uncollectible taxes (credit)	(660,440)	(102,406)	(762,846)
1240	Due from other governments	2,313,415	3,088,933	5,402,348
1250	Accrued interest	27,102	2,581	29,683
1260	Due from other funds	1,795,233	-	1,795,233
1290	Other receivables	603,582	69,934	673,516
1300	Inventories	-	645,705	645,705
1410	Prepaid expenditures	375,664	473,899	849,563
1800	Restricted assets	16,805	-	16,805
1910	Long-term investments	3,248,529	-	3,248,529
1000	Total assets	<u>45,986,328</u>	<u>10,893,184</u>	<u>56,879,512</u>
1000a	Total assets and deferred outflows	<u>\$ 45,986,328</u>	<u>\$ 10,893,184</u>	<u>\$ 56,879,512</u>
	<b>Liabilities</b>			
2110	Accounts payable	\$ 1,152,041	\$ 893,465	\$ 2,045,506
2150	Payroll deductions and withholdings payable	820,498	-	820,498
2160	Accrued wages payable	4,561,119	80	4,561,199
2170	Due to other funds	-	1,795,233	1,795,233
2180	Due to other governments	22,625	159,405	182,030
2300	Unearned revenues	1,436,562	327,801	1,764,363
2000	Total liabilities	<u>7,992,845</u>	<u>3,175,984</u>	<u>11,168,829</u>
	<b>Deferred Inflows of Resources</b>			
2600	Unavailable revenues - property taxes	762,367	115,433	877,800
	Total deferred inflows of resources	<u>762,367</u>	<u>115,433</u>	<u>877,800</u>
	<b>Fund Balance</b>			
3410	Nonspendable - inventories	-	645,705	645,705
3430	Nonspendable - prepaid items	375,664	473,899	849,563
3450	Restricted - federal or state funds grant	-	2,646,388	2,646,388
3480	Restricted - debt service	689,724	3,137,150	3,826,874
3510	Committed - construction	3,150,000	-	3,150,000
3530	Committed - capital expenditures for equipme	6,250,000	-	6,250,000
3545	Committed - other	250,000	423,157	673,157
3590	Assigned - other	-	275,468	275,468
3600	Unassigned	26,515,728	-	26,515,728
3000	Total fund balances	<u>37,231,116</u>	<u>7,601,767</u>	<u>44,832,883</u>
4000	Total liabilities, deferred inflows, and fund balances	<u>\$ 45,986,328</u>	<u>\$ 10,893,184</u>	<u>\$ 56,879,512</u>



San Angelo Independent School District

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position (Exhibit C-1r)

August 31, 2019

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Total Fund Balances - Governmental Funds \$ 44,832,883

The District uses internal service funds to charge the costs of certain activities, such as workers compensation, 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. 708,578

Capital assets, net of accumulated depreciation, are not financial resources and therefore are not reported as assets in the governmental funds. 198,839,265

Some liabilities, including bonds payable are not due and payable in the current year and therefore are not reported in the funds:

Bonds payable	(96,694,982)	
Deferred charge on refunding	10,209,168	
Unamortized premiums on bonds payable	(11,105,874)	
Accumulated accretion on capital appreciation bonds	(1,220,018)	
Compensated absences payable	(689,725)	(99,501,431)

Accrued interest is not due and payable in the current year and therefore is not reported as a liability in the governmental funds. (188,872)

Certain assets are not available to pay for current year expenditures and therefore are deferred in the funds. These are:

Deferred resource inflow for property taxes	877,800
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The government-wide statements includes the District's proportionate share of the TRS net pension liabilities and TRS-Care net OPEB liabilities, as well as certain pension and OPEB related transactions accounted for as deferred inflows and outflows of resources:

Net pension liability	(39,753,257)	
Deferred outflows of resources - TRS pension	20,388,536	
Deferred inflows of resources - TRS pension	(2,510,398)	
Net OPEB liability	(50,948,192)	
Deferred outflows of resources - TRS-Care OPEB	5,677,072	
Deferred inflows of resources - TRS-Care OPEB	(16,111,045)	(83,257,284)

Net Position of Governmental Activities (See A-1)	\$ 62,310,939
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**San Angelo Independent School District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds (Exhibit C-2)**  
**Year Ended August 31, 2019**

Data Control Codes		199 General Fund	Total Nonmajor Funds	98 Total Governmental Funds
	Revenues			
5700	Total local and intermediate sources	\$ 55,687,384	\$ 11,290,032	\$ 66,977,416
5800	State program revenues	55,556,789	1,617,272	57,174,061
5900	Federal program revenues	1,622,147	17,574,371	19,196,518
5020	Total revenues	<u>112,866,320</u>	<u>30,481,675</u>	<u>143,347,995</u>
	Expenditures			
	Current			
0011	Instruction	63,736,348	9,466,033	73,202,381
0012	Instructional resources and media services	1,396,507	7,776	1,404,283
0013	Curriculum and instructional staff development	1,080,353	779,844	1,860,197
0021	Instructional leadership	1,485,514	368,697	1,854,211
0023	School leadership	7,110,452	751,301	7,861,753
0031	Guidance, counseling and evaluation services	3,916,721	1,116,259	5,032,980
0032	Social work services	407,933	255,555	663,488
0033	Health services	833,208	162,741	995,949
0034	Student (pupil) transportation	3,999,669	18	3,999,687
0035	Food services	74,779	8,155,461	8,230,240
0036	Extracurricular activities	5,523,563	-	5,523,563
0041	General administration	2,882,287	7,717	2,890,004
0051	Facilities maintenance and operations	14,067,621	400,560	14,468,181
0052	Security and monitoring services	2,111,247	81,006	2,192,253
0053	Data processing services	3,220,123	-	3,220,123
0061	Community services	159,515	208,266	367,781
	Debt service			
0071	Principal on long term debt	-	4,675,000	4,675,000
0072	Interest on long term debt	-	4,456,875	4,456,875
0073	Bond issuance cost and fees	-	7,500	7,500
	Capital outlay			
0081	Facilities acquisition and construction	1,174,370	-	1,174,370
	Intergovernmental			
0099	Other intergovernmental charges	1,031,123	-	1,031,123
6030	Total expenditures	<u>114,211,333</u>	<u>30,900,609</u>	<u>145,111,942</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>(1,345,013)</u>	<u>(418,934)</u>	<u>(1,763,947)</u>
	Other financing sources (uses)			
7915	Transfers in	-	792,564	792,564
7918	Special item	150,000	-	150,000
8911	Transfers out	(740,977)	(24,909)	(765,886)
8912	Special item (use)	(196,595)	-	(196,595)
7080	Total other financing sources (uses)	<u>(787,572)</u>	<u>767,655</u>	<u>(19,917)</u>
1200	Net change in fund balances	(2,132,585)	348,721	(1,783,864)
0100	Fund balance, September 1 (Beginning)	39,363,701	7,253,046	46,616,747
3000	Fund balance, August 31 (Ending)	<u>\$ 37,231,116</u>	<u>\$ 7,601,767</u>	<u>\$ 44,832,883</u>

See Notes to Financial Statements

# San Angelo Independent School District

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Exhibit C-2r) Year Ended August 31, 2019

Total Net Change in Fund Balances - Governmental Funds	\$ (1,783,864)
The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The change in net position of internal funds is reported with governmental activities. The net effect of this consolidation is to increase net position.	84,134
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and depreciated over their estimated useful lives. Total additions for the current year which were removed from fund expenditures amounted to \$4,051,801. Depreciation expense charged to the statement of activities totaled \$8,401,376. The net effect is an increase in net position.	(4,349,575)
Amortization of the premiums on the bonds of \$255,661 was recorded, which increases net position.	255,661
Certain revenues are recorded in the fund financial statements when the revenue is received. In the statement of activities, revenues are recognized when earned regardless of when received. Recognizing deferred tax revenues of \$877,800 and removing the prior year's tax revenue of \$1,349,511 results in a net decrease in net position.	(471,711)
Repayment of bond principal of \$4,675,000 is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not an expense on the statement of activities. This increases net position. Net increase in accreted interest on capital appreciation bonds of \$274,504 increases long-term liabilities. The decrease in accrued interest payable of \$154,035 increases net position in the government wide financial statements. Finally, amortization of deferred charge on bond refunding of \$975,228 decreases net position. The net result of all of the above adjustments is a net increase to the change in net position.	3,579,303
The increase in compensated absences payable is an expenditure in the governmental funds when paid, but the payment for these is not an expense in the statement of activities. This represents the net increase to the compensated absences payable.	309,987
Changes in the deferred outflows of resources, deferred inflows of resources and net pension liability must be recorded as expenses. Changes in contributions made after measurement date caused the change in net position to increase in the amount of \$80,491. The District's share of the unrecognized deferred inflows and outflows for TRS as of the measurement date must be amortized and the District's proportionate share of the pension expense must be recognized. These cause the change in net position to decrease in the amount of \$3,165,843. The net effect is a decrease in net position.	(3,085,352)
Changes in the deferred outflows of resources, deferred inflows of resources and net OPEB liability must be recorded as expenses. Changes in contributions made after measurement date caused the change in net position to increase in the amount of \$9,118. The District's share of the unrecognized deferred inflows and outflows for TRS as of the measurement date must be amortized and the District's proportionate share of the OPEB expense must be recognized. These cause the change in net position to decrease in the amount of \$746,236. The net effect is a decrease in net position.	(737,118)
Change in Net Position of Governmental Activities (See B-1)	<u>\$ (6,198,535)</u>

San Angelo Independent School District  
Statement of Net Position – Proprietary Funds (Exhibit D-1)  
August 31, 2019

Data Control Codes		Business-Type Activities <u>Enterprise Fund</u>	Governmental Activities <u>Internal Service Fund</u>
	Assets		
	Current assets		
1110	Cash and cash equivalents	\$ 142,166	\$ 541,378
1290	Other receivables	<u>3,106</u>	<u>-</u>
	Total current assets	<u>145,272</u>	<u>541,378</u>
	Noncurrent assets		
	Capital assets:		
1530	Furniture and equipment	856,089	-
1573	Depreciation on furniture and equipment	(342,436)	-
1800	Restricted assets	<u>-</u>	<u>503,416</u>
	Total noncurrent assets	<u>513,653</u>	<u>503,416</u>
1000	Total assets	<u>658,925</u>	<u>1,044,794</u>
	Liabilities		
	Current liabilities		
2110	Accounts payable	9,754	29,718
2200	Accrued expenses	48,117	306,498
2501	Note payable - due within one year	<u>63,340</u>	<u>-</u>
	Total current liabilities	<u>121,211</u>	<u>336,216</u>
	Noncurrent liabilities		
2502	Note payable - due in more than one year	<u>413,189</u>	<u>-</u>
	Total noncurrent liabilities	<u>413,189</u>	<u>-</u>
2000	Total liabilities	<u>534,400</u>	<u>336,216</u>
	Net Position		
3200	Net investment in capital assets	37,124	-
3900	Unrestricted	<u>87,401</u>	<u>708,578</u>
3000	Total net position	<u>\$ 124,525</u>	<u>\$ 708,578</u>

San Angelo Independent School District

Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds (Exhibit D-2)

Year Ended August 31, 2019

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Data Control Codes		Business-Type Activities Enterprise Fund	Governmental Activities Internal Service Fund
	Operating revenues		
5700	Local and intermediate sources	\$ 216,172	\$ 549,127
5020	Total operating revenues	216,172	549,127
	Operating expenses		
6100	Payroll services	24,269	1,525
6200	Professional and contracted services	475	288,967
6300	Supplies and materials	40,864	11,979
6400	Other operating costs	30,673	170,989
6440	Depreciation expense	85,609	-
6030	Total operating expenses	181,890	473,460
	Operating income	34,282	75,667
	Nonoperating revenues (expenses):		
7955	Earnings from temporary deposits & investments	-	8,467
6523	Interest on notes payable	(48,117)	-
8030	Total nonoperating revenues (expenses)	(48,117)	8,467
	Other financing sources (uses)		
8911	Transfers out	(26,678)	-
	Total other financing sources (uses)	(26,678)	-
1300	Change in net position	(40,513)	84,134
0100	Total net position, beginning	165,038	624,444
3300	Total net position, ending	\$ 124,525	\$ 708,578

San Angelo Independent School District  
Statement of Cash Flows – Proprietary Funds (Exhibit D-3)  
Year Ended August 31, 2019

	Business-Type Activities Enterprise Fund	Governmental Activities Internal Service Fund
Operating activities		
Cash received from user charges	\$ 247,134	\$ -
Cash received from assessments	-	533,742
Cash payments to employees for services	(24,269)	(1,525)
Cash payments for other operating costs	-	(170,989)
Cash payments for suppliers	(66,816)	(11,979)
Cash payments for claims and contracted services	-	(292,677)
Net cash from operating activities	<u>156,049</u>	<u>56,572</u>
Noncapital financing activities		
Operating transfer out	<u>(26,678)</u>	<u>-</u>
Net cash used for noncapital financing activities	<u>(26,678)</u>	<u>-</u>
Investing activities		
Retirement of long-term debt	(58,110)	-
Interest paid on long-term debt	(48,117)	-
Earnings from temporary deposits and investments	<u>-</u>	<u>8,467</u>
Net cash used for investing activities	<u>(106,227)</u>	<u>8,467</u>
Net change in cash and cash equivalents	23,144	65,039
Cash and cash equivalents - beginning of the year	<u>119,022</u>	<u>476,339</u>
Cash and cash equivalents - end of the year	<u><u>\$ 142,166</u></u>	<u><u>\$ 541,378</u></u>
Reconciliation of operating income to net cash from operating activities		
Operating income	\$ 34,282	\$ 75,667
Depreciation	85,609	-
Adjustments to reconcile operating income to net cash from operating activities		
Change in assets and liabilities		
Other receivables	30,962	19,850
Restricted assets	-	(35,235)
Accounts payable	5,196	(689)
Accrued expenses	<u>-</u>	<u>(3,021)</u>
Net cash from operating activities	<u><u>\$ 156,049</u></u>	<u><u>\$ 56,572</u></u>

San Angelo Independent School District  
Statement of Fiduciary Net Position – Fiduciary Funds (Exhibit E-1)  
August 31, 2019

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Data Control Codes		Private Purpose Trust Fund	Agency Fund
	Assets		
1110	Cash and cash equivalents	\$ 56,602	\$ 529,221
1290	Other receivables	-	272
		<u>          </u>	<u>          </u>
1000	Total assets	<u>56,602</u>	<u>529,493</u>
	Liabilities		
2110	Accounts payable	-	893
2190	Due to student groups	-	528,600
		<u>          </u>	<u>          </u>
2000	Total liabilities	<u>-</u>	<u>\$ 529,493</u>
	Net Position		
3800	Restricted	<u>56,602</u>	
3000	Total net position	<u>\$ 56,602</u>	

San Angelo Independent School District  
Statement of Change in Net Position – Fiduciary Funds (Exhibit E-2)  
Year Ended August 31, 2019

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Data Control Codes		Private Purpose Trust Fund
	Additions	
5700	Local and intermediate sources	\$ 3,286
	Total additions	3,286
	Deductions	
6400	Other operating costs	2,000
	Total deductions	2,000
1300	Change in net position	1,286
0100	Total net position, beginning	55,316
3300	Total net position, ending	\$ 56,602



**Note A - Summary of Significant Accounting Policies****Reporting Entity**

The Board of Trustees, a seven-member group, has fiscal accountability over all activities related to public elementary and secondary education within the jurisdiction of the San Angelo Independent School District (the District). The public elects the members of the Board of Trustees. The Trustees as a body corporate have the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (Agency) or to the State Board of Education are reserved for the Trustees, and the Agency may not substitute its judgment for the lawful exercise of those powers and duties by the Trustees. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. There are no component units included within the reporting entity. The financial statements of the District include all activities for which the Board exercises these governance responsibilities.

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

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements, as well as the proprietary and fiduciary fund financial statements, are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes and penalties and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives cash.

The government reports the following major governmental funds:

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

The government reports the following proprietary funds:

- The Enterprise Funds account for 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. The non-major Jumbotron fund 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.
- Internal service Funds account for revenues and expenses related to services provided to parties inside the District. These funds facilitate distribution of support costs (such as workers compensation insurance) to the users of the support services.

Additionally, the government reports the following nonmajor funds:

- The Special Revenue Funds, a governmental fund type, account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District accounts for each federal and state grant in a separate special revenue fund.

- The Debt Service Fund, a governmental fund type, accounts for financial resources that are restricted, committed or assigned for principal and interest on long-term debt of governmental activities.
- Private Purpose Trust Funds, a fiduciary fund type, accounts for donations for which the donor has stipulated that both the principal and 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.
- Agency funds, a fiduciary fund type, account for resources held for others in a custodial capacity.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the worker's compensation insurance internal service fund are District contributions. Operating expenses include claims expense and administrative expense for administering the insurance fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources, as they are needed.

### **Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments of the District are reported at fair value or amortized cost. The local government investment pools are operated in accordance with appropriate state laws and regulations.

### **Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

## Inventories

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 revenue when received. When requisitioned, inventory is decreased and expenditures are charged for an equal amount.

## Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental activities and business-type activities column in the statement of net position. The District defines capital assets as assets with an initial, individual cost of \$5,000 or more 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 reported at acquisition value. 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.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	20-50
Furniture and equipment	3-10

## Long-Term Obligations

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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount.

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

## Deferred Outflows/Inflows of Resources

Deferred outflows/inflows of resources are separate elements of the financial statements. The District has deferred inflows of resources, which arises under the modified accrual basis of accounting, unavailable revenue from property taxes and for its proportionate share of TRS's deferred inflow related to pensions as described in Note 12 and its OPEB liability as described in Note 13. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District has deferred outflows of resources for deferred charges on refunded debt, for its proportionate share of TRS's deferred outflow related to pensions

as described in Note 12, and for its proportionate share of TRS-Care's deferred outflow related to OPEB as described in Note 13.

### **Pensions**

The fiduciary net position of 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 pensions, 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.

### **OPEB**

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan 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 OPEB liability, deferred outflows of resources and deferred inflows of resources relating to other-post employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position.

Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

### **New Accounting Pronouncements**

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all State and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2018. Early implementation is encouraged.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by

governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Early implementation is encouraged.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

In August 2018, the GASB issued Statement 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 60*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity

interest should report an asset related to the majority equity interest using the equity method.

This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that

causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements. Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. The requirements of this Statement are effective for the reporting periods beginning after December 15, 2020. Early implementation is encouraged.

## **Note B - Stewardship, Compliance and Accountability**

### **Budgetary Information**

Formal budgetary accounting is employed for all required Governmental Fund Types, as outlined in TEA's Financial Accounting Resource module, and is presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. The budget is prepared and controlled at the function level within each organization to which responsibility for controlling operations is assigned.

The official school budget is prepared for adoption for required Governmental Fund Types prior to August 20 of the preceding fiscal year for the subsequent fiscal year beginning September 1. The budget is formally adopted by the Board of Trustees at a public meeting held at least ten days after public notice has been given.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund and the National Breakfast and Lunch Program Special Revenue Fund. The remaining.



special revenue funds adopt project-length budgets that do not correspond to the District's fiscal year

#### **Note C - Fair Value Measurements**

GASB Statement No. 72, *Fair Value Measurement and Application* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into three-level fair value hierarchy as follows:

Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.

Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.

Level 3 inputs are observable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

Market approach – uses prices generated by market transactions involving identical or comparable assets or liabilities.

Cost approach – uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).

Income approach – uses valuation techniques to convert future amounts to present amounts based on current market expectations.

U.S. government-backed (federal agency) securities are valued using Level 2 inputs that are based on market data obtained from independent sources.

#### **Note D - Detailed Notes on All Funds**

##### **Deposits**

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

The District's investment policies and types of investments are governed by the Public Funds Investment Act (PFIA). The District's management believes that they complied with all significant requirements of the PFIA and the District's investment policies.

**Custodial Credit Risk-Deposits**

The District's cash deposits at August 31, 2019 were entirely covered by FDIC insurance and pledged collateral held by the District's agent bank, in the District's name.

**Investments**

State statutes and Board policy authorize the District to invest in 1) obligations of the U.S. or its agencies and instrumentalities; 2) obligations of the State of Texas or its agencies; 3) other obligations guaranteed by the U.S. or the State of Texas or their agencies and instrumentalities; 4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent; 5) guaranteed or secured certificates of deposit issued by state or national banks domiciled in Texas; 6) fully collateralized repurchase agreements and 7) public funds investment pools. Temporary investments are reported at cost, which approximates market, and are secured, when necessary, by the Federal Deposit Insurance Corporation (FDIC) or obligations of items 1-4 above at 102% of the investment's market value.

**Concentration of Credit Risk**

The District's investment policy does not limit investments in any one issuer except that the investment portfolio shall be diversified in terms of investment instruments, maturing scheduling, and financial institutions to reduce risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific user.

**Interest Rate Risk**

The District's investment policy states that any internally created pool fund group of the District shall have a maximum dollar weighted maturity of 180 days. The maximum allowable stated maturity of any other individual investment owned by the District shall not exceed one year from the time of purchase. The Board may specifically authorize a longer maturity for a given investment, within legal limits.

The District is a voluntary participant in various investment pools. These pools included the following: TexPool, Lone Star Investment Pool, Texas CLASS and Texas Term.

The State Comptroller of Public Accounts exercises responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both Participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool Shares. Audited financial statements of the pool are available at First Public, 12008 Research Blvd., Austin, Texas 78759. In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

Lone Star Investment Pool is governed by an 11-member board and is a AAA rated investment program tailored to the investment needs of local governments within the state of Texas. Lone Star Investment Pool assists governments across Texas make the most of taxpayer dollars. Local officials can improve the return on their invested balances by pooling their money with other entities to achieve economies of scale in a conservative fund in full compliance with the Texas Public Funds Investment Act. Lone Star Investment Pool is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. Lone Star uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in Lone Star is the same as the value of Lone Star Shares. Lone Star is administered by First Public LLC, who also serves as the investment advisor. The reported value of the pool is the same as the fair value of the pool shares.

Texas CLASS is a local government investment pool emphasizing safety, liquidity, convenience and competitive yield. Since 1996, Texas CLASS has provided Texas public entities a safe and competitive investment alternative. Texas CLASS invests only in securities allowed by the Texas Public Funds Investment Act. Texas CLASS carries a letter of credit that ensures the integrity of the fund, making it the only investment pool in Texas backed by a letter of credit. The pool is governed by a board of trustees, elected annually by its participants. Texas CLASS is rated 'AAAm' by Standard and Poor's Ratings Services. The 'AAAm' principal stability fund rating is the highest assigned to principal stability government investment pools and is a direct reflection of Texas CLASS's outstanding credit quality and management. Texas CLASS uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in Texas CLASS is the same as the value of Texas CLASS Shares.

The TexasTERM Local Government Investment Pool was created by and for Texas local governments to provide investment programs tailored to the needs of Texas cities, counties, school districts and other public investors. TexasTERM portfolios seek to provide these investors with safety, flexibility and competitive yields. Shares are distributed by PFM Fund Distributors, Inc., member Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation (SIPC). PFM Fund Distributors, Inc. is a wholly owned subsidiary of PFM Asset Management LLC. The District currently utilizes Texas DAILY, a money market portfolio with daily liquidity that is rated AAAm by Standard & Poor's. TexasTERM uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexasTERM is the same as the value of TexasTERM Shares.

Ratings of investments held at August 31, 2019 were:

	Rating	Weighted Average Maturity (Days)*
TexPool	AAAm	36
Lone Star Government Overnight Fund	AAAm	27
Lone Star Corporate Overnight Plus Fund	AAAf/S1+	44
Texas CLASS	AAAm	84
Texas TERM Texas Daily Fund	AAAm	29
Texas TERM	AAAf	34

\*To arrive at weighted average maturity, the maturity of floating rate and variable rate securities was deemed to be the final maturity of such securities.

# San Angelo Independent School District

Notes to Financial Statements

August 31, 2019

The investments held at August 31, 2019 are as follows:

	Fair Value	Within 6 months	Investment Maturities	
			6 months to 1 yr	1 - 3 yrs
Investments:				
Investment Pools	\$ 36,228,093	\$ 33,728,093	\$ 2,500,000	\$ -
Certificates of Deposit	4,459,695	2,226,776	1,484,265	748,654
U.S. Agency Securities	4,997,040	2,497,165	-	2,499,875
Total investments	<u>\$ 45,684,828</u>	<u>\$ 38,452,034</u>	<u>\$ 3,984,265</u>	<u>\$ 3,248,529</u>

Investments are presented on the respective statements of net position in the following data control codes:

	Exhibit A-1		Exhibit D-1	
	Governmental Activities	Business-Type Activities	Private Purpose Trust Fund	Agency Fund
Cash and cash equivalents	\$ 33,341,650	\$ 142,166	\$ 56,602	\$ 187,675
Current investments	8,708,206	-	-	-
Long-term investments	3,248,529	-	-	-
	<u>\$ 45,298,385</u>	<u>\$ 142,166</u>	<u>\$ 56,602</u>	<u>\$ 187,675</u>

## Property Tax

In the fund financial statements, property tax revenues are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by January 31 of the year following the October 1 levy date. The assessed value of the property tax roll (net of exemptions) on January 1, 2017, upon which the levy for the August 31, 2019 fiscal year was based, was \$5,077,423,013. Taxes are delinquent if not paid by February 1.

Delinquent taxes are subject to both penalty and interest charges plus delinquent collection fees for attorney costs.

Current tax collections for the year ended August 31, 2019 were 98.47% of the year-end adjusted tax levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting 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. As of August 31, 2019, property taxes receivable, net of estimated uncollectible taxes, totaled \$1,206,675. The tax rate to finance general governmental services was \$1.0400 per \$100 and the tax rate to finance the payment of principal and interest on long-term obligations was \$0.1700 per \$100 for the year ended August 31, 2019.

#### Due from 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. In the fund financial statements, amounts due from federal and state governments as of August 31, 2019 are summarized below.

Fund	State Grants/ Entitlements	Federal Grants	Total
General Fund	\$ 2,313,415	\$ -	\$ 2,313,415
Nonmajor Governmental Funds	936,449	2,152,484	3,088,933
	<u>\$ 3,249,864</u>	<u>\$ 2,152,484</u>	<u>\$ 5,402,348</u>

#### Interfund Receivables and Payables

The composition of interfund balances as of August 31, 2019 is as follows:

	Due From Other Funds	Due To Other Funds
General Fund		
Nonmajor Governmental Funds	1,795,233	-
Nonmajor Governmental Funds		
General Fund	-	1,795,233
Totals	<u>\$ 1,795,233</u>	<u>\$ 1,795,233</u>

These interfund receivables and payables were recorded to eliminate cash deficit balances.

# San Angelo Independent School District

Notes to Financial Statements

August 31, 2019

Interfund transfers during the year ended August 31, 2019, consisted of the following individual balances:

	Transfer In	Transfer Out
General Fund		
Nonmajor Governmental Funds	\$ -	\$ 740,977
Nonmajor Governmental Funds		
Nonmajor Governmental Funds	792,564	24,909
Enterprise Fund		
Jumbotron Fund	-	22,103
Concession Fund	-	4,575
Totals	<u>\$ 792,564</u>	<u>\$ 792,564</u>

The interfund transfers between the General Fund, Enterprise Fund and nonmajor governmental funds was used to cover program cost of special revenue funds.

## Related Party Transactions

For the year ended August 31, 2019, the District paid \$163,448 to a vendor owned by a Board member.

## Note E - Capital Assets

Capital asset activity for governmental activities the year ended August 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 6,854,234	\$ -	\$ -	\$ 6,854,234
Construction in progress	1,154,900	553,898	(1,137,460)	571,338
Total capital assets, not being depreciated	8,009,134	553,898	(1,137,460)	7,425,572
Capital assets, being depreciated:				
Buildings and improvements	263,555,502	1,167,739	-	264,723,241
Furniture and equipment	33,618,036	3,467,624	-	37,085,660
Total capital assets being depreciated	297,173,538	4,635,363	-	301,808,901
Less accumulated depreciation for				
Buildings and improvements	(78,719,193)	(6,212,360)	-	(84,931,553)
Furniture and equipment	(23,274,639)	(2,189,016)	-	(25,463,655)
Total accumulated depreciation	(101,993,832)	(8,401,376)	-	(110,395,208)
Total capital assets being depreciated, net	195,179,706	(3,766,013)	-	191,413,693
Governmental activities capital assets, net	<u>\$ 203,188,840</u>	<u>\$ (3,212,115)</u>	<u>\$ (1,137,460)</u>	<u>\$ 198,839,265</u>

# San Angelo Independent School District

Notes to Financial Statements

August 31, 2019

Capital asset activity for business-type activities the year ended August 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Furniture and equipment	\$ 856,089	\$ -	\$ -	\$ 856,089
Total capital assets being depreciated	856,089	-	-	856,089
Less accumulated depreciation for				
Furniture and equipment	(256,827)	(85,609)	-	(342,436)
Total accumulated depreciation	(256,827)	(85,609)	-	(342,436)
Total capital assets being depreciated, net	599,262	(85,609)	-	513,653
Business-type activities capital assets, net	\$ 599,262	\$ (85,609)	\$ -	\$ 513,653

Depreciation expense was charged to the District's functions as follows:

Governmental Activities:	
Instruction	\$ 4,979,850
Instructional resources and media	133,948
Curriculum and staff development	37,185
Institutional leadership	211,239
School leadership	152,766
Guidance, counseling and evaluation services	86,571
Social work services	82,519
Health services	7,121
Student transportation	658,257
Food service	220,405
Extracurricular activities	672,954
General administration	50,073
Plant maintenance and operations	717,043
Security and monitoring services	48,551
Data processing services	342,894
Total depreciation expense - governmental activities	\$ 8,401,376

Depreciation expense for business type activities of \$85,609 was charged to extracurricular activities.

## Note F - Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2019, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

**Note G - Contingencies**

The District is not a party to any legal actions that are believed by administration to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying basic financial statements for such contingencies.

The District participates in numerous state and federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 2019, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

**Note H - Commitments Under Operating Leases**

Commitments under operating lease agreements for facilities and equipment provide for future minimum rental payments as of August 31, 2019 as follows:

Fiscal Year Ending August 31,

2020	\$	301,271
2021		<u>301,271</u>
Total minimum future lease payments	\$	<u><u>602,542</u></u>



**Note I - Defined Benefit Pension Plan****Plan Description**

The District 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.

**Pension Plan Fiduciary Net Position**

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

**Benefits Provided**

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

**Contributions**

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 85th Texas legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same.

	Contribution Rates	
	2018	2019
Member	7.70%	7.70%
Non-Employer Contributing Entity (State)	6.80%	6.80%
Employers	6.80%	6.80%

	2018		2019	
Member Contributions	\$	6,083,644	\$	6,234,511
NECE On-Behalf Contributions		3,977,417		4,012,706
Employer Contributions		2,432,983		2,513,474

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

### Actuarial Assumptions

The total pension liability in the August 31, 2017 actuarial valuation rolled forward to August 31, 2018 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2017 rolled forward to August 31, 2018
Actuarial Cost Method	Individual entry age normal
Asset Valuation Method	Market value
Single Discount Rate	6.907%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate*	N/A*
Last year ending August 31 in Projection Period (100 years)	2116
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%
Ad hoc post-employment benefit changes	None

\* If a municipal bond rate was to be used, the rate would be 3.69% as of August 2018 (i.e., the rate closest to but not later than the measurement date). The source for the rate is the Fixed Income Market Date/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."

The actuarial methods and assumptions are primarily based on a study of actual experience for the three-year period ending August 31, 2017 and adopted on July 27, 2018.

### Discount Rate

The discount rate used to measure the total pension liability was 6.907%. The single discount rate was based on the expected rate of return on pension investments of 7.25% and a municipal bond rate of 3.69%. 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 sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best- estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2018 are summarized below.

**Teacher Retirement System of Texas**  
**Asset Allocation and long-Term Expected Real Rate of Return as of August 31, 2018**

Asset Class	Target Allocation <sup>1</sup>	Long-Term Expected Geometric Real Rate of Return <sup>2</sup>	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.0%	5.7%	1.0%
Non-U.S. Developed	13.0%	6.9%	0.9%
Emerging Markets	9.0%	8.9%	0.8%
Directional Hedge Funds	4.0%	3.5%	0.1%
Private Equity	13.0%	10.2%	1.3%
Stable Value			
U.S. Treasuries	11.0%	1.1%	0.1%
Absolute Return	0.0%	0.0%	0.0%
Stable Value Hedge Funds	4.0%	3.1%	0.1%
Cash	1.0%	-0.3%	0.0%
Real Return			
Global Inflation Linked Bonds	3.0%	0.7%	0.0%
Real Assets	14.0%	5.2%	0.7%
Energy and Natural Resources	5.0%	7.5%	0.4%
Commodities	0.0%	0.0%	0.0%
Risk Parity			
Risk Parity	5.0%	3.7%	0.2%
Inflation Expectation			2.3%
Volatility Drag <sup>3</sup>			-0.8%
Total	100.0%		7.2%

<sup>1</sup> Target allocations are based on FY2016 policy model.

<sup>2</sup> Capital market assumptions come from Aon Hewitt (2017 Q4).

<sup>3</sup> The volatility drag results 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 (6.907%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate (5.907%)	Discount Rate (6.907%)	1% Increase in Discount Rate (7.907%)
Total TRS net pension liability	\$ 83,072,220,959	\$ 55,042,426,960	\$ 32,350,646,325
District's proportionate share of the net pension liability	\$ 59,997,197	\$ 39,753,257	\$ 23,364,587

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

At August 31, 2019, the District reported a liability of \$39,753,257 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District 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 the District were as follows:

District's proportionate share of the collective net pension liability	\$ 39,753,257
State's proportionate share that is associated with the District	63,388,503
Total	<u>\$ 103,141,760</u>

The net pension liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2017 rolled forward to August 31, 2018. 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, 2017 through August 31, 2018.

At August 31, 2018 the employer's proportion of the collective net pension liability was .0722229% which was an increase of .000575% from its proportion measured as of August 31, 2017.

**Changes Since the Prior Actuarial Valuation**

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

- The Total Pension Liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.

# San Angelo Independent School District

Notes to Financial Statements

August 31, 2019

- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study
- The discount rate changed from 8.0% as of August 31, 2017 to 6.907% as of August 31, 2018.
- The long-term assumed rate of return changed from 8.0% to 7.25%.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the Net Pension Liability.

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, 2019, the District recognized pension expense of \$6,273,772 and revenue of \$3,877,135 for support provided by the State.

At August 31, 2019, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 247,789	\$ 975,388
Changes in actuarial assumptions	14,332,964	447,905
Difference between projected and actual investment earnings	-	754,290
Changes in proportion and difference between District contributions and the proportionate share of contributions	3,294,309	332,815
Contributions paid to TRS subsequent to the measurement date	2,513,474	-
Total	<u>\$ 20,388,536</u>	<u>\$ 2,510,398</u>

\$2,513,474 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended August 31, 2020.

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

Year Ended August 31	Pension Expense Amount
2020	\$ 4,210,403
2021	2,623,055
2022	2,168,166
2023	2,415,064
2024	2,357,199
Thereafter	1,590,777
Total	<u>\$ 15,364,664</u>

**Note J - Postemployment Health Benefits****Plan Description**

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

**OPEB Plan Fiduciary Net Position**

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr/pd##CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

**Benefits Provided**

TRS-Care provides a basic health insurance program (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-retirement benefit changes, including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with and without Medicare coverage.

TRS-Care Monthly for Retirees  
January 1, 2018 thru December 31, 2018

	Medicare	Non-Medicare
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999
<i>*or surviving spouse</i>		

## Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you go basis and is subject to changed based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of Trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employee contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor:

Contribution Rates			
	2018	2019	
Active Employee	0.65%	0.65%	
Non-Employer Contributing Entity (State)	1.25%	1.25%	
Employers	0.75%	0.75%	
Federal/private Funding remitted by Employers	1.25%	1.25%	
	2018	2019	
Employer Contributions	\$ 703,899	\$ 713,017	
Member Contributions	513,556	526,291	
NECE On-Behalf Contributions	691,463	888,976	

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS Care OPEB program). When hiring a TRS retiree, employers are required to pay to TRS Care, a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$182.6 million in fiscal year 2018. The 85th Texas Legislature, House Bill 30 provided an additional \$212 million in one-time, supplemental funding for the FY2018-19 biennium to continue to support the program. This was also received in FY2018 bringing the total appropriations received in fiscal year 2018 to \$394.6 million.



**Actuarial Assumptions**

The total OPEB liability in the August 31, 2017 was rolled forward to August 31, 2018. The actuarial valuation was determined using the following actuarial assumptions:

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2017 TRS pension plan actuarial valuation that was rolled forward to August 31, 2018:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability Incidence	

**Additional Actuarial Methods and Assumptions**

Valuation Date	August 31, 2017 rolled forward to August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate *	3.69%
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Payroll Growth Rate	2.30%
Projected Salary Increases **	3.05% to 9.05%
Healthcare Trend Rates ***	4.50% to 11.00%
Election Rates	Normal Retirement: 70% participation prior to age 65 and 75% participation after age 65
Ad hoc post-employment benefit changes	None

\* Source: Fixed income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2018.

\*\* Includes inflation at 2.30%.

\*\*\* Initial trend rates are 7.00% for non-Medicare retirees; 10.00% for Medicare retirees and 12.00% for prescriptions on all retirees. Initial trend rates decrease to an ultimate trend rate of 4.50% over a period of ten years.

**Discount Rate**

A single discount rate of 3.69% was used to measure the total OPEB liability. There was a change of 0.27% in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active 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 OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.69%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.69%)	Discount Rate (3.69%)	1% Increase in Discount Rate (4.69%)
Total TRS net OPEB liability	\$ 59,434,944,462	\$ 49,930,915,470	\$ 42,412,615,881
District's proportionate share of the net OPEB liability	\$ 60,645,853	\$ 50,948,192	\$ 43,276,717

**Healthcare Cost Trend Rate Sensitivity Analysis**

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed 8.5% rate used:

	1% Decrease in Healthcare Trend Rate (7.5%)	Current Single Healthcare Trend Rate (8.5%)	1% Increase in Healthcare Trend Rate (9.5%)
Total TRS net OPEB liability	\$ 41,468,438,436	\$ 49,930,915,470	\$ 61,076,180,591
District's proportionate share of the net OPEB liability	\$ 42,313,303	\$ 50,948,192	\$ 62,320,528

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

At August 31, 2019, the District reported a liability of \$50,948,192 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 50,948,192
State's proportionate share that is associated with the District	63,840,103
	<hr/>
Total	\$ 114,788,295
	<hr/>

The Net OPEB Liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2017 through August 31, 2018.

At August 31, 2018, the District's proportion of the collective Net OPEB Liability was 0.1020374%, which was an increase of .002558% from its proportion measured as of August 31, 2017.

**Changes Since the Prior Actuarial Valuation**

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB Liability since the prior measurement period:

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the Total OPEB Liability.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the Total OPEB Liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the Total OPEB Liability.
- The discount rate was changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018. This change lowered the Total OPEB Liability \$2.3 billion.

The following were changes in benefit terms since the prior measurement period:

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.
- Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants.
- Allowed the System to provide other, appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.
- Eliminate free coverage under TRS-Care, expect for certain disability retirees enrolled during Plan Years 2018-2021, requiring members to contribute \$200 per month toward their health insurance premium.

# San Angelo Independent School District

Notes to Financial Statements

August 31, 2019

For the year ended August 31, 2019, the District recognized OPEB expense of \$2,322,120 and revenue of \$880,773 for support provided by the State.

At August 31, 2019, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,703,631	\$ 804,037
Changes in actuarial assumptions	850,187	15,307,008
Difference between projected and actual investment earnings	8,910	-
Changes in proportion and difference between District contributions and the proportionate share of contributions	1,401,327	-
Contributions paid to TRS subsequent to the measurement date	713,017	-
Total	<u>\$ 5,677,072</u>	<u>\$ 16,111,045</u>

\$713,017 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ended August 31, 2020.

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

Year Ended August 31	OPEB Expense Amount
2020	\$ (1,830,873)
2021	(1,830,873)
2022	(1,830,873)
2023	(1,832,558)
2024	(1,833,522)
Thereafter	<u>(1,988,291)</u>
Total	<u>\$ (11,146,990)</u>

**Medicare Part D**

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments have been recognized as equal revenues and expenditures by the District in the amount of \$305,872, \$313,383 and \$232,969 for the years ended August 31, 2019, 2018 and 2017, respectively.

**Note K - Workers Compensation and Health Insurance**

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

Estimates of workers compensation claims payable and of claims incurred, but not reported at August 31, 2019 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.

The following is a reconciliation of workers' compensation claims during the previous two years:

	2019	2018
Claims payable beginning of year	\$ 309,519	\$ 336,680
Claims incurred	170,989	149,290
Claims paid	(174,010)	(176,451)
Claims payable end of year	<u>\$ 306,498</u>	<u>\$ 309,519</u>

**Note L - Unearned Revenue and Deferred Inflows of Resources**

Unearned revenue at year-end in the fund financial statements consisted of the following:

	General Fund	Other Governmental Funds	Total
August athletic ticket sales, lost textbooks, and parking receipts	\$ 131,120	\$ -	\$ 131,120
State and local grant revenue	1,305,442	16,091	1,321,533
Federal grant revenue	-	311,710	311,710
	<u>\$ 1,436,562</u>	<u>\$ 327,801</u>	<u>\$ 1,764,363</u>

**Note M - Revenues from Local and Intermediate Sources**

For the year ended August 31, 2019, revenues from local and intermediate sources reported in the fund financial statements for governmental fund types consisted of the following:

	General Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 52,351,941	\$ 8,559,771	\$ 60,911,712
Food sales	-	1,764,661	1,764,661
Investment income	1,225,739	174,910	1,400,649
Penalties, interest & other tax related income	479,222	77,187	556,409
Co-curricular student activities	375,278	-	375,278
Tuition and fees	171,600	-	171,600
Gifts and bequests	14,337	-	14,337
Other	1,069,267	713,503	1,782,770
	<u>\$ 55,687,384</u>	<u>\$ 11,290,032</u>	<u>\$ 66,977,416</u>

**Note N - Accumulated Unpaid Sick Leave Benefits**

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. This obligation was estimated to be \$689,725 at August 31, 2019 for eligible employees and is recorded as other long-term liabilities in the government wide statement of net position.

**Note O - Debt**

The long-term indebtedness of the District pertains to the Governmental Activities and Business-Type Activities of the District. Expenditures for the debt service requirements of the long-term debt are accounted for in the General Fund, Debt Service Fund and Enterprise Fund.

A summary in changes of total bonds payable and other long-term debt for governmental activities are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
2009-A School Building Bonds	\$ 3,865,000	\$ -	\$ (3,865,000)	\$ -	\$ -
2015-A Refunding Bonds	92,670,000	-	(210,000)	92,460,000	-
2015-B Refunding Bonds	1,880,000	-	(600,000)	1,280,000	625,000
2015-A Refunding Bonds CAB	2,954,982	-	-	2,954,982	2,954,982
<b>Bonds payable-subtotal</b>	<b>101,369,982</b>	<b>-</b>	<b>(4,675,000)</b>	<b>96,694,982</b>	<b>3,579,982</b>
Accretion on CAB, Series 2015-A	945,514	274,504	-	1,220,018	-
Unamortized Premium on Bonds	11,361,535	-	(255,661)	11,105,874	-
<b>Subtotal</b>	<b>12,307,049</b>	<b>274,504</b>	<b>(255,661)</b>	<b>12,325,892</b>	<b>-</b>
<b>Net bonds payable</b>	<b>113,677,031</b>	<b>274,504</b>	<b>(4,930,661)</b>	<b>109,020,874</b>	<b>3,579,982</b>
Vested sick leave	999,712	-	(309,987)	689,725	-
Net pension liability	22,909,050	19,277,215	(2,433,008)	39,753,257	-
Net OPEB liability	43,259,984	8,392,120	(703,912)	50,948,192	-
<b>Other long-term liabilities-subtotal</b>	<b>67,168,746</b>	<b>27,669,335</b>	<b>(3,446,907)</b>	<b>91,391,174</b>	<b>-</b>
<b>Total long-term liabilities</b>	<b>\$ 180,845,777</b>	<b>\$ 27,943,839</b>	<b>\$ (8,377,568)</b>	<b>\$ 200,412,048</b>	<b>\$ 3,579,982</b>

# San Angelo Independent School District

Notes to Financial Statements

August 31, 2019

Pension and OPEB liabilities are typically liquidated through contributions to TRS made by the following funds: General Fund; Head Start; ESEA I, A Improving Basic Program, 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; Early Head Start; Child & Adult Care Food Program; and Other State Funded Special Revenue Funds.

Debt service requirements on bonds payable for governmental activities are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2020	\$ 3,579,982	\$ 5,551,568	\$ 9,131,550
2021	4,940,000	4,198,825	9,138,825
2022	4,975,000	3,954,225	8,929,225
2023	5,235,000	3,698,975	8,933,975
2024	5,500,000	3,430,600	8,930,600
2025-2029	32,030,000	12,621,750	44,651,750
2030-2034	40,435,000	3,869,900	44,304,900
	<u>\$ 96,694,982</u>	<u>\$ 37,325,843</u>	<u>\$ 134,020,825</u>

A summary in changes of long-term debt for business-type activities are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
2015 Jumbotron	\$ 539,041	\$ -	\$ (62,512)	\$ 476,529	\$ 63,340
	<u>\$ 539,041</u>	<u>\$ -</u>	<u>\$ (62,512)</u>	<u>\$ 476,529</u>	<u>\$ 63,340</u>

Debt service requirements on long-term debt for business-type activities are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2020	\$ 63,340	\$ 42,888	\$ 106,228
2021	69,041	37,187	106,228
2022	75,254	30,974	106,228
2023	82,027	24,201	106,228
2024	89,410	16,818	106,228
2025	97,457	8,771	106,228
	<u>\$ 476,529</u>	<u>\$ 160,839</u>	<u>\$ 637,368</u>



**Note P - Fund Balance**

The District classifies governmental fund balance in accordance with Government Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions:

- Nonspendable fund balance includes fund balance that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. At August 31, 2019, the District had \$645,705 and \$849,563 in nonspendable fund balance for inventory and prepaid items, respectively.
- Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. As of August 31, 2019, \$2,646,388 was restricted for other federal and state grants. Fund balance restricted for the retirement of funded indebtedness totaled \$3,826,874 as of August 31, 2019.
- Committed fund balance is established and modified by a resolution from the District's Board, the District's highest level of decision-making authority, and can be used only for the specific purposes determined by the Board's resolution. At August 31, 2019, the District had \$3,150,000 committed for future construction projects, \$6,250,000 committed for future capital expenditures, \$250,000 committed for campus renovations, and \$423,157 committed for campus activity funds.
- Assigned fund balance is intended to be used by the District for specific purposes but does not meet the criteria to be classified as restricted or committed. The Board has delegated the authority to assign fund balance to the Superintendent. At August 31, 2019, the District had \$275,468 assigned to provide temporary funds to cover cash deficits in special revenue funds.
- Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

The District uses restricted amounts first when both restricted and unrestricted fund balance are available. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

**Note Q - General Fund Federal Source Revenues**

Revenues from federal sources, which are reported in the General Fund, consist of:

Program or Service	CFDA	Amount
ROTC	n/a	130,372
School Health and Related Services	n/a	1,096,034
Medical Assistance Program	93.778	8,953
Impact Aid, Public Law 81-874	84.041	69,518
Indirect costs		
Title I - Part A	84.010	153,294
IDEA B Formula	84.027	129,950
IDEA B Preschool	84.173	4,056
Carl D Perkins Basic Grant Formula	84.048	7,182
Title II, Part A - Teacher, Principal, Training & Recruitment	84.367	12,051
Title III - Part A	84.365	2,788
Title IV - Part A	84.424	7,949
Total		<u>\$ 1,622,147</u>

**Note R - Expenditures Exceeding Budget**

	Budget	Actual	Variance
General Fund			
0036 Extracurricular activities	\$ 5,480,300	\$ 5,523,563	\$ (43,263)
0041 General administration	2,878,737	2,882,287	(3,550)
0051 Facilities maintenance and operations	13,903,902	14,067,621	(163,719)
0052 Security and monitoring services	2,104,637	2,111,247	(6,610)
Child Nutrition Program			
0035 Food services	6,950,760	7,575,111	(624,351)



Required Supplementary Information  
August 31, 2019

## San Angelo Independent School District

San Angelo Independent School District  
Budgetary Comparison Schedule – General Fund (Exhibit G-1)  
Year Ended August 31, 2019

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	\$ 54,365,000	\$ 55,005,000	\$ 55,687,384	\$ 682,384
5800	State program revenues	55,580,000	55,559,000	55,556,789	(2,211)
5900	Federal program revenues	1,065,000	1,195,000	1,622,147	427,147
5020	Total revenues	111,010,000	111,759,000	112,866,320	1,107,320
Expenditures					
Current					
0011	Instruction	64,263,088	64,357,455	63,736,348	621,107
0012	Instructional resources and media services	1,549,961	1,419,961	1,396,507	23,454
0013	Curriculum and instructional staff development	1,111,669	1,121,872	1,080,353	41,519
0021	Instructional leadership	1,669,394	1,524,394	1,485,514	38,880
0023	School leadership	7,027,539	7,133,362	7,110,452	22,910
0031	Guidance, counseling and evaluation services	4,337,271	3,957,801	3,916,721	41,080
0032	Social work services	381,788	416,788	407,933	8,855
0033	Health services	847,413	848,873	833,208	15,665
0034	Student (pupil) transportation	2,876,169	4,075,354	3,999,669	75,685
0035	Food services	83,584	74,779	74,779	-
0036	Extracurricular activities	5,134,328	5,480,300	5,523,563	(43,263)
0041	General administration	2,739,693	2,878,737	2,882,287	(3,550)
0051	Facilities maintenance and operations	13,183,235	13,903,902	14,067,621	(163,719)
0052	Security and monitoring services	696,070	2,104,637	2,111,247	(6,610)
0053	Data processing services	2,769,653	3,247,486	3,220,123	27,363
0061	Community services	170,581	168,205	159,515	8,690
Capital outlay					
0081	Facilities acquisition and construction	-	1,263,923	1,174,370	89,553
Intergovernmental					
0099	Other intergovernmental charges	1,025,000	1,035,000	1,031,123	3,877
6030	Total expenditures	109,866,436	115,012,829	114,211,333	801,496
1100	Excess (deficiency) of revenues over (under) expenditures	1,143,564	(3,253,829)	(1,345,013)	1,908,816
Other financing sources (uses)					
7918	Special item	-	-	150,000	150,000
8911	Transfers out	-	-	(740,977)	(740,977)
8912	Special item (use)	-	(179,213)	(196,595)	(17,382)
7080	Total other financing sources (uses)	-	(179,213)	(787,572)	(608,359)
1200	Net change in fund balances	1,143,564	(3,433,042)	(2,132,585)	1,300,457
0100	Fund balance - September 1 (beginning)	39,363,701	39,363,701	39,363,701	-
3000	Fund balance - August 31 (ending)	\$ 40,507,265	\$ 35,930,659	\$ 37,231,116	\$ 1,300,457

San Angelo Independent School District

Schedule of District's Proportionate Share of the Net Pension Liability – Teacher Retirement System of Texas (Exhibit G-2)  
Year Ended August 31, 2019

	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.072222936%	0.071647624%	0.072861427%	0.07665%	0.0487351%
District's proportionate share of net pension liability	\$ 39,753,257	\$ 22,909,050	\$ 27,533,250	\$ 27,094,755	\$ 13,017,820
State's proportionate share of the net pension liability associated with the District	63,388,503	38,885,427	48,542,407	46,073,448	40,432,025
Totals	<u>\$ 103,141,760</u>	<u>\$ 61,794,477</u>	<u>\$ 76,075,657</u>	<u>\$ 73,168,203</u>	<u>\$ 53,449,845</u>
District's covered payroll	\$ 79,008,268	\$ 78,186,792	\$ 78,244,552	\$ 75,523,372	\$ 73,897,210
District's proportionate share of net pension liability as a percentage of its covered payroll	50.32%	29.30%	35.19%	35.88%	17.62%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	82.17%	78.00%	78.43%	83.25%

Note: The information disclosed for each fiscal year is reported as of the measurement date of the net pension liability with is August 31 of the preceding fiscal year.

Note: Plan information was unavailable prior to 2014.

San Angelo Independent School District  
Schedule of District's Contributions – Teacher Retirement System to Texas (Exhibit G-3)  
Year Ended August 31, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 2,513,474	\$ 2,432,983	\$ 2,348,191	\$ 2,314,992	\$ 2,269,639
Contribution in relation to the contractually required contributions	<u>(2,513,474)</u>	<u>(2,432,983)</u>	<u>(2,348,191)</u>	<u>(2,314,992)</u>	<u>(2,269,639)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 80,967,583	\$ 79,008,268	\$ 78,186,792	\$ 78,244,552	\$ 75,523,372
Contributions as a percentage of covered payrol	3.10%	3.08%	3.00%	2.96%	3.01%

Note: The information disclosed for each fiscal year is reported as of the District's fiscal year-end date.

Note: Plan information was unavailable prior to 2014.

San Angelo Independent School District  
Schedule of District's Proportionate Share of the Net OPEB Liability (Exhibit G-4)  
Year Ended August 31, 2019

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	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.102037369%	0.099479686%
District's proportionate share of net OPEB liability	\$ 50,948,192	\$ 43,259,984
State's proportionate share of the net OPEB liability associated with the District	<u>63,840,103</u>	<u>57,836,255</u>
Totals	<u>\$ 114,788,295</u>	<u>\$ 101,096,239</u>
District's covered-employee payroll	\$ 79,008,268	\$ 78,186,792
District's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	64.48%	55.33%
Plan fiduciary net position as a percentage of the total OPEB liability	1.57%	0.91%

Note: The information disclosed for each fiscal year is reported as of the measurement date of the net OPEB liability with is August 31 of the preceding fiscal year.

Note: Plan information was unavailable prior to 2018.

San Angelo Independent School District  
Schedule of District's Contributions to the OPEB (Exhibit G-5)  
Year Ended August 31, 2019

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	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 713,017	\$ 703,899
Contribution in relation to the contractually required contributions	<u>(713,017)</u>	<u>(703,899)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 80,967,583	\$ 79,008,268
Contributions as a percentage of covered-employee payroll	0.88%	0.89%

Note: The information disclosed for each fiscal year is reported as of the District's fiscal year-end date.

Note: Plan information was unavailable prior to 2018.



## **Note A - Budget**

### **Budgetary Information**

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the general fund, debt service fund, and the National School Breakfast and Lunch Program special revenue fund. The Texas Education Code requires the budget to be prepared not later than August 20 and adopted by August 31 of each year. The budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles.

The following procedures are followed in establishing the budgetary data reflected in the fund financial schedules:

1. Prior to August 20 of the preceding fiscal year, 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.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to September 1, the budget is formally approved and adopted by the Board.

Once a budget is approved, it can be amended by function and fund level only 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. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end as required by law. Each amendment is controlled by the budget coordinator Accounting at the revenue and expenditure fund/function level. Budget amounts are as amended by the Board. All budget appropriations lapse at year end.

## **Note B - Net Pension Liability – Teachers Retirement System**

### **Changes of Benefit Terms**

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

### **Changes in the Size or Composition of the Population Covered by the Benefit Terms**

There are no changes in the size or composition of the population covered by the benefit terms during the measurement period.

### **Changes of Assumptions**

- The Total Pension Liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.

- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 8.0% as of August 31, 2017 to 6.907% as of August 31, 2018.
- The long-term assumed rate of return changed from 8.0% to 7.25%
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the Net Pension Liability.

## **Note C - OPEB**

### **Changes of Benefit Terms**

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.
- Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants.
- Allowed the System to provide other, appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.
- Eliminate free coverage under TRS-Care, except for certain disability retirees enrolled during Plan Years 2018 through 2021, requiring members to contribute \$200 per month toward their health insurance premium.

### **Changes in the Size or Composition of the Population Covered by the Benefit Terms**

There were no changes in the size or composition of the population covered by the benefit terms during the measurement period.

### **Changes of Assumptions**

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the Total OPEB Liability.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the Total OPEB Liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the Total OPEB Liability.
- The discount rate was changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018. This change lowered the Total OPEB Liability \$2.3 billion.



Other Supplementary Information  
August 31, 2019

**San Angelo Independent School District**

Data Control Codes		205	211	224
		Head Start	ESEA I, A Improving Basic Program	IDEA Part B Formula
Assets				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -
1120	Investments - current	-	-	-
1220	Property taxes - delinquent	-	-	-
1230	Allowance for uncollectible taxes (credit)	-	-	-
1240	Due from other governments	159,676	719,734	791,031
1250	Accrued interest	-	-	-
1290	Other receivables	145	-	-
1300	Inventories	-	-	-
1410	Prepaid expenditures	-	-	-
1000	Total assets	<u>\$ 159,821</u>	<u>\$ 719,734</u>	<u>\$ 791,031</u>
Liabilities				
2110	Accounts payable	\$ -	\$ 13,077	\$ 53,105
2160	Accrued wages payable	-	-	-
2170	Due to other funds	159,821	706,657	737,926
2180	Due to other governments	-	-	-
2300	Unearned revenues	-	-	-
2000	Total liabilities	<u>159,821</u>	<u>719,734</u>	<u>791,031</u>
Deferred Inflows of Resources				
2601	Unavailable revenue - property taxes	-	-	-
2600	Total inflows of resources	-	-	-
Fund Balances				
3410	Nonspendable - inventories	-	-	-
3430	Nonspendable - prepaid items	-	-	-
3450	Restricted - federal or state funds grant	-	-	-
3480	Restricted - retirement of long-term debt	-	-	-
3545	Committed - other	-	-	-
3590	Assigned - other	-	-	-
3600	Unassigned	-	-	-
3000	Total fund balances	-	-	-
4000	Total liabilities, deferred inflows and fund balances	<u>\$ 159,821</u>	<u>\$ 719,734</u>	<u>\$ 791,031</u>

San Angelo Independent School District  
Combining Balance Sheet – Nonmajor Governmental Funds (Exhibit H-1)  
August 31, 2019

225	240	242	244	255	263
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
\$ -	\$ 2,582,189	\$ 49,116	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
33,127	230,914	-	23,637	102,477	3,799
-	-	-	-	-	-
-	18,017	-	-	-	-
-	645,705	-	-	-	-
-	-	-	-	-	-
<u>\$ 33,127</u>	<u>\$ 3,476,825</u>	<u>\$ 49,116</u>	<u>\$ 23,637</u>	<u>\$ 102,477</u>	<u>\$ 3,799</u>
\$ 5,091	\$ 72,052	\$ -	\$ -	\$ 5,334	\$ 1,606
-	80	-	-	-	-
28,036	-	-	23,637	97,143	2,193
-	-	-	-	-	-
-	311,710	-	-	-	-
<u>33,127</u>	<u>383,842</u>	<u>-</u>	<u>23,637</u>	<u>102,477</u>	<u>3,799</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	645,705	-	-	-	-
-	-	-	-	-	-
-	2,447,278	49,116	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>3,092,983</u>	<u>49,116</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 33,127</u>	<u>\$ 3,476,825</u>	<u>\$ 49,116</u>	<u>\$ 23,637</u>	<u>\$ 102,477</u>	<u>\$ 3,799</u>

		281	288	289	397
Data Control Codes		Early Head Start	Child & Adult Care Feeding	Other Federal Special Revenue Funds	Advanced Placement Incentives
Assets					
1110	Cash and cash equivalents	\$ -	\$ 95,156	\$ -	\$ 53,374
1120	Investments - current	-	-	-	-
1220	Property taxes - delinquent	-	-	-	-
1230	Allowance for uncollectible taxes (credit)	-	-	-	-
1240	Due from other governments	681	-	87,408	-
1250	Accrued interest	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid expenditures	-	-	-	-
1000	Total assets	<u>\$ 681</u>	<u>\$ 95,156</u>	<u>\$ 87,408</u>	<u>\$ 53,374</u>
Liabilities					
2110	Accounts payable	\$ -	\$ -	\$ 64,500	\$ -
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	681	-	22,908	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	-	-	-	-
2000	Total liabilities	<u>681</u>	<u>-</u>	<u>87,408</u>	<u>-</u>
Deferred Inflows of Resources					
2601	Unavailable revenue - property taxes	-	-	-	-
2600	Total inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
3410	Nonspendable - inventories	-	-	-	-
3430	Nonspendable - prepaid items	-	-	-	-
3450	Restricted - federal or state funds grant	-	95,156	-	53,374
3480	Restricted - retirement of long-term debt	-	-	-	-
3545	Committed - other	-	-	-	-
3590	Assigned - other	-	-	-	-
3600	Unassigned	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>95,156</u>	<u>-</u>	<u>53,374</u>
4000	Total liabilities, deferred inflows and fund balances	<u>\$ 681</u>	<u>\$ 95,156</u>	<u>\$ 87,408</u>	<u>\$ 53,374</u>

San Angelo Independent School District  
Combining Balance Sheet – Nonmajor Governmental Funds (Exhibit H-1)  
August 31, 2019

410	429	461	499	Total Nonmajor Special Revenue Funds	599	Total Nonmajor Governmental Funds
Instructional Materials Allotment	Other State Special Revenue Funds	Campus Activity Fund	Other Local Special Revenue Funds		Debt Service Fund	
\$ -	\$ 1,464	\$ 314,373	\$ 136,722	\$ 3,232,394	\$ 2,473,129	\$ 5,705,523
-	-	-	-	-	744,622	744,622
-	-	-	-	-	264,393	264,393
-	-	-	-	-	(102,406)	(102,406)
936,449	-	-	-	3,088,933	-	3,088,933
-	-	-	-	-	2,581	2,581
-	-	-	22,103	40,265	29,669	69,934
-	-	-	-	645,705	-	645,705
473,899	-	-	-	473,899	-	473,899
<u>\$ 1,410,348</u>	<u>\$ 1,464</u>	<u>\$ 314,373</u>	<u>\$ 158,825</u>	<u>\$ 7,481,196</u>	<u>\$ 3,411,988</u>	<u>\$ 10,893,184</u>
\$ 659,781	\$ -	\$ 18,919	\$ -	\$ 893,465	\$ -	\$ 893,465
-	-	-	-	80	-	80
-	-	16,210	21	1,795,233	-	1,795,233
-	-	-	-	-	159,405	159,405
1,200	-	14,891	-	327,801	-	327,801
<u>660,981</u>	<u>-</u>	<u>50,020</u>	<u>21</u>	<u>3,016,579</u>	<u>159,405</u>	<u>3,175,984</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,433</u>	<u>115,433</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,433</u>	<u>115,433</u>
-	-	-	-	645,705	-	645,705
473,899	-	-	-	473,899	-	473,899
-	1,464	-	-	2,646,388	-	2,646,388
-	-	-	-	-	3,137,150	3,137,150
-	-	264,353	158,804	423,157	-	423,157
275,468	-	-	-	275,468	-	275,468
-	-	-	-	-	-	-
<u>749,367</u>	<u>1,464</u>	<u>264,353</u>	<u>158,804</u>	<u>4,464,617</u>	<u>3,137,150</u>	<u>7,601,767</u>
<u>\$ 1,410,348</u>	<u>\$ 1,464</u>	<u>\$ 314,373</u>	<u>\$ 158,825</u>	<u>\$ 7,481,196</u>	<u>\$ 3,411,988</u>	<u>\$ 10,893,184</u>

Data Control Codes		205	211	224
		Head Start	ESEA I, A Improving Basic Program	IDEA Part B Formula
	Revenues			
5700	Local and intermediate sources	\$ 3,077	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	2,481,244	3,857,892	3,263,585
5020	Total revenues	2,484,321	3,857,892	3,263,585
	Expenditures			
	Current			
0011	Instruction	1,340,641	3,677,815	1,873,843
0012	Instructional resources and media services	-	-	-
0013	Curriculum and instructional staff development	12,858	24,214	52,268
0021	Instructional leadership	-	100,352	228,308
0023	School leadership	452,888	-	-
0031	Guidance, counseling, and evaluation services	6,135	-	1,068,252
0032	Social work services	207,904	-	-
0033	Health services	111,724	-	40,914
0034	Student (pupil) transportation	18	-	-
0035	Food services	22,903	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	241,752	-	-
0052	Security and monitoring services	-	-	-
0061	Community services	92,851	55,511	-
	Debt service			
0071	Principal on long term debt	-	-	-
0072	Interest on long term debt	-	-	-
0073	Bond issuance cost and fees	-	-	-
6030	Total expenditures	2,489,674	3,857,892	3,263,585
1100	Excess (deficiency) of revenues over (under) expenditures	(5,353)	-	-
	Other financing sources (Uses)			
7915	Transfers in	5,353	-	-
8911	Transfers out	-	-	-
7080	Total other financing sources (uses)	5,353	-	-
1200	Net change in fund balance	-	-	-
0100	Fund balance, September 1 (Beginning)	-	-	-
3000	Fund balance, August 31 (Ending)	\$ -	\$ -	\$ -



**San Angelo Independent School District**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental  
Funds (Exhibit H-2)  
Year Ended August 31, 2019

225	240	242	244	255	263
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
\$ -	\$ 1,827,410	\$ 930	\$ -	\$ -	\$ -
-	213,303	-	-	-	-
101,579	5,678,301	77,892	166,614	300,237	70,540
<u>101,579</u>	<u>7,719,014</u>	<u>78,822</u>	<u>166,614</u>	<u>300,237</u>	<u>70,540</u>
88,109	-	-	99,878	8,436	62,812
-	-	-	-	-	-
-	-	-	35,324	255,007	7,728
-	-	-	3,175	28,790	-
-	-	-	-	-	-
13,470	-	-	28,237	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	7,575,111	74,163	-	-	-
-	-	-	-	-	-
-	138,538	4,087	-	-	-
-	-	-	-	-	-
-	-	-	-	8,004	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>101,579</u>	<u>7,713,649</u>	<u>78,250</u>	<u>166,614</u>	<u>300,237</u>	<u>70,540</u>
-	5,365	572	-	-	-
-	6,024	-	-	-	-
-	-	-	-	-	-
-	6,024	-	-	-	-
-	11,389	572	-	-	-
-	3,081,594	48,544	-	-	-
<u>\$ -</u>	<u>\$ 3,092,983</u>	<u>\$ 49,116</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Data Control Codes		281	288	289	397
		Early Head Start	Child & Adult Care Feeding	Other Federal Special Revenue Funds	Advanced Placement Incentives
	Revenues				
5700	Local and intermediate sources	\$ -	\$ 404	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	933,802	414,110	228,575	-
5020	Total revenues	933,802	414,514	228,575	-
	Expenditures				
	Current				
0011	Instruction	819,968	-	82,566	-
0012	Instructional resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	16,714	-	70,500	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	42,224	-	-	-
0031	Guidance, counseling, and evaluation services	165	-	-	-
0032	Social work services	47,651	-	-	-
0033	Health services	10,103	-	-	-
0034	Student (pupil) transportation	-	-	-	-
0035	Food services	2,544	480,740	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	15,640	-	-	-
0052	Security and monitoring services	-	-	81,006	-
0061	Community services	9,828	-	-	-
	Debt service				
0071	Principal on long term debt	-	-	-	-
0072	Interest on long term debt	-	-	-	-
0073	Bond issuance cost and fees	-	-	-	-
6030	Total expenditures	964,837	480,740	234,072	-
1100	Excess (deficiency) of revenues over (under) expenditures	(31,035)	(66,226)	(5,497)	-
	Other financing sources (Uses)				
7915	Transfers in	31,035	-	5,497	-
8911	Transfers out	-	-	-	-
7080	Total other financing sources (uses)	31,035	-	5,497	-
1200	Net change in fund balance	-	(66,226)	-	-
0100	Fund balance, September 1 (Beginning)	-	161,382	-	53,374
3000	Fund balance, August 31 (Ending)	\$ -	\$ 95,156	\$ -	\$ 53,374

**San Angelo Independent School District**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental  
Funds (Exhibit H-2)  
Year Ended August 31, 2019

410	429	461	499	Total	599	Total
Instructional	Other State	Campus	Other Local	Nonmajor	Debt	Total
Materials	Funded	Activity	Special	Special	Service	Nonmajor
Allotment	Revenue Funds	Fund	Revenue Funds	Revenue Funds	Fund	Governmental
						Funds
\$ -	\$ -	\$ 637,650	\$ 60,557	\$ 2,530,028	\$ 8,760,004	\$ 11,290,032
1,395,498	1,850	-	-	1,610,651	6,621	1,617,272
-	-	-	-	17,574,371	-	17,574,371
<u>1,395,498</u>	<u>1,850</u>	<u>637,650</u>	<u>60,557</u>	<u>21,715,050</u>	<u>8,766,625</u>	<u>30,481,675</u>
1,034,073	-	377,892	-	9,466,033	-	9,466,033
-	-	7,776	-	7,776	-	7,776
302,050	2,681	500	-	779,844	-	779,844
-	-	8,072	-	368,697	-	368,697
-	-	256,189	-	751,301	-	751,301
-	-	-	-	1,116,259	-	1,116,259
-	-	-	-	255,555	-	255,555
-	-	-	-	162,741	-	162,741
-	-	-	-	18	-	18
-	-	-	-	8,155,461	-	8,155,461
-	-	617	7,100	7,717	-	7,717
-	-	543	-	400,560	-	400,560
-	-	-	-	81,006	-	81,006
-	-	-	42,072	208,266	-	208,266
-	-	-	-	-	4,675,000	4,675,000
-	-	-	-	-	4,456,875	4,456,875
-	-	-	-	-	7,500	7,500
<u>1,336,123</u>	<u>2,681</u>	<u>651,589</u>	<u>49,172</u>	<u>21,761,234</u>	<u>9,139,375</u>	<u>30,900,609</u>
59,375	(831)	(13,939)	11,385	(46,184)	(372,750)	(418,934)
689,202	-	33,350	22,103	792,564	-	792,564
-	-	(4,609)	(20,300)	(24,909)	-	(24,909)
<u>689,202</u>	<u>-</u>	<u>28,741</u>	<u>1,803</u>	<u>767,655</u>	<u>-</u>	<u>767,655</u>
748,577	(831)	14,802	13,188	721,471	(372,750)	348,721
790	2,295	249,551	145,616	3,743,146	3,509,900	7,253,046
<u>\$ 749,367</u>	<u>\$ 1,464</u>	<u>\$ 264,353</u>	<u>\$ 158,804</u>	<u>\$ 4,464,617</u>	<u>\$ 3,137,150</u>	<u>\$ 7,601,767</u>

San Angelo Independent School District  
Combining Statement of Net Position – Enterprise Funds (Exhibit H-6)  
August 31, 2019

Data Control Codes		711  Concession Fund	712  JumboTron Fund	Total Nonmajor Enterprise Funds
	Assets			
	Current assets			
1110	Cash and cash equivalents	\$ 97,360	\$ 44,806	\$ 142,166
1290	Other receivables	3,106	-	3,106
	Total current assets	100,466	44,806	145,272
	Noncurrent assets			
	Capital assets:			
1530	Furniture and equipment	-	856,089	856,089
1573	Depreciation on furniture and equipment	-	(342,436)	(342,436)
	Total noncurrent assets	-	513,653	513,653
1000	Total assets	100,466	558,459	658,925
	Liabilities			
	Current liabilities			
2110	Accounts payable	9,754	-	9,754
2200	Accrued expenses	-	48,117	48,117
2122	Note payable - due within one year	-	63,340	63,340
	Total current liabilities	9,754	111,457	121,211
	Noncurrent liabilities			
2520	Note payable - due in more than one year	-	413,189	413,189
	Total noncurrent liabilities	-	413,189	413,189
2000	Total liabilities	9,754	524,646	534,400
	Net Position			
3200	Net investment in capital assets	-	37,124	37,124
3900	Unrestricted	90,712	(3,311)	87,401
3000	Total net position	\$ 90,712	\$ 33,813	\$ 124,525

San Angelo Independent School District

Combining Statement of Revenues, Expenditures, and Changes in Net Position – Enterprise Funds (Exhibit H-7)

Year Ended August 31, 2019

Data Control Codes	711 Concession Fund	712 JumboTron Fund	Total Nonmajor Enterprise Funds
Operating revenues			
5700 Local and intermediate sources	\$ 57,168	\$ 159,004	\$ 216,172
5020 Total operating revenues	57,168	159,004	216,172
Operating expenses			
6100 Payroll services	24,269	-	24,269
6200 Professional and contracted services	475	-	475
6300 Supplies and materials	40,864	-	40,864
6400 Other operating costs	-	30,673	30,673
6440 Depreciation expense	-	85,609	85,609
6030 Total operating expenses	65,608	116,282	181,890
Operating income	(8,440)	42,722	34,282
Nonoperating revenues (expenses):			
6523 Interest on notes payable	-	(48,117)	(48,117)
8030 Total nonoperating expenses	-	(48,117)	(48,117)
Other financing sources (uses)			
8911 Transfers out	(4,575)	(22,103)	(26,678)
Total other financing sources (uses)	(4,575)	(22,103)	(26,678)
1300 Change in net position	(13,015)	(27,498)	(40,513)
0100 Total net position, beginning	103,727	61,311	165,038
3300 Total net position, ending	\$ 90,712	\$ 33,813	\$ 124,525

San Angelo Independent School District  
Combining Statement of Cash Flows – Enterprise Funds (Exhibit H-8)  
Year Ended August 31, 2019

	711 Concession Fund	712 JumboTron Fund	Total Nonmajor Enterprise Funds
Operating activities			
Cash received from user charges	\$ 65,428	\$ 181,706	\$ 247,134
Cash payments to employees for services	(24,269)	-	(24,269)
Cash payments for suppliers	(36,143)	(30,673)	(66,816)
Net cash from operating activities	5,016	151,033	156,049
Noncapital financing activities			
Operating transfer out	(4,575)	(22,103)	(26,678)
Net cash used for noncapital financing activities	(4,575)	(22,103)	(26,678)
Investing activities			
Retirement of long-term debt	-	(58,110)	(58,110)
Interest paid on long-term debt	-	(48,117)	(48,117)
Net cash used for investing activities	-	(106,227)	(106,227)
Net change in cash and cash equivalents	441	22,703	23,144
Cash and cash equivalents - beginning of the year	96,919	22,103	119,022
Cash and cash equivalents - end of the year	\$ 97,360	\$ 44,806	\$ 142,166
Reconciliation of operating income (loss) to net cash from operating activities			
Operating income (loss)	\$ (8,440)	\$ 42,722	\$ 34,282
Depreciation	-	85,609	85,609
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Change in assets and liabilities			
Other receivables	8,260	22,702	30,962
Accounts payable	5,196	-	5,196
Net cash from operating activities	\$ 5,016	\$ 151,033	\$ 156,049

San Angelo Independent School District  
Statement of Changes in Assets and Liabilities – Student Activity Funds (Exhibit H-9)  
Year Ended August 31, 2019

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Data Control Codes		Balance - September 1	Additions	Deletions	Balance - August 31
	Assets				
1110	Cash and cash equivalents	\$ 503,200	\$ 1,639,724	\$ (1,613,703)	\$ 529,221
1290	Other receivables	489	970	(1,187)	272
1000	Total assets	<u>503,689</u>	<u>1,640,694</u>	<u>(1,614,890)</u>	<u>529,493</u>
	Liabilities				
2110	Accounts payable	2,289	50,980	(52,376)	893
2190	Due to student groups	<u>501,400</u>	<u>1,665,410</u>	<u>(1,638,210)</u>	<u>528,600</u>
2000	Total liabilities	<u>\$ 503,689</u>	<u>\$ 1,716,390</u>	<u>\$ (1,690,586)</u>	<u>\$ 529,493</u>



Required TEA Schedules  
August 31, 2019

## San Angelo Independent School District



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	1	2	3
	Tax Rates		Assessed/ Appraised Value for School Tax Purposes
<u>Last Ten Years Ended August 31</u>	<u>Maintenance</u>	<u>Debt Service</u>	
2010 (and prior years)	\$ Various	\$ Various	\$ Various
2011	1.040000	0.272500	3,064,378,472
2012	1.040000	0.240000	3,244,186,953
2013	1.040000	0.220000	3,672,571,745
2014	1.040000	0.220000	3,881,035,694
2015	1.040000	0.200000	4,295,874,565
2016	1.040000	0.195000	4,542,852,960
2017	1.040000	0.180000	4,702,034,461
2018	1.040000	0.170000	4,970,459,071
2019 (school year under audit)	1.040000	0.170000	5,077,423,013
1000 Totals			

San Angelo Independent School District  
Schedule of Delinquent Taxes Receivable (Exhibit J-1)  
Year Ended August 31, 2019

10	20	31	32	40	50
Beginning Balance September 1, 2018	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance August 31, 2019
\$ 307,945	\$ -	\$ 2,347	\$ 283	\$ (1,054)	\$ 304,261
14,681	-	163	43	(55)	14,420
19,442	-	274	63	(57)	19,048
22,625	-	1,017	215	(315)	21,078
28,253	-	3,383	716	(2,348)	21,806
79,235	-	16,757	3,222	(1,244)	58,012
142,605	-	40,358	7,567	(3,266)	91,414
268,323	-	100,774	17,442	(10,927)	139,180
886,402	-	379,038	61,958	(84,282)	361,124
-	61,436,818	51,811,349	8,469,165	(217,126)	939,178
<u>\$ 1,769,511</u>	<u>\$ 61,436,818</u>	<u>\$ 52,355,460</u>	<u>\$ 8,560,674</u>	<u>\$ (320,674)</u>	<u>\$ 1,969,521</u>

San Angelo Independent School District  
 Budgetary Comparison Schedule – Child Nutrition Program (Exhibit J-4)  
 Year Ended August 31, 2019

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance with Final Budget
		Original	Final		Positive (Negative)
Revenues					
5700	Local and intermediate sources	\$1,663,760	\$1,663,760	\$ 1,827,410	\$ 163,650
5800	State program revenues	36,000	36,000	213,303	177,303
5900	Federal program revenues	5,426,000	5,426,000	5,678,301	252,301
5020	Total revenues	7,125,760	7,125,760	7,719,014	593,254
Expenditures					
Current					
0035	Food services	6,950,760	6,950,760	7,575,111	(624,351)
0051	Facilities maintenance and operations	175,000	175,000	138,538	36,462
6030	Total expenditures	7,125,760	7,125,760	7,713,649	(587,889)
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	5,365	5,365
Other financing sources (uses)					
7915	Transfers in	-	-	6,024	6,024
7080	Total other financing sources (uses)	-	-	6,024	6,024
1200	Net change in fund balances	-	-	11,389	11,389
0100	Fund balance, September 1 (Beginning)	3,081,594	3,081,594	3,081,594	-
3000	Fund balance, August 31 (Ending)	\$3,081,594	\$3,081,594	\$ 3,092,983	\$ 11,389

San Angelo Independent School District  
 Budgetary Comparison Schedule – Debt Service Fund (Exhibit J-5)  
 Year Ended August 31, 2019

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance with Final Budget - Positive (Negative)
		Original	Final		
	Revenues				
5700	Local and intermediate sources	\$8,568,000	\$8,568,000	\$ 8,760,004	\$ 192,004
5800	State program revenues	365,000	365,000	6,621	(358,379)
5020	Total revenues	8,933,000	8,933,000	8,766,625	(166,375)
	Expenditures				
	Debt service				
0071	Principal on long term debt	4,675,000	4,675,000	4,675,000	-
0072	Interest on long term debt	4,456,875	4,456,875	4,456,875	-
0073	Bond issuance costs and fees	10,000	10,000	7,500	2,500
6030	Total expenditures	9,141,875	9,141,875	9,139,375	2,500
1100	Excess (deficiency) of revenues over (under) expenditures	(208,875)	(208,875)	(372,750)	(163,875)
1200	Net change in fund balances	(208,875)	(208,875)	(372,750)	(163,875)
0100	Fund balance, September 1 (Beginning)	3,509,900	3,509,900	3,509,900	-
3000	Fund balance, August 31 (Ending)	\$3,301,025	\$3,301,025	\$ 3,137,150	\$ (163,875)

## **STATISTICAL SECTION**

## STATISTICAL SECTION

### (UNAUDITED - for Analytical Purposes Only)

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

TABLE	CONTENTS
	<b>Financial Trends</b>
	<i>These tables contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>
	Entity-wide information:
1	Net position by component, last ten fiscal years
2	Changes in net position, last ten fiscal years
	Governmental Funds Information:
3	Fund balances, last ten fiscal years
4	Changes in fund balances, last ten fiscal years
	<b>Revenue Capacity</b>
	<i>These tables contain information to help the reader assess the District's most significant local revenue source, the property tax.</i>
5	Assessed value and actual value of taxable property, and Comptroller's valuation of standardized base, last ten fiscal years; and tax base distribution, last two tax years
6	Allocation of property tax rates and tax levies, last ten fiscal years
7	Direct and overlapping property tax rates, last ten fiscal years
8	Property use categories at gross appraised market value, tax year 2018
9	Principal property taxpayers, current year and nine years ago
10	Property tax levies and collections, last ten fiscal years
	<b>Debt Capacity</b>
	<i>These tables present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</i>
11	Ratios of outstanding debt by type, last ten fiscal years
12	Ratios of net general bonded debt outstanding, last ten fiscal years; and statement of legal debt margin
13	Direct and overlapping governmental activities debt as of August 31, 2018
14	Pledged revenue coverage, last five fiscal years
	<b>Demographic and Economic Information</b>
	<i>These tables offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.</i>
15	Demographic and economic statistics, last ten calendar years
16	Principal employers, current year and nine years ago
	<b>Operating Information</b>
	<i>These tables contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and activities it performs.</i>
17	Staff information, last ten fiscal years
18	Student information, last ten fiscal years
19	Operating statistics, last ten fiscal years
20	Capital assets information, last ten fiscal years

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

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

	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
Governmental Activities:				
Net Investment in Capital Assets	\$ 101,247,577	\$ 100,353,298	\$ 97,955,870	\$ 90,140,840
Restricted	6,399,823	6,089,743	6,863,019	6,861,596
Unrestricted	(45,336,461)	(37,933,567)	21,555,112	28,242,791
Total Governmental Activities Net Position	<u>\$ 62,310,939</u>	<u>\$ 68,509,474</u>	<u>\$ 126,374,001</u>	<u>\$ 125,245,227</u>
Business-Type Activities:				
Net Investment in Capital Assets	\$ 37,124	\$ 61,311	\$ 66,107	\$ 109,382
Unrestricted	87,401	103,727	66,676	62,690
Total Business-Type Activities Net Position	<u>\$ 124,525</u>	<u>\$ 165,038</u>	<u>\$ 132,783</u>	<u>\$ 172,072</u>
Primary Government:				
Net Investment in Capital Assets	\$ 101,284,701	\$ 100,414,609	\$ 98,021,977	\$ 90,250,222
Restricted	6,399,823	6,089,743	6,863,019	6,861,596
Unrestricted	(45,249,060)	(37,829,840)	21,621,788	28,305,481
Total Primary Government Net position	<u>\$ 62,435,464</u>	<u>\$ 68,674,512</u>	<u>\$ 126,506,784</u>	<u>\$ 125,417,299</u>

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

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

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

TABLE 1

Fiscal Year					
2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
\$ 86,764,060	\$ 81,778,241	\$ 76,142,025	\$ 71,331,462	\$ 68,123,024	\$ 65,774,951
6,283,407	5,350,037	4,775,658	4,327,397	3,660,369	3,126,860
25,114,945	33,870,166	30,269,027	31,774,879	33,444,213	29,506,262
<u>\$ 118,162,412</u>	<u>\$ 120,998,444</u>	<u>\$ 111,186,710</u>	<u>\$ 107,433,738</u>	<u>\$ 105,227,606</u>	<u>\$ 98,408,073</u>
\$ 113,000	\$ (13,743)	\$ (27,899)	\$ (9,988)	\$ (994)	\$ 3,307
71,368	22,067	7,761	(16,094)	(37,514)	(39,262)
<u>\$ 184,368</u>	<u>\$ 8,324</u>	<u>\$ (20,138)</u>	<u>\$ (26,082)</u>	<u>\$ (38,508)</u>	<u>\$ (35,955)</u>
\$ 86,877,060	\$ 81,764,498	\$ 76,114,126	\$ 71,321,474	\$ 68,122,030	\$ 65,778,258
6,283,407	5,350,037	4,775,658	4,327,397	3,660,369	3,126,860
25,186,313	33,892,233	30,276,788	31,758,785	33,406,699	29,467,000
<u>\$ 118,346,780</u>	<u>\$ 121,006,768</u>	<u>\$ 111,166,572</u>	<u>\$ 107,407,656</u>	<u>\$ 105,189,098</u>	<u>\$ 98,372,118</u>



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

<b>Expenses</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>
Governmental Activities:				
Instruction	\$ 82,687,563	\$ 51,556,903	\$ 77,999,154	\$ 79,329,970
Instructional resources and media services	1,612,730	1,264,120	1,647,322	1,632,171
Curriculum and instructional staff development	1,961,160	1,435,773	1,716,081	1,309,828
Instructional leadership	2,200,484	1,506,818	2,213,468	2,304,859
School leadership	8,605,223	5,202,016	8,114,827	7,922,842
Guidance, counseling and evaluation services	5,469,420	3,319,490	5,045,874	5,124,249
Social work services	783,298	476,751	850,650	831,773
Health services	1,072,014	659,390	842,485	820,322
Student (pupil) transportation	4,202,486	2,525,348	3,365,482	3,436,964
Food Services	8,159,075	6,291,319	8,170,182	8,320,309
Cocurricular / extracurricular activities	6,209,293	4,920,402	5,919,093	6,050,147
General Administration	3,117,518	2,217,761	2,951,580	2,865,429
Facilities maintenance and operation	15,364,938	11,899,225	13,489,583	13,853,266
Security and monitoring services	890,969	887,986	533,421	537,672
Data processing services	3,559,359	2,274,922	3,053,492	2,768,960
Community services	381,899	241,135	321,991	292,545
Debt Service - Interest on ong term debt	5,296,911	4,856,957	5,190,095	5,236,192
Bond Issuance cost and fees	7,500	-	-	-
Facilities acquisition and construction	144,290	-	-	-
Other Governmental Charges (Appraisal District)	1,031,123	1,007,138	984,554	979,498
Total Governmental Activities Expenses	152,757,253	102,543,454	142,409,334	143,616,996
Business-Type Activities:				
Concessions	65,608	65,857	93,902	105,647
Jumbo-tron (FY 2005-06 first year of operations)	164,399	149,660	170,999	158,860
Total Business-Type Activities Expenses	230,007	215,517	264,901	264,507
Total Primary Government Expenses	\$ 152,987,260	\$ 102,758,971	\$ 142,674,235	\$ 143,881,503
<b>Program Revenues</b>				
Governmental Activities:				
Charges for services:				
Instruction	\$ 1,267,634	\$ 616,375	\$ 635,127	\$ 615,065
Instructional leadership	-	13,899	12,457	6,097
School leadership	-	284,925	255,372	280,450
Health services	-	36,446	-	-
Food services	1,764,661	1,600,561	1,659,254	1,640,888
Cocurricular / extracurricular activities	375,278	452,762	430,594	401,525
General administration	-	-	-	-
Facilities maintenance and operations	145,737	155,591	490,177	613,012
Security and monitoring & data processing	-	14,579	9,660	6,062
Operating grants and contributions	28,081,346	3,516,901	23,892,431	23,562,972
Total Governmental Activities Program Revenues	31,634,656	6,692,039	27,385,072	27,126,071
Business-Type Activities:				
Concessions	57,168	108,240	102,177	102,737
Jumbo-tron (FY 2005-06 first year of operations)	159,004	144,864	144,265	144,265
Total Business-Type Activities Program Revenues	216,172	253,104	246,442	247,002
Total Primary Government Program Revenues	\$ 31,850,828	\$ 6,945,143	\$ 27,631,514	\$ 27,373,073

(Continued)

TABLE 2

Fiscal Year					
2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
\$ 74,059,072	\$ 71,629,182	\$ 66,826,951	\$ 66,164,039	\$ 71,147,496	\$ 70,438,360
1,577,545	1,509,404	1,517,811	1,530,895	1,693,393	1,731,606
1,106,285	1,104,738	1,161,151	828,657	1,163,024	1,970,955
2,123,211	1,941,920	1,876,257	1,857,948	1,983,233	1,623,201
7,191,122	6,808,788	6,690,570	6,572,481	6,486,493	6,349,709
4,623,658	4,652,230	4,648,827	4,816,003	5,015,244	4,959,488
690,344	685,493	642,501	656,475	711,054	632,153
703,002	695,736	674,661	687,262	764,970	711,952
3,141,761	3,026,966	2,934,984	2,767,646	2,671,412	2,553,837
7,664,481	7,808,904	7,633,433	7,078,316	7,052,970	6,365,531
5,621,490	5,241,302	4,938,248	4,960,017	4,581,926	4,557,832
3,522,185	2,749,765	2,510,566	2,522,886	2,643,524	2,584,419
12,917,386	12,830,874	13,316,353	13,164,586	13,219,909	12,851,443
580,352	535,578	440,045	443,446	414,299	340,489
2,946,972	2,455,921	2,414,907	2,509,966	2,428,527	2,434,173
286,510	260,514	266,562	264,170	333,666	352,370
3,480,046	5,887,537	6,032,495	6,063,090	6,406,428	6,539,640
-	-	-	-	-	-
-	-	-	-	-	-
954,466	826,793	846,240	828,172	814,001	741,234
133,189,888	130,651,645	125,372,562	123,716,055	129,531,569	127,738,392
74,871	49,420	95,177	87,635	93,968	95,111
51,423	115,663	88,037	70,343	74,279	78,311
126,294	165,083	183,214	157,978	168,247	173,422
\$ 133,316,182	\$ 130,816,728	\$ 125,555,776	\$ 123,874,033	\$ 129,699,816	\$ 127,911,814
\$ 553,237	\$ 486,921	\$ 515,623	\$ 496,433	\$ 473,003	\$ 428,715
5,846	5,264	5,863	4,978	4,637	4,286
303,999	273,724	257,965	248,886	231,845	231,441
-	-	-	-	-	-
1,969,013	1,905,270	1,931,106	1,823,703	1,742,433	1,849,258
296,563	329,071	219,150	247,956	237,287	167,505
-	-	-	436,744	417,901	-
691,442	477,168	538,180	-	-	387,439
6,792	4,316	-	-	-	-
23,709,543	23,897,070	21,106,992	24,603,425	30,601,466	30,140,043
27,536,435	27,378,804	24,574,879	27,862,125	33,708,572	33,208,687
79,420	109,156	110,157	106,280	109,464	97,217
115,663	81,788	82,584	68,059	56,230	70,751
195,083	190,944	192,741	174,339	165,694	167,968
\$ 27,731,518	\$ 27,569,748	\$ 24,767,620	\$ 28,036,464	\$ 33,874,266	\$ 33,376,655

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

<b>Expenses</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>
<b>Net (Expense) / Revenue</b>				
Governmental Activities	\$ (121,122,597)	\$ (95,850,200)	\$ (115,024,262)	\$ (115,024,262)
Business-Type Activities	(13,835)	37,587	(18,459)	(18,459)
Total Primary Government Net Expense	<u>\$ (121,136,432)</u>	<u>\$ (95,812,613)</u>	<u>\$ (115,042,721)</u>	<u>\$ (115,042,721)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property taxes	\$ 60,440,001	\$ 59,730,056	\$ 57,105,830	\$ 55,799,787
State aid - formula grants not restricted	50,299,398	52,577,418	57,564,524	65,582,875
Grants and contributions not restricted	587,685	-	-	-
Investment earnings	1,409,116	782,475	539,120	356,437
Miscellaneous	2,207,779	781,210	922,732	1,839,850
Special items	(46,595)	(34,698)	-	-
Transfers in (out)	26,678	5,332	20,830	(5,209)
Total Governmental Activities	<u>114,924,062</u>	<u>113,841,793</u>	<u>116,153,036</u>	<u>123,573,740</u>
Business-Type Activities:				
Transfers	(26,678)	(5,332)	(20,830)	5,209
Total Primary Government	<u>\$ 114,897,384</u>	<u>\$ 113,836,461</u>	<u>\$ 116,132,206</u>	<u>\$ 123,578,949</u>
<b>Change in Net Position Current Year Transactions</b>				
Governmental Activities	\$ (6,198,535)	\$ 17,991,593	\$ 1,128,774	\$ 8,549,478
Business-Type Activities	(40,513)	32,255	(39,289)	(13,250)
Total Primary Government	<u>\$ (6,239,048)</u>	<u>\$ 18,023,848</u>	<u>\$ 1,089,485</u>	<u>\$ 8,536,228</u>

1) Changes reflect the implementation of GASB 75

TABLE 2

Fiscal Year					
2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
\$ (116,490,925)	\$ (105,653,453)	\$ (103,272,841)	\$ (100,797,683)	\$ (95,853,930)	\$ (95,822,997)
(17,505)	68,789	25,861	9,527	16,361	(2,553)
<u>\$ (116,508,430)</u>	<u>\$ (105,584,664)</u>	<u>\$ (103,246,980)</u>	<u>\$ (100,788,156)</u>	<u>\$ (95,837,569)</u>	<u>\$ (95,825,550)</u>
\$ 53,143,786	\$ 48,741,279	\$ 46,231,283	\$ 41,265,609	\$ 40,180,884	\$ 40,380,438
63,735,611	63,225,151	57,369,244	55,449,625	55,337,595	55,040,403
-	-	-	-	3,519,460	1,216,227
198,903	219,106	189,976	432,806	1,005,471	1,457,996
745,617	894,303	756,568	996,085	2,599,119	433,126
(150,000)	-	-	(87,997)	-	-
(107,255)	4,735	3,584	3,934	-	150,000
<u>117,566,662</u>	<u>113,084,574</u>	<u>104,550,655</u>	<u>98,060,062</u>	<u>102,642,529</u>	<u>98,678,190</u>
107,255	(4,735)	(3,584)	(3,934)	-	(150,000)
<u>\$ 117,673,917</u>	<u>\$ 113,079,839</u>	<u>\$ 104,547,071</u>	<u>\$ 98,056,128</u>	<u>\$ 102,642,529</u>	<u>\$ 98,528,190</u>
\$ 1,075,737	\$ 7,431,121	\$ 1,277,814	\$ (2,737,621)	\$ 6,788,599	\$ 2,855,193
89,750	64,054	22,277	5,593	16,361	(152,553)
<u>\$ 1,165,487</u>	<u>\$ 7,495,175</u>	<u>\$ 1,300,091</u>	<u>\$ (2,732,028)</u>	<u>\$ 6,804,960</u>	<u>\$ 2,702,640</u>

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

	2018-19	2017-18	2016-17	2015-16
General Fund:				
Non Spendable Fund Balance				
Inventory	\$ -	\$ -	\$ -	\$ -
Prepaid Expenditures	375,664	350,605	511,256	577,644
Total Non Spendable Fund Balance	375,664	350,605	511,256	577,644
Restricted Fund Balance				
Retirement of LT Debt	689,724	999,713	952,593	1,020,034
Other Restricted	-	-	-	9,000
Total Restricted Fund Balance	689,724	999,713	952,593	1,029,034
Committed Fund Balance				
Construction	3,150,000	2,050,000	1,175,000	3,979,500
Capital Expenditures for Equipment	6,250,000	1,900,000	9,000,000	7,500,000
Self Insurance	-	-	-	-
Other Committed	250,000	1,550,000	500,000	500,000
Total Committed Fund Balance	9,650,000	5,500,000	10,675,000	11,979,500
Unassigned Fund Balance	26,515,728	32,513,383	25,080,869	28,345,279
Total General Fund	<u>\$ 37,231,116</u>	<u>\$ 39,363,701</u>	<u>\$ 37,219,718</u>	<u>\$ 41,931,457</u>
All Other Governmental Funds:				
Non Spendable Fund Balance				
Inventory	\$ 645,705	\$ 768,136	\$ 794,840	\$ 724,064
Prepaid Expenditures	473,899	-	-	-
Total Non Spendable Fund Balance	1,119,604	768,136	794,840	724,064
Restricted Fund Balance				
Retirement of Long Term Debt	3,137,150	3,509,900	3,844,236	4,143,962
Federal or State Funds and Grant Restrictions	2,646,388	2,579,843	3,018,783	2,708,634
Capital Acquisition and Contractual Obligations	-	-	-	-
Total Restricted Fund Balance	5,783,538	6,089,743	6,863,019	6,852,596
Committed Fund Balance				
Construction	-	-	-	-
Campus Activity Funds	-	-	-	-
Committed Other	423,157	395,167	349,942	447,182
Assigned Other	275,468	-	-	-
Unassigned Fund Balance	-	-	-	-
Total Other Governmental Funds:	<u>\$ 7,601,767</u>	<u>\$ 7,253,046</u>	<u>\$ 8,007,801</u>	<u>\$ 8,023,842</u>
All Governmental Funds:				
Non Spendable	1,495,268	1,118,741	1,306,096	1,301,708
Restricted	6,473,262	7,089,456	7,815,612	7,881,630
Committed	10,348,625	5,895,167	11,024,942	12,426,682
Unassigned	26,515,728	32,513,383	25,080,869	28,345,279
Total All Governmental Funds	<u>\$ 44,832,883</u>	<u>\$ 46,616,747</u>	<u>\$ 45,227,519</u>	<u>\$ 49,955,299</u>

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

TABLE 3

Fiscal Year					
2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
539,955	804,326	977,720	733,001	313,487	236,893
539,955	804,326	977,720	733,001	313,487	236,893
1,052,186	1,017,649	1,075,374	1,115,869	1,132,018	1,128,768
70,869	114,756	187,520	331,113	224,212	338,562
1,123,055	1,132,405	1,262,894	1,446,982	1,356,230	1,467,330
7,000,000	1,800,000	775,000	825,000	400,000	-
4,700,000	2,000,000	1,500,000	3,150,000	2,000,000	-
-	-	-	-	2,350,000	350,000
500,000	1,155,051	2,147,421	1,500,000	1,500,000	3,500,000
12,200,000	4,955,051	4,422,421	5,475,000	6,250,000	3,850,000
22,792,153	24,977,806	21,781,089	22,384,107	22,624,187	20,611,877
\$ 36,655,163	\$ 31,869,588	\$ 28,444,124	\$ 30,039,090	\$ 30,543,904	\$ 26,166,100
\$ 743,492	\$ 867,340	\$ 840,098	\$ 722,548	\$ 656,522	\$ 484,376
-	-	-	-	-	-
743,492	867,340	840,098	722,548	656,522	484,376
3,683,852	3,322,654	2,611,930	2,241,004	2,041,113	1,840,439
2,528,686	1,912,627	1,976,208	1,755,280	1,395,044	1,491,909
1,765	1,765	3,602,405	24,422,633	52,367,795	91,379,811
6,214,303	5,237,046	8,190,543	28,418,917	55,803,952	94,712,159
-	-	61,063	-	-	646,725
-	296,761	255,626	186,107	-	-
417,745	138,517	-	-	-	-
-	-	-	-	-	-
-	-	-	-	414,322	162,754
\$ 7,375,540	\$ 6,539,664	\$ 9,347,330	\$ 29,327,572	\$ 56,874,796	\$ 96,006,014
1,283,447	1,671,666	1,817,818	1,455,549	970,009	721,269
7,337,358	6,369,451	9,453,437	29,865,899	57,160,182	96,179,489
12,617,745	5,390,329	4,739,110	5,661,107	6,250,000	4,496,725
22,792,153	24,977,806	21,781,089	22,384,107	23,038,509	20,774,631
\$ 44,030,703	\$ 38,409,252	\$ 37,791,454	\$ 59,366,662	\$ 87,418,700	\$ 122,172,114

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

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

	2018-19	2017-18	2016-17	2015-16
<b>Revenues</b>				
Local and intermediate sources:				
Property taxes, penalty and interest	\$ 61,468,122	\$ 60,370,767	\$ 57,831,827	\$ 56,283,800
Gain (loss) from sale of WADA	-	-	-	-
Tuition and fees	171,600	194,748	231,798	225,355
Food services	1,764,007	1,600,561	1,659,690	1,640,888
Co-curricular and enterprising activities	1,174,935	1,131,570	1,044,900	1,005,138
Investment earnings	1,400,650	815,066	552,440	359,460
Insurance proceeds - property damage	-	-	-	53,656
Other revenues	998,102	484,636	780,608	815,495
Total local and intermediate sources	66,977,416	64,597,348	62,101,263	60,383,792
State program revenues	57,174,061	58,586,747	61,407,774	67,268,946
Federal program revenues	19,196,518	18,804,054	18,969,884	19,331,793
Total revenues	143,347,995	141,988,149	142,478,921	146,984,531
<b>Expenditures</b>				
Current:				
Instruction	73,202,381	69,386,687	71,092,471	71,380,540
Instructional resources and media services	1,404,283	1,474,314	1,479,302	1,447,992
Curriculum and instructional staff development	1,860,197	1,642,696	1,656,211	1,255,589
Instructional leadership	1,854,211	1,992,070	1,940,582	2,035,845
School leadership	7,861,753	7,692,242	7,723,820	7,401,004
Guidance, counseling and evaluation services	5,032,980	4,895,235	4,800,938	4,812,066
Social work services	663,488	660,177	735,417	720,293
Health services	995,949	960,327	809,041	775,995
Student (pupil) transportation	3,999,687	3,339,107	3,233,055	3,252,201
Food Services	8,230,240	8,047,245	7,825,896	7,963,012
Cocurricular / extracurricular activities	5,523,563	5,122,385	5,328,089	5,710,564
General Administration	2,890,004	2,873,253	2,876,563	2,794,252
Facilities maintenance and operation	14,468,181	14,206,772	13,307,696	13,610,153
Security and monitoring services	2,192,253	1,440,935	515,486	492,515
Data processing services	3,220,123	2,932,466	2,666,125	2,528,416
Community services	367,781	344,411	314,627	281,010
Debt service:				
Principal	4,675,000	4,761,271	4,475,000	4,825,000
Interest and fees	4,464,375	4,677,950	4,883,800	5,087,395
Capital outlay	1,174,370	3,174,590	10,618,289	4,760,726
Intergovernmental: tax appraisal and collection	1,031,123	1,007,138	984,554	979,498
Total expenditures	145,111,942	140,631,271	147,266,962	142,114,066
Excess revenues over (under) expenditures	(1,763,947)	1,356,878	(4,788,041)	4,870,465
<b>Other financing sources (uses)</b>				
Debt issued	-	-	-	-
Sale of real and personal property	-	61,716	39,431	1,059,340
Premium or (discount) on issuance of bonds	-	-	-	-
Transfers in	792,564	33,473	45,428	5,768
Special Item	150,000	-	-	-
Transfers out	(765,886)	(28,141)	(24,598)	(10,977)
Special Item (Use)	(196,595)	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Total other financing sources (uses)	(19,917)	67,048	60,261	1,054,131
Extraordinary Item (use)	-	(34,698)	-	-
Restatement of beginning fund balance	-	-	-	-
Net change in fund balances	\$ (1,783,864)	\$ 1,389,228	\$ (4,727,780)	\$ 5,924,596
Debt service as a percentage of noncapital expenditures	6.3%	6.9%	6.8%	7.2%

TABLE 4

Fiscal Year					
2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
\$ 53,552,652	\$ 49,537,938	\$ 46,862,208	\$ 42,086,455	\$ 40,707,500	\$ 40,580,189
-	-	-	-	-	-
224,136	213,619	190,635	185,700	181,271	166,793
1,969,013	1,905,903	1,932,674	1,825,858	1,723,990	1,817,763
895,712	901,948	791,357	397,173	803,376	587,101
199,106	218,948	190,109	431,999	1,003,562	1,455,093
-	-	-	-	14,269	-
849,990	570,400	702,901	1,189,565	621,574	646,477
57,690,609	53,348,756	50,669,884	46,116,750	45,055,542	45,253,416
68,580,461	67,728,981	60,247,743	59,268,701	63,963,052	60,583,329
18,864,239	19,392,931	18,227,547	20,783,348	25,494,872	25,812,511
145,135,309	140,470,668	129,145,174	126,168,799	134,513,466	131,649,256
70,073,414	67,378,105	64,151,797	64,074,951	69,442,509	69,126,938
1,455,745	1,411,714	1,436,517	1,461,309	1,641,580	1,688,076
1,075,202	1,067,412	1,123,135	806,077	1,142,672	1,951,157
1,945,918	1,829,588	1,810,826	1,840,991	1,956,431	1,620,561
7,101,710	6,655,089	6,543,699	6,377,121	6,320,002	6,194,309
4,603,429	4,636,835	4,602,952	4,740,125	4,976,653	4,917,808
662,779	627,879	603,006	618,172	678,612	600,941
703,989	688,197	665,682	675,840	757,953	705,689
3,132,733	3,058,749	2,927,093	2,547,529	2,493,675	2,559,739
7,626,807	7,743,714	7,457,015	6,928,173	6,991,112	6,596,523
5,759,136	5,549,188	5,124,341	4,302,148	4,452,010	4,447,667
2,609,530	2,697,994	2,454,881	2,339,102	2,467,637	2,381,155
12,854,485	15,695,471	12,624,624	12,651,191	12,813,566	12,522,735
529,843	476,085	424,236	393,832	359,955	298,585
2,753,712	3,220,412	2,978,716	2,200,234	2,638,293	2,260,193
287,370	258,475	264,101	259,779	332,128	351,291
4,910,000	4,320,000	4,180,000	3,523,822	3,556,162	2,235,000
6,325,787	6,035,326	6,182,511	6,865,664	6,769,531	8,126,568
4,898,029	5,773,255	24,386,376	30,825,505	40,489,391	26,755,825
954,466	826,793	846,240	828,172	814,001	741,234
140,264,084	139,950,281	150,787,748	154,259,737	171,093,873	156,081,994
4,871,225	520,387	(21,642,574)	(28,090,938)	(36,580,407)	(24,432,738)
99,939,982	-	-	-	-	-
92,276	73,315	63,783	34,966	1,826,993	17,417
14,770,863	-	-	-	-	-
5,745	35,321	78,152	171,198	4,443	3,999,835
-	-	-	-	-	-
(113,000)	(11,225)	(74,568)	(167,264)	(4,443)	(4,096,380)
-	-	-	-	-	-
(113,795,640)	-	-	-	-	-
900,226	97,411	67,367	38,900	1,826,993	(79,128)
(150,000)	-	-	-	-	-
-	-	-	-	-	-
\$ 5,621,451	\$ 617,798	\$ (21,575,207)	\$ (28,052,038)	\$ (34,753,414)	\$ (24,511,866)
8.3%	7.7%	8.2%	8.4%	7.9%	8.0%



TABLE 5

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			
2009-10	2009	\$ 3,700,835,549	\$ 580,548,049	\$ 588,530	\$ 4,281,972,128	\$ 1,252,285,419	\$ 3,029,686,709	\$ 3,271,153,786
2010-11	2010	3,774,575,922	557,021,230	1,208,690	4,332,805,842	1,248,042,382	3,084,763,460	3,367,273,539
2011-12	2011	3,918,783,728	611,004,314	891,120	4,530,679,162	1,289,737,911	3,240,941,251	3,542,638,679
2012-13	2012	3,960,104,305	650,656,498	1,007,260	4,611,768,063	938,218,977	3,673,549,086	3,665,872,806
2013-14	2013	4,033,087,635	776,290,319	1,025,980	4,810,403,934	929,368,240	3,881,035,694	3,869,227,850
2014-15	2014	4,540,479,994	846,992,690	828,400	5,388,301,084	1,092,426,519	4,295,874,565	4,093,504,667
2015-16	2015	4,898,701,375	1,000,476,170	376,080	5,899,553,625	1,356,700,665	4,542,852,960	4,545,509,107
2016-17	2016	5,190,440,400	924,336,790	326,370	6,115,103,560	1,413,069,099	4,702,034,461	4,694,723,962
2017-18	2017	5,449,465,714	959,433,783	724,990	6,409,624,487	1,439,165,416	4,970,459,071	4,950,639,042
2018-19	2018	5,519,560,076	977,440,660	1,860,620	6,498,861,356	1,421,438,343	5,077,423,013	5,079,310,755
<b>Tax Base Distribution</b>								
						2018 Tax Roll	2017 Tax Roll	
Property Type:								
Real Property						\$ 5,519,560,076	\$ 5,449,465,714	
Personal Property						977,440,660	959,433,783	
Minerals						1,860,620	724,990	
Total Gross Values						6,498,861,356	6,409,624,487	
Less Exemptions:								
Agricultural Productivity						120,319,790	116,699,620	
Freeport						36,090,285	24,961,379	
Pollution Control						5,750,995	5,950,939	
Mandatory Homestead						542,589,018	542,595,387	
Mandatory Over 65						77,725,770	76,216,970	
Mandatory Disabled						9,850,490	9,637,820	
Mandatory Disabled Veteran						69,297,103	62,631,050	
Optional \$25,000 Disability						20,300,696	19,636,962	
Over 65 & Disabled Freeze Credits						428,038,314	421,879,462	
Prorations / Exempt						2,464,202	3,080,654	
Cap Credit (on Appraisals of Real Estate)						109,011,680	155,875,173	
Total Exemptions						1,421,438,343	1,439,165,416	
Total Net Valuation						\$ 5,077,423,013	\$ 4,970,459,071	

**Sources:** Actual Value, Exemptions and Net Assessed Value - Tom Green County Appraisal District.

Standardized Local Tax Base - TEA TEA website reporting of Final Tax year values for school funding.

2014 values reflect \$25,000 residence homestead exemption authorized by 84th Legislature.

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

TABLE 6

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

Fiscal Year	District's Direct Tax Rates (Per \$100 of Assessed Value)			District's Tax Levies		
	General Fund	Debt Service Fund	Total	General Fund	Debt Service Fund	Original Levy Total
2009-10	1.04000	0.31250	1.35250	31,544,522	9,478,582	41,023,104
2010-11	1.04000	0.27250	1.31250	32,113,728	8,414,412	40,528,140
2011-12	1.04000	0.24000	1.28000	33,739,544	7,786,049	41,525,593
2012-13	1.04000	0.22000	1.26000	38,194,755	8,079,650	46,274,405
2013-14	1.04000	0.22000	1.26000	40,362,770	8,538,280	48,901,050
2014-15	1.04000	0.20000	1.24000	44,677,097	8,591,748	53,268,845
2015-16	1.04000	0.19500	1.23500	47,245,656	8,858,578	56,104,234
2016-17	1.04000	0.18000	1.22000	48,901,157	8,463,663	57,364,820
2017-18	1.04000	0.17000	1.21000	51,692,773	8,449,782	60,142,555
2018-19	1.04000	0.17000	1.21000	52,805,197	8,631,621	61,436,818

**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
2009-10	2009	\$ 1.35250	\$ 0.52500	\$ 0.81750
2010-11	2010	1.31250	0.52500	0.81750
2011-12	2011	1.28000	0.52500	0.78600
2012-13	2012	1.26000	0.52500	0.77600
2013-14	2013	1.26000	0.52500	0.77600
2014-15	2014	1.24000	0.51500	0.77600
2015-16	2015	1.23500	0.51250	0.77600
2016-17	2016	1.22000	0.51250	0.77600
2017-18	2017	1.21000	0.53500	0.77600
2018-19	2018	1.21000	0.54500	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 2018  
(UNAUDITED)

Property Code	Property Use Category	Items		Gross Appraised Market Value
		Description	Number	
A	Single family residence	No. of properties	30,979	\$ 4,127,364,230
B	Multi-family residence	No. of properties	430	207,874,350
C	Vacant lots/tracts	No. of properties	4,007	92,395,752
D-1	Qualified Ag land	No. of acres	71,418	128,774,590
D-2	Non-qualified land	No. of accounts	110	2,932,230
E	Farm and ranch improvements	No. of parcels	458	34,940,250
F-1	Real: Commercial	No. of properties	2,622	859,460,014
F-2	Real: Industrial	No. of properties	51	32,442,020
G-1	Minerals: Oil and gas	No. of accounts	7	1,860,620
J	Real and personal: utilities	No. of companies	173	179,019,310
L-1	Personal: Commercial	No. of properties	3,928	524,291,200
L-2	Personal: Industrial	No. of properties	119	242,680,510
M-1	Mobile homes	No. of homes	748	9,847,960
O	Real property: Inventory	No. of properties	796	13,403,820
S	Special inventory	No. of accounts	53	41,574,500
Totals				\$ 6,498,861,356
Total parcels in category D-1			679	

Source: Tom Green County Appraisal District.

TABLE 9

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

Taxpayer	Type of Business	Fiscal Year 2018-19			Fiscal Year 2009-10		
		Assessed Value	Rank	Percent of Total Assessed Value	Assessed Value	Rank	Percent of Total Assessed Value
U.S. Well Service	Petroleum Ind.	\$ 159,251,030	1	3.14%			0.00%
AEP Texas North	Utility	101,448,640	2	2.00%	\$ 47,475,210	2	1.57%
Ethicon	Manufacturing	72,251,662	3	1.42%	33,469,116	4	1.10%
Wal-Mart & Sam's	Retail	65,433,930	4	1.29%	56,429,011	1	
C&J Spec Rent & Well Services Inc.	Petroleum Ind.	60,736,070	5	1.20%			
LCRA Transmission Services Corp	Utility	55,965,830	6	1.10%			
Hirschfeld Steel & Energy	Manufacturing	42,053,890	7	0.83%			0.00%
HEB Grocery Company LP	Retail	23,840,290	8	0.47%			
Atmos Energy/Mid-Tex Division	Utility	21,952,390	9	0.43%			
Southern Glazers Wine & Spirits of TX	Distribution	21,471,830	10	0.42%			0.00%
San Angelo Community Medical Center	Medical				42,151,211	3	1.39%
Verizon Southwest	Utility				29,023,252	5	0.96%
Sunset Mall	Real Estate				23,010,830	6	0.76%
Alexander Construction	Real Estate				16,675,654	7	0.55%
Suddenlink	Utility				15,956,413	8	0.53%
Lowes	Retail				12,623,035	9	0.42%
Town & Country	Retail				12,512,319	10	0.41%
	Total	<u>\$ 624,405,562</u>		<u>12.30%</u>	<u>\$ 289,326,051</u>		<u>7.69%</u>
	Total Assessed Value	<u>\$ 5,077,423,013</u>			<u>\$ 3,029,686,709</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
2009-10	\$ 41,023,104	\$ (697,407)	\$ 40,325,697	\$ 39,528,397	96.36%	\$ 781,000	\$ 40,309,397	99.96%
2010-11	40,528,140	(405,927)	40,122,213	39,414,014	97.25%	693,567	40,107,581	99.96%
2011-12	41,525,593	(340,662)	41,184,931	40,661,953	97.92%	503,667	41,165,620	99.95%
2012-13	46,274,405	(33,484)	46,240,921	45,551,446	98.44%	667,053	46,218,499	99.95%
2013-14	48,901,050	(176,718)	48,724,332	48,093,415	98.35%	606,003	48,699,418	99.95%
2014-15	53,268,845	(128,856)	53,139,989	52,410,963	98.39%	657,994	53,068,957	99.87%
2015-16	56,104,234	(316,395)	55,787,839	54,855,433	97.77%	810,401	55,665,834	99.78%
2016-17	57,364,820	(330,813)	57,034,007	56,278,844	98.11%	506,194	56,785,038	99.56%
2017-18	60,142,555	(418,827)	59,723,728	58,887,087	97.91%	432,457	59,319,544	99.32%
2018-19	61,436,818	(218,312)	61,218,506	60,997,163	99.28%	-	60,997,163	99.64%

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

TABLE 11

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

Fiscal Year	Governmental Activities				Business- Type Activities	Total Primary Government	Percent of Personal Income	Per Capita
	General Obligation Bonds	Contractual Obligations	Loans Payable	Capital Leases	Cap. Lease or Debt			
2009-10	\$ 135,769,985	\$ -	\$ -	\$ -	\$ 259,735	\$ 136,029,720	3.45%	\$ 1,219
2010-11	132,213,823	-	-	-	210,536	132,424,359	3.17%	1,167.54
2011-12	128,690,000	-	-	-	166,029	128,856,029	2.91%	1,125.36
2012-13	124,510,000	-	-	-	130,441	124,640,441	2.65%	1,073.89
2013-14	120,190,000	-	-	-	62,785	120,252,785	2.48%	1,023.29
2014-15	115,129,981	-	-	-	743,089	115,873,070	2.17%	971.75
2015-16	110,304,982	-	-	-	636,861	110,941,843	2.14%	921.60
2016-17	105,829,982	-	-	-	587,951	106,417,933	2.10%	882.91
2017-18	101,369,982	-	-	-	534,639	101,904,621	1.93%	845.67
2018-19	96,694,982	-	-	-	476,529	97,171,511	1.73%	802.92

**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				Net General Bonded Debt	Percent of Actual Value of Taxable Property	Per Capita
	General Obligation Bonds	Contractual Obligations	Total General Bonded Debt	Less: Amount in Debt Service Fund			
2009-10	\$135,769,985	\$ -	\$135,769,985	\$ 1,840,439	\$133,929,546	3.13%	\$1,199.81
2010-11	132,213,823	-	132,213,823	2,041,113	130,172,710	3.00%	1,147.68
2011-12	128,690,000	-	128,690,000	2,241,004	126,448,996	2.79%	1,104.34
2012-13	124,510,000	-	124,510,000	2,611,930	121,898,070	2.64%	1,050.27
2013-14	120,190,000	-	120,190,000	3,322,653	116,867,347	2.43%	994.48
2014-15	115,129,981	-	115,129,981	3,683,882	111,446,099	2.07%	934.62
2015-16	110,304,982	-	110,304,982	4,143,962	106,161,020	1.80%	881.88
2016-17	105,829,982	-	105,829,982	3,844,236	101,985,746	1.67%	846.14
2017-18	101,369,982	-	101,369,982	3,503,107	97,866,875	1.53%	812.17
2018-19	96,694,982	-	96,694,982	3,137,150	93,557,832	1.44%	773.06

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

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

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

#### STATEMENT OF LEGAL DEBT MARGIN

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

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

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



SAN ANGELO INDEPENDENT SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF AUGUST 31, 2018  
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>As of</u>	<u>Estimated Percentage Applicable</u> <b>a</b>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid With Property Taxes</b>				
City of San Angelo	\$ 56,935,000	9/30/2018	100.00%	\$ 56,935,000
Tom Green County	65,940,000	9/30/2018	73.88%	48,716,472
<b>Other Debt</b>				
City of San Angelo: COs Serviced by 1/2 Cent Sales Tax	12,335,000	9/30/2018	100.00%	12,335,000
Subtotal overlapping debt				<u>117,986,472</u>
<b>District direct debt</b>			<b>b</b>	<u>101,369,982</u>
<b>Total Direct &amp; Overlapping Debt</b>				<u><u>\$ 219,356,454</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 2018 because audited information for the City and County for year end 2019 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	
2009-10	\$ 70,751	\$ -	\$ 70,751	\$ 50,395	\$ 24,810	\$ 75,205	94%
2010-11	56,229	-	56,229	49,199	20,778	69,977	80%
2011-12	68,059	-	68,059	44,507	16,843	61,350	111%
2012-13	82,584	-	82,584	35,588	34,537	70,125	118%
2013-14	81,788	-	81,788	67,657	7,693	75,350	109%
2014-15	115,663	-	115,663	62,784	2,382	65,166	177%
2015-16	144,265	-	144,265	106,228	57,317	163,545	88%
2016-17	144,265	32,474	111,791	48,910	52,916	101,826	110%
2017-18	144,865	15,934	128,931	53,312	48,117	101,429	127%
2018-19	159,004	30,673	128,331	58,110	42,888	100,998	127%

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

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

Calendar Year	Population	Personal Income	Per Capita Income	Unemployment Rate
	a	[Calculated]	b	c
2009	111,626	\$ 3,941,402,434	\$ 35,309	7.0%
2010	113,422	4,173,135,646	36,793	6.5%
2011	114,502	4,422,296,244	38,622	6.5%
2012	116,064	4,702,332,960	40,515	5.5%
2013	117,516	4,848,240,096	41,256	5.2%
2014	119,242	5,329,759,674	44,697	4.2%
2015	120,380	5,196,202,700	43,165	4.2%
2016	120,531	5,057,721,822	41,962	4.8%
2017	120,501	5,289,511,896	43,896	3.7%
2018	121,022	5,616,146,932	46,406	3.3%

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

Calendar Year 2018 is the most recent available information.

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

**c** Bureau of Labor Statistics

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

Employer	Fiscal Year 2018-19			Fiscal Year 2009-10		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
Goodfellow Air Force Base	5,333	1	11.37%	2,688	1	6.42%
Shannon Health System	4,896	2	10.44%	2,467	2	5.89%
San Angelo Independent School District	2,332	3	4.97%	2,069	3	4.94%
Angelo State University	1,323	4	2.82%	1,455	4	3.48%
San Angelo Community Medical Center	1,236	5	2.64%	865	6	2.07%
Walmart	1,079	6	2.30%			0.00%
City of San Angelo	995	7	2.12%	909	5	2.17%
Stripes Convenience Stores	882	8	1.88%			0.00%
San Angelo State Supported Living Center	770	9	1.64%	861	7	2.06%
Ethicon (Johnson & Johnson)	665	10	1.42%	618	10	1.48%
Tom Green County			0.00%	764	8	1.83%
Frontier Communications (Verizon)			0.00%	645	9	1.54%
Totals	<u>19,511</u>		<u>41.60%</u>	<u>13,341</u>		<u>31.88%</u>
Total City of San Angelo Employment	<u>46,890</u>			<u>41,857</u>		

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

Total City of San Angelo Employment - San Angelo Economic Development Labor Force Statistics

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

Fiscal Year 2018-19: San Angelo Chamber of Commerce August 2018

Fiscal Year 2009-10: San Angelo Chamber of Commerce November 2009

TABLE 17

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

	Fiscal Year									
	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
<u>Full-time-Equivalent Employees</u>										
Professional Staff:										
Teachers	934.3	936.1	943.6	954.8	943.1	931.3	921.7	944.2	987.4	1,016.2
Professional Support	184.8	173.9	187.1	181.5	176.5	173.6	176.0	168.7	186.5	186.7
Campus Administrators	55.5	55.1	54.5	52.6	51.0	48.4	47.5	46.1	45.2	45.3
Central Administrators	26.0	25.1	27.0	24.0	25.0	23.0	18.0	17.0	17.0	18.0
Educational Aides	256.1	251.8	243.9	233.1	238.1	227.6	214.3	226.7	244.2	249.0
Auxiliary Staff	495.8	504.5	498.5	472.9	486.6	491.8	500.3	486.2	505.1	498.0
Total Full-time-Equivalents	1,952.5	1,946.5	1,954.6	1,918.9	1,920.3	1,895.7	1,877.8	1,888.9	1,985.4	2,013.2
<u>Students per Teacher</u>										
	15.5	15.6	15.4	15.3	15.5	15.6	15.7	15.0	14.2	13.7
<u>Teachers by Years of Experience</u>										
Beginning Teachers	82.1	76.3	113.6	73.6	75.9	59.8	66.1	38.4	47.7	71.6
1-5 Years Experience	283.0	282.9	238.4	251.7	226.0	225.1	201.2	230.9	258.8	275.2
6-10 Years Experience	163.1	168.3	178.2	184.8	202.0	179.3	186.7	195.5	200.0	186.4
11-20 Years Experience	239.6	240.5	243.9	267.1	254.7	276.5	281.4	280.5	291.3	291.8
Over 20 Years Experience	166.4	168.2	169.5	177.6	184.4	190.7	186.3	199.0	189.6	191.1
<u>Average Teacher Salary by Years of Experience</u>										
Beginning Teachers	\$ 39,451	\$ 37,486	\$ 38,873	\$ 37,981	\$ 35,507	\$ 36,220	\$ 35,597	\$ 31,612	\$ 35,744	\$ 36,464
1-5 Years Experience	42,680	41,910	41,063	40,270	39,423	39,155	38,924	37,947	38,411	38,454
6-10 Years Experience	45,493	45,032	44,134	43,589	42,618	42,143	41,588	40,652	41,135	41,873
11-20 Years Experience	49,723	48,980	48,234	47,610	46,827	45,934	45,504	44,648	45,240	45,107
Over 20 Years Experience	57,304	56,584	56,138	55,749	54,749	53,945	54,082	53,530	54,061	53,888
<u>Turnover Rate for Teachers</u>										
	17.7%	18.1%	16.5%	15.1%	15.4%	13.6%	16.7%	12.7%	11.6%	13.1%
<u>Class Size Average:</u>										
Elementary:										
Kindergarten	18.5	17.5	17.9	17.8	18.3	18.6	18.7	19.1	18.5	17.8
Grade 1	18.6	18.4	17.5	18.1	19.1	19.0	19.1	19.0	19.2	17.9
Grade 2	19.4	18.5	18.2	18.3	18.6	18.3	19.3	23.8	18.6	18.3
Grade 3	19.0	18.8	18.9	19.0	18.4	18.5	18.9	34.2	17.8	16.6
Grade 4	18.7	18.6	17.3	17.5	17.5	18.3	18.8	39.0	18.4	17.2
Grade 5	20.0	19.9	19.5	19.1	19.6	20.2	20.7	37.5	21.1	18.6
Grade 6	21.1	21.0	21.2	20.6	20.2	18.6	21.9	22.4	21.8	22.3
Mixed Grades	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Secondary:										
English	19.0	19.7	19.7	18.2	18.8	17.5	20.2	17.0	20.1	19.5
Foreign Language	21.1	20.2	19.5	18.9	21.9	21.8	21.0	20.6	20.8	19.4
Mathematics	20.9	20.8	20.4	18.3	18.8	18.7	19.9	17.0	20.3	19.4
Science	21.4	20.9	20.8	19.3	19.5	18.7	21.3	18.0	20.6	20.4
Social Studies	20.3	20.9	21.1	19.1	20.4	20.0	21.0	17.8	20.6	20.7

**Source:** TEA Academic Excellence Indicator System-PEIMS Data

TEA- Texas Academic Performance Report

**N/A:** Information not available

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

Student Ethnic Distribution	Fiscal Year									
	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
African American	545	574	614	600	614	639	673	626	599	764
Hispanic	8,649	8,687	8,585	8,623	8,598	8,515	8,413	8,089	8,017	7,407
White	4,762	4,777	4,903	4,982	4,990	4,984	4,958	5,048	5,054	5,536
Asian/Pacific Islander	204	192	183	149	141	159	156	149	154	174
Native American	52	51	43	43	44	39	38	51	55	37
Two or more races	308	286	244	232	239	214	189	184	164	
<b>Total</b>	<b>14,520</b>	<b>14,567</b>	<b>14,572</b>	<b>14,629</b>	<b>14,626</b>	<b>14,550</b>	<b>14,427</b>	<b>14,147</b>	<b>14,043</b>	<b>13,918</b>
Economically Disadvantaged	8,094	8,452	8,762	8,785	8,483	8,716	8,700	8,616	8,683	8,527
English Language Learners (ELL)	713	684	694	764	748	699	643	641	659	718
Students w/ disciplinary Placements	N/A	272	191	234	212	205	188	171	N/A	384
Percent of Students Eligible for Free or Reduced Meals	59.2%	57.9%	60.1%	60.1%	58.0%	59.9%	60.3%	59.2%	61.8%	61.3%
<b>Retention Rates by Grade (Non-Special Educ. Rates)</b>										
Kindergarten	1.1%	1.9%	2.9%	3.5%	2.3%	3.0%	2.9%	2.2%	1.9%	2.6%
Grade 1	1.0%	2.2%	3.4%	3.8%	3.6%	2.6%	2.2%	2.3%	2.5%	1.4%
Grade 2	0.0%	0.8%	2.5%	2.1%	1.4%	1.8%	1.3%	0.9%	1.3%	1.4%
Grade 3	0.1%	0.1%	0.2%	0.8%	1.2%	0.5%	0.6%	0.2%	0.2%	0.6%
Grade 4	0.0%	0.0%	0.2%	0.1%	0.3%	0.4%	0.1%	0.1%	0.2%	0.3%
Grade 5	0.2%	0.0%	0.1%	0.4%	0.5%	0.5%	0.1%	0.1%	0.2%	0.4%
Grade 6	0.1%	0.0%	0.0%	0.2%	0.4%	0.1%	0.4%	0.3%	0.5%	0.9%
Grade 7	0.1%	0.2%	0.4%	0.3%	0.2%	0.4%	0.2%	0.8%	0.8%	1.1%
Grade 8	0.2%	0.1%	0.0%	0.4%	0.4%	0.6%	0.2%	0.2%	0.5%	1.6%
Attendance Rate	N/A	94.8%	95.6%	95.9%	96.0%	96.2%	96.2%	96.6%	96.3%	96.3%
<b>Annual Dropout Rate Grades 7-8 - Method 1</b>										
	N/A	0.5%	0.4%	0.3%	0.8%	0.2%	0.7%	0.3%	0.2%	0.2%
<b>% Students Passing All Sections of the TAAS Exam,met TAKS Standard *†</b>										
Grade 3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	84.0%	87.0%
Grade 4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	81.0%	81.0%
Grade 5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	79.0%	82.0%
Grade 6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	73.0%	74.0%
Grade 7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75.0%	77.0%
Grade 8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	68.0%	70.0%
Grade 10	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	60.0%	56.0%
Cumulative Pass Rate--Exit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	91.0%	89.0%
<b>All Grades STAAR percent at Phase-in Satisfactory Standard or above, beginning 2016-17 at approaches Grade Level or Above</b>										
Reading	65.0%	65.0%	65.0%	70.0%	74.0%	74.0%	77.0%			
Mathematics	71.0%	71.0%	74.0%	72.0%	71.0%	75.0%	77.0%			
Writing	58.0%	60.0%	62.0%	67.0%	67.0%	72.0%	59.0%			
Science	73.0%	73.0%	74.0%	76.0%	76.0%	77.0%	80.0%			
Social Studies	71.0%	68.0%	68.0%	75.0%	73.0%	71.0%	74.0%			
SAT/ACT % Tested	N/A	60.8%	61.7%	54.6%	59.6%	57.3%	54.3%	57.0%	N/A	55.6%
Mean SAT Score	N/A	1069	1065	1454	1430	1476	1503	1484	N/A	1052
Mean ACT Score	N/A	20.0	20.7	20.4	20.5	21.1	21.1	20.5	N/A	20.8

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

**N/A:** Information not available

\* First year for TAKS 2002-03

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

TABLE 19

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

Fiscal Year	Modified Accrual Basis			Accrual Basis			Pupil- Teacher Ratio
	Operating Expenditures	Cost per Pupil	Percent Change	Expenses	Cost per Pupil	Percent Change	
2009-10	\$ 117,667,207	\$ 8,454	20.56%	\$ 127,919,521	\$ 9,190	24.32%	13.6
2010-11	119,263,358	8,492	0.45%	129,676,953	9,234	0.48%	14.2
2011-12	112,460,649	7,949	-6.39%	123,852,998	8,755	-5.19%	15.0
2012-13	113,850,387	7,891	-0.73%	125,372,562	8,690	-0.74%	15.7
2013-14	117,864,334	8,101	2.65%	130,651,645	8,979	3.33%	15.6
2014-15	125,020,531	8,548	5.52%	133,189,888	9,106	1.41%	15.5
2015-16	125,137,262	8,554	0.07%	143,616,996	9,817	7.81%	15.3
2016-17	125,837,728	8,636	0.95%	142,409,334	9,773	-0.45%	15.4
2017-18	125,451,013	8,612	-0.27%	102,543,454	7,039	-27.97%	15.6
2018-19	131,928,266	9,086	5.50%	152,757,253	10,520	49.45%	15.5

**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									
	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
<b>Schools</b>										
Elementary:										
Campuses	17	17	17	17	17	17	17	17	17	17
Square feet	986,234	986,234	933,461	924,378	924,378	924,378	809,850	809,850	809,850	809,850
Capacity	8801	8801	8801	8801	8,801	8,801	8,801	8,801	8,801	8,801
Enrollment	7026	7104	7158	7415	7,416	7,570	7,053	7,150	7,012	7,204
Middle:										
Campuses	3	3	3	3	3	3	3	3	3	3
Square feet	460,347	460,347	460,356	452,347	452,347	452,347	430,576	430,576	430,576	430,576
Capacity	3115	3115	3115	3115	3,115	3,115	3,115	3,115	3,115	3,115
Enrollment	3331	3251	3190	3148	3,204	3,095	3,109	2,985	2,938	2,950
High:										
Campuses	3	3	3	3	3	3	3	3	3	3
Square feet	803,265	803,265	793,022	785,672	785,672	785,789	800,979	800,979	800,979	800,979
Capacity	4420	4420	4420	4420	4,420	4,420	4,420	4,420	4,420	4,420
Enrollment	4065	4078	4087	4063	3,930	3,762	3,865	3,929	3,967	4,228
Head Start:										
Campuses	3	3	3	3	3	3	3	3	3	3
Square feet	106,114	106,114	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	611	573	588	559	532	572	120	581	527	564
Alternative Learning:										
Campuses	2	2	2	2	2	2	2	2	2	2
Square feet	24,463	24,463	24,855	24,855	24,855	24,855	24,855	24,855	24,855	24,855
Capacity	230	230	230	230	230	230	230	230	230	230
Enrollment	47	46	48	54	52	53	51	51	48	47
Idle Facilities:										
Campuses	0	1	1	1	1	1	1	1	1	1
Square feet	-	26,405	26,405	26,405	26,405	50,575	50,575	50,575	50,575	50,575
Capacity	0	0	0	0	-	1,124	1,124	1,124	1,124	1,124
<b>Administrative</b>										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	42,295	42,295	42,295	42,295	42,295	42,295	42,295	42,295	42,295	42,295
<b>Transportation</b>										
Garages / buildings	1	1	1	1	1	1	1	1	1	1
Buses	93	95	85	85	85	84	80	80	80	80
<b>Warehouses, Storage, Etc:</b>										
Buildings	13	13	8	8	8	8	8	8	8	8
Square feet	89,992	89,992	38,279	38,279	38,279	38,279	38,279	38,279	38,279	38,279
<b>Athletics</b>										
Stadium Field House	3	3	1	1	1	1	1	1	1	1
Football/Soccer fields	15	15	15	15	15	15	15	15	15	15
Running tracks	3	3	2	2	2	2	2	2	2	2
Baseball / softball	5	5	5	5	5	5	5	5	5	5
Swimming pools	1	1	1	1	1	1	1	1	1	1
Playgrounds	30	30	31	31	31	31	31	31	31	31

**Source:** District records.

**Notes:**

- Pays campus (alternative learning) was opened in fy 2009.(was under storage etc). Student enrollment is still counted in the high schools.
- 2013-Bond project added square footage to Elementary and Middle Schools. Buildings demolished in bond renovations slightly reduced High Schools.
- 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
- Overall capacity has not been re-evaluated by the district after the 2008 bond project completions.
- 2017- added classrooms at Ft.Concho Elem, Glenn MS, and Tennis Dressing at CHS, and LVHS





Single Audit Section  
August 31, 2019

# San Angelo Independent School District



**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***

The Board of Trustees  
San Angelo Independent School District  
San Angelo, Texas

We have audited, 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, 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 (the District) as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 13, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

A handwritten signature in black ink that reads "Eric Sully LLP". The signature is written in a cursive, flowing style.

Abilene, Texas  
January 13, 2020



## **Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance**

The Board of Trustees  
San Angelo Independent School District  
San Angelo, Texas

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

We have audited San Angelo Independent School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **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 the compliance for each of the 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 compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the 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, 2019.

### **Report on Internal Control over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the 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 the District's internal control over compliance.

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

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

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

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Abilene, Texas  
January 13, 2020

San Angelo Independent School District  
Schedule of Expenditures of Federal Awards (Exhibit K-1)  
Year Ended August 31, 2019

Project Number	Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Expenditures
	U.S. Department of Education		
	Direct Program		
Not available	Impact Aid - P.L. 874 Title I	84.041	\$ 69,518
	Passed Through Texas Education Agency		
19610101226903	ESEA Title I, Part A - Improving Basic Programs	84.010	4,011,186
	Special Education Cluster		
196600012269036000	IDEA-B Formula*	84.027	3,393,535
186610012269036610	IDEA-B Preschool*	84.173	105,635
	Total Special Education Cluster		<u>3,499,170</u>
19420006226903	Career and Technical Education - Basic Grants to States	84.048	173,796
19671001226903	Title III, Part A - English Language Acquisition	84.365	73,328
19694501226903	Title II, Part A - Teacher, Principal, Training & Recruitment	84.367	312,288
19680101226903	Title IV, Part A - Student Support and Academic Enrichment Program	84.424	242,021
	Total Passed Through Texas Education Agency		<u>8,311,789</u>
	Total Department of Education		<u>8,381,307</u>
	U.S. Dept. of Health & Human Services		
	Direct Program		
06CH7116-05-00	Early Headstart	93.600*	964,837
03199	Child and Adult Care Feeding	10.558	480,740
	Total Direct Programs		<u>1,445,577</u>
	Passed Through State Department of Education		
06CH7116-05-00	Head Start	93.600*	2,489,674
	Total Passed Through State Department of Education		<u>2,489,674</u>
	Passed Through Texas Dept. of Human Services		
PC1274C	Medicaid Administrative Claiming Program - MAC	93.778	8,953
	Total Medicaid Cluster		<u>8,953</u>
	Total Dept. of Health & Human Services		<u>3,944,204</u>
* Total CFDA Number 93.600			\$ 3,454,511

San Angelo Independent School District  
Schedule of Expenditures of Federal Awards (Exhibit K-1)  
Year Ended August 31, 2019

Project Number	Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Expenditures
	U.S. Department of Agriculture		
	Direct Program		
01034	Summer Food Service Program for Children**	10.559	77,892
	Passed Through Texas Education Agency:		
71401701	School Breakfast Program**	10.553	1,607,119
71301701	National School Lunch Program - cash assistance**	10.555***	3,438,009
	Total Passed Through Texas Education Agency		<u>5,045,128</u>
	Passed Through the Texas Department of Agriculture:		
	National School Lunch Program		
01034	-non cash assistance **	10.555***	633,173
			<u>633,173</u>
	Total Department of Agriculture		<u>5,756,193</u>
** Total Child Nutrition Cluster			5,756,193
*** Total CFDA Number 10.555			4,071,182
	U.S. Department of Defense		
	Direct		
Not available	ROTC	12.000	130,372
	Total Department of Defense		<u>130,372</u>
	Total Federal Awards		<u>\$ 18,212,076</u>

**A. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended August 31, 2019. The information is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**B. Summary of Significant Accounting Policies**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All federal expenditures were accounted for in the General Fund and Special Revenue Funds, components of the Governmental Fund type. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Federal grants are considered to be earned to the extent of expenditures made under the provisions of the grant.

School health and related services revenues are considered earned income at the local government level and thus are not included in the Schedule of Expenditures of Federal Awards. The following is a reconciliation of Federal Revenues on Exhibit C-2 to the Schedule of Expenditures of Federal Awards:

Federal Awards per Schedule of Expenditures of Federal Awards	\$ 18,212,076
School Health Related Services (SHARS)	1,096,034
Excess of expenses over revenues in Head Start & Early Head Start	(39,465)
Excess of expenses over revenues in Child & Adult Care Feeding	(66,630)
Excess of expenses over revenues for other federal programs	(5,497)
	<hr/>
Total federal program revenues - Exhibit C-2	<u><u>\$ 19,196,518</u></u>

**Note 1 - Indirect Cost Rate**

The District is not eligible to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance because the District has previously received a negotiated indirect cost rate for its federal award.

**Note 2 - Food Donation**

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At August 31, 2019, the District had food commodities totaling \$187,067 in inventory.



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**Section I – Summary of Auditor’s Results**

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**FINANCIAL STATEMENTS**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

**FEDERAL AWARDS**

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

**Identification of major programs:**

Name of Federal Program	CFDA Number
Child Nutrition Cluster	10.553; 10.555; 10.559
Head Start / Early Head Start	93.600
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

San Angelo Independent School District  
Schedule of Findings and Questioned Costs  
Year Ended August 31, 2019

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**Section II – Financial Statement Findings**

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The audit disclosed no findings required to be reported.

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**Section III – Federal Award Findings and Questioned Costs**

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The audit disclosed no findings and questioned costs required to be reported.

San Angelo Independent School District  
Schedule of Required Responses to Selected School First Indicators (Exhibit L-1)  
August 31, 2019

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Data Control Codes		Responses
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreements 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 control 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 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 capital appreciation bonds included in government-wide financial statements at fiscal year-end.	\$ 1,220,018
SF11	Net pension assets (1920) at fiscal year-end.	\$ -
SF12	Net pension liabilities (2540) at fiscal year-end.	\$39,753,257
SF13	Pension expense (6147) at fiscal year-end, excluding on-behalf pension expense (6144).	\$ -