

# 2017

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2017



**San Antonio Independent School District**

141 Lavaca Street, San Antonio, Bexar County, TX 78210  
[www.saisd.net](http://www.saisd.net)

# **SAN ANTONIO INDEPENDENT SCHOOL DISTRICT**

## **Comprehensive Annual Financial Report**

**San Antonio, Texas**

For the Year Ended June 30, 2017



Prepared by  
Financial Services and Business Operations

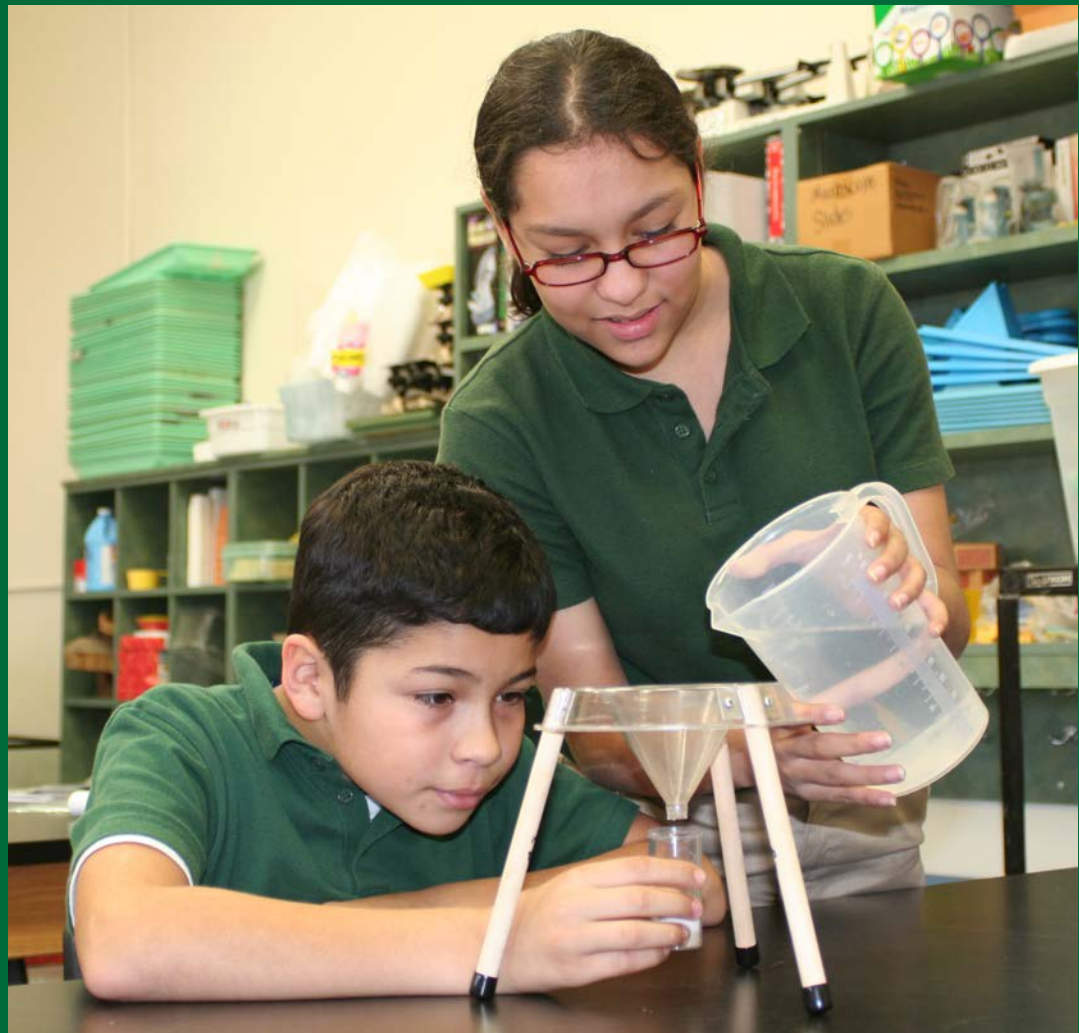
Larry A. Garza  
Associate Superintendent

Rena G. Valdez  
Director of Accounting

Jill Cook, CPA  
General Accounting Manager



# Introductory Section







SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2017

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# San Antonio Independent School District

141 Lavaca Street • San Antonio, Texas 78210-1095

Telephone (210) 554-8590

*Financial Services and Business Operations*

BOARD OF EDUCATION

November 13, 2017

Members of the Board of Trustees, Citizens and Patrons  
San Antonio Independent School District  
141 Lavaca Street  
San Antonio, Texas 78210-1095

PATTI RADLE  
President  
ARTHUR V. VALDEZ  
Vice President  
DEBRA GUERRERO  
Secretary  
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JAMES HOWARD  
Member  
STEVE LECHOLOP  
Member  
CHRISTINA MARTINEZ  
Member

PEDRO MARTINEZ  
Superintendent

Dear Board Members, Citizens and Patrons:

We are pleased to present the District's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017 which is structured to provide both financial and non-financial information for District accountability and public transparency. The District's CAFR is prepared in accordance with generally accepted accounting principles (GAAP) which are applicable to governmental entities throughout the United States. The report conforms to all current, relevant pronouncements of the Governmental Accounting Standard Board (GASB).

This report complies with State law that requires Texas public school Districts publish, within one hundred fifty days of the close of each fiscal year, a complete set of financial statements which are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

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

This CAFR consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the government'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 GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal control has been designed to provide reasonable rather than absolute assurance that financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

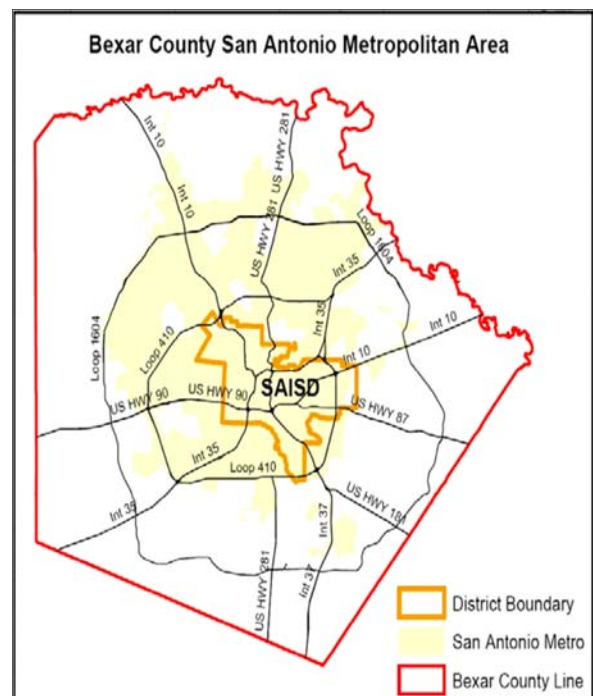
The District's financial statements have been audited by Garza/Gonzalez and Associates, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2017, are free of material misstatement. The independent 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 upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District’s financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

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 internal controls and legal requirements involving the administration of federal awards. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditors’ reports on the internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs is included in the Federal Awards Section of this report.

### DISTRICT Profile - Our Origins

While San Antonio public schools were established by the City Council in 1854, it was not until May 2, 1899 that the school system became an independent District with the formation of its own Board of Trustees. The District received its first charter from the state of Texas in 1903. The District ranks third in student population among the 19 Bexar County-area school districts and is the 17th largest of the 1,057 school districts in Texas. The District encompasses 79 square miles with a total population of 306,943 (2010 U.S. Census). Most of the District is within San Antonio, but also serves parts of the cities of Olmos Park and Balcones Heights and a small unincorporated area of east Bexar County. While San Antonio is commonly known as “the heart of Texas” due to its unique geographical position one could say that our District is “the heart of San Antonio”. Notice the map on the right shows our District’s boundaries encompasses very little area in comparison to the San Antonio Metropolitan area which comprises nine surrounding school districts.



### Our Place in Alamo City History



For over a century the District has set high standards for all and has provided a sound educational foundation for generations of students. This established foundation allows students to reach their fullest potential and become some of San Antonio’s most notable citizens. The true culmination of our commitment is proven by graduates who have continued on to become a Nobel Laureate, an astronaut, a US Secretary of HUD, the mayor of San Antonio, the President of the University of Texas at San Antonio, public servants, acclaimed athletes and national news correspondents.

## San Antonio's Profile



San Antonio, acclaimed for being the “the heart of south Texas”, is the 7<sup>th</sup> largest municipality in the United States and the 2<sup>nd</sup> largest city in the state of Texas. Its unique geographical location makes San Antonio accessible for both commerce and culture to east and west coasts and from Canada to South America. It encompasses 467 miles geographically within Bexar County and currently has a population of over 1.71 million residents. The population grew from 1.33 million people in 2010 to 1.47 million in 2015, a 10.7% increase, adding more than 142,438 people. It is projected to grow an additional 8.12% through the year 2021.

### Local Economy

San Antonio is long known for hosting some 30 million visitors a year, which in turn creates an annual influx of \$12 billion into the local economy by creating jobs, stimulating business development, funding city projects and enriching the culture of San Antonio. According to the San Antonio Economic Development Foundation (SAEDF), major industry clusters help drive the city’s dynamic and diverse economy. Aerospace/aviation, bioscience/health care, cyber security, financial services, military/defense, and manufacturing are just a few of the key industries that have a significant role in the local economy. Our city’s aerospace/aviation industry ranges from manufacturing aircraft equipment and parts to operating flight schools. Aerospace/aviation companies found in the San Antonio area include Alamo Plating and Metal Finishing, Boeing, Lockheed Martin, VT San Antonio Aerospace and others. Information from SAEDF indicates the bioscience and healthcare industry is a dominant force in the San Antonio. This industry alone has added 41,600 new jobs over the past decade. Occupations include registered nurses, medical and clinical laboratory technicians, medical records clerks, medical assistants and more. The information technology/cybersecurity also plays a major role in San Antonio. According to Computerworld Magazine, San Antonio is #2 in the nation for information assurance, behind only Washington D.C. Some IT/cybersecurity companies specialize in defense technology while other companies are structured in networking, cloud computing and security managements for financial, healthcare and government institutions. Reports from SAEDF state that the manufacturing industry in our city is diverse and ranks the fourth largest manufacturing market in Texas. Major manufacturing companies in and around San Antonio include Caterpillar, Frito-Lay, H-E-B, San Antonio Shoemakers, Tyson Foods, Toyota Manufacturing and others. It is well known that for many years the military has had a significant presence in San Antonio both for its military labor force and healthcare facilities. The Texas Comptroller of Public Accounts and Joint Base San Antonio estimate there are 77,659 directly employed by the military and 205,336 persons indirectly employed with the military. SA2020’s Education initiative is dedicated to increasing education attainment at all levels of study, which will allow San Antonio’s workforce to keep expanding and help its members develop skills relevant to relocating companies and local industries. All the above industries created more jobs and brought employees with their families to San Antonio which is vital for housing construction and sales and for the city’s overall



growing economy. Based on the housing market sales trend the SA Realtor Board expects that it will break last year's sales records which has not dwindled since the recession.

The US census bureau for 2014 indicates the city's median household income as \$50,083 compared to national median household income of \$56,516. The city's unemployment rate fell to a very low 3.5% in April 2017 while the state and national was 5.0% and 5.2%, respectively. Job growth in San Antonio was 1.88% compared to the national rate of 1.59%. According to Bert Sperling, the future job growth of San Antonio over the next 10 years is predicted to be 39.97%.

## Board of Trustees

The District is governed by a seven-member Board of Trustees (Board) comprised of District residents, with each trustee representing one of the seven single-member districts and elected by voters of that district. A list of the current Board members as of June 30<sup>th</sup> is included on page xxxiii. The Board is responsible for managing and governing the schools of the District, including adopting goals and objectives for the District, adopting an annual budget, levying and collecting District taxes, hiring school personnel as recommended by the superintendent, setting salary schedules, adopting District policies, and reporting to the public on the District's progress. Through the Board's leadership and under the direction of the Superintendent of Schools the District carries out its responsibility to build, operate and maintain school facilities; develop, maintain and improve educational programs and courses of study, including career/technical educational programs; provide programs for English language learners and special need students; provide safe transportation to and from schools, and utilize the child nutrition programs to feed our students in a way that helps schools to improve student academic performance, attendance, and behavior.

The District's commitment to our students, parents and patrons is expressed in our mission statement, vision, core beliefs and core values, which are described below:

## MISSION

*The mission of the San Antonio ISD is to transform into a national model urban school district where every child graduates and is educated so that he or she is prepared to be a contributing member of the community.*

The SAISD graduate will:

- Have the academic and technological skills to be successful in education, without remediation, in addition to being successful in career and life
- Possess the experiences and social skills to be successful in education, career and life
- Communicate effectively in written and verbal form in any setting
- Possess the self-discipline, drive and confidence to be successful in life

## VISION

Our primary purpose of improving lives through a quality education is driven by an unrelenting determination to graduate all of our students and prepare them for success in higher education. Our ideology is reflected in our fundamental beliefs, commitments and core values that guide us in our daily practices.

## CORE BELIEFS

The District's commitment to this mission is driven by five fundamental beliefs around which the District has built its governing policies and daily practices:

- Every student can learn and achieve at high levels.
- We are responsible for the education and safety of every student.
- We are responsible for the efficient and effective operation of the school system.
- Everyone should be treated with respect.
- People support what they help create.

## CORE VALUES

The District has adopted seven core values that exemplify the five fundamental beliefs in action. In order to achieve our goals and attain our commitment, we expect the following values to guide the behavior of all employees:

- **Student Centered**
- Reflect **High Expectations**
- Show **Commitment**
- Exude **Passion**
- Embody **Integrity**
- Demonstrate **Respect**
- Employ **Teamwork**

### What SAISD Offers Students

The District understands that education is not a “one size fits all” package, so a range of programs are offered to allow students to develop their talents or pursue special interest and career goals through magnet programs, specialized schools and in-District charter schools, which are open to students across Bexar County.

The District provides a comprehensive instructional program and related services from early childhood education through the twelfth grade for our 52,486 enrolled students. This includes a special education program for students with disabilities, occupational education, bilingual instruction for those with limited English proficiency, specialized instruction for disadvantaged students, and a Head Start Program for three and four-year-olds. The District remains committed to both the Pre-K and Head Start Programs, allowing students to begin their education at a younger age and enhancing their educational success. For parents who do not qualify for state funding the District continues to offer the acclaimed Pre-Kinder program through the District's tuition-supported system.



### Magnets and Specialized Schools

There are a variety of magnet programs at middle and high school levels where hands-on experiences and advanced academics provide opportunities to explore tomorrow's careers. The high school program offerings comprise computer science, engineering, construction and automotive technology, banking, health and law professions, media and film, international baccalaureate diploma programme and more. The magnet schools are tightly aligned to Alamo Colleges' programs and offer students the opportunity to earn up to 45 hours college credit. The college credit is earned through a mix of free dual-credit courses and Advanced Placement of International Baccalaureate credit by exam. At the middle school

level the magnet school program offers American heritage, technology and language immersion. Some of these schools operate under non-traditional grade configurations, such as PK-8, PK-12, 4-8 and 6-12.

### **In-District Charter Schools**

In-District charter schools are designed to implement innovative approaches to education that best fits a child’s unique learning style. Students throughout Bexar County are eligible to apply for a spot. Enrollment in a charter school is at no cost to the student or family. Our in-District charter schools receive state funds on the same basis as our public schools which is based on the average daily attendance of students.

The current in-District charter schools include early college high schools, single gender and non-traditional grades academies. At the December 13<sup>th</sup> school board meeting, trustees approved six new in-District charter schools. The new in-District charters are: The Advanced Learning Academy; CAST (Center for Applied Science & Technology) High School which will open up to 9<sup>th</sup> graders; Lamar ES Dual-language instruction; Ogden Elementary Residency Lab School; Twain Dual Language Academy and, introducing Steele Montessori Academy. This Montessori educational model is the first for San Antonio Public Schools. These schools join the 14 established in-District charters for a total of 20 in SAISD. The in-District charters are in important part of our strategy to improve academic achievement across the District.

### **International Baccalaureate World Schools**

Woodlawn Academy joined the prestigious group of International Baccalaureate (IB) World Schools offering the Middle Years Programme. It has the distinction of being the only IB Middle School in Bexar County. Woodlawn is the second campus designated as an IB World school, while Burbank HS has had this designation for nearly 20 years.

### **Early College High Schools**

This group extends a personalized learning environment where students complete their high school diploma while earning up to sixty hours of college credit and/or an Associate Degree. Three campuses offering early college high school are Travis, Brackenridge and St. Philip’s in partnership with the Alamo Colleges.

Exemplifying excellence since its founding in 2008 is the college-preparatory Young Women’s Leadership Academy. The all-girls students in grades 6-12 are provided a rigorous, comprehensive education with an emphasis on math, science and technology – fields typically underrepresented by women. Public service, leadership, wellness skills and partnerships also are part of a well-rounded approach to prepare YWLA students for success in higher education and life. For the second straight year, YWLA ranked #30 in the nation as one of the most America’s most challenging High Schools. The YWLA was one of only two San Antonio campuses to rank in the top 30 and the only public school.





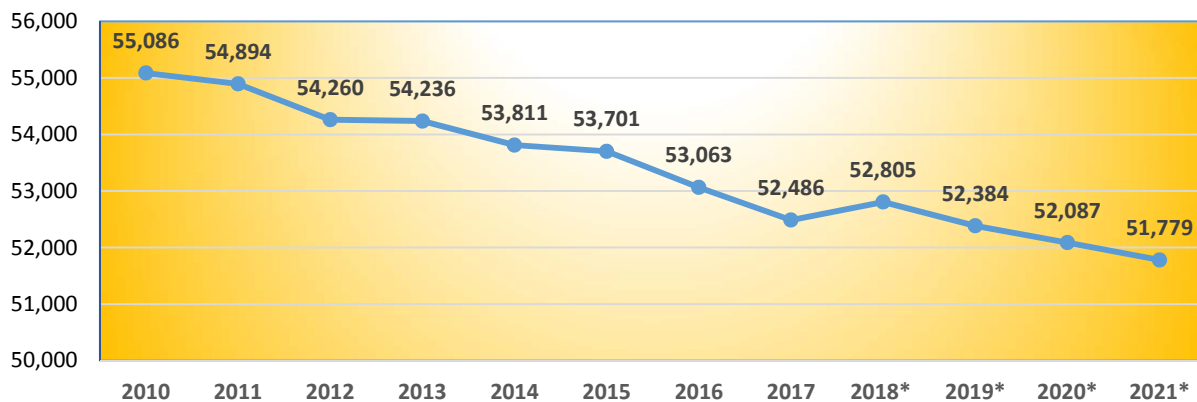
In the fall of 2015, the District established the Young Men’s Leadership Academy (YMLA) an all-boys school, a first for the District and a premiere in the city of San Antonio. The all-boys school started with approximately 200 young men in 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> grades. The academy will expand to grade 8 by 2017-18. The YMLA is a model of innovative learning through instruction that is tailored to the male learner and that is delivered in an environment that promotes developing character, leadership and discipline traits. The YMLA student will experience a highly

interactive and rigorous learning environment, designed to prepare him for coursework that will lead to graduation at the Distinguished Level of Achievement.

### Enrollment and Demographics

The District has been experiencing a declining enrollment trend since school year 2009-10, as illustrated in the graph below. The enrollment decrease is a trend noted in other inner-city districts, where suburban development draws families out towards the city limits. The District’s actual enrollment decreased by 577 or 1.09% for 2016-17. Applying the historical membership trends yields the projected enrollment for the next four years. The data suggests membership decline will continue. By the year 2021, the membership for SAISD is projected below 51,800.

**PEIMS Actual Membership with 4 Years of Extended Projections \***



Source: SAISD PEIMS and Data Services Office

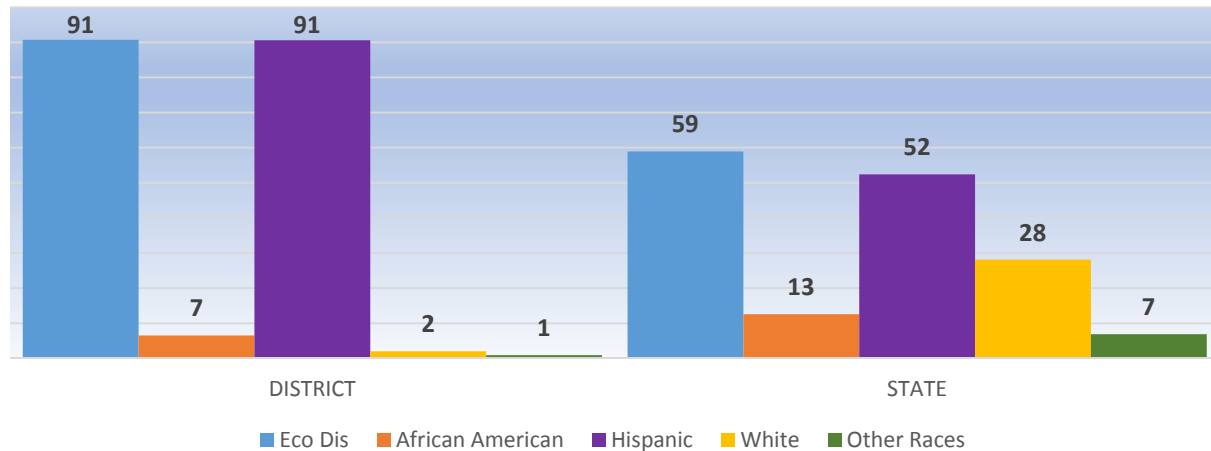
This challenge is being met with more rigid monitoring of staffing allocations to insure the most efficient use of necessary resources. The District continues to explore various means of increasing daily attendance – one of the factors that drive state funding – to mitigate the impact caused by enrollment decline. The District is, also, in the midst of academic transformation to attract and better prepare all students for success in college and career. To adapt to the District’s changing enrollment and population patterns, the District closed four elementary schools at the end of the 2014-15 school year. These students transferred to new and/or extensively renovated campuses in the District made possible with Bond 2010 proceeds. Renovations of its aging infrastructures, in order to provide facilities more equitable with what is offered in neighboring school districts, continues through a \$450 million bond referendum along with a Tax Ratification Election ratified by voters in November 2016. A graph depicting the ages of the school buildings is illustrated on page xxi.

As illustrated in the graph on the next page, the District’s PEIMS 2016-17 demographics compared with the states indicates a nearly 2 to 1 ratio of economically disadvantaged students. Research has shown that



economically disadvantaged children face more challenges compared to those from middle-class families. The social and academic challenges faced by our economically disadvantaged students makes it important to not only meet state standards but to instruct our students in a manner that is conducive to academic content that is carefully tailored to address the needs of our own student population. SAISD will continue to explore and incorporate initiatives to enhance learning opportunities with the support of administrators, school staff, parents and the community at large.

### 2016-17 Percentage of Key Demographics



### Student Assessment



The Texas Education Agency’s (TEA) accountability system, the State of Texas Assessments of Academic Readiness (STAAR), is designed to measure a student’s college and career readiness. The goal is to focus on increasing postsecondary readiness of graduating high school students and to ensure that Texas students are competitive with other students both nationally and internationally.

Student progress is measured for students in grades 4 through high school in reading, writing, mathematics, and English Language Arts. There are current plans regarding when progress information will be reported and used for accountability in 2014, 2015, 2016 and 2017.

### Distinction Designations

The TEA accountability rating serves as evidence of the District’s hard work toward continued progress as the state standards and assessments become more rigorous. This year twenty-nine SAISD schools earned one or more Distinction Designations from TEA based on student performance on the 2017 STAAR. Distinction designations are awarded to campuses based on achievement in performance indicators relative to a group of 40 campuses of similar type, size and student demographics. Depending on campus grade levels and type, the number of potential distinction designations can vary. Up to seven distinction designations can be earned for:

- Academic Achievement in English Language Arts/Reading
- Academic Achievement in Mathematics
- Academic Achievement in Science
- Academic Achievement in Social Studies
- Top 25 percent: Student Progress

- Top 25 percent: Closing Performance Gaps
- Postsecondary Readiness

Of the state’s 8,757 public schools in Texas, only 467 (5.3%) Texas Education Agency-rated campuses earned every distinction for which they were eligible. We are proud that, The Young Women’s Leadership Academy, earned all possible designations and is consistently rated Exemplary by the state since its inception.

The table below is a summary of the Distinction awards earned by campus type.

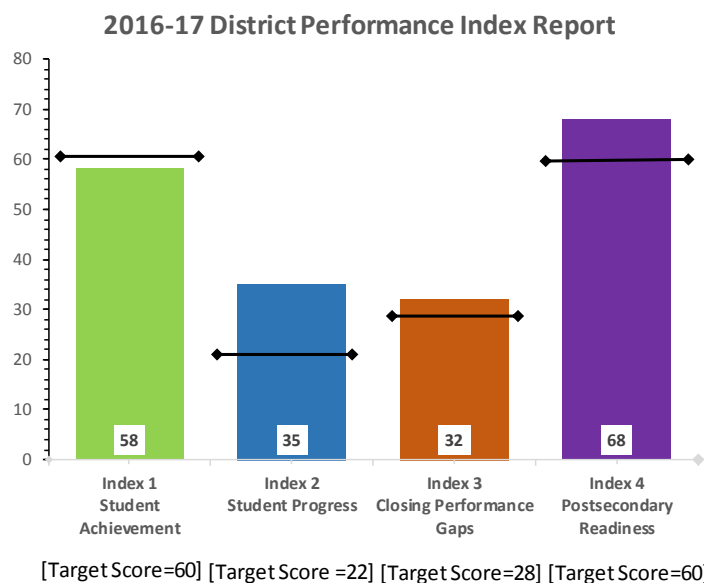
Campus Type	Earned 1 Distinction	Earned 2 Distinctions	Earned 3 Distinctions	Earned 4 Distinctions	Earned 5 Distinctions	Earned 6 Distinctions	Earned 7 Distinctions	Total
High School	1	3		1			1	<b>6</b>
Middle School	2		1			1		<b>4</b>
Elementary	6	3	3	2	1		n/a	<b>15</b>
Academy	1	3						<b>4</b>
<b>Total</b>	<b>10</b>	<b>9</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>29</b>

There were 2 campuses which earned all possible Distinction Designations:

All Possible Distinction Designations	
Young Women’s Leadership (7 out of 7)	Huppertz ES (6 out of 6)

Source: SAISD Internal – 2017 State Accountability Results – 2017 Index Performance

The chart below referred to as the “Performance Index Report” is part of TEA’s 2017 Accountability Summary of our District’s scores compared to the target score for each MET standard.



## Across the District Accolades

Student and staff accomplishments continue to be recognized at local, state and national levels. Most recent distinguished honors are as follows:

- Again making news in national publications, U.S. News and World Report, were Fox Tech, Travis Early College, and the Young Women’s Leadership Academy (YWLA) for providing its students with one of the country’s best educations. YWLA was awarded a Gold medal, Fox Tech was awarded a Silver medal and a bronze medal was awarded to Travis Early College. For the 2017 list, more than 22,000 of the nation’s public high schools were assessed for college readiness.
- The Young Men’s Leadership Academy principal was selected as the 2016 Educator of the Year for San Antonio City Council District 2. The award is representative of the teamwork and partnership the YMLA has with the community.
- From the class of 2017, six senior students were chosen by the Dell Foundation to receive \$20,000 each to further their education. Two students represented Fox Tech HS and four represented Travis Early College HS.
- Fourteen students representing six District high schools were awarded from the Braumberger Endowment \$5,000 each for 4 years provided they maintain at least a 3.0 grade point average and attend a state-supported or non-denominational Texas college or University.
- A trio of high school freshmen were selected to spend their next three summers in UT Health San Antonio’s Voelcker Biomedical Research Academy. They will work with research faculty while also earning an annual monetary award. The freshmen are among 20 teens chosen citywide.
- Three more SAISD juniors are the latest District students to receive a 2017 Harvard Book award. This honor recruits the nation’s brightest high junior and seniors to attend the Ivy League Harvard University. The students are from Brackenridge, Jefferson and Sam Houston HS.
- TEA announced that Travis Early College HS was one of 26 statewide campuses nominated for the 2017 National Blue Ribbon Schools recognition. It was nominated based on its overall academic excellence.
- A Travis Early College HS teacher was SAISD’s recipient of the ExCEL award. The teacher was presented the 2016 award by KENS5 and the San Antonio Federal Credit Union. The ExCEL award included a \$1,000, a golden apple trophy and a feature story aired on KENS5.
- Longfellow MS earned elite Advancement Via Individual Determination (AVID) certification. It is one of 15 schools in Texas among only 104 out of 4,273 US Secondary schools to earn this honor. Additionally, Longfellow is among only 10% of campuses worldwide to be named an AVID 2017 Schoolwide Site of Distinction.

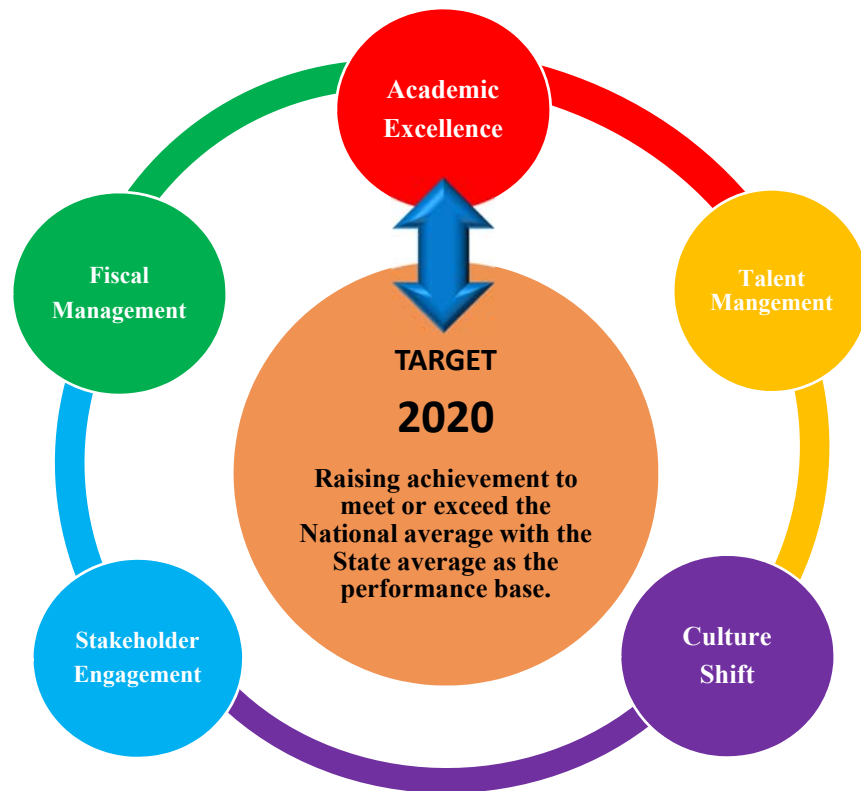


## District Initiatives

- The District embarked on an aggressive 5-year plan called “SAISD Blueprint for Excellence: Target 2020”, which draws upon best practices to raise academic expectation for all students and elevate teaching for all classrooms. The plan is designed to prepare students for success from the moment they enter SAISD schools in pre-kindergarten all the way through to high school graduation well prepared for success in college and career.

The Blueprint, shown below, serves as a cohesive educational plan that provides the support and resources needed to ensure our students meet critical achievement points designed to hoist students to the next level of learning.

- Strong literacy in pre-kindergarten through 3rd grades, with reading at grade level at the end of 3rd grade
- Advanced math in 5<sup>th</sup> grade and algebra in 8<sup>th</sup> grade
- Advanced college credit-bearing courses in the 11<sup>th</sup> and 12<sup>th</sup> grades



The plan also calls for significantly enhancing Gifted & Talented services, expanding the college-preparatory International Baccalaureate program, building more pre-Advance Placement courses into the middle school years and raising the bar at the high school level so students take more advanced courses, including more dual-credit courses, for which they can earn both high school and college credit. This means students will have the opportunity to graduate high schools with up to 45 hours of college credit which is the equivalent to 1 ½ years of college.

- SAISD became one of the first Districts in the Bexar County area to be named by the Texas Education Agency as a *District of Innovation Designation*. The designation allows Districts freedom from state-level regulations to deliver instructional and support services in novel ways that improve student educational outcomes. The District chose to pursue this designation to inspire innovative practices and increase autonomy at the campus level. School officials expect changes to begin for school year 2017-2018.
- With the support of the SAISD Board, the superintendent set aside \$3 million in support of student achievement to move toward achieving the five-year District academic goals. The funds were allocated in support of additional professional development, technology initiatives, tutoring, and campus instructional supplies. Additional resources of nearly \$1 million were approved for District-wide initiatives such as fine arts instruments, police

- radios, library computers, organized sports for academy schools and Twilight School at the high school level.
- Over this spring break, staff and community volunteers accompanied 83 juniors on college tours across the country, through the District’s Students on the Rise initiative. The tours, at a mix of colleges and universities, are intended to have a major influence on students and their college decisions by being able to experience the campuses in person and talk with college staff and current students.
  - The District is actively expanding the International Baccalaureate Program currently at Burbank High School and Woodlawn Academy to other schools and other grade levels. Other SAISD Middle School Programme candidates are Harris and Longfellow middle schools. The announcement of authorization is expected during 2018. This rigorous program aims “to develop inquiring, knowledgeable and caring young people who help create a better and more peaceful world through intercultural understanding and respect.”
  - The debut of the District’s International Welcome center for immigrant students, English-language learners and their families now provides an invaluable resource to help them feel right at home as they begin attending SAISD.
  - Naviance, an online college and career guidance system was rolled out beginning this school year. Through Naviance, students can sign-up for college visits, create college lists, request transcripts, search for scholarships, etc. Some students refer to this as a “one-stop” site for college and career.
  - A minimum compensation increase of 2.0% for teachers, classified, paraprofessionals, and all other employees was approved and implemented as part of the 2016-17 school year budget. The starting salary for new teachers, librarians and registered nurses increased from \$50,000 to \$51,500.
  - The minimum hourly rate for non-exempt, permanent, full-time employees increased from \$10 to \$12 with the start of the 2016-17 contract year. The entire cost of all components of the compensation increase was \$8.3 million for the General Fund. This Board action complimented the District’s commitment to attract and retain the best and brightest teachers for our classrooms.
  - To show appreciation for employees’ continued commitment to work with San Antonio ISD for 15 years or more, the Board approved as part of the 2016-17 budget, a continuation of the longevity stipend of \$500 for employees meeting the stated criteria.
  - SAISD is becoming a pilot site, at the to-be-opened Brewer Academy, for a charter partnership with the John H. Wood charter District to provide educational services to students with severe emotional and/or behavioral problems directly related to their disabilities. All students will remain students of SAISD since the ultimate goal is to transition and integrate the students back into their home school when they are ready.

### **Where Communities Come Together**

The District believes in working with its community since the success of our students plays an important part in the success of our city. On the next page, are just a few of the partnerships currently in place.

- Texas A&M University at San Antonio partnered with the District to offer free master's for 2 groups comprised of 20 participants per group—level teachers and reading coaches with the option of obtaining reading-specialist and master-reading teaching certifications. Teachers for the second cohort will begin taking classes this fall.
- Lamar Elementary and Trinity University have teamed up for learning. Lamar is the host site for Trinity's University's Professional Development School (PDS). Through this five year partnership, Trinity commits \$20,000 a year to Lamar towards professional development.
- Trinity University has partnered with the District to create a PK-12 academy for advanced and creative learning. The academy will not only serve the needs of the children as well as serve as a new professional development school and learning laboratory for teachers and principals. The school will open its doors for the 2016-2017 school year to students in grades K-10. Pre-Kindergarten and 11th grade will be added in 2017-18 and 12th grade will be added in 2018-19. The academy also will serve as a learning lab through Trinity University to create a pipeline of highly trained teachers and leaders for SAISD campuses. A new San Antonio area nonprofit, City Education Partners (CEP), is providing grants to SAISD and Trinity for the new teacher training and innovative school design.
- An opportunity for over 200 District teachers is being offered over the next five years through two new innovative teacher programs in partnership with the Relay Graduate School of Education. Additionally, Ogden Elementary will become a laboratory school in 2017-18 accepting 25 or more teachers each year for 5 years. CEP is providing grants to support training and the laboratory school model.
- Through a partnership with the San Antonio Public Library, nearly 1,700 students representing all grade levels were able to obtain their own public library cards without needing to leave their schools. The library-card campaign is part of the District's focus on literacy and the collaboration will be ongoing.
- The District, in partnership with the The Culinary Institute of America (CIA), will implement a model industry curriculum at all SAISD culinary programs. The partnerships includes plans for additional teacher fellowships for training at CIA with the goal of extending the college-transfer credit opportunity to four more SAISD high schools.
- The Dee Howard Foundation and the District launched their aviation and aerospace collaboration at the Rhodes Middle School. The program covers the entire school year and is incorporated as part of the STEM curriculum during the school day. It includes hands on experiences at the school, fieldtrips to aviation and aerospace facilities both within the San Antonio area and outside of San Antonio and incorporate the expertise of industry professionals in the learning experience said the Dee Howard Foundation news.
- The District's newest high school, CAST (Center for Applied Science and Technology), has a capital fundraising campaign underway through the TechBloc-4-TechEd Foundation. Donations are anticipated from technology industry employers, foundations and contributors such as Frost Bank, H-E-B, AT&T and more to help build the campus. The new state-of-the art facility will focus on preparing students for careers in the fields of technology, entrepreneurship, and more.

- The District in collaboration with Boys and Girls Clubs of San Antonio; Greater San Antonio All Stars; Young Women Christian Association (YWCA); and City of San Antonio Department of Community Initiatives continue to offer an After School Challenge Program. Students who participate in the program receive homework and academic assistance, with emphasis in math and science, and have opportunities to enhance social awareness and physical skills through iPlay! activities. Also, children who participate in the After School Care programs are being served a snack and supper as part of the Food Service enhanced operations.
- A \$5,000 funding generosity from bestselling author James Patterson, made it possible for the Bonham Academy library to update its collection of both English and Spanish language books to support the school's Reading Buddy Program. Also, as part of the grant an equal amount will be given to 1<sup>st</sup>-grade dual-language teacher Maria Rosales' classroom.
- Strategic University Partners - Five universities have partnered with the District to develop staff from within as better instructors and leaders. Some programs offer teachers an opportunity to pursue certification in bilingual education. In addition, for educators who aspire to campus leadership assignments, an opportunity to build leadership skills to sustain high levels of academic performance in any type of educational setting.



The mission of the San Antonio Foundation for Excellence in Education (Foundation) is to support San Antonio ISD to become one of the nation's leading urban school Districts through educational excellence and innovations. It serves as a catalyst for the District by supporting programs that aim to increase student achievement, recognize staff and teacher excellence, celebrate success across the District, and strengthen business and community partnerships. It is a goal of the Foundation to invest in the great ideas of educators and replicate the programs that demonstrate success. Since 2007, the SAISD Foundation has awarded educators over 1,722 grants and gifts to schools and invested more than \$2.3 million to support the SAISD mission. Grant winners represent all grade levels, and thousands of students benefit from the projects.

Over the past decade hundreds of thousands of students have benefited directly from the following:

- **Innovative Grants.** This program funds grants to teacher and educators in the District for projects aimed to increase academic achievement, student engagement in the classroom, attendance and retention.
- **Mini-Grants.** Projects ranging from support of Scrabble, Lego, Robotics and Chess Clubs, to new reading programs, new software, music equipment, running clubs and much more.
- **Partnering with Museums.** Providing free educational field trips to District students and art instruction in some of our schools. Trips such as to the San Antonio Museum of Art (SAMA), Briscoe Western Art Museum, McNay Art Museum, Artpace and Witte Museum.





- **Strategic Initiatives.** This program includes technology based math intervention and reading interventions to increase reading level by third grade.
- **Teacher Grants.** In September 2016, 80 new teachers representing 39 schools were awarded \$100 New Teacher Supply Grants to support the 9,300 students they teach. Teachers’ supplies include: prototyping supplies, books to build classroom libraries, texts for guided reading groups, anatomy models, studio lamps, supplies for science experiments, math manipulatives, CD players and educational CDs for phonics, and sensory materials.



Key areas of grant funding include Science, Technology, Engineering and Math (STEM), Fine Arts and Enrichment. STEM investments help science and math come to life for students and bring dynamic relevance programs like a virtual learning studio, STEM Makerspace and coding clubs.

The Foundation supports music, strings, theater, photography and art clubs through teachers and art partnerships with S.M.A.R.T. (Supporting Multiple Arts Resources Together) which serve to bring out the importance of art in the students own neighborhood and the roles it plays in their community. The SAMA (San Antonio Museum of Arts) on the “Go” program serves to bring art and artifacts in the classroom which is designed to “Go” with what the teachers are teaching in the classroom. These are just a few examples of the many ways students grow in creative expression and engage in new art forms.

Enrichment funding includes a wide range of programs including co-curricular clubs such as chess, Spanish, reading, cooking, geocaching and many others. Enrichment projects often include the integration of new technology, hand-on learning tools and enhancements to the classroom environment. Enrichment activities increase the involvement of students, parents and teachers in their schools and provides opportunities for important social, emotional and health benefits.

### **Strategic Planning – Instructional and Fiscal**

As the 17th largest school District in the State of Texas, the District is diligently planning for the future. Student enrollment drives the District’s planning process along with Administration’s commitment to providing the best education available to our students. The District’s strategic planning is an ongoing process and is guided by the SAISD Blueprint for Excellence. It is exploring strategies that focus on instructional creativity and productivity, while reducing non-instructional expenditures through efficiencies and innovations, as well as restructuring programs not producing desired outcomes. The District intends to continue to focus on instructional outcomes and creating opportunities for our students.

Superintendent Pedro Martinez is leading the transformation of the District which is captured in the SAISD Blueprint for Excellence: Target 2020, and is defined by ten measureable 5-Year Goals. The blueprint draws upon best practices to raise academic expectations for all students and elevate teaching in all classrooms. While this plan includes numerous initiatives, Superintendent Martinez believes that two important drivers are talent management and innovation, and he continues to lay the groundwork to meet the District's bold academic goals.

## **Renovating and Building a Better SAISD**

### **First of Three Consecutive Bond Programs**

Back into early 2010, following an extensive study of the conditional of all SAISD facilities, a community-based committee developed a long-range master plan that would involve three consecutive bond programs to update and bring all schools up to standards. Bond 2010 for \$515 million was the first bond. This enabled SAISD to make much needed upgrades across the District. A total of 68 school facilities benefited from Bond 2010, with 22 of those schools receiving major renovations. The District is proud of its achievement in delivering on-time, on-budget result for Bond 2010 projects. During May, the community celebrated the new Highlands High School, which received vast renovations under Bond 2010. The new campus, the largest project in that bond, included a new 2-story building to house the fine arts programs and the auditorium, as well as a new ROTC center and a college-readiness GO center. This dynamic metamorphosis will serve students, staff and the community for years to come.

The bond funded seven categories of improvements. They are as follows:

1. Renovations and Additions, \$347.4 million provided for extensive renovations to 22 schools, 14 of which resulted in updated modern facilities. Included are infrastructure repairs and 8 classroom additions and renovations.
2. Career Education Enhancements, \$73.8 million afforded new or upgraded facilities for 8 high school career programs; and the addition of career technology labs at 11 middle schools.
3. Safety and Security upgrades, \$43.9 million for improved lighting, new fire alarms, key-card access control, security cameras and fencing at 68 schools.
4. Alamo Stadium and Convocation Center, \$35 million provided for renovations for infrastructure involving electrical, lighting, landscaping and irrigations; ADA access and convocation center play areas, seating, restrooms, locker rooms, concessions, press boxes, storage, sports lighting, sound and security systems.
5. Technology Upgrades, \$6.2 million for new classroom computers and related hardware to replace aging equipment and provide increased student access to technology for 68 schools.
6. Playgrounds and Track Resurfacing, \$6.1 million for new or improved playground equipment for 45 elementary/PK-8 schools; and all-weather track resurfacing and lighting at seven high schools for use by students and surrounding community.
7. Transportation Efficiency, \$2.5 million for necessary space for a new bus transportation facility, resulting in shorter bus travel distances, and supports consolidation of all transportation, maintenance and facilities operations for additional cost savings and operational efficiency.

## Second of Three Consecutive Bond Programs

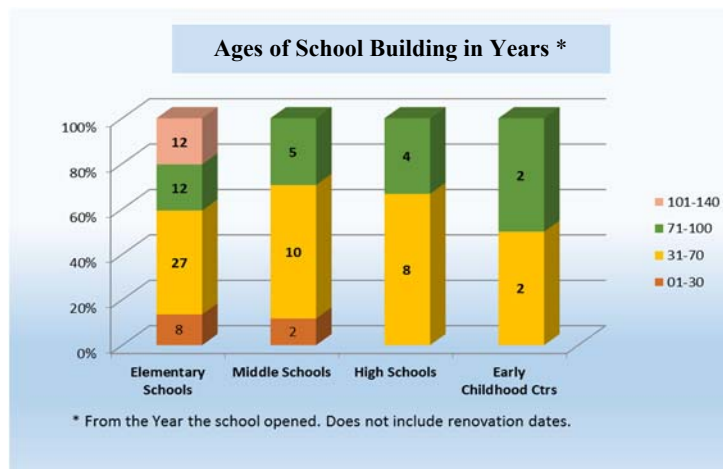


Much was accomplished through Bond 2010, however, there were still many more facilities that did not have the proper working and learning conditions for staff and students. Two separate ballot propositions i.e., a \$450 million bond and Tax Ratification Election (TRE) to support school building renovations, 21<sup>st</sup> Century classrooms and increased academic support were pursued.

On November 8, 2016, the voters of the District passed, with more than a 70% voter approval rate, two separate ballot propositions to support school renovations, 21<sup>st</sup> century classrooms, and increased academic support. The first of the two propositions that passed was a \$450 million bond authorization which will fund major renovations for 13 schools. The proceeds from this bond will be used to replace outdated infrastructure systems, upgrade science labs, and expand classroom spaces. The second of the two propositions that voters passed was the Tax Ratification Election (TRE) to increase the District's Maintenance & Operations (M&O) tax rate by 13 cents. The increase in the M&O tax rate will bring in an estimated \$32.1 million in additional annual operating revenue, which will support increased academic offerings for students, enhanced technology for classrooms, and upgrades to the learning environment that are not part of the 2016 Bond.

A general schedule for major projects includes a year of design, three months of bidding and awarding to contractors, and two years of construction. Some projects may require as many as three years of construction due to phasing to ensure safety and limit disruption to students and staff.

The graph below depicts the ages of the District's Elementary, Middle, and High Schools and the Early Childhood Education Centers as of June 30, 2017.



## Debt Management Program

In November 2, 2010, the voters of the District approved a \$515 million bond proposition to finance renovations and upgrades to District facilities where some buildings are more than 100 years old, and almost half are more than 50 years old. In the effort to manage the Interest & Sinking (I&S) tax rate and take advantage of unique financing opportunities, the District has issued the following:

\$151,450,000 Unlimited Tax School Building Bonds, Taxable Series 2010B (Direct Subsidy) – Build America Bonds (BAB's). At the time of the sale, the District was eligible to receive a subsidy payment from the US Treasury equal to 35% of interest payable on the BAB's. As a result of sequestration, the subsidy is subject to a reduction that is determined by the IRS on an annual basis.

For the time period of October 1, 2016 – September 30, 2017 the subsidy amount was subject to a reduction of 6.9%.

On May 18, 2011, the District successfully priced the \$99,085,000 Unlimited Tax Refunding Bonds Series 2011. The Refunding Series 2011 Bonds resulted in debt service net present value savings of \$12,120,343.

\$61,115,000 Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011 - Direct Subsidy Bonds (QSCB's). At the time of the sale, the District was eligible to receive a subsidy payment from the US Treasury equal to the amount of interest payable on the QSCB's. As a result of sequestration, the subsidy is subject to a reduction that is determined by the IRS on an annual basis. For the time period of October 1, 2016 – September 30, 2017 the subsidy amount was subject to a reduction of 6.9%.

In April 2014, SAISD Implemented a \$100 Million Tax-Exempt Commercial Paper Program (TECP Program). This financing provided an interim financing vehicle that allowed the District to take advantage of the historically lower short-term rates which effectively decreased the “carry cost” for the District. The Program also provided the flexibility to issue notes as needed to pay expenditures.

On August 26, 2014, the District successfully sold \$48,880,000 of Series 2014B Variable Rate Unlimited Refunding Bonds with an initial 4-year interest rate term and an interest rate of 1.15%. The District followed up this sale on August 27th with an additional \$48,795,000 of Series 2014A Variable Rate Unlimited Refunding Bonds with an initial term of 3-years and an interest rate of 0.83%. The bonds were sold to refund \$100 Million of outstanding TECP Program notes. The sale of the Series 2014A Variable Rate Unlimited Refunding Bonds took place in the Board Room of the San Antonio Independent School District and presented the opportunity for five SAISD students from the Lanier Magnet School of International Banking & Business to observe the pricing of the sale of the bonds.

On May 12, 2015, the District successfully priced the \$307,290,000 Unlimited Tax School Building and Refunding Bonds Series 2015. The Refunding Series 2015 Bonds are a combination of a Refunding of \$239,680,000 of Series 2005 Bonds, Refunding of \$99,600,000 in Outstanding TECP and new money in the amount of \$2,435,000. The refunding of the Series 2005 bonds resulted in debt service net present value savings of \$34,745,310. Through the District's debt management strategy, it has allowed SAISD to keep the I&S tax rate at levels well below the maximum rates promised to the voters in the November 2010 election.



On May 19, 2016, the District successfully priced the \$123,740,000 Unlimited Tax School Building and Refunding Bond Series 2016. The Refunding Series 2016 Bonds are a combination of a Refunding of \$45,645,000 of Series 2006 Bonds, Refunding of \$36,925,000 in Outstanding TECP and new money in the amount of \$62,400,000. The refunding of the Series 2006 bonds achieved a debt service net present value savings of \$8,375,195.

With the outstanding principal amount of the TECP notes now at a zero balance, the District terminated its Credit Agreement relating to the TECP program on June 21, 2016. The Dealer Agreement relating to the notes was canceled on February 22, 2017. As the District moves closer to



the implementation of Bond 2016, the reinstatement of the TECP Program will be considered depending on interest rates, market conditions, and other economic factors.

On June 28, 2017, the District went out in the market to convert \$46,480,000 of the Variable Rate Unlimited Refunding Bonds Series 2014A to a fixed rate structure. The transaction closed in August 2017. Despite challenging market conditions and upward yield movement during the day of pricing, the District and its underwriters were very successful in this transaction, which saw 10 new investors to SAISD's credit participating in the sale. The deal was overall 2.2x oversubscribed with maturities in the longer end of the yield curve having an oversubscription of up to 3.6x. The true interest cost of the transaction is 3.356% with an average annual debt service of \$2,648,719. The sale of these bonds took place at Frost Bank, the District's Financial Advisor, and allowed students from Lanier High School and Young Women's Leadership Academy to attend and witness firsthand how their School District finances its projects through the sale of bonds.

While the 2016 Bond program is still in the planning phase, soon the District will begin construction on 13 schools receiving major improvements. When the District enters the market for future bond sales, it will continue to make student involvement one of its priorities. Giving students, on the day of pricing, the opportunity to interact with bankers, financial advisors, attorneys, District staff, and Board Trustees, allows them to learn about the various roles and careers in the financial industry, provides insight on how their schools' projects are funded, and illustrates the importance of teamwork. The District's commitment to being "Student Centered" has been featured in publications such as *The Bond Buyer* and has garnered tremendous support and interest from the community.

### **Budgetary Controls**

The annual budget serves as the foundation for the District's financial planning and control. The District's 2016-2017 reporting period began July 1, 2016 and ended June 30, 2017. The preparation of the budget now commences in October under the direction of the Superintendent of Schools. The Board reviews the budget during workshops conducted between February and June. Recommendations from schools, parents, employee groups, and stakeholders of the District are considered during the budget process. The final amended 2016-2017 budget was approved by the Board of Trustees on June 19, 2017. The District maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Trustees. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by major functional category.

Activities of the General Fund, the Debt Service Fund, and the Child Nutrition Program Fund, are included in the annual appropriated budget. Budget-to-actual comparisons are provided in this CAFR for these funds. For the General Fund, the comparison is presented in Exhibit G-1, as required supplementary information. For the Child Nutrition Program Fund and Debt Service Fund, the comparisons are presented as required TEA schedules in Exhibits J-4 and J-5, respectively.

### **Long-Term Financial Planning**

The District has maintained a healthy fund balance to ensure that resources are available when needed to meet unexpected revenue shortfalls and fund one-time expenditures that may exceed the annual budgeted revenue. The District, because of its continued cost containment efforts, improved operating efficiencies, budgetary and financial planning, has been successful in increasing the General Operating Fund Balance each year since 2006-07.

## Legislative Changes

The Texas Legislature meets in regular session in odd-numbered years. During these sessions, the Legislature approves the state budget, which includes funding for local public school districts. The 85th Legislative Session convened in January 2017, and also included a special session called by Governor Abbott. The budget was approved on Saturday, May 27, 2017, and included many education bills effective for the school years 2017-18 and 2018-19.

According to a Legislative Summary published by Moak, Casey & Associates on June 15, 2017, the major State Funding items with an impact to school Districts included the following:

- There was an increase to the “Austin Yield” component of the Foundation School Program (FSP) funding, increasing the factor from \$77.53 to \$99.41 for 2017-18 and to \$106.28 for 2018-19. This change will yield more than \$18 million to SAISD over the two years of the biennium. The change to the “Austin Yield” cost the State \$1.5 billion for the biennium.
- There was no increase to the Basic Allotment during this legislative session, so it will remain at \$5,140 for both years of the biennium.
- The State also is funding expected student enrollment growth at a projected cost of \$2.7 billion for the biennium.
- HB 4 is a bill that was passed during the 2015-17 biennium to provide grant funding of up to \$1,500 per eligible 4-year-old student for a high quality Pre-Kindergarten program. Unfortunately, there was no funding allocated to continue this program, which SAISD did take part in. The program was restructured to utilize existing Pre-K funding, and ensure that districts receiving this funding allocate a minimum of 15% toward meeting the requirements of a “High Quality Pre-Kindergarten” program.
- This year, there was no new round of funding added for the Instructional Facilities Allotment (IFA). However, HB 1081, regarding the New Instructional Facilities Allotment (NIFA), enacted a change that will benefit the District. In addition to increasing the potential assistance from \$250 per ADA up to \$1,000 (based on availability of funds), the bill redefined “instructional facilities” to include “newly constructed, repurposed, and leased facility operating for first time with a minimum lease of no less than 10 years.” This bill may benefit CAST Tech HS, and possibly new investments in a previously vacated building.

## Local Funding

Local property values in the District increased approximately 10.0% over the prior year, providing welcome help to the financing of the construction program. The current debt service (I&S) tax rate is more than 7 cents below the tax rate that was projected for the voters at the time of the Bond 2010 election. The District’s total tax rate for fiscal year 2017 increased due to the successful Tax Ratification Election on November 8, 2016, which increased the maintenance & operations (M&O) tax rate from \$1.04 to \$1.17 per \$100 of property valuation. Additionally, the voters did authorize a \$450 million bond initiative in support of renovations for 13 schools.

## State Funding

According to the Texas Education Agency, “the Foundation School Program (FSP) is the program that establishes how much state funding school districts and charter schools are entitled to receive. Formulas are set in statute (Chapters 41, 42 and 46), and they consider both student and district characteristics, including the number and type of students enrolled, district size and geographic factors, and local taxable property values and tax rates. Generally, once entitlements are established,

the formulas determine how much a district can generate locally through property taxes before making up the difference with state funds.”

There has been much controversy in Texas regarding the adequacy and equity of its public school funding system. In 2014, more than half of the Texas school districts filed a lawsuit over \$5.4 billion in funding cuts in 2011. State District Judge Dietz issued a verbal ruling in 2015 that the Texas’ method for paying for public education is unconstitutional because it is “unfairly distributed among schools in wealthy and poor areas.” However, on May 13, 2016, the Texas Supreme Court did not affirm this opinion, and ruled that the school funding system “is undeniably imperfect, with immense room for improvement. But it satisfied the minimum constitutional requirements.” So, the Foundation School Program remains the primary mechanism for determining how school Districts receive their annual funding from the State.

For the year ending June 30, 2017, State funding represents about 57% of the total General Fund revenue. As noted above, the 85<sup>th</sup> legislative session did provide additional funding for school Districts by increasing the “Austin Yield” component of the Foundation School Program, but did not increase the amount for the “Basic Allotment” and also did not continue to fund the grants made available to Districts in the last biennium to provide a high quality Pre-Kindergarten program.

### **Federal Funding**

San Antonio ISD was impacted by multiple years of mandated Federal sequestration of funds, primarily impacting Federal entitlements such as Title I, II and III, as well as IDEA-B funding for Special Education. Certain federal grants such as Head Start and After School Challenge Program were also reduced as a result of federal sequestration. While the District did not experience sequestration for the 2016-17 school year, it is unlikely that SAISD will be restored to pre-sequestration levels. Fortunately, the District is the beneficiary of several Federal grants such as Head Start, Gear-Up, Texas Literacy Initiative, and most recently the Teacher Incentive Fund. These impactful grants are instrumental in helping the District move toward the 5-Year goals as outlined in the SAISD Blueprint for Excellence.

### **Impact of Interest Rates**

After a seven year period of historically low interest rates, the U.S. finally saw the first rate hike in December 2015, where the Fed increased its overnight Federal Funds Rate target range to 0.25%-0.50%, up from its previous target of 0%-0.25%. From there rates remained level until after the November 2016 election when the Fed increased its target to 0.50% to 0.75%, followed by two additional rate hikes in March and June of 2017. The overnight Federal Funds rate at the end of September 2017 was 1.06%. The increase in rates have allowed the District to increase its return on investments and have presented opportunities for the District to invest further down the yield curve. Without Board approval, the District’s current investment policy prohibits the investment of any security that matures more than two years from the date of purchase. At the end of September 2017, the yield on a two-year Treasury was 1.47%.

### **Child Nutrition Program**

The mission of the SAISD Child Nutrition Services is to enhance the learning and health of our children by nourishing their bodies and minds through healthy, nutritious meals that meet or exceed the Federal requirements set forth by the National School Breakfast and Lunch Programs. By maintaining a standard of excellence it enables Child Nutrition Services to provide support services to each campus in a way that helps schools to improve student academic performance, attendance and behavior.



The Child Nutrition Program continues to provide services to each campus and enhance its operations. As a result of the administrative team's continued effort to streamline operations, increase meal participation, cut costs and increase revenue, the program has been able to build its fund balance to \$9.0M for 2016-2017. Child Nutrition recognized a small loss in 2016-2017 due to the purchase of new equipment and the change in breakfast in the classroom (BIC) serving methods. Also for the 2016-2017 school year, the department continued the Community Eligibility Provision (CEP). CEP allows all students to eat breakfast and lunch free of charge regardless of student eligibility. The District's top priority is to ensure that each child receives a healthy breakfast and lunch. Child Nutrition Program balances and results of operations are reported in Exhibits H-1 and H-2, respectively.

The District serves students meals through several Texas Department of Agriculture school nutrition programs. Students are served breakfast through the School Breakfast Program, lunch and after-school snacks through the National School Lunch Program, and afternoon snacks are provided to Head Start students through the Child and Adult Care Food Program. Currently, the District offers Head Start at 19 campuses. For 2016 – 2017, afterschool meals (supper) were served to approximately 4,500 students who participated in the After School Care Programs at 76 campuses. The Child and Adult Care Food Program provides reimbursement for afterschool meals.



An innovative way implemented to increase students partaking of the nutritious foods served at school was through a “culinary competition”. Judges comprised of students sampled and evaluated items for consideration for school menus. New menu items competing for breakfast and lunch included cheese and salsa empañada, a Philly cheese steak and cheese pinwheel, honey Siracha boneless wings, a sausage calzone made with a meatless protein, along with vegetarian options.

The District also participates in the Fresh Fruit and Vegetable program. This program is currently offered at 22 campuses, and students are offered the opportunity to taste a wide variety of fruits and vegetables. Servings of fresh fruits and vegetables are provided at other than standard meal periods, at no cost. The District realized \$871,350 under this program for 2016-2017.

The District is reimbursed based on the number of breakfasts and lunches served as well as on the number of after-school and Head Start afternoon snacks served, and the afterschool meal. The District is reimbursed at the free rate for 99.3% of total breakfast and lunch meals served for those campuses participating in CEP. The District has decided to pay for reduced price and paid breakfasts and lunches served for Edison, Fox Tech, Travis Early College, Young Women's Leadership Academy, and Fox Tech Advanced Learning Center, and for 2017-2018 the five new schools consisting of Twain Dual Language Academy, Steele Montessori, Gonzales ECE, Nelson ECE, and Cast High School will also be reimbursed by the District. These ten campuses are reimbursed on the number of free, reduced, and paid breakfast and lunches served. Each year, the federal reimbursement rates increase. The rates are increasing by 2.32% for lunch, 2.70% for breakfast, and 2.14% for supper from 2016-2017 to the 2017-2018 school year.

Current and historical reimbursement rates for the School Lunch Program and the School Breakfast Program are provided in the tables that follow.

School Year	School Lunch		
	Paid	Reduced	Free
2017-2018	\$ 0.39	\$ 2.91	\$ 3.31
2016-2017	\$ 0.38	\$ 2.84	\$ 3.24
2015-2016	\$ 0.37	\$ 2.75	\$ 3.15
2014-2015	\$ 0.36	\$ 2.66	\$ 3.06
2013-2014	\$ 0.36	\$ 2.61	\$ 3.01

School Year	School Breakfast		
	Paid	Reduced	Free
2017-2018	\$ 0.30	\$ 1.79	\$ 2.09
2016-2017	\$ 0.29	\$ 1.74	\$ 2.04
2015-2016	\$ 0.29	\$ 1.69	\$ 1.99
2014-2015	\$ 0.28	\$ 1.63	\$ 1.93
2013-2014	\$ 0.28	\$ 1.59	\$ 1.89

Includes Severe Need Allocation for Districts with 40% or more economically disadvantaged

The Child Nutrition Department implemented the Nutrikids system in 2013. This system streamlines the counting and claiming process as well as the application process. The Nutrikids system has internal checks and balances to prevent over claiming and ensure accuracy.



The Child Nutrition Department received an equipment grant for the 2016-2017 school year in which a “themed food truck serving line” was purchased for Brackenridge High School. The truck serves a build your own taco bowl, chili cheese dogs, nachos, and a spicy hoagie sandwich. When combined with the other reimbursable components, all of these entrees are included as part of the reimbursable meal.

The Child Nutrition Department observed a decrease in food costs for 2016-2017. The decrease was due to the decline in breakfast meals served. The Child Nutrition Program allowed several options to service breakfast for the 2016-2017 school year, modifying the current BIC system. Campuses were not able to maintain their current breakfast rates which caused a huge decline in the number of breakfasts served. Child Nutrition continues to monitor menus, warehouse orders, and weekly and monthly review of food expenses to track any changes and make adjustments as needed.

The Child Nutrition Department continues looking at ways to increase the fund balance. A positive fund balance can be re-invested into the Child Nutrition Department to purchase items such as capital equipment. In 2016-2017 the department maintained at \$9.0M fund balance. By maintaining a healthy fund balance, Child Nutrition purchased equipment for the new school opening in 2017-2018 to include a dishwasher, refrigerator, oven, steamer, milk coolers, ice machines, hot food serving lines, and heating cabinets. The constant monitoring of the Child Nutrition revenues and expenses enables to department to maintain profitability when labor and food expenses increase; as well as, allowing the department to invest in equipment.

### **Retirement Benefits**

The District participates in the Social Security/Medicare program and continues to match the 7.65% currently required of employees. This is an added benefit to District employees, who can collect benefits from Social Security in addition to the Teacher Retirement System of Texas (TRS) when they are eligible to retire. The District's contributions to Social Security/Medicare totaled \$27.00 million while annual required contributions to the TRS totaled \$8.6 million. The District contributed an additional \$2.4 million for the TRS care program (retiree health plan) for fiscal year 2017.

### **Other Employee Benefits**

A minimum monthly contribution of \$428.83 for "employee only" health, dental, and life insurance coverage is paid for by the District as part of the benefits package for eligible employees. The plans are:

- Health Insurance (choice of 3 plans)
- Dental Insurance
- Life Insurance \$10,000

### **Financial Awards and Recognition**

Throughout the years, the District has demonstrated to the school Board, community and the financial marketplace its commitment to effectively and prudently manage funds by earning coveted recognition for budgeting, financial reporting and performance from national and state level.

#### **Certificate of Achievement for Excellence in Financial Reporting**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the twelve months ended June 30, 2016. This marks the twenty-ninth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that the 2017 CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

- **Certificate of Excellence in Financial Reporting**

The Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to the District for the 2015-2016 fiscal year. This award certifies that the CAFR for the twelve months ended June 30, 2016 conforms to the principles and standards of financial reporting as recommended and adopted by the ASBO. The District deems that the 2017 CAFR, which will be submitted to ASBO for review, also conforms to these principles and standards.

The award conferred for thirty-seven consecutive years to the District represents a very significant achievement and reflects the District's commitment to the highest standard of school system financial reporting.

- **Distinguished Budget Presentation Award**

The District received the GFOA Budget Presentation Award for the twelfth consecutive year. The budget awards program encourages governments to prepare budget documents of the highest quality to meet the needs of decision-makers and citizens.

- **Meritorious Budget Award**

The District received from ASBO the Meritorious Budget Award for the eleventh consecutive year. This award recognizes excellence in school budget presentation and demonstrates the District's commitment to sound fiscal management practices. The program encourages both short and long-range budget goals in order to promote effective use of educational resources.

- **School FIRST Rating**

For the 2016-17 school year, based on the 2016 fiscal data, the District earned the highest rating of "A for Superior Achievement" for the Texas Education Agency's School FIRST program. The purpose of School FIRST (Financial Integrity Rating System of Texas) is to ensure that school Districts are held accountable for the quality of their financial management practices. The FIRST ratings are based on an expanded set of financial indicators, such as on administrative cost expenditures, the accuracy of District financial information submitted to TEA; and any financial vulnerabilities or material weaknesses in internal controls as determined by an external auditor. The system is designed to encourage Texas school Districts to improve performance in the management of their financial resources in order to provide the maximum allocation possible for direct instructional purposes.

## **Acknowledgements**

The preparation of the CAFR was accomplished through the commitment, dedication and efforts of the entire staff of Financial Services. We wish to thank other departments throughout the District for the contributions made in the preparation of this award class report. We, also, would like to acknowledge our independent auditors, Garza/Gonzalez and Associates, for their role in providing professional guidance and leadership in developing the annual report. Our thanks to the Board of Trustees for their leadership and support of excellence in financial reporting and fiscal integrity. Finally, we would like to express our gratitude to the citizens of San Antonio ISD for their continued support of our school District.

Respectfully Submitted,



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Pedro Martinez  
Superintendent of Schools



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Larry A. Garza, Assoc. Superintendent  
Financial Services and Business  
Operations



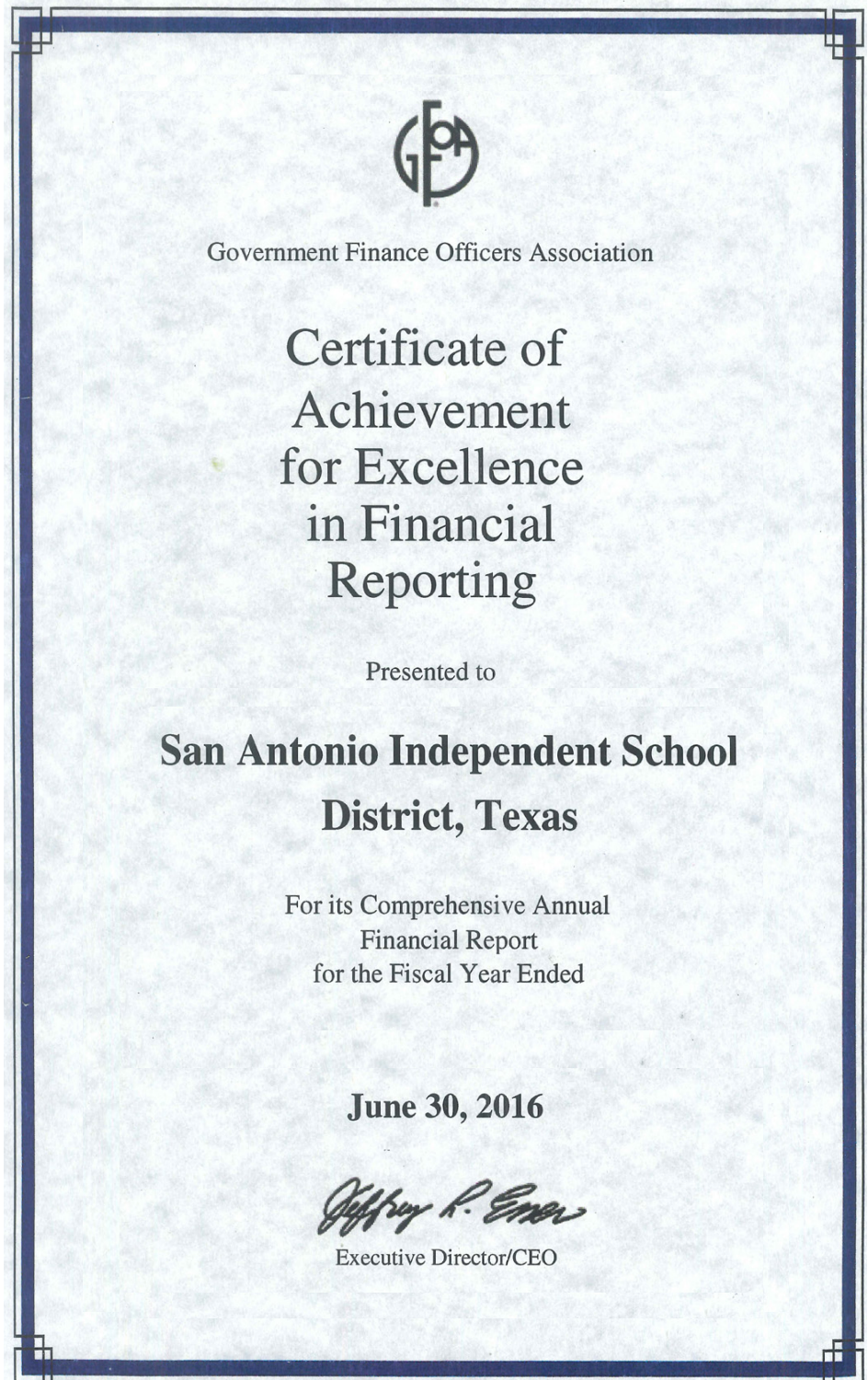


# Awards for Excellence in Financial Reporting

## GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) AWARD

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to San Antonio ISD (SAISD) for its Comprehensive Annual Financial Report (CAFR) for the fiscal Year ended June 30, 2016. The certificate of Achievement for Excellence in Financial Reporting is a prestigious, national award, which recognizes conformance with the highest standards for preparation of state and local government CAFRs.

In order to receive a Certificate of Achievement in Financial Reporting, a governmental unit must publish a CAFR whose contents conform to program standards of creativity, presentations, understandability, and reader appeal. In addition, this report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements. SAISD has received the Certificate of Achievement in Financial Reporting for twenty-nine (29) consecutive years.









**ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**

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

**San Antonio Independent School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

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



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

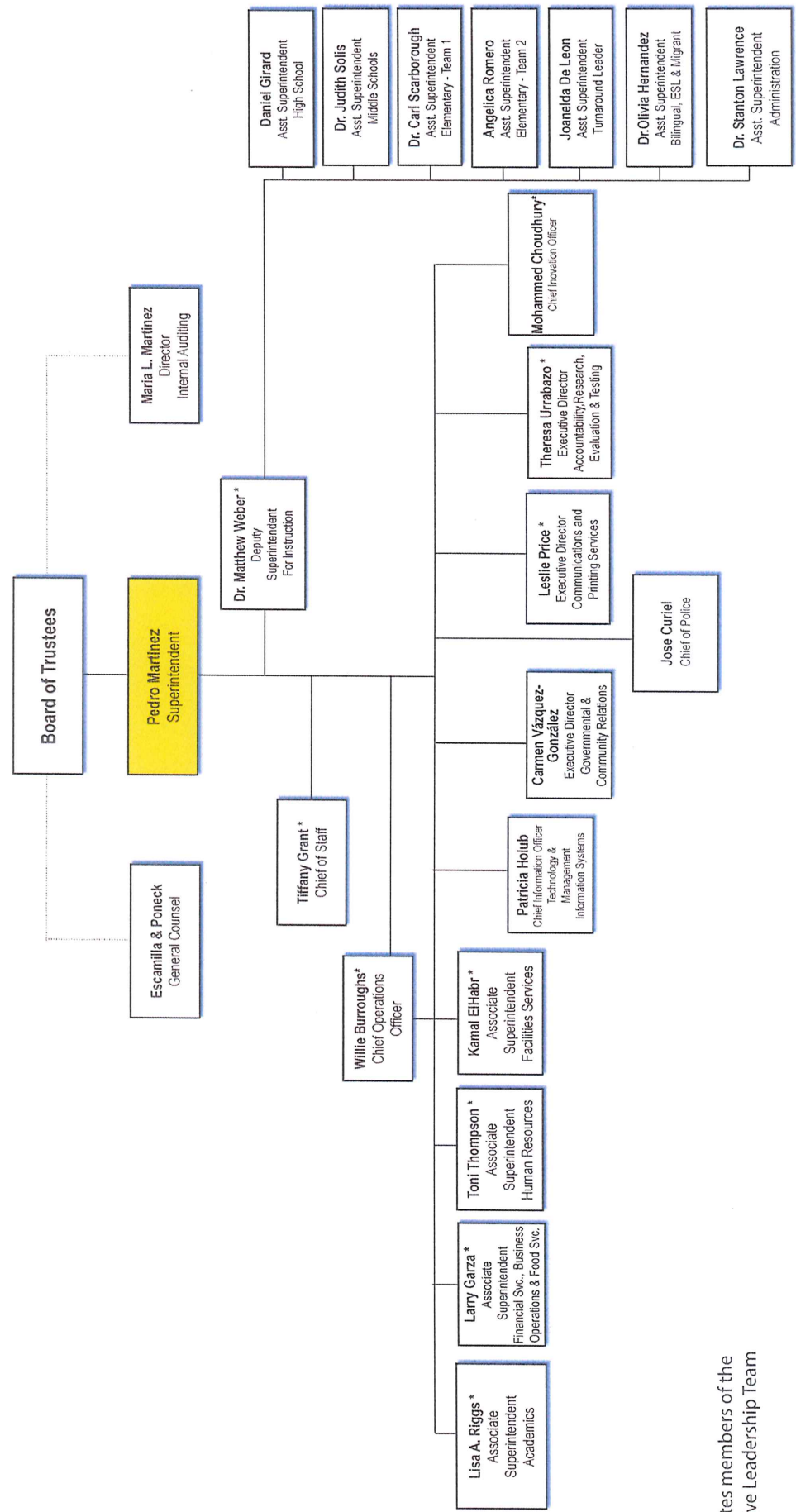
**John D. Musso, CAE, RSBA**  
Executive Director

**ASSOCIATION  
OF SCHOOL  
BUSINESS OFFICIALS  
INTERNATIONAL  
(ASBO) AWARD**

The ASBO awarded a Certificate of Excellence in Financial Reporting to San Antonio Independent School District (SAISD), for the thirty-seventh (37) consecutive year, for its CAFR for the fiscal year ended June 30, 2016. This nationally recognized program was established by ASBO to encourage school business officials to achieve a high standard of financial reporting. The award is the highest recognition for school financial division operations offered by ASBO, and it is only conferred upon school systems that have met or exceeded the standards of the program.

Participation in the Certificate of Excellence in Financial Reporting program validates SAISD's commitment to fiscal and financial integrity and enhances the credibility of SAISD operations with the school board and the community. The program reviews the accounting practices and reporting procedures used by SAISD in its CAFR based upon specific standards established by the Governmental Accounting Standards Board (GASB).





\* Denotes members of the Executive Leadership Team





**SAN ANTONIO INDEPENDENT SCHOOL DISTRICT**  
**BOARD OF TRUSTEES**



**President**  
**Patti Radle**  
(District 5)



**Vice President**  
**Arthur V. Valdez**  
(District 4)



**Secretary**  
**Debra Guerrero**  
(District 3)



**Trustee**  
**Ed Garza**  
(District 7)



**Trustee**  
**James Howard**  
(District 2)



**Trustee**  
**Steve Lecholop**  
(District 1)



**Trustee**  
**Christina Martinez**  
(District 6)





**Pedro Martinez**  
*Superintendent*

**SUPERINTENDENT’S CABINET**

**Dr. Matthew Weber**  
Deputy Superintendent  
Instruction

**Kamal ElHabr\***  
Associate Superintendent  
Facilities Services

**Dr. Stanton Lawrence**  
Asst. Superintendent  
Administration

**Theresa Urrabazo**  
Executive Director  
Accountability, Research, Evaluation & Testing

**Dr. Judith Solis**  
Asst. Superintendent  
Middle Schools

**Daniel Girard**  
Asst. Superintendent  
High Schools

**Larry A. Garza\***  
Associate Superintendent  
Financial Services, Business Operations  
and Food Service

**Willie Burroughs\***  
Chief Operations Officer

**Dr. Carl Scarborough**  
Asst. Superintendent  
Elementary Schools - Team 1

**Carmen Vázquez-González**  
Executive Director  
Governmental & Community Relations

**Lisa A. Riggs**  
Associate Superintendent  
Academics

**Tiffany Grant**  
Chief of Staff

**Dr. Olivia Hernandez**  
Asst. Superintendent  
Bilingual, ESL and Migrant

**Toni Thompson\***  
Associate Superintendent  
Human Resources

**Mohammed Choudhury**  
Chief Innovation Officer

**Patricia Holub**  
Chief Information Officer  
Technology & Management  
Information Systems

**Leslie Price\***  
Executive Director  
Communications & Printing Services

**Jose Curiel**  
Chief of Police

**Angelica Romero**  
Asst. Superintendent  
Elementary Schools - Team 2

**Joanelda DeLeon**  
Asst. Superintendent  
Turnaround Leader

\*Denotes member of the Executive Leadership Team

# CERTIFICATE OF BOARD

<b>SAN ANTONIO INDEPENDENT SCHOOL DISTRICT</b>	<b>BEXAR</b>	<b>015-907</b>
Name of School District	County	Co. Dist. Number

We, the undersigned, do hereby certify that the attached annual financial reports of the above named school district were reviewed and approved ✓ disapproved \_\_\_\_\_ (check one) for the year ended June 30, 2017 at a meeting of the Board of Trustees of such school district on the 13 day of November, 2017.



**Patti Radle**  
Board President



**Debra Guerrero**  
Board Secretary





# Financial Section







# Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

Board of School Trustees  
San Antonio Independent School District  
San Antonio, TX

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Antonio Independent School District (the District) as of and for the year ended June 30, 2017, 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 District'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 District'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, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2017, 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 for the general fund, and the Teacher Retirement System pension information, as listed in the table of contents, 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 basic financial statements. The introductory section, other supplementary information, required Texas Education Agency (TEA) schedules, and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplementary information, required TEA 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, this information is 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 our report dated October 27, 2017, 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, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Garcia/Gonzalez  
& Associates*

October 27, 2017



## **SAN ANTONIO INDEPENDENT SCHOOL DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the San Antonio Independent School District (District), we are providing readers of the District's financial statements this narrative overview and analysis of the District's financial activities for the year ended June 30, 2017. Please read it in conjunction with the transmittal letter, which begins on page -v-, and the District's financial statements, which follow this section.

#### **FINANCIAL HIGHLIGHTS**

- The District's total combined net position as reflected in the government-wide Statement of Net Position was \$440,435,515 at June 30, 2017. This amount was negatively impacted with the third year of Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions by the net amount of \$90,963,286.
- The District's Statement of Activities reflects an increase in net position for Governmental Activities in the amount of \$34,476,250. This is a result of expenses being less than the \$682,336,302 generated in taxes, state aid, investment earnings, and other revenues such as charges for services and grants. In addition the District received \$2,852,855 in insurance settlements as a result of a hail storm.
- The General Fund reported a fund balance in the governmental funds financial statements this year of \$97,777,807. Approximately 89% of this total amount, \$86,871,777, is available for spending at the District's discretion (unassigned fund balance).
- As shown on the Statement of Activities, property tax revenues increased \$43,436,779, or 22%, from the prior year due to a \$1,795,542,512 increase in property values. The 2016-17 tax rate is \$1.5126 per \$100 assessed valuation.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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. These provide information about the activities of the District as a whole and present a long-term view of the District's property and 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 report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The governmental funds statements show how general government services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The proprietary funds statements reflect the activity related to services provided to parties within the District, for the District's workers



# **SAN ANTONIO INDEPENDENT SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

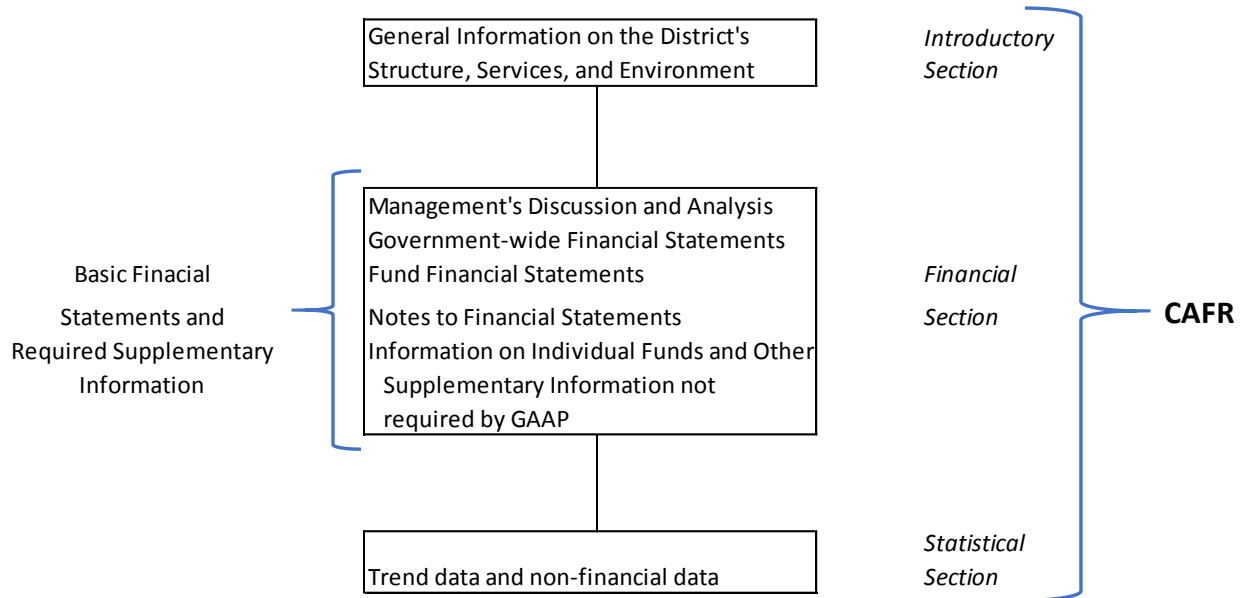
compensation, medical and dental insurance programs. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the government. The notes to the financial statements provide narrative explanations or additional data needed for full disclosure of the government-wide statements or the fund financial statements.

The combining statements for non-major governmental funds and the combining statements for internal service funds contain even more information about the District's individual Special Revenue and Permanent Funds and Internal Service Funds, respectively. The Statement of Changes in Assets and Liabilities for the agency fund is also included. These combining statements are additional supplementary information and not required by Texas Education Agency (TEA). The sections labeled Required TEA Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

**SAN ANTONIO INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**Figure A-1**  
**Components of the District's Comprehensive Annual Financial Report (CAFR)**



**Reporting the District as a Whole**

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

The primary objective of the analysis is to show whether the District is better or worse off as a result of the year’s activities. The Statement of Net Position includes all of the District’s assets and liabilities, while the Statement of Activities includes all the revenues and expenses generated by the District’s operations during the year. These statements apply the same basis of accounting used by most private sector companies- the full accrual basis.

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 one of the following two categories: (1) those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the District and grants provided by the U.S. Department of Education to assist children with disabilities or children from disadvantaged backgrounds (program revenues), or (2) general revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All assets of the District 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.

# SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

These two statements report the District's net position and its change. 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. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, nonfinancial factors should be considered as well; such as, changes in the District's average daily attendance, its property tax base, and the condition of the District's facilities.

The District's government-wide net position has improved as evidenced by the increase in government-wide net position; however, the weighted average daily attendance (WADA) continues to decline. Due to this decline in attendance, the District continues to assess facilities and staffing allocations to ensure that the students' needs are best served.

While the District's property tax base has enjoyed growth for most recent years, the state funding methodology minimizes the benefit of additional increases in taxable property. Foundation School Program state funding, which is the District's largest portion of state funding, is based on property values, so as values increase, the state funding decreases. The Instructional Facilities Allotment and the Eligible Debt Allotment also decrease with increases in property values.

The District's governmental activities are presented in the Statement of Net Position and the Statement of Activities. All of the District's basic services are reported as governmental activities; including, instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance these activities.

### **Reporting the District's Funds**

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

The fund financial statements provide detailed information about the District's funds - not the District as a whole. Laws and contracts require the District to establish funds to account for various grants received. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities).

- *Governmental Funds* – The District reports most of its basic services 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 they report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's financial condition, 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 governmental fund financial statements. The governmental fund activities and balances are reported in Exhibits C-1 and C-3.

## **SAN ANTONIO INDEPENDENT SCHOOL DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

- *Proprietary Funds* – These funds report activities where the District charges users for services. There are two types of proprietary funds, enterprise and internal service funds. The District does not have any enterprise funds but has three internal service funds to account for its workers compensation, medical insurance and dental insurance programs. The District's combined activities for its internal service funds are reported in Exhibits D-1, D-2, and D-3. These activities are also reported individually for each internal service fund in Exhibits H-3, H-4, and H-5.

#### **The District as Trustee**

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

The District is the trustee, or fiduciary, for money raised by student activities. Money raised by student activities is recorded in the District's agency funds. All of the District's fiduciary activities are reported in Exhibit E-1, Statement of Fiduciary Assets and Liabilities. We exclude these resources from the District's other financial statements because the District cannot use the resources to support 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**

As noted earlier, net position serves as a useful indicator of the District's financial health. The District's assets and deferred outflows exceeded liabilities and deferred inflows by \$440,435,515 as of June 30, 2017.

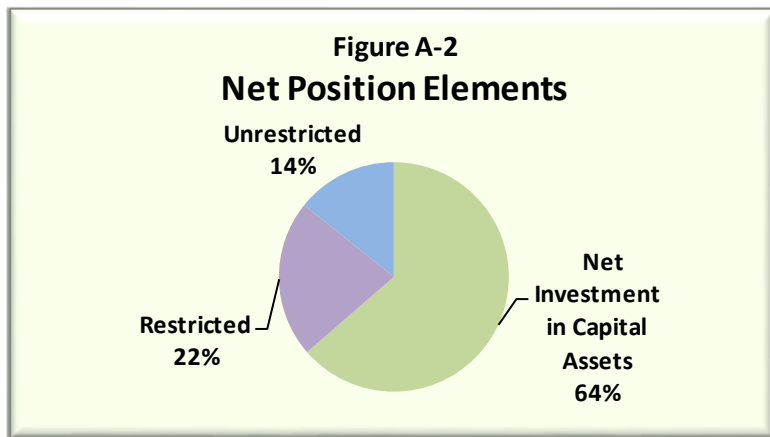
**SAN ANTONIO INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**

The District’s net position is comprised of the following elements as illustrated in Table 1 and Figure A-2.

**Table 1**  
**San Antonio Independent School District**  
**Net Position**

	Governmental Activities 2017	Governmental Activities 2016
Current and Other Assets	\$ 343,813,071	\$ 331,192,096
Capital Assets, Net	1,083,096,850	1,093,100,790
Total Assets	<u>1,426,909,921</u>	<u>1,424,292,886</u>
Deferred Outflows of Resources	25,611,762	23,520,675
Long Term Liabilities	925,559,754	957,221,107
Other Liabilities	72,317,660	72,323,368
Total Liabilities	<u>997,877,414</u>	<u>1,029,544,475</u>
Deferred Inflows of Resources	14,208,754	12,309,821
Net Position:		
Net Investment in Capital Assets	280,184,696	264,358,314
Restricted	97,550,757	122,966,558
Unrestricted	62,700,062	18,634,393
Total Net Position	<u>\$ 440,435,515</u>	<u>\$ 405,959,265</u>

At approximately 64% of total net position, Net Investment in Capital Assets is the largest portion of the District’s net position. This is the District’s investment in capital assets (e.g., land, buildings, furniture, equipment and vehicles), net of accumulated depreciation and of any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its student population and its employees. Consequently, these assets are not available for future spending. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.





# SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

*Restricted* net position makes up 22% of total net position. It represents balances for which external constraints have been placed and includes balances for debt service, capital projects, grants, and campus activities.

*Unrestricted* net position is the portion of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements and represents about 14% of total net position.

### Capital Assets

The District's investment in capital assets for its governmental activities, as of June 30, 2017, amounts to \$1,083,096,850 (net of accumulated depreciation) as illustrated in Table 2. The District invests in a broad range of capital assets, including instructional facilities and equipment, transportation facilities and equipment, athletic facilities, and administrative and maintenance buildings and equipment.

This year's total capital outlay was \$24,755,947 and of this amount, \$22,133,498 or 89% was incurred in the capital projects fund for the on-going construction, improvement and expansion of District buildings. The District's fiscal year 2018 capital budget continues to decline as more projects near completion. Refer to Note E in section III of the Notes to the Financial Statements for more detailed information on capital assets.

**Table 2**  
**San Antonio Independent School District**  
**Capital Assets**  
**(net of depreciation)**

	Governmental Activities 2017	Governmental Activities 2016
Land	\$ 66,645,909	\$ 65,516,241
Buildings and Improvements	932,055,364	805,148,266
Furniture, Equipment, & Vehicles	17,179,102	19,849,643
Construction in Progress	67,216,475	202,586,640
Total	<u>\$ 1,083,096,850</u>	<u>\$ 1,093,100,790</u>

## **SAN ANTONIO INDEPENDENT SCHOOL DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

#### **Debt**

At June 30, 2017, the District had \$768,659,988 in bonds outstanding (the "Bonds"). By virtue of the Permanent School Fund, the Bonds are rated "AAA" by Fitch Ratings ("Fitch") and "Aaa" by Moody's Investors Service, Inc. ("Moody's"). The Bonds of the District are rated "AA" by Fitch and "Aa2" by Moody's without regard to credit enhancement. The District's Commercial Paper program authorizes management to issue an aggregate principal amount not to exceed \$100,000,000. The District did not issue Commercial Paper during the year and there was no commercial paper outstanding as of June 30, 2017.

Other District long-term obligations include workers' compensation and the Accumulated Leave Incentive Plan (ALIP). More detailed information about the District's long-term liabilities is presented in Notes H through K of section III in the Notes to the Financial Statements.

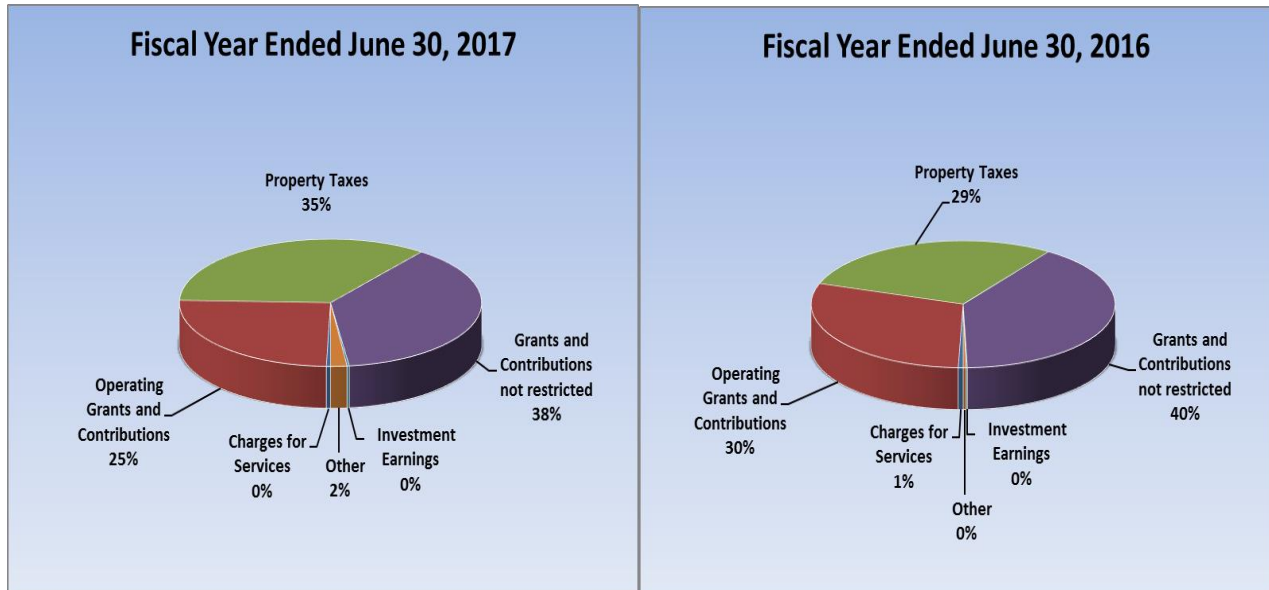
The District has adopted Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. GASB Statement No. 68 requires school districts to report their portion of the unfunded (liability) or overfunded (asset) pension of the Teacher Retirement System of Texas pension plan. The District has participated in the Teacher Retirement System of Texas pension plan for years. With the implementation of GASB Statement No. 68, the costs and obligations of the state (on-behalf contributions) and the District related to the Teacher Retirement System of Texas pension plan are intended to be more transparent.

#### **Changes in Net Position**

The District's revenue sources generated about the same proportions of total revenue in fiscal year 2017 as in fiscal year 2016, as illustrated in Figure A-3 except that revenues increased for other miscellaneous and local due to contributed capital (construction in progress) of \$3,975,896 and due to insurance recovery (hail storm) of \$2,852,855. Grants and Contributions not Restricted made up the largest portion of the revenue, followed by Property Taxes, then followed by Operating Grants and Contributions.

**SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Figure A-3  
District Sources of Revenue**



As shown on the District's Statement of Activities, net position of the District's governmental activities increased by \$34,476,250 for the fiscal year ended June 30, 2017 (Table 3).

**Table 3  
San Antonio Independent School District  
Change in Net Position**

	Governmental Activities 2017	Governmental Activities 2016
Revenues:		
Program revenues:		
Charges for services	\$ 3,041,973	\$ 3,457,916
Operating grants and contributions	172,369,510	198,000,881
General revenues:		
Maintenance and operations taxes	183,872,029	146,137,445
Debt service taxes	53,842,255	48,140,060
Grants and contributions not restricted	258,842,440	266,540,791
Investment Earnings	(1,592,279)	5,169,963
Other (Miscellaneous & Local)	9,107,519	2,072,787
Extraordinary Item-resource	2,852,855	-
<b>Total revenues</b>	<b>\$ 682,336,302</b>	<b>\$ 669,519,843</b>

(Continued)

# SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

	Governmental Activities 2017	Governmental Activities 2016
Expenses:		
Instruction and media services	\$ 324,413,950	\$ 340,638,597
Curriculum and instructional staff development	26,623,808	19,439,521
Instructional and school leadership	51,374,079	49,509,681
Student support services	50,744,817	47,818,672
Food services	43,536,259	43,749,368
Extracurricular activities	12,691,289	11,842,204
General administration	17,268,099	15,381,107
Facilities maintenance, security, and data processing services	83,109,856	79,984,865
Community services	7,704,263	7,061,243
Debt services	28,726,464	26,153,873
SSA, JJAEP, and property tax appraisal services	1,667,168	1,767,648
Total expenses	647,860,052	643,346,779
Increase in Net Position	34,476,250	26,173,064
Beginning Net Position	405,959,265	379,786,201
Ending Net Position	\$ 440,435,515	\$ 405,959,265

The District's total governmental activities revenues are \$682,336,302, a 2% increase of \$12,816,459 from the prior year. The largest increase was in *Property Taxes*. Property tax revenues increased \$43,436,779, or 22%, from the prior year primarily due to the increase in the M&O tax rate of \$0.13 from 2016 and an increase in property values. The decreases in Operating Grants and Contributions are due to lower state funding and lower instructional materials allotment.

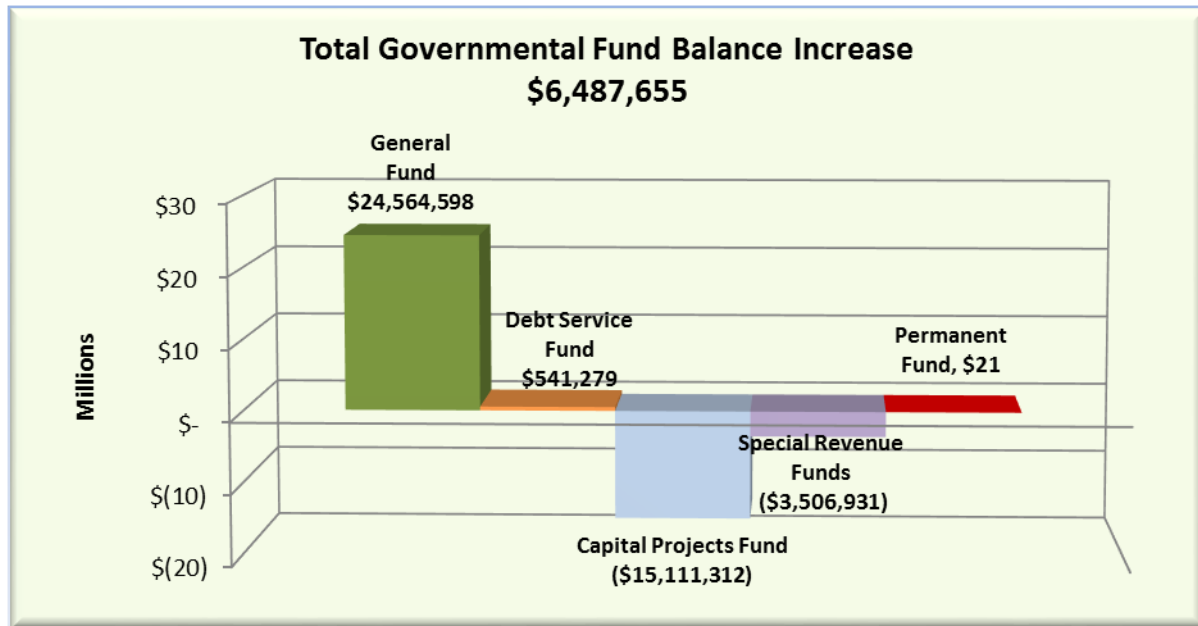
The expenses for governmental activities totaled \$647,860,052, a .70% increase of \$4,513,273 from the prior year. The majority of the increase is in *Curriculum and Instructional Staff Development; Student Support Services and Facilities Maintenance, Security and Data Processing Services* which were offset by a decrease in *Instruction and Media Services*.

### THE DISTRICT'S FUNDS

As the District completed the year ended June 30, 2017, its governmental funds (as presented in the Balance Sheet) reported a combined fund balance of \$249,677,436. Included in this year's \$6,487,655 total increase in fund balance is an increase of \$24,564,598 in the District's General Fund and an increase of \$541,279 in the Debt Service Fund offset by \$18,618,222 decrease in the Capital Projects Fund and Other Funds, as illustrated in Figure A-4.

**SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Figure A-4 District  
Fund Balances**



Total revenues in the General Fund increased \$29,411,094 or 7% from 2016 to 2017.

- State revenue decreased \$9.6M as a result of Foundation School Program funding decreases partially offset by Available School Funding increases.
- Federal revenue increased \$1.3M due primarily to more SHARS activity and University of Texas Health Science Center UT Teen Health Grant.
- Property taxes, including penalties and interest, increased \$43.2M primarily due to the increase in the M&O tax rate of \$0.13 from 2016 and an increase in current property values.

Total expenditures in the General Fund increased \$16,763,748 as compared to the previous year. This increase is due to \$3.6M increases in Curriculum and Instructional Staff Development costs, \$5.5M increases in School Leadership costs, and \$3.8M increases in Facilities Maintenance and Operations.

The fund balance of the Debt Service Fund increased \$541,279, from the amount of \$86,699,033 in the prior year to \$87,240,312 this year. Similar to the General Fund, increased property values resulted in additional local tax revenues of \$5.7M in the Debt Service Fund offset by decreases in Existing Debt Allotment and Instructional Facilities Allotment state revenue. The Debt Service Fund expenditures decreased \$11.8M from last year with the decrease in principal paid on Long Term Debt.



## **SAN ANTONIO INDEPENDENT SCHOOL DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The fund balance of the Capital Projects Fund decreased \$15,111,312 from last year. No bonds were issued this year thus decreasing the fund balance.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the Board of Trustees amended the District's budget several times. These budget amendments are categorized into three classifications: (1) increase to the fund balance; (2) decrease to the fund balance; and (3) no change to the fund balance.

The revenue in the final amended budget in the General Fund was increased by \$40,022,470 from the adopted budget. The increase was due primarily to the successful Tax Ratification Election in November 2016, which increased the M&O tax rate from \$1.04 to \$1.17 for the 2016-17 and future school years. This change in tax rate, along with other less significant factors resulted in both higher local tax revenues (+\$27.9 million) and higher state revenue (+10.0 million). Federal revenues increased \$2.1 million due to an increase in the Medicaid / SHARS reimbursements received.

Expenditures in the General Fund are \$19.8M (+4.5%) higher than appropriations in the adopted budget, but less than the board approved amended budget. The General Fund surplus, due primarily to revenues generated by the Tax Ratification Election, allowed for strategic spending in support of the Superintendent's academic initiatives, and investment in technology and facility upgrades.

The budget was substantially increased in the functional areas of Instruction, School Leadership, Administration, Extracurricular Activities, Pupil Transportation and Facilities Maintenance. These increases were offset in part by reductions in Curriculum & Instruction and Instructional Resources/Media. Most other functional areas showed minor changes from the adopted budget.

Final amended budget to actual comparisons in the General Fund reflect a \$24.6M positive variance between the expected net change to the fund balance of (\$0.0M) and the actual change in the fund balance of \$24.6M. Final expenditures in this year were less than the final amended budgeted appropriations, with a total variance of 2.4% (\$1.4 million). Spending in all functional categories are lower than final amended budget amount. The largest change in budget during the year is in the area of Instruction, with expenditures coming in \$9.9M higher than the original budget. Included in the board approved increase to the budget were added supplemental teachers as well as a significant investment in student technology and other instructional initiatives. Remaining variances are relatively minor and are the result of customary unexpended balances within the District's budget.

# SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The District's assessed taxable value for the 2017-2018 school year (Tax Year 2017) is projected to increase by more than 6% to \$16,715,287,648 compared to the revised assessed taxable value in the 2016-2017 school year (Tax Year 2016) of \$15,537,859,093. The Board did pass a resolution implementing an optional percentage-based homestead exemption with a \$5,000 minimum in November of 2016, which is effective for Tax Year 2017.
- The Board approved a two cent increase to the District's Debt Service (I&S) tax rate for this coming school year. With this increase and the increase in the Maintenance & Operations rate increase from the successful Tax Ratification election, the District's total tax rate will be \$1.5326 per \$100 of assessed valuation.
- Taxes to fund programs and services for the upcoming school year will increase by \$84.56 per year for the average residential homeowner. Of this increase, \$70.53 is due to the increase in appraised residential property value, and \$14.03 is due to the two cent increase in the tax rate for this year. Both commercial properties and residential properties did contribute to this year's growth of the tax base.
- The 2017-2018 budget for state revenues is based on a projected ADA of 46,822. This number is projecting an increase from the prior year of 319 students.
- Programs and services included in the General Fund budget are primarily supported by local and state sources of revenue. The General Fund revenue estimates by source for 2017-2018 are presented below:

Revenue Sources	Proposed Budget 2017-2018
Local Sources	\$ 183,213,012
State Sources	253,965,919
Federal Sources	<u>12,505,546</u>
Total Estimated Operating Revenue	<u>\$ 449,684,477</u>

### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, 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 require additional financial information, contact the Associate Superintendent of Financial Services and Business Operations at 141 Lavaca Street, San Antonio, Texas 78210-1095 or by calling (210) 554-8590.



# Basic Financial Section





*Government-Wide Financial Statements*



SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2017

EXHIBIT A-1

Data Control Codes	Primary Government
	Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 205,516,533
1220 Property Taxes Receivable (Delinquent)	24,419,780
1230 Allowance for Uncollectible Taxes	(244,198)
1240 Due from Other Governments	90,429,467
1290 Other Receivables, net	3,193,319
1300 Inventories	2,476,815
1410 Prepayments	77,424
1493 Deposits	1,300,812
Capital Assets:	
1510 Land	66,645,909
1520 Buildings, Net	932,055,364
1530 Furniture and Equipment, Net	17,179,102
1580 Construction in Progress	67,216,475
1990 Long Term Investments	16,643,119
1000 Total Assets	1,426,909,921
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1701 Deferred Charge for Refunding	5,656,080
1705 Deferred Outflow Related to TRS	19,955,682
1700 Total Deferred Outflows of Resources	25,611,762
<b>LIABILITIES</b>	
2110 Accounts Payable	14,249,237
2123 Claims Payable - ST	5,980,707
2124 Compensated Absences	314,198
2140 Interest Payable	12,921,804
2150 Payroll Deductions & Withholdings	3,608,688
2160 Accrued Wages Payable	31,949,463
2180 Due to Other Governments	107,573
2300 Unearned Revenue	3,185,990
Noncurrent Liabilities	
2501 Due Within One Year	36,745,569
2502 Due in More Than One Year	792,103,971
2540 Net Pension Liability (District's Share)	96,710,214
2000 Total Liabilities	997,877,414
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605 Deferred Inflow Related to TRS	14,208,754
2600 Total Deferred Inflows of Resources	14,208,754
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	280,184,696
3810 Restricted Permanently for Endowment Principal	1,000
3820 Restricted Temporarily for Fed and State Programs	8,182,619
3850 Restricted Temporarily for Debt Service	71,881,169
3860 Restricted Temporarily for Capital Projects	16,511,110
3870 Restricted Temporarily for Campus Activities	721,276
3890 Restricted Temporarily for Other Purposes	253,583
3900 Unrestricted	62,700,062
3000 Total Net Position	\$ 440,435,515

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

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017

EXHIBIT B-1

Data Control Codes	1	Program Revenues		6
Codes	Expenses	3 Charges for Services	4 Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position  Primary Gov. Governmental Activities
<b>Primary Government:</b>				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 317,144,166	\$ 653,654	\$ 55,205,305	\$ (261,285,207)
12 Instructional Resources and Media Services	7,269,784	-	1,474,119	(5,795,665)
13 Curriculum and Staff Development	26,623,808	-	17,265,974	(9,357,834)
21 Instructional Leadership	14,661,225	-	6,986,558	(7,674,667)
23 School Leadership	36,712,854	-	2,152,145	(34,560,709)
31 Guidance, Counseling and Evaluation Services	22,361,135	-	6,040,667	(16,320,468)
32 Social Work Services	5,631,551	-	1,747,474	(3,884,077)
33 Health Services	9,710,785	-	12,577,794	2,867,009
34 Student (Pupil) Transportation	13,041,346	13,700	546,582	(12,481,064)
35 Food Services	43,536,259	1,517,085	41,985,056	(34,118)
36 Extracurricular Activities	12,691,289	454,458	692,194	(11,544,637)
41 General Administration	17,268,099	-	2,386,256	(14,881,843)
51 Facilities Maintenance and Operations	64,042,929	57,939	4,793,849	(59,191,141)
52 Security and Monitoring Services	6,593,169	7,046	1,614,455	(4,971,668)
53 Data Processing Services	12,473,758	-	604,411	(11,869,347)
61 Community Services	7,704,263	338,091	6,007,068	(1,359,104)
72 Debt Service - Interest on Long Term Debt	28,726,464	-	9,704,863	(19,021,601)
93 Payments related to Shared Services Arrangements	584,740	-	584,740	-
95 Payments to Juvenile Justice Alternative Ed. Prg.	8,151	-	-	(8,151)
99 Other Intergovernmental Charges	1,074,277	-	-	(1,074,277)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 647,860,052	\$ 3,041,973	\$ 172,369,510	(472,448,569)

Data Control Codes	General Revenues:	
Taxes:		
MT	Property Taxes, Levied for General Purposes	183,872,029
DT	Property Taxes, Levied for Debt Service	53,842,255
GC	Grants and Contributions not Restricted	258,842,440
IE	Investment Earnings	(1,592,279)
MI	Miscellaneous Local and Intermediate Revenue	9,107,519
E1	Extraordinary Item - resource	2,852,855
TR	Total General Revenues & Extraordinary Items	506,924,819
CN	Change in Net Position	34,476,250
NB	Net Position - Beginning	405,959,265
NE	Net Position--Ending	\$ 440,435,515

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



*Governmental Funds Financial Statements*

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017

Data Control Codes	Major Fund General Fund	Major Fund Debt Service Fund	Major Fund Capital Projects
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 48,267,158	\$ 69,530,839	\$ 29,375,519
1220 Property Taxes - Delinquent	19,174,553	5,245,227	-
1230 Allowance for Uncollectible Taxes (Credit)	(191,746)	(52,452)	-
1240 Receivables from Other Governments	66,883,662	502,696	-
1260 Due from Other Funds	10,914,223	1,355,907	-
1290 Other Receivables	3,062,617	-	-
1300 Inventories	1,239,573	-	-
1410 Prepayments	77,424	-	-
1490 Deposits	28,000	-	-
1900 Long Term Investments	-	16,643,119	-
1000 Total Assets	<u>\$ 149,455,464</u>	<u>\$ 93,225,336</u>	<u>\$ 29,375,519</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	\$ 7,927,058	\$ -	\$ 3,631,596
2150 Payroll Deductions and Withholdings Payable	3,608,688	-	-
2160 Accrued Wages Payable	26,209,062	-	-
2170 Due to Other Funds	1,359,366	665	-
2180 Due to Other Governments	107,571	-	-
2300 Unearned Revenues	11,709	2,720,176	-
2000 Total Liabilities	<u>39,223,454</u>	<u>2,720,841</u>	<u>3,631,596</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601 Unavailable Revenue - Property Taxes	12,454,203	3,264,183	-
2600 Total Deferred Inflows of Resources	<u>12,454,203</u>	<u>3,264,183</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable Fund Balance:			
3410 Inventories	1,239,573	-	-
3425 Endowment Principal	-	-	-
3430 Prepaid Items	105,424	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	25,527,228
3480 Retirement of Long-Term Debt	-	87,240,312	-
3490 Other Restricted Fund Balance	250,544	-	-
Committed Fund Balance:			
3530 Capital Expenditures for Equipment	2,231,172	-	-
3545 Other Committed Fund Balance	5,000,000	-	-
Assigned Fund Balance:			
3590 Other Assigned Fund Balance	2,079,317	-	216,695
3600 Unassigned Fund Balance	86,871,777	-	-
3000 Total Fund Balances	<u>97,777,807</u>	<u>87,240,312</u>	<u>25,743,923</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 149,455,464</u>	<u>\$ 93,225,336</u>	<u>\$ 29,375,519</u>

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

Other Funds	Total Governmental Funds
\$ 39,275,874	\$ 186,449,390
-	24,419,780
-	(244,198)
18,068,713	85,455,071
-	12,270,130
130,702	3,193,319
1,237,242	2,476,815
-	77,424
-	28,000
-	16,643,119
<u>\$ 58,712,531</u>	<u>\$ 330,768,850</u>
\$ 2,689,071	\$ 14,247,725
-	3,608,688
5,740,401	31,949,463
10,913,558	12,273,589
2	107,573
454,105	3,185,990
<u>19,797,137</u>	<u>65,373,028</u>
-	15,718,386
<u>-</u>	<u>15,718,386</u>
812,200	2,051,773
1,000	1,000
-	105,424
8,182,619	8,182,619
-	25,527,228
-	87,240,312
3,039	253,583
2,319,626	4,550,798
19,346,804	24,346,804
8,278,845	10,574,857
(28,739)	86,843,038
<u>38,915,394</u>	<u>249,677,436</u>
<u>\$ 58,712,531</u>	<u>\$ 330,768,850</u>



SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2017

<b>Total Fund Balances - Governmental Funds</b>	<b>\$</b>	
		249,677,436
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		13,538,339
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$1,499,677,729 and the accumulated depreciation was (\$406,576,939). In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. At the beginning of the year, bonds payable and accreted interest balance was (\$798,217,301), termination benefits payable was (\$8,319,223), interest payable was (\$11,468,034). The combined balance of premiums and deferred charge on refunding for these issuances, at the beginning of the year, was (\$49,798,112). In addition, the beginning balance for compensated absences classified as a short-term liability was (\$216,434). At the beginning of the year, the District's proportionate share of the net pension liability was (\$94,722,662), and the related deferred outflows and inflows of resources were \$17,532,269 and (\$12,309,821), respectively. The net effect of recognizing the government-wide beginning balances is to increase net position.		135,581,472
3 Transactions related to current year capital outlays, long term investments, long-term debt and compensated absences are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting, as follows: <ul style="list-style-type: none"> <li>● Acquisition of capital assets was \$24,755,947</li> <li>● Disposition of capital assets was (\$13,737,844) and the related accumulated depreciation was \$12,268,654</li> <li>● Payments made on bond principal were \$27,240,000</li> <li>● Accretion on capital appreciation bonds was (\$120,026)</li> <li>● Current year amortization of bond premiums was \$6,862,154 and the amortization of deferred charge on refunding bonds was (\$332,326)</li> <li>● Change in interest payable was a (\$1,453,770) increase; compensated absences was a (\$97,764) increase; and termination benefits was a \$314,230 decrease</li> </ul> The net effect is to increase net position.		55,699,255
4 Included in the items related to debt is the recognition of the (increase) in the District's proportionate share of the net pension liability required by GASB 68 in the amount of (\$1,987,552), an increase in deferred resources inflow related to TRS in the amount of (\$1,898,933), and an increase in deferred resource outflow related to TRS in the amount of \$2,423,413. The net effect is to (decrease) net position.		(1,463,072)
5 Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to (decrease) net position.		(33,290,697)

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

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
 STATEMENT OF NET POSITION  
 JUNE 30, 2017

<p>6 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting, as follows:          Recognize unavailable revenue from current year levy in the amount of \$5,194,816 and from prior year levies in the amount of \$10,523,570; recognize SHARS revenue in the amount of \$4,974,396. The net effect is to increase net position.</p>	20,692,782
<b>19 Net Position of Governmental Activities</b>	\$ 440,435,515

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

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

Data Control Codes		Major Fund General Fund	Major Fund Debt Service Fund	Major Fund Capital Projects
REVENUES:				
5700	Total Local and Intermediate Sources	\$ 187,867,888	\$ 51,771,117	\$ 148,651
5800	State Program Revenues	275,674,725	7,051,162	-
5900	Federal Program Revenues	13,534,827	2,653,701	-
5020	Total Revenues	<u>477,077,440</u>	<u>61,475,980</u>	<u>148,651</u>
EXPENDITURES:				
Current:				
0011	Instruction	258,285,364	-	97,753
0012	Instructional Resources and Media Services	6,329,734	-	-
0013	Curriculum and Instructional Staff Development	9,305,904	-	-
0021	Instructional Leadership	7,609,255	-	-
0023	School Leadership	34,045,622	-	-
0031	Guidance, Counseling and Evaluation Services	15,979,612	-	-
0032	Social Work Services	3,812,609	-	-
0033	Health Services	8,510,298	-	-
0034	Student (Pupil) Transportation	10,746,156	-	-
0035	Food Services	144,738	-	-
0036	Extracurricular Activities	11,499,189	-	-
0041	General Administration	15,846,680	-	-
0051	Facilities Maintenance and Operations	52,094,107	-	617,314
0052	Security and Monitoring Services	5,936,753	-	-
0053	Data Processing Services	11,044,647	-	-
0061	Community Services	1,676,047	-	-
Debt Service:				
0071	Principal on Long Term Debt	-	27,240,000	-
0072	Interest on Long Term Debt	-	33,682,496	-
0073	Bond Issuance Cost and Fees	-	12,205	-
Capital Outlay:				
0081	Facilities Acquisition and Construction	2,156,661	-	22,397,751
Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	-	-	-
0095	Payments to Juvenile Justice Alternative Ed. Prg.	8,151	-	-
0099	Other Intergovernmental Charges	1,074,277	-	-
6030	Total Expenditures	<u>456,105,804</u>	<u>60,934,701</u>	<u>23,112,818</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>20,971,636</u>	<u>541,279</u>	<u>(22,964,167)</u>
OTHER FINANCING SOURCES (USES):				
7912	Sale of Real and Personal Property	3,994,896	-	-
7915	Transfers In	-	-	5,000,000
8911	Transfers Out (Use)	(401,934)	-	-
7080	Total Other Financing Sources (Uses)	<u>3,592,962</u>	<u>-</u>	<u>5,000,000</u>
EXTRAORDINARY ITEMS:				
7919	Extraordinary Item - Resource	-	-	2,852,855
1200	Net Change in Fund Balances	24,564,598	541,279	(15,111,312)
0100	Fund Balance - July 1 (Beginning)	73,213,209	86,699,033	40,855,235
3000	Fund Balance - June 30 (Ending)	<u>\$ 97,777,807</u>	<u>\$ 87,240,312</u>	<u>\$ 25,743,923</u>

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

Other Funds	Total Governmental Funds
\$ 5,428,309	\$ 245,215,965
4,341,187	287,067,074
120,179,844	136,368,372
129,949,340	668,651,411
42,201,920	300,585,037
539,274	6,869,008
16,827,991	26,133,895
6,581,401	14,190,656
462,861	34,508,483
5,403,055	21,382,667
1,597,457	5,410,066
656,920	9,167,218
1,881	10,748,037
43,717,312	43,862,050
354,401	11,853,590
428,784	16,275,464
2,879,856	55,591,277
259,055	6,195,808
315,568	11,360,215
5,969,096	7,645,143
-	27,240,000
-	33,682,496
-	12,205
76,612	24,631,024
584,740	584,740
-	8,151
-	1,074,277
128,858,184	669,011,507
1,091,156	(360,096)
-	3,994,896
401,934	5,401,934
(5,000,000)	(5,401,934)
(4,598,066)	3,994,896
-	2,852,855
(3,506,910)	6,487,655
42,422,304	243,189,781
\$ 38,915,394	\$ 249,677,436

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2017

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	6,487,655
The District uses internal service funds to account for the revenues and expenses to the workers compensation, medical insurance and dental insurance funds. The operating income of internal service funds is reported with governmental activities. The net effect of this consolidation is to increase net position.		6,024,717
Transactions related to current year capital outlays, long term investments, long-term debt and compensated absences are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting, as follows:		55,699,255
<ul style="list-style-type: none"> <li>● Acquisition of capital assets was \$24,755,947</li> <li>● Disposition of capital assets was (\$13,737,844) and the related accumulated depreciation was \$12,268,654</li> <li>● Payments made on bond principal were \$27,240,000</li> <li>● Accretion on capital appreciation bonds was (\$120,026)</li> <li>● Current year amortization of bond premiums was \$6,862,154 and the amortization of deferred charge on refunding bonds was (\$332,326)</li> <li>● Change in interest payable was a (\$1,453,770) increase; compensated absences was a (\$97,764) increase; and termination benefits was a \$314,230 decrease</li> </ul> The net effect is to increase net position.		
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to (decrease) net position.		(33,290,697)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting, as follows:		1,018,392
<ul style="list-style-type: none"> <li>● Remove tax collections from prior year levies in the amount of (\$2,514,779)</li> <li>● Recognize unavailable revenue from current year levy in the amount of \$5,194,816</li> <li>● Recognize less tax revenue in the amount of (\$1,564,658) for the difference between what was estimated in the prior year and collected in the current year</li> <li>● Recognize SHARS revenue in the amount of \$4,974,396</li> <li>● Remove SHARS revenue from prior year in the amount of (\$5,071,383)</li> </ul> The net effect is to increase net position.		
Various adjustments were necessary for GASB 68 purposes as follows:		(1,463,072)
<ul style="list-style-type: none"> <li>● Contributions made after the measurement date of August 31, 2016 in the amount of \$7,302,509 were deexpended, and recorded as deferred resource outflows</li> <li>● Contributions made before the measurement date of August 31, 2016 in the amount of \$1,309,862 were also deexpended</li> <li>● The net amount of deferred resource outflows and inflows amortized in the current measurement period was \$43,491</li> <li>● The contribution adjustments were \$16,173</li> <li>● The District's proportionate share of pension expense and adjustments used by TRS was (\$10,135,107)</li> </ul> The net effect is a (decrease) to the change in net position.		

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

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017

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<b>Change in Net Position of Governmental Activities</b>	\$ 34,476,250
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The notes to the financial statements are an integral part of this statement.



SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017

	Governmental Activities -
	Total Internal Service Funds
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 19,067,143
Due from Other Funds	3,459
Other Current Assets	<u>1,272,812</u>
Total Assets	<u>20,343,414</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	1,512
Short Term Claims Payable	<u>5,980,707</u>
Total Current Liabilities	<u>5,982,219</u>
Noncurrent Liabilities:	
Claims Payable - Due in More than One Year	<u>822,856</u>
Total Noncurrent Liabilities	<u>822,856</u>
Total Liabilities	<u>6,805,075</u>
<b>NET POSITION</b>	
Unrestricted Net Position	<u>13,538,339</u>
Total Net Position	<u><u>\$ 13,538,339</u></u>

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

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 39,991,114
Total Operating Revenues	39,991,114
OPERATING EXPENSES:	
Payroll Costs	383,768
Professional and Contracted Services	3,630,290
Supplies and Materials	5,198
Other Operating Costs	29,947,141
Total Operating Expenses	33,966,397
Operating Income	6,024,717
Total Net Position - July 1 (Beginning)	7,513,622
Total Net Position - June 30 (Ending)	\$ 13,538,339

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

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	Governmental Activities -
	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 39,991,114
Cash Payments to Employees for Services	(383,768)
Cash Payments for Insurance Claims	(30,782,238)
Net Cash Provided by Operating Activities	<u>8,825,108</u>
Net Increase in Cash and Cash Equivalents	8,825,108
Cash and Cash Equivalents at Beginning of Year	<u>10,242,035</u>
Cash and Cash Equivalents at End of Year	<u>\$ 19,067,143</u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income:	\$ 6,024,717
Effect of Increases and Decreases in Current Assets and Liabilities:	
Increase in Accounts Payable	948
Decrease in Accrued Wages Payable	(1,612)
Increase in Claims Payable	3,507,526
Increase in Deposits	(706,471)
Net Cash Provided by Operating Activities	<u>\$ 8,825,108</u>

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

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
JUNE 30, 2017

	Agency Fund
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 2,777,344
Total Assets	<u>\$ 2,777,344</u>
LIABILITIES	
Due to Student Groups	\$ 2,777,344
Total Liabilities	<u>\$ 2,777,344</u>

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



SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2017

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The San Antonio Independent School District (the “District”) is a public educational agency with a seven member Board of Trustees (the “Board”) elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources; and, it complies with the requirements of the appropriate version of Texas Education Agency’s *Financial Accountability System Resource Guide* (the “Resource Guide”), and the requirements of contracts and grants of agencies from which it receives funds.

**A. REPORTING ENTITY**

The Board of Trustees (the “Board”) is elected by the public and it has the authority to make decisions, approve/disapprove the appointment of administrators and managers, and significantly influence operations. The Board also has primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the GASB in its Statement No. 14, “The Financial Reporting Entity”, and it is not included as part of any other governmental reporting entity.

**Blended Component Unit.** During fiscal year 1996, the District approved the formation of the San Antonio Independent School District Public Facilities Corporation (the Corporation). The Corporation is organized exclusively for the purposes of benefiting and accomplishing public purposes of the District and acting on behalf of the District. The Corporation may be used to assist in the financing, accounting, or refinancing of obligations of the District, and in providing “public facilities” to purchase obligations of the District, and to incur obligations issued or incurred in accordance with existing law. Blended component units, although legally separate entities, are, in substance, part of the government’s operations, and therefore, at June 30, 2017, the District has reflected this Corporation as a blended component unit. The Corporation is included in the Debt Service Fund total and, therefore, does not issue separate financial statements.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities are government-wide financial statements. These statements report information on all of the District’s nonfiduciary activities with the interfund activities removed. Government activities include programs supported primarily by property taxes, state foundation funds, grants and other intergovernmental revenues.



SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2017

The net position of the District is segregated into three different categories, to include: net investment in capital assets, restricted net position, and unrestricted net position.

The Statement of Activities reports program revenues and general revenues separately. The program revenues section of the statement demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The “Charges for Services” column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function of the District. Examples include tuition paid for various activities, school lunch charges, etc. The “Operating Grants and Contributions” column includes amounts paid by organizations outside the District to help meet the operational requirements of a given function. An example includes grants under the Elementary and Secondary Education Act. If a revenue is not a program revenue, it is a general revenue and used to support all of the District’s functions (i.e., property taxes).

Interfund activities reported include loans and transfers between governmental funds. The loans appear as due to/ due from other funds on the Governmental Funds Balance Sheet. The transfers appear as other financing sources and uses on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances. All interfund transactions between governmental funds are eliminated in the government-wide statements.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services in connection with a proprietary fund’s principal ongoing operations. All other revenues and expenses are non-operating.

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund financial statements; the Agency fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations. With the economic resources measurement focus, all assets and liabilities (whether current or noncurrent) associated with the operations of these funds are included in

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2017

the Statement of Net Position. With the accrual basis of accounting, revenue is recognized in the accounting period in which it is earned and becomes measurable and expenses in the period in which they are incurred and become measurable. 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. The total net position for these funds are segregated into net investment in capital assets, restricted net position, and unrestricted net position.

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

The modified accrual basis of accounting recognizes revenues 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 District 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, if measurable, as under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to claims and judgments are recorded only when payment is due. The District accrues accumulated unpaid vacation leave when earned by the employee. A liability for this amount is reported in the government-wide financial statements.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the state are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The District reports the following major governmental funds:

**General Fund** – The General Fund is the District’s primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund. It is a budgeted fund, and any fund balances are considered resources available for current operations. General Fund primary revenue sources include property taxes and state funding.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2017

**Debt Service Fund** – The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a Debt Service Fund. The Debt Service Fund is a budgeted fund whose primary revenue source is local property taxes levied specifically for debt service. The fund balance of this fund represents amounts that will be used for retirement of bonds and payment of interest in the future.

**Capital Projects Fund** – This fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction projects. This fund is generally budgeted on a project basis.

Additionally, the District reports the following fund types:

Governmental Funds:

**Special Revenue Funds** – The District accounts for resources restricted to, or committed for, specific purposes by the District or a grantor in a Special Revenue Fund. Most federal financial assistance, including the Child Nutrition Program, and some state financial assistance is accounted for in a Special Revenue Fund. Sometimes unused grant balances must be returned to grantors at the close of specified project periods.

**Permanent Fund** – The District uses a Permanent Fund to account for resources received with explicit donor requirements that the original donation must remain intact and only earnings from the donation may be used for the purpose dictated by the donor.

Proprietary Funds:

**Internal Service Funds** – The District uses an Internal Service Fund to account for revenues and expenses related to the workers compensation, medical insurance, and dental insurance.

Fiduciary Funds:

**Agency Funds** – The District accounts for resources held for others in a custodial capacity in Agency Funds. The District accounts for the Student Activity Fund as an Agency Fund.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2017

D. OTHER ACCOUNTING POLICIES

1. Cash and Cash Equivalents

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 date of acquisition. Investments are reported at fair value.

The funds of the District must be deposited and invested under the terms of a depository contract, contents of which are set out in the Depository Contract Law. The depository bank must pledge eligible securities as collateral for the District's deposits plus accrued interest less FDIC insurance of the District. In accordance with the Public Funds Collateral Act and the Texas Education Code, the collateral margin coverage is at 102% (110% if pledging eligible declining principal securities).

For the purposes of the Statement of Cash Flows for the Internal Service Funds, cash and cash equivalents are considered to be demand deposits.

2. Receivables and Payables

Interfund activities that represent lending/borrowing arrangements which are outstanding at the end of the fiscal year are referred to as "due to/ due from other funds".

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Code. Taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure payment of all taxes, penalties, and interest ultimately imposed.

The appraisal and recording of all property within the District is the responsibility of the Bexar Appraisal District (BAD). The BAD is an independent governmental unit with a board of directors appointed by the taxing jurisdictions within the county and funded from assessments against those taxing jurisdictions. BAD is required by law to assess property at 100% of its appraised value. Real property must be reappraised at least every two years. Under certain circumstances, taxpayers and taxing units, including the District, may challenge orders of the BAD Review Board through various appeals and, if necessary, legal action.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2017

Tax collections are prorated between the General Fund and Debt Service Fund based on the tax rate approved by the Board. For the period ended June 30, 2017, the General and Debt Service fund rates were \$1.17 and \$.3426, respectively, per \$100 of assessed value.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. The property tax receivable allowance is equal to 1 percent of outstanding property taxes at June 30, 2017.

3. Inventories

The District reports inventories of supplies on the balance sheet at weighted average cost and they include consumable, custodial, maintenance, transportation, instructional and office supplies, and athletic items. Inventories of governmental funds are recorded as expenditures when they are consumed rather than when purchased. Inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services and recorded as inventory and unearned revenue when received in the governmental funds. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.

4. Prepayments

Certain payments to vendors/employees reflect costs applicable to future accounting periods and are recorded as prepayments in both government-wide and fund financial statements. The amount reported as prepayment at June 30, 2017 will be relieved using the consumption method.

5. Capital Assets

Capital assets, which include land, buildings and improvements, furniture, equipment, vehicles, and construction in progress are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year for depreciation purposes. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed or at acquisition value when received through a service concession arrangement. Donated capital assets are recorded at estimated fair market value at the date of donation.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2017

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

When assets are retired or otherwise disposed of, the related costs or other recorded amounts are removed.

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

Asset Class	Estimated Useful Life
Buildings and Improvements	40
Portable Buildings	20
Furniture and Equipment	10
All Vehicles	10
Audio Visual Equipment	10
Printing, Duplicating & Copying Equipment	5
Data Processing Equipment	3

6. Compensated Absences

**Vacation Leave** – Full-time employees of the District accumulate vacation leave benefits in varying amounts. Employees who accumulate vacation leave benefits are required to take their vacation benefits by October 31st of the subsequent year. The vacation leave balance is reflected as a current liability in the Statement of Net Position since employees must use the accumulated leave in the following fiscal year.

**State Leave** – Under current state law, District employees earn up to five days of leave per year at the rate of one-half workday for every 18 days of employment, with no limit on accumulation. State leave balances roll over year after year and District employees may transfer unused leave balances to another Texas school district.

**Local Leave** – All District employees earn paid local leave of 5-7 days per school year, depending on the number of days worked. Local leave accumulates without limit and balances roll over from year to year.

Accumulated state and local leave balances are not paid upon termination from the District, except those paid under the Accumulated Leave Incentive Plan (ALIP). The plan is available to employees meeting certain eligibility requirements.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2017

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. It is the District's policy to record bond premiums and discounts as deferred costs and amortize them over the life of the bonds using the effective interest method if material or straight line when not material. Loss on refunded debt is amortized over the term of the related bond using the straight line method. The balance of the loss on refunded debt is reported as a deferred outflow of resources with the adoption of GASB 65. Bonds payable are reported net of the applicable bond premiums and discounts.

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, if any. Issuance costs, whether or not withheld from the actual proceeds received, are reported as debt service expenditures.

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions an amendment of GASB Statement No. 27* requires state and local government agencies to display the actuarially determined Net Pension Liability in its financial statements. The disclosures for the pension plan required in accordance with GASB No. 68 are included at Section III. L.

Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures* requires the disclosure of information about the nature and magnitude of tax abatements. The statement is effective for reporting periods ending on or after December 15, 2016.

8. Fund Balance

In the fund financial statements, the District uses the following criteria when classifying fund balance amounts:

Nonspendable – amounts not in spendable form or that are legally or contractually earmarked for a specific use. Examples include inventories and endowment principal.

Restricted – amounts that have been legally separated for a specific purpose by law or external funding source. Examples include grants, capital acquisitions, and long-term debt.



SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2017

Committed – amounts that can only be set aside for a specific purpose by the District’s highest level of decision-making authority, the Board, through formal action by adopting a resolution. This Board action to commit funds must occur prior to fiscal year end and can only be modified or removed through Board resolution. Examples include capital expenditures, self insurance, and campus activity funds.

Assigned – amounts that do not require Board approval but are intended to be used for a specific purpose. As established by the District’s fund balance policy, the Superintendent or Associate Superintendent, Finance Services and Business Operations is authorized to assign amounts for a specific purpose. These amounts do not meet the criteria to be classified as restricted or committed.

Unassigned – residual amount in the General Fund that is available to finance operating expenditures. In other funds, this classification is used only to report a deficit balance resulting from over-spending for specific purposes for which amounts had been restricted, committed, or assigned, as applicable. The District’s policy is to maintain a minimum threshold of 10% of the prior year’s expenditures in unassigned fund balance for the General Fund. The District’s unassigned fund balance amount at June 30, 2017 is \$86,871,777, which exceeds the required minimum amount of \$43,934,206.

As of June 30, 2017 the District is reporting a deficit fund balance of \$28,739 in Fund 499 Other Local Special Revenue Funds, accordingly the balance is reported as unassigned fund balance.

The District received \$2,852,855 in September 2016 from insurance related to the damage from the hail storm that hit the San Antonio area on April 12, 2016. The insurance recovery proceeds reported as an extraordinary item will be used to repair or replace the insured property with roof damage requiring the most repairs or replacements.

9. Spending Order

Fund balance amounts that are restricted, committed, or assigned are considered to have been spent when an expenditure is incurred for the respective purpose. If an expenditure incurred meets the criteria for more than one fund balance category, the District relieves fund balance in the following order: restricted, committed, assigned, and then unassigned.

10. Data Control Codes

The data control codes refer to the account code structure prescribed by TEA in the Resource Guide. School districts are required to display these codes in the financial

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2017

statements filed with TEA in order to ensure accuracy in building a statewide data base for policy development and funding plans.

11. Restricted/Unrestricted Resources

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is the District's policy to first apply cost-reimbursement grant (restricted) resources to such programs and then general revenues.

12. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain report amounts and disclosures. Accordingly, actual results could differ from those estimates.

13. Indirect Expenses

School districts are required to report all expenses by function. All general administration and other intergovernmental expenses reported in functions 41 and 99, respectively, and some data processing service expenses reported in function 53 represent indirect expenses of other functions.

14. Arbitrage Payable

The Tax Reform Act of 1986 enacted section 148(f) on the Internal Revenue Code, relating to arbitrage rebate requirements, which generally provides that in order for interest on any issue of obligation to be excluded from gross income (i.e. tax exempt), the issuer must rebate to the United States the excess of the amount earned on investments acquired from bond proceeds over the amount which would have been earned if such investments had been invested at a yield equal to the yield on the issue. This amount is determined based on current investment yields and is subject to change prior to the due date of the rebate. The due date of the rebate is five years from the date of issue. The District records the liability, which is currently payable, in the Capital Projects Fund. There was no arbitrage payable at June 30, 2017.

15. Deferred Outflows and Inflows of Resources

Deferred Outflows of Resources are reported between the assets and liabilities sections on the government-wide Statement of Net Position that represent a future consumption of net

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position. The District reports the deferred charge for refunding in this category, which is the difference between the carrying value of refunded debt and its reacquisition price. The unamortized balance as of June 30, 2017 is \$5,656,080. The District also reports \$19,955,682 pension costs to be amortized in future periods. The total deferred outflows in the government-wide financial statements is \$25,611,762 at June 30, 2017 to be recognized in future periods.

Deferred Inflows of Resources are reported between the liabilities and fund balances sections on the governmental funds Balance Sheet. Deferred Inflows of Resources represent an acquisition of net position that applies to a future period and will not be recognized until then. The District reports unavailable revenue for property taxes in this category which is \$15,718,386 at June 30, 2017. This relates to uncollected property taxes less the amount for doubtful accounts. The deferred inflows of resources to report in the government-wide financial statements is \$14,208,754 at June 30, 2017 comprised of contributions and the financial effect of the pension activity.

16. Investments

At June 30, 2017, the District's current investments are comprised of local government investment pools, money market funds, and a repurchase agreement. The investment pools and money market funds are reported as cash and cash equivalents. The repurchase agreement is reported as current investments.

The District's investments in public funds investment pools include those with Texas Local Government Investment Pool (TexPool), Texas Short Term Asset Reserve Fund (TexSTAR), and Lone Star Investment Pool (Lone Star). The pools were created pursuant to the Interlocal Cooperation Act, Chapter 791, of the Texas Government Code and are subject to the provisions of the Public Funds Investment Act, Chapter 2256, of the Texas Government Code. The pools operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The pools use amortized cost rather than fair market value to report net position to compute share prices. Accordingly, the fair value of the District's position in these pools is the same as the value of the pool shares. Participation in the pools is voluntary.

The Texas Comptroller of Public Accounts is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust company, which is authorized to operate TexPool. Administrative and investment services are provided by Federated Investors, Inc., acting on behalf of the Texas Treasury Safekeeping Trust Company. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy. This Advisory Board is composed equally of participants in TexPool and other persons who do not have a business

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relationship with TexPool, who are qualified to advise TexPool. Financial information for TexPool can be accessed on the internet (<http://www.texpool.com>).

TexSTAR is governed by a board of directors. J.P. Morgan Investment Management, Inc. acts as the investment manager and FirstSouthwest provides participant and marketing services. Financial information for TexSTAR can be accessed on the internet (<http://www.texstar.org>).

Lone Star is administered and distributed by the Texas Association of School Boards' wholly owned subsidiary, First Public. First Public is a registered broker-dealer with the SEC, the Financial Industry Regulatory Authority, and the Municipal Securities Rulemaking Board. Lone Star is governed by an eleven-member Board of Trustees (Board) made up of active participants in the pool. The Board has the responsibility of adopting and monitoring compliance with the investment policy, appointing investment officers, overseeing the selection of an investment advisor, custodian, investment consultant, administrator, and other service providers. The Board is also responsible for monitoring the performance of the pool. Financial information for the pool can be obtained by writing to First Public at 12007 Research Blvd., Austin, Texas 78759 or by calling 1-800-558-8875.

The District is invested in the Fidelity Money Market Portfolio Fund (FNSXX) managed by Federated Investors (the "Fund"). The Fund is a money market mutual fund, regulated primarily under SEC's Rule 2a7 of the Investment Company Act of 1940 (the "ACT"). The Fund attempts to stabilize the net asset value ("NAV") of their shares at \$1.00 by valuing the portfolio securities using the amortized cost method; however, there is no guarantee that the NAV will remain at \$1.00 a share. The Fund is assigned a cusip number and a NASDAQ symbol and can be purchased and redeemed on the New York Stock Exchange. The funds do not charge a front-end sales charge.

The District reports certain investments at amortized cost consistent with GASB 31 *Accounting for Certain Investments and External Investment Pools*.

In February 2015, GASB issued the new pronouncement for Statement No. 72, *Fair Value Measurement and Application* (GASB 72). The objectives of this Statement are to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures around fair value measurements. The provisions of this Statement are effective for financial statements in periods after June 15, 2015.

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17. Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This accrual basis was also used 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/deduction 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.

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. BUDGETARY INFORMATION**

The Board adopts an "appropriated budget" on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund and Child Nutrition Program Fund (which is reported with the Special Revenue Funds). The District is required to present the original and the final amended budgets for revenues and expenditures compared to actual revenues and expenditures for these three funds. The General Fund Budget report is presented in Exhibit G-1 and the Child Nutrition Program Fund Budget and Debt Service Fund Budget reports are presented in Exhibits J-4 and J-5, respectively.

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

- \* Prior to June 20<sup>th</sup>, the District prepared a budget based on the budgeting concepts for the subsequent fiscal year. The operating budget included proposed expenditures and the means of financing them.
- \* After several budget workshops with the Board, a meeting was called for the purpose of adopting the proposed budget. At least ten days, but not more than 30 days, of public notice of the meeting is required.
- \* A summary of the proposed budget was posted on the District's website. The budget summary included a comparison to the previous year's actual spending and information relating to per-student and aggregate spending on instruction, instructional support, central administration, district operations, debt service, and any other category designated by the commissioner.
- \* No later than June 30<sup>th</sup>, the Board adopted the budget for the General Fund, Debt Service Fund and Child Nutrition Program Fund.

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- \* The adopted budget was posted on the District's website, where it will be prominently displayed until the third anniversary of the date the budget was adopted.
- \* After the budget for the above listed funds was approved, any amendment that caused an increase or decrease in a fund or functional spending category, or total revenue or other resources object category, required Board approval. These amendments were presented to the Board at its regular monthly meeting and were reflected in the official minutes. Because the District has a policy of careful budgetary control, several budgetary amendments were necessary throughout the year.
- \* Expenditure budgets are controlled at the expenditure functional and object level by the appropriate budget manager (principals, department director or area administrator). Budget managers may authorize transfers within functional and organizational categories that do not affect the total functional and organizational appropriations.
- \* Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in order to reserve that portion of the applicable appropriation, is used in all governmental funds. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Encumbrances for specific purposes for which amounts have not been previously restricted or committed were included within assigned fund balance. Since appropriations lapse at the end of each year, outstanding encumbrances are appropriately provided for in the subsequent fiscal year's budget to provide for the liquidation of the prior commitments. Outstanding encumbrances at June 30, 2017 that were provided for in the 2017-2018 budget were reported as follows:
  - o The General Fund had \$4,124,941 in outstanding encumbrances, all of which was reported as assigned fund balance.
  - o The Capital Projects Fund had \$1,761,579 in outstanding encumbrances, all of which was reported as restricted fund balance. These encumbrances represent the unexpended portion of maintenance contracts.
  - o The Other Funds had \$24,016 in outstanding encumbrances, all of which was reported as restricted fund balance.

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**III. DETAILED NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

Deposits and investments are comprised of the following:

	Governmental Funds				Total	Proprietary Funds	Grand Total
	General Fund	Debt Service	Capital Projects	Other Funds			
Cash and Cash Equivalents:							
Demand Accounts	\$ (63,205,696)	\$ -	\$ 10,136,041	\$ 39,271,130	\$ (13,798,525)	\$ 10,970,960	\$ (2,827,565)
Cash on Hand	-	-	-	705	705	-	705
Investment Pools	91,404,528	59,491,773	563,654	4,039	151,463,994	8,096,183	159,560,177
Money Market Funds	20,068,326	10,039,066	18,675,824	-	48,783,216	-	48,783,216
<b>Total</b>	<b>\$ 48,267,158</b>	<b>\$ 69,530,839</b>	<b>\$ 29,375,519</b>	<b>\$ 39,275,874</b>	<b>\$ 186,449,390</b>	<b>\$ 19,067,143</b>	<b>\$ 205,516,533</b>

Agency Funds	
Student Activity Funds	
Cash and Cash Equivalents:	
Demand Accounts	\$ 5,826
Cash on Hand	125
TexPool	2,771,393
Total	\$ 2,777,344

At June 30, 2017, the carrying amount of the District's deposits (cash and interest-bearing savings accounts), including agency funds, was \$(2,821,739) and the bank balance was \$3,383,299. To control custody risk, in accordance with the District's policy, the District's cash deposits at June 30, 2017, and during the year ended June 30, 2017, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

Following is additional information regarding coverage of combined balances on the date of the highest deposit:

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1. Name of Bank: Bank of America
2. The highest combined balances of cash and interest-bearing savings accounts amounted to \$8,864,161 and occurred during the month of July 2016.
3. Total amount of pledged collateral and FDIC coverage at the time of the highest combined balance was \$15,442,834.

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

As of June 30, 2017, the District, including agency funds, had the following investments:

Investment	Fair Value	Weighted Average Maturity (Days)	Ratings
Lone Star Investment Pool	\$ 69,388,126	1	S&P AAAm
TexPool	62,190,840	1	S&P AAAm
TexStar	30,752,601	1	S&P AAAm
Money Market Mutual Funds			
Money Market Portfolio Fund	48,783,216	1	Not Rated
Total	<u>\$ 211,114,783</u>		



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**Interest Rate Risk** – As a means of limiting its exposure to fair value losses arising from rising interest rates, the District’s investment policy limits maturities of investments to two years from the date of purchase.

**Credit Risk** – In accordance with the District’s investment policy, investments in investment pools must be rated at least AAA to AAA-m or equivalent, and investments in obligations of the U.S. government or its agencies must be rated at least A or equivalent.

GASB 72 establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. As defined in GASB 72 paragraph 5, *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The objective of a fair value is to estimate the exit price of assets and liabilities.

GASB 72 paragraph 18 states that a government entity should use valuation techniques consistent with one or more of the following approaches to measuring fair value:

- Market approach – uses prices and other relevant data derived from market transactions for identical or similar assets, liabilities, or a group of assets and liabilities.
- Cost approach – reflects the amount that would be required currently to replace the present service capacity of an asset.
- Income approach – converts future amounts to a single discounted amount. The fair value measurement would also reflect any current market expectations for future amounts.

As outlined in GASB 72, *inputs* refer broadly to the assumptions, or parameters, that any market participant might use when pricing an asset or liability, including assumptions about risk. Inputs may be observable or unobservable. When applying valuation technique(s) one of the three inputs below can be used to best represent fair value:

- Level 1 – Most reliable such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Reliable such as quoted prices for similar assets for liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other observables.
- Level 3 – Least Reliable such as unobservable inputs.

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The table below illustrates the fair value of the District's investments at June 30, 2017:

**Investments Measured at Fair Value  
(\$ in millions)**

	<b>Fair Value Measurements Using</b>			
	<b>6/30/2017</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>Investments by fair value level</b>				
Money Market Funds	\$ 49	\$ 49	\$ -	\$ -
Total Cash Equivalents & Investments Reported @ FMV	\$ 49	\$ 49	\$ -	\$ -

In addition, the District has funds held in 2a7 like external investment pools valued at amortized cost, in the amount of \$162,331,570 which includes \$2,771,393 reported in Agency Funds.

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B. RECEIVABLES

Receivables as of June 30, 2017, for the District's individual major funds and other funds, including the applicable allowances for uncollectible accounts, are as follows:

	Major Funds			Total
	General	Debt	Other	
	Fund	Service Fund	Governmental Funds	
Property Taxes - Delinquent	\$ 19,174,553	\$ 5,245,227	\$ -	\$ 24,419,780
Receivables from Other Governments	66,883,662	502,696	18,068,713	85,455,071
Other Receivables	3,062,617	-	130,702	3,193,319
Gross Receivables	\$ 89,120,832	\$ 5,747,923	\$ 18,199,415	\$ 113,068,170
Less : Allowance for Uncollectible Taxes	(191,746)	(52,452)	-	(244,198)
Total Receivables (Net)	\$ 88,929,086	\$ 5,695,471	\$ 18,199,415	\$ 112,823,972

These amounts are expected to be collected within one year. Delinquent property taxes may be collected over several years.

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The amounts reflected as Receivables from Other Governments above are comprised of the following:

	Major Fund			Total
	General Fund	Debt Service Fund	Other Governmental Funds	
Due from State Agencies	\$ 66,429,190	\$ 502,696	\$ 12,777,540	\$ 79,709,426
Due from Federal Agencies	80,002	-	1,526,728	1,606,730
Due from Other Government Agencies	374,470	-	3,764,445	4,138,915
Total Due from Other Governments	\$ 66,883,662	\$ 502,696	\$ 18,068,713	\$ 85,455,071

The amount reflected as Other Receivables above is comprised of the following:

	Major Fund		Total
	General Fund	Other Governmental Funds	
Restitution	\$ 13,450	\$ -	\$ 13,450
Miscellaneous	3,049,167	130,702	3,179,869
Total Other Receivables	\$ 3,062,617	\$ 130,702	\$ 3,193,319

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C. UNEARNED REVENUE AND DEFERRED INFLOWS

**Unearned Revenues**

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities in the current period. Governmental funds also show unearned revenue in connection with resources that have been received, but not yet earned.

At June 30, 2017, unearned revenue reported in the governmental funds was as follows:

	Major Funds			Total
	General	Debt	Other	
	Fund	Service Fund	Governmental Funds	
Federal Food Commodities	\$ -	\$ -	\$ 425,041	\$ 425,041
Advance Funding	11,709	2,720,176	29,064	2,760,949
Total	\$ 11,709	\$ 2,720,176	\$ 454,105	\$ 3,185,990

The Federal Food Commodities amount of \$425,041 along with the Advance Funding amount of \$2,760,949 total \$3,185,990 and are reported as unearned revenue in the government-wide Statement of Net Position. This treatment of Federal Food Commodities has the effect of reducing Non Spendable Fund balance of inventories for other governmental funds by \$425,041.

**Deferred Inflows**

As of June 30, 2017, the unavailable revenue reported as deferred inflows of resources in the governmental funds were as follows:

	Major Funds		Total
	General Fund	Debt Service Fund	
Unavailable Revenue – Property Taxes	\$ 12,454,203	\$ 3,264,183	\$ 15,718,386

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The unavailable revenue of \$15,718,386 on the balance sheet for Major Funds relates to uncollected property taxes, less the allowance for doubtful accounts. These are shown as deferred inflows of resources on Exhibit C-1 per GASB Statement No. 65.

D. DUE TO / DUE FROM OTHER FUNDS AND TRANSFERS IN / OUT

The composition of amounts due to/from other funds as of June 30, 2017 is as follows:

	Receivable	Payable
General Fund:		
Other Funds	\$ 10,913,558	\$ -
Debt Service Fund	665	1,355,907
Internal Service Fund	-	3,459
Total General Fund	10,914,223	1,359,366
Debt Service Fund:		
General Fund	1,355,907	665
Other Funds:		
General Fund	-	10,913,558
Internal Service Funds:		
General Fund	3,459	-
Total Interfund Receivables and Payables	\$ 12,273,589	\$ 12,273,589

Receivables in the General Fund represent amounts provided to Special Revenue Funds pending reimbursement from grantors and amounts due from the Debt Service Fund for property tax collections allocated to the General Fund. In addition, the amount due the Debt Service fund are from property tax collections from June 28<sup>th</sup>-30<sup>th</sup> reimbursed by the General Fund in July. The amount due the Internal Service Fund is for June medical payroll deductions. These interfund balances are expected to be repaid within one year from the date of the financial statements.

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Transfers during the year ended June 30, 2017 were as follows:

	Transfers In	Transfers Out
Governmental Funds:		
<b>General Fund:</b>		
General Fund	\$ -	\$ -
Other Governmental Funds	-	401,934
Total General Fund	-	401,934
<b>Capital Projects Fund:</b>		
Other Governmental Funds	5,000,000	-
Total Capital Projects Funds	5,000,000	-
<b>Other Governmental Funds:</b>		
General Fund	401,934	
Capital Projects Fund		5,000,000
Total Transfers – Governmental Funds	\$ 5,401,934	\$ 5,401,934

The transfer from the General Fund to Other Governmental Funds was for subsidizing the Child Nutrition Program for meals served to students that meet the “reduced” payment status. The transfer from the Other Governmental Funds to the Capital Projects Fund of \$5 million was for maintenance projects and transportation facility additions that will continue into 2017-18.

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E. CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Increases	Decreases	Transfers	Balance June 30, 2017
Capital Assets, Not Being Depreciated:					
Land	\$ 65,516,241	\$ 1,491,429	\$ (361,761)	\$ -	\$ 66,645,909
Construction in progress	202,586,640	22,133,498	-	(157,503,663)	67,216,475
Total Capital Assets, Not Being Depreciated	268,102,881	23,624,927	(361,761)	(157,503,663)	133,862,384
Capital Assets, Being Depreciated:					
Buildings & Improvements	1,185,918,497	-	(11,925,028)	157,503,663	1,331,497,132
Furniture, Equipment, & Vehicles	45,656,351	1,131,020	(1,451,055)	-	45,336,316
Total Capital Assets, Being Depreciated	1,231,574,848	1,131,020	(13,376,083)	157,503,663	1,376,833,448
Less Accumulated Depreciation for:					
Buildings & Improvements	(380,770,231)	(29,542,852)	10,871,315	-	(399,441,768)
Furniture, Equipment, & Vehicles	(25,806,708)	(3,747,845)	1,397,339	-	(28,157,214)
Total Accumulated Depreciation	(406,576,939)	(33,290,697)	12,268,654	-	(427,598,982)
Total Capital Assets, Being Depreciated, Net	824,997,909	(32,159,677)	(1,107,429)	157,503,663	949,234,466
Total Governmental Activities Capital Assets, Net	\$ 1,093,100,790	\$ (8,534,750)	\$ (1,469,190)	\$ -	\$ 1,083,096,850

The District had nonmonetary transactions for the construction of CAST High School where donations from several corporations were made to build this school. These transactions were recorded at fair market value in the amount of \$3,975,896 through June 30, 2017. These transactions are part of the Capital Assets reflected in the government-wide Statement of Net Position. The donated revenue is reflected in the Miscellaneous Local and Intermediate Revenue in the government-wide Statement of Activities.



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Depreciation expense of the governmental activities was charged to functions/ programs as follows:

Instruction	\$17,016,887
Instructional Resources and Media Services	414,735
Curriculum and Instructional Staff Development	607,073
Instructional Leadership	503,844
School Leadership	2,220,973
Guidance, Counseling, and Evaluation Services	1,044,388
Social Work Services	248,716
Health Services	556,268
Student (Pupil) Transportation	2,308,657
Food Services	244,713
Extracurricular Activities	889,687
General Administration	1,060,314
Facilities Maintenance and Operations	4,043,931
Security and Monitoring Services	492,832
Data Processing Services	1,527,704
Community Services	<u>109,975</u>
Total Governmental Activities	<u><u>\$33,290,697</u></u>

### Construction Commitments

An encumbrance system of accounting is maintained to account for commitments from approved purchase orders, work orders, and contracts. Capital Projects Fund encumbrances represent significant construction commitments. The end-of-year contract commitments for the District were \$9,016,118.

### F. LONG TERM INVESTMENT

The District's ongoing debt management program includes the Sinking Fund Repurchase Agreement dated October 17, 2011 (Agreement) with Deutsche Bank Securities Inc. The Agreement is in connection with the August 15, 2028 bullet maturity payment of the \$61,115,000 Unlimited Tax Qualified School Construction Bonds, Series 2011 (QSCB). On August 15, 2013 (Initial Purchase Date), the District deposited \$2,851,342, with equal annual purchases scheduled through August 15, 2028 (Final Repurchase Date). The deposits in the sinking fund are for the purchase of obligations of the United States of America or its agencies and instrumentalities. Each deposit will earn interest at 2.80% per annum, calculated on a

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30/360 day count basis and shall begin accruing from the Initial Purchase Date and be fixed through the Final Repurchase Date. On the Final Repurchase Date, the sinking fund will have a balance of \$61,110,000 available to pay the principal on the QSCB bullet maturity. The balance will consist of the \$48,472,820 in total annual purchases and \$12,637,180 in interest earnings.

The sinking fund deposits, along with the interest earnings and changes in fair value, are recorded in the Debt Service Fund and in the Statement of Net Position as a long term investment in the amount \$16,643,119 as of June 30, 2017. The District reported a decrease in the fair value of \$3,163,620 for the year ended June 30, 2017.

For long term investments, the District applies specific identification for purposes of credit risk. The District’s investment policy does not address concentration of credit risk as related to the long term investment. The Repurchase Agreement is not rated.

In accordance with GASB 72, the inputs used for the fair value determination were classified as Level 2 (Significant Other Observable Inputs). The District applied pricing models that incorporate the contractual terms of the agreement, the deposit schedule, eligible securities, implied on-market rate on the trade date and any upfront payments made.

G. DUE TO OTHER GOVERNMENTS

The amount reflected as due to other governments is comprised of the following:

	General Fund	Other Governmental Funds	Total
Due to:			
Texas Education Agency	\$ 58,081	\$ -	\$ 58,081
Texas State Comptroller	23	2	25
Texas Workforce Commission	49,467	-	49,467
Total	\$ 107,571	\$ 2	\$ 107,573

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H. COMPENSATED ABSENCES

**Vacation Payable** – The balance for the accumulated vacation leave at the end of the year is reflected in the government-wide Statement of Net Position as a current liability since it is required to be used within the next year or the employee forgoes the days earned and accumulated.

Following is the change in compensated absences:

Balance - July 1, 2016	\$ 216,434
Plus: Additions	701,592
Less: Payments	<u>(603,828)</u>
Balance - June 30, 2017	<u>\$ 314,198</u>

The District used the General Fund and/or the applicable Special Revenue Fund based on employee assignment to liquidate compensated absences through the payroll process.

I. LONG TERM DEBT

**General Obligation Bonds** – The District issued general obligation bonds for the governmental activities to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. Current principal and interest requirements are payable solely from future revenues of the Debt Service Fund which consist principally of property taxes collected by the District, interest earnings, and state funds. Certain outstanding bonds may be redeemed at their par value prior to their normal maturity dates in accordance with the terms of the related bond indentures.

The District receives a direct subsidy for the Unlimited Tax School Building Bonds, Series 2010B, which is reflected as federal revenue in the Debt Service Fund in the amount of \$2,653,701 for the year ended June 30, 2017. The District also receives a direct subsidy for the Unlimited Tax Qualified School Construction Bonds, Series 2011, which is reflected as federal revenue in the Strategic Initiatives Fund in the amount of \$2,280,561 for the year ended June 30, 2017.

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**Refunding Bonds** – In previous years, the District issued refunding bonds to legally defease certain outstanding general obligation bonds. The net proceeds were deposited in an irrevocable trust account to provide for all future debt service payments on the refunded obligations. The refunded obligations represent a legal defeasance and are no longer a liability of the District; therefore, they are not included in the District’s financial statements. At June 30, 2017, \$45,645,000 of previously legally defeased bonds are outstanding.

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The following is a summary of changes in bonds payable for the year ended June 30, 2017:

Description	Interest Rate Payable	Range of Maturity	Amounts Original Issue	Amounts Outstanding June 30, 2016	Issued/ Refunding	Retired	Amounts Outstanding June 30, 2017	Due Within One Year
Unlimited Tax Refunding								
Bonds, Series 2006	4.0-							
Current Interest Bonds	4.5%	2014-2031	47,290,000	190,000	-	190,000	-	-
Premium Capital								
Appreciation Bonds		2025	319,988	319,988	-	-	319,988	-
Unlimited Tax Sch. Bldg								
Bonds, Series 2010B	2.235- 6.397%	2014-2040	151,450,000	144,000,000	-	3,815,000	140,185,000	3,895,000
Unlimited Tax Refunding								
Bonds, Series 2011	2.0- 5.0%	2014-2029	99,085,000	80,270,000	-	6,795,000	73,475,000	7,115,000
Unlimited Tax Qualified								
School Construction								
Bonds, Series 2011	4.006%	2014-2028	61,115,000	61,115,000	-	-	61,115,000	-
Variable Rate Unlimited								
Tax Refunding Bonds	.83-							
Series 2014A	7.0%	2017-2044	48,795,000	48,060,000	-	770,000	47,290,000	810,000
Variable Rate Unlimited								
Tax Refunding Bonds	1.15-							
Series 2014B	7.0%	2018-2044	48,880,000	48,145,000	-	775,000	47,370,000	810,000
Unlimited Tax Sch. Bldg								
and Refunding Bonds,	1.25-							
Series 2015	5.0%	2016-2045	307,290,000	290,060,000	-	14,895,000	275,165,000	16,255,000
Unlimited Tax Sch. Bldg								
and Refunding Bonds,	2.0-							
Series 2016	5.0%	2017-2046	123,740,000	123,740,000	-	-	123,740,000	745,000
			\$ 887,964,988	\$ 795,899,988	\$ -	\$ 27,240,000	\$ 768,659,988	\$ 29,630,000
				Balance			Balance	
				June 30,	Addition	Retired	June 30,	Due within
				2016			2017	One Year
Accretion on Capital								
Appreciation Bonds*				\$ 2,317,313	\$ 120,026	\$ -	\$ 2,437,339	\$ -

\* This represents accretion of interest on a cumulative basis.

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The District has never defaulted on any principal or interest payments. There are a number of limitations and restrictions contained in the general obligation bond indentures. The District is in compliance with all significant limitations and restrictions at June 30, 2017.

The annual debt service requirements to maturity for bonds payable are as follows:

Year Ending June 30	Principal	Interest	Total Requirements
2018	\$ 29,630,000	\$ 35,359,759	\$ 64,989,759
2019	35,915,000	36,396,097	72,311,097
2020	31,335,000	35,991,003	67,326,003
2021	31,360,000	34,411,460	65,771,460
2022	32,905,000	32,821,870	65,726,870
2023-2027	166,319,988	138,397,367	304,717,355
2028-2032	199,075,000	86,745,908	285,820,908
2033-2037	87,030,000	54,423,543	141,453,543
2038-2042	98,545,000	27,398,340	125,943,340
2043-2047	56,545,000	5,553,025	62,098,025
Total	<u>\$ 768,659,988</u>	<u>\$ 487,498,372</u>	<u>\$1,256,158,360</u>

**Commercial Paper** – In February 2014, the Board adopted an order (the “Order”) approving the issuance of San Antonio Independent School District Commercial Paper Notes, Series A (“Commercial Paper Notes”) in an aggregate principal amount not to exceed \$100,000,000. The proceeds of the Commercial Paper Notes shall be used for constructing, renovating, acquiring, and equipping school buildings for the District, and the purchase of the necessary sites for school buildings, including maintenance and facility operation and improvements, all as authorized by the voters of the District at the November 2, 2010 election, and refinancing, renewing, or refunding Commercial Paper Notes or Loan Notes (as defined in the Order). Proceeds of the Commercial Paper Notes may also be used to pay the costs and expenses of the issuance of the Commercial Paper Notes, including fees for professional services.

The Commercial Paper Notes will mature in not more than 270 days from issuance and are supported by the revolving credit agreement with Royal Bank of Canada (“Credit Agreement”). The Order for the Commercial Paper Notes provides for a maximum maturity date of April 2, 2054. The short-term ratings on the Commercial Paper Program are “F1+” by Fitch and “P-1” by Moody’s Investors Service, Inc. The Commercial Paper Notes are secured by a pledge of the proceeds from the sales of Commercial Paper Notes from time to time issued to pay the principal amount of outstanding Commercial Paper Notes and the principal amount of the Loan Notes (as defined in the Order), from the sale of general obligation bonds issued by the District and/or amounts drawn under the Credit Agreement to pay the principal and interest

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on outstanding Commercial Paper Notes, and/or amounts held in the Commercial Paper Note Payment Account and/or proceeds from ad valorem property taxes. As of June 30, 2017, the District does not have any Commercial Paper Notes outstanding.

Changes in the Commercial Paper are as follows:

	<b>June 30,</b>	
	<b>2017</b>	<b>2016</b>
Beginning of the year liability	\$ -	\$ -
Debt Service Payment	-	(675,000)
Bonds Issued	-	(36,925,000)
Commercial Paper Issuances	-	37,600,000
End of the year liability	\$ -	\$ -

**J. OTHER LONG-TERM LIABILITIES**

**(1) Workers' Compensation**

Under this program, the District provides coverage up to a maximum of \$600,000 per claim and purchases commercial insurance for claims in excess of this coverage. There were no settlements exceeding insurance coverage for each of the past three fiscal years. The total claims liability of \$3,271,000 is based on the requirements of Governmental Accounting Standards Board (GASB) Statement No. 10 as amended by GASB Statement No. 30, which requires that a liability for claims be reported if information is available prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated. The District records the liability for claims incurred but not reported which is estimated using historical data.

The current portion of the claims liability in the amount of \$2,448,144 is reflected as part of current liabilities and the remaining portion of \$822,856 is reported as part of noncurrent liabilities in the Proprietary Funds Statement of Net Position.

The District is required to maintain a deposit sufficient to cover 2.5 months of claims with the current administrator of the program, which amounted to \$450,000 at June 30, 2017. The deposit is included as part of the Other Current Assets balance in the Proprietary Funds Statement of Net Position.

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Changes in the claims liability amount for fiscal years 2016 to 2017 were as follows:

Period	Beginning of Fiscal Year/ Period Liability	Current Year/ Period Claims and changes in Estimates	Claim Payments	Balance at Fiscal Year/ Period End
Year Ended June 30, 2016	\$ 4,483,449	\$ 909,444	\$ (2,469,893)	\$ 2,923,000
Year Ended June 30, 2017	2,923,000	2,137,773	(1,789,773)	3,271,000

(2) Accumulated Leave Incentive Plan (ALIP)

Full-time employees are eligible to participate in the ALIP after ten years of consecutive employment with the District and after meeting the requirements of the plan. Under this plan, the District pays ALIP-eligible employees the value of the balance of their state and local leave by contributing it to a 403(b) account upon separation from the District. In accordance with the plan, exempt employees and non-exempt employees accrue \$88 and \$50, respectively, per day of their state and local leave balances. The District's governing body has the exclusive right to change, suspend, or terminate this program at any time and for any reason based on the needs of the District. The balance of state and local leave as of June 30, 2017 for employees with ten or more years of service is \$8,004,993. Of this amount, \$7,365,328 is reflected as a noncurrent liability and \$639,665 is reflected as a current liability in the Statement of Net Position.

(3) Arbitrage Payable

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income received at yields that exceed the issuer's tax exempt borrowing rates. The Treasury requires payment for each issue every five years. The liability is not recorded until payment is actually made or the liability has become due and payable. The District does not have an arbitrage liability as of June 30, 2017.



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K. CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for the governmental activities for the year ended June 30, 2017 were as follows:

	Amount Outstanding July 1, 2016	Additions	Deletions	Amount Outstanding June 30, 2017	Due Within One Year
Bonds Payable	\$ 759,899,988	\$ -	\$ (27,240,000)	\$ 768,659,988	\$ 29,630,000
Accretion on Capital Appreciation Bonds	2,317,313	120,026	-	2,437,339	-
Unamortized Bond Premium	55,786,516	-	(6,862,154)	48,924,362	6,475,904
Workers' Compensation *	2,923,000	2,137,773	(1,789,773)	3,271,000	2,448,144
ALIP	8,319,223	2,396,808	(2,711,038)	8,004,993	639,665
Net Pension Liability	94,722,662	10,118,934	(8,131,382)	96,710,214	-
Total	<u>\$ 959,968,702</u>	<u>\$ 14,773,541</u>	<u>\$ (46,734,347)</u>	<u>\$ 928,007,896</u>	<u>\$ 39,193,713</u>

\* The \$2,448,144 which is the current portion of the claims liability, is reflected in the claims payable current liability account in the Statement of the Net Position and not as part of the amount due within one year for the noncurrent liabilities.

L. 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). It is a defined benefit pension plan 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.

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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. The information provided in the Notes to the Financial Statements in the 2016 Comprehensive Annual Financial Report for TRS provides the following information regarding the Pension Plan fiduciary net position as of August 31, 2016.

<u>Net Pension Liability</u>	<u>Total</u>
Total Pension Liability	\$171,797,150,487
Less: Plan Fiduciary Net Position	<u>(134,008,637,473)</u>
Net Pension Liability	<u>\$ 37,788,513,014</u>
 Net Position as percentage of Total Pension Liability	 78.00%

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

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

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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 83<sup>rd</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 83<sup>rd</sup> Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 84<sup>th</sup> Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

	<u>Contribution Rates</u>	
	<u>2016</u>	<u>2017</u>
Member	7.2%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
2017 Employer Contributions		\$ 8,612,371
2017 Member Contributions		\$ 26,691,431
2016 NECE On-Behalf Contributions		\$ 15,045,918

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. 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, 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 including public 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.

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- When any part or all of an employee's salary is paid by federal funding source or a privately sponsored source.

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 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, 2016 actuarial valuation was determined using the following actuarial assumptions:

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

\*Includes Inflation of 2.5%

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

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

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combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2016 are summarized below:

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

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

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**Discount Rate Sensitivity Analysis.** The following schedule shows the impact of the Net Pension Liability if the discounted rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2016 Net Pension Liability:

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
Proportionate share of the net pension liability:	\$ 149,674,833	\$ 96,710,214	\$ 51,785,510

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

At June 30, 2017, the District reported a liability of \$96,710,214 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 pensions liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 96,710,214
State's proportionate share that is associated with the District	<u>178,592,718</u>
Total	<u>\$ 275,302,932</u>

The net pension liability was measured as of August 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's portion 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 of September 1, 2015 through August 31, 2016.

At August 31, 2016 the employer's proportion of the collective net pension liability was 0.2559249% which was a decrease of -0.0120418% from its proportion measured as of August 31, 2015.

**Changes Since the Prior Actuarial Valuation.**

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

*Economic Assumptions*

1. The inflation assumption is 2.50%.
2. The ultimate merit assumption for long-service employees is 1.00%
3. In accordance with the observed experience, there were small adjustments in the service-based promotional/longevity component of the salary scale.

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4. The payroll growth assumption is 2.50%.

*Mortality Assumptions*

5. The active mortality rates were based on 90% of the RP 2014 Employee Mortality Tables for males and females.
6. The post-retirement mortality rates were based on the 2015 TRS of Texas Healthy Pensioner Mortality Tables.

*Other Demographic Assumptions*

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

*Actuarial Methods and Policies*

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

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

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For the year ended June 30, 2017, the District recognized pension expense of \$18,533,666 and revenue of \$18,533,666 for support provided by the State. At June 30, 2017 the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experiences	\$ 1,516,398	\$ 2,887,711
Changes in actuarial assumptions	2,947,554	2,680,679
Differences between projected and actual investment earnings	8,189,221	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	-	8,640,364
Total as of August 31, 2016 measurement date	\$ 12,653,173	\$ 14,208,754
Contributions paid to TRS subsequent to the measurement date	7,302,509	-
Total as of fiscal year-end	\$ 19,955,682	\$ 14,208,754

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

Year Ended June 30,	Pension Expense Amount
2018	\$ (873,010)
2019	(873,010)
2020	4,350,474
2021	(1,274,268)
2022	(2,426,567)
Thereafter	(459,200)
Total	\$ (1,555,581)

At June 30, 2017, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Total net amounts per August 31, 2016 measurement date	\$ 12,653,173	\$ 14,208,754
Contributions paid to TRS subsequent to the measurement date	7,302,509	-
Total	\$ 19,955,682	\$ 14,208,754



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For The Year Ended June 30, 2017

For the year ended June 30, 2017, the District recognized pension expense of \$10,075,443.

**IV. OTHER INFORMATION**

**A. FUND BALANCE**

At June 30, 2017, fund balance is comprised of the following:

	Major Funds				Total
	General Fund	Debt Service	Capital Projects	Other Funds	
<b>Nonspendable:</b>					
Inventories	\$ 1,239,573	\$ -	\$ -	\$ 812,200	\$ 2,051,773
Endowment Principal	-	-	-	1,000	1,000
Prepaid	105,424	-	-	-	105,424
<b>Restricted:</b>					
Federal or State Funds Grant Restriction:					
National Breakfast and Lunch Program	-	-	-	8,182,619	8,182,619
Capital Acquisition and Contractual Obligation	-	-	25,527,228	-	25,527,228
Retirement of Long-Term Debt	-	87,240,312	-	-	87,240,312
Other					
Scholarships	250,544	-	-	3,039	253,583
<b>Committed:</b>					
Capital Expenditures for Equipment:					
E-Rate	2,231,172	-	-	-	2,231,172
Deferred Technology School Bus & Vehicle Fleet Replacement	-	-	-	789,581	789,581
Technology Integration	-	-	-	1,030,045	1,030,045
Technology Integration	-	-	-	500,000	500,000
Other Committed:					
HVAC Equipment, Building Repairs & Facilities	5,000,000	-	-	-	5,000,000
Campus Activity Funds	-	-	-	721,276	721,276
Compensation Initiative	-	-	-	8,000,000	8,000,000

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Deferred Facility Maintenance	-	-	-	3,669,058	3,669,058
Land or Building Purchase	-	-	-	5,456,470	5,456,470
Time & Attendance	-	-	-	500,000	500,000
Federal Grant In-Kind Contingency	-	-	-	1,000,000	1,000,000
<b>Assigned:</b>					
Financial Obligations Carried Forward	2,079,317	-	-	-	2,079,317
Building Repair and Maintenance	-	-	216,695	8,278,845	8,495,540
<b>Unassigned</b>	<u>86,871,777</u>	<u>-</u>	<u>-</u>	<u>(28,739)</u>	<u>86,843,038</u>
Total	<u>\$ 97,777,807</u>	<u>\$ 87,240,312</u>	<u>\$ 25,743,923</u>	<u>\$ 38,915,394</u>	<u>\$ 249,677,436</u>

**B. HEALTH AND DENTAL INSURANCE**

**HEALTH** – The District’s employee health benefits, including medical and pharmacy, became partially self-funded starting November 1, 2016. In order to protect our self-funded medical and pharmacy benefit plan assets, the District has in place a stop loss reinsurance policy with PartnerRe America Insurance Company. This policy protects the District from catastrophic claims incurred and paid for the plan year that exceed \$500,000 per covered person up to a \$1,000,000 aggregate limit. The policy includes a minimum annual aggregate deductible of \$46,634,693. PartnerRe has an A.M. Best financial strength rating of A and a long-term issuer credit rating of a+.

During the year ended June 30, 2017, employees of the District were covered by one of four health insurance plans at their option. The District contributed between \$411.00 and \$487.38 per month, per employee, for medical coverage. Employees, at their option, authorized payroll withholdings to pay premiums for dependents.

The provision for unpaid self funded medical losses at June 30, 2017, in the amount of \$3,150,425 is reported in current liabilities as part of claims payable in the Proprietary Funds Statements of Net Position, as it is based upon actual prior claims cost experience and projected time lags (less than 60 days) in settling such claims and actual claims paid after year end. All costs incurred are accounted for as expenditures in the operating funds affected.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2017

As of June 30, 2017, the District is required to maintain a deposit of \$800,000 in the District's self-funded Medical bank account. The deposit is included as part of the other current assets balance in the Proprietary Funds Statement of Net Position.

**DENTAL** – During the year ended June 30, 2017, the District contributed \$17.43 per month, per employee, for dental coverage. All benefits were paid by a third party administrator acting on behalf of the District. The Plan was authorized by Section 21.922, Texas Education Code and Article 3.51-2, Texas Insurance Code, and was documented by contractual agreement.

The "Plan Supervisor Agreement" between the District and the third party administrator is automatically renewed for a one-year period, unless terminated as provided in the Standard Terms and Conditions of the Agreement.

The provision for unpaid self funded dental losses at June 30, 2017, in the amount of \$382,138 is reported in current liabilities as part of claims payable in the Proprietary Funds Statements of Net Position, as it is based upon actual prior claims cost experience and average time lags (historically, less than 60 days) in settling such claims and actual claims paid after year end. All costs incurred are accounted for as expenditures in the operating funds affected.

As of June 30, 2017, the District is required to maintain a deposit of \$22,812 with the third party administrator. The deposit is included as part of the other current assets balance in the Proprietary Funds Statement of Net Position.

**C. 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. The District participates in the Texas Political Subdivisions Joint Self-Insurance Funds (SIF), a public entity risk pool currently operating as a common risk management and insurance program for public entities. The District is insured with the SIF for auto liability and physical damage coverage. The SIF is provided so that members will have no joint or several liabilities other than their required contribution. The District operates a limited management program for workers compensation. Premiums are paid by all other funds and are available to pay claims, claim reserve, and administrative costs of the program. There were no significant reductions in coverage in the past fiscal year, and settlements did not exceed insurance coverage for each of the past three fiscal years.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2017

D. REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

	Major Funds				Total
	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	
Property Taxes	\$ 183,047,585	\$ 53,623,060	\$ -	\$ -	\$ 236,670,645
Investment Income	675,269	(2,416,220)	148,651	21	(1,592,279)
Insurance Recovery	35,873	-	-	3,270	39,143
Penalties, Interest and Other Tax Related Income	1,969,921	564,277	-	-	2,534,198
Food Service Activity	-	-	-	1,045,015	1,045,015
Tuition	82,459	-	-	-	82,459
Rent	338,091	-	-	-	338,091
San Antonio Education Foundation Grant	227,479	-	-	-	227,479
Carol Lee Jones & Weston Grant	29,055	-	-	-	29,055
Athletic Activity	421,572	-	-	-	421,572
Campus Activity	-	-	-	707,951	707,951
Co-curricular Student	19,500	-	-	-	19,500
After School Challenge Program	-	-	-	1,359,607	1,359,607
Other	1,021,084	-	-	2,312,445	3,333,529
<b>Total</b>	<b>\$ 187,867,888</b>	<b>\$ 51,771,117</b>	<b>\$ 148,651</b>	<b>\$ 5,428,309</b>	<b>\$ 245,215,965</b>

During the year ended June 30, 2017, revenues from local and intermediate sources in the Proprietary Fund Types consisted of the following:

	Internal Service Fund
Insurance Recovery	\$ 14,740
Interest Earned	25,667
Charges for Services	39,950,707
<b>Total</b>	<b>\$ 39,991,114</b>

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2017

E. GENERAL FUND FEDERAL SOURCE REVENUES

Included in the General Fund revenues are the following funded by the federal government:

Program or Source	CFDA	
	Number	Amount
Impact Aid	84.041	\$ 57,750
Army ROTC	N/A	614,772
School Health and Related Services (SHARS)	N/A	10,706,627
Summer School LEP	84.369	30,287
AP/IB Test Subsidies	84.330	780
Medicaid 1115 COSA	93.235	538,930
Healthy Fut/UTHSC-DOE	93.297	231,735
Indirect Costs		
MS Partner's Grant Irving	16.540	1,072
Adult Education and Family Literacy	84.002	23,505
ESEA Title I, Part A	84.010	596,066
ESEA Title I, Part D	84.010	4,797
Title I, School Improvement Program	84.010	36,717
ESEA Title I, Part C Migrant	84.011	639
IDEA-B Formula	84.027	240,400
Carl D. Perkins, Title I, Part C	84.048	22,429
IDEA-B Preschool	84.173	3,632
Change for Good	84.184	12,489
McKinney Homeless Children Grant	84.196	4,728
Carol White Pep/Grant	84.215	9,872
Eastside Promise Neighborhood	84.215	14,969
Gear-Up Project	84.334	62,302
TTL III, Part A-LEP	84.365	14,173
Title II, Part A TPTR	84.367	114,925
Texas Literacy Init. (STR RDRS)	84.371	70,348
Title I, School Improvement	84.377	44,822
Temporary Assistance for Needy Families	93.558	2,026
Wheatley Comm Sch ED Opp Ctr	84.066	3,194
21 <sup>st</sup> CCLC Cycle 9	84.287	25,007
Title III, Part A Immigrant	84.365	237
Teacher Incentive Fund	84.374	10,272
TTIPS Douglas ES	84.377	23,351
TTIPS Rodriguez ES	84.277	4,974
TTIPS Stewart ES	84.377	7,000
		\$ 13,534,827

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2017

Indirect cost revenues were determined by applying approved indirect cost rates to actual expenditures of federally funded grant programs.

F. RETIREE HEALTH PLAN

**Plan Description**

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

**Funding Policy**

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish State, active employee, and public school district contributions, respectively. For fiscal years 2015 through 2017, the State contribution rate was 1.0% of salaries. For fiscal years 2015 through 2017, the active public school employee contribution rate and the District contribution rate were 0.65% and 0.55% of salaries, respectively. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school.

Contributions made by the State on behalf of the District are recorded in the financial statements as both revenues and expenditures. Contributions to TRS-Care made by the State, District, and active employees for the last three (3) years follow:

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2017

Fiscal Year	On-Behalf State Contribution	District Annual Required Contribution (ARC)	Percentage of ARC Contributed	Active Member's Contribution
2015	\$ 2,774,474	\$ 2,264,564	100%	\$ 2,113,184
2016	2,859,096	2,340,635	100%	2,180,545
2017	3,013,799	2,415,529	100%	2,276,834

The District has no other liability under the plan as of June 30, 2017.

G. ON BEHALF STATE CONTRIBUTIONS

**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 Texas Public Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. Contributions made by the federal government on behalf of the District are recorded in the financial statements as both revenues and expenditures. These payments totaled \$1,387,623; \$1,367,223; and \$1,701,761 for fiscal years 2015, 2016, and 2017 respectively.

H. COMMITMENTS AND CONTINGENCIES

**Grants** – The District participates in numerous state and federal grant programs that are governed by the rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. If the District is found to be out of compliance with any rules or regulations governing the grants, the grantor may either deny requests for reimbursement or may require that grant proceeds received be returned. 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 financial statements for such contingencies.

**Contingencies** – The District is a party to various legal actions, none of which is believed by management to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying financial statements for such contingencies.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2017

**Construction Contracts** – Obligations under the current construction contracts will be liquidated in subsequent reporting periods.

I. E-PAYABLES

The District has an automated card payment process (E-Payables) agreement with Bank of America (Bank), which allows the District to electronically pay vendors through a secure card number instead of a check. Vendors are assigned and required to use an individualized card number to electronically draw down their payment. Payments are processed similar to payments made by check; however, instead of receiving a check, the vendor's individualized card is funded by the Bank upon receipt of the e-check listing from the District. The Bank notifies the vendor by e-mail when funds are available so that they may draw down their payment through a credit card network. Once the funds are drawn down, the Bank bills the District.

The Bank bills the District on a monthly basis and allows a 25-day payment grace period or line of credit up to \$6 million. As of June 30, 2017, the District had drawn \$601,663 on their line of credit, which is reported as part of accounts payable in the general fund, capital projects funds, and other funds.

As an incentive to participate in the program, the District receives rebate checks in amounts that are calculated based on the annual dollar volume of card payments. During the year ended June 30, 2017, the District received rebates in the amount of \$37,472.

J. ENDOWMENTS

The District has a donor-restricted endowment, the James Slayden Endowment, which was created to pay a prize to the winner of the best essay on world peace by a senior student at the District.

The District authorizes the spending of endowment investment income according to the directives given by the donors. The net appreciation on investments of the endowment that is available for spending totals \$3,039 as of June 30, 2017 and is reported as Other Restricted Fund Balance on the Balance Sheet and as Restricted for Other Purposes on the Statement of Net Position.



SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2017

K. SUBSEQUENT EVENTS

In August 2017, the District remarketed the \$48,795,000 Variable Rate Unlimited Tax Refunding Bonds, Series 2014A (Series 2014A). The Bonds were in the initial rate period, bearing interest at an initial rate, expiring on July 31, 2017. The Bonds were outstanding in the aggregate principal amount of \$47,200,000. On August 1, 2017, \$810,000 in principal amount was redeemed, and the remaining \$46,480,000 was subject to mandatory tender without right of retention. Tendered Bonds in the principal amount of \$4,285,000 were retired by the District using proceeds derived from the remarketing and the balance of \$42,195,000 was converted to a Fixed Rate Period, remarketed to new holders and remain outstanding subsequent to this remarketing and conversion until the earlier of stated maturity or prior redemption. There are \$30,405,000 Serial Bonds with a 5% fixed rate until 2031 then a 4% fixed rate from 2032 to 2039, and there are \$11,790,000 Term Bonds with a 4% fixed rate until 2044. The District reserves the right to redeem the Bonds maturing on or after August 1, 2027 in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on August 1, 2026 or any date thereafter at the redemption price of par plus accrued interest to the date of redemption. The Term Bonds maturing on August 1, 2044 are also subject to mandatory sinking fund redemption prior to the stated maturity. Interest on the Bonds will accrue from the closing date of August 1, 2017 and will be payable on each February 1 and August 1 of each year, commencing on February 1, 2018.



# Supplementary Information





**REQUIRED SUPPLEMENTARY INFORMATION**



SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
<b>REVENUES:</b>					
5700	Total Local and Intermediate Sources	\$ 161,310,014	\$ 189,191,359	\$ 187,867,888	\$ (1,323,471)
5800	State Program Revenues	264,813,987	274,846,802	275,674,725	827,923
5900	Federal Program Revenues	10,348,091	12,456,401	13,534,827	1,078,426
5020	Total Revenues	436,472,092	476,494,562	477,077,440	582,878
<b>EXPENDITURES:</b>					
<b>Current:</b>					
0011	Instruction	248,407,764	260,075,206	258,285,364	1,789,842
0012	Instructional Resources and Media Services	7,019,412	6,548,913	6,329,734	219,179
0013	Curriculum and Instructional Staff Development	10,430,626	9,570,667	9,305,904	264,763
0021	Instructional Leadership	7,672,242	7,922,457	7,609,255	313,202
0023	School Leadership	31,662,173	34,594,224	34,045,622	548,602
0031	Guidance, Counseling and Evaluation Services	15,376,773	16,172,061	15,979,612	192,449
0032	Social Work Services	3,794,344	3,962,881	3,812,609	150,272
0033	Health Services	8,882,715	9,198,685	8,510,298	688,387
0034	Student (Pupil) Transportation	9,688,137	11,346,562	10,746,156	600,406
0035	Food Services	146,556	156,556	144,738	11,818
0036	Extracurricular Activities	9,824,182	11,626,898	11,499,189	127,709
0041	General Administration	14,694,194	16,293,566	15,846,680	446,886
0051	Facilities Maintenance and Operations	48,433,400	53,837,515	52,094,107	1,743,408
0052	Security and Monitoring Services	5,707,569	6,419,106	5,936,753	482,353
0053	Data Processing Services	10,716,624	11,438,084	11,044,647	393,437
0061	Community Services	1,784,686	1,751,711	1,676,047	75,664
<b>Capital Outlay:</b>					
0081	Facilities Acquisition and Construction	1,090,695	5,459,845	2,156,661	3,303,184
<b>Intergovernmental:</b>					
0095	Payments to Juvenile Justice Alternative Ed. Prg.	30,000	30,000	8,151	21,849
0099	Other Intergovernmental Charges	980,000	1,080,000	1,074,277	5,723
6030	Total Expenditures	436,342,092	467,484,937	456,105,804	11,379,133
1100	Excess of Revenues Over Expenditures	130,000	9,009,625	20,971,636	11,962,011
<b>OTHER FINANCING SOURCES (USES):</b>					
7912	Sale of Real and Personal Property	-	-	3,994,896	3,994,896
8911	Transfers Out (Use)	(130,000)	(130,000)	(401,934)	(271,934)
7080	Total Other Financing Sources (Uses)	(130,000)	(130,000)	3,592,962	3,722,962
1200	Net Change in Fund Balances	-	8,879,625	24,564,598	15,684,973
0100	Fund Balance - July 1 (Beginning)	73,213,209	73,213,209	73,213,209	-
3000	Fund Balance - June 30 (Ending)	\$ 73,213,209	\$ 82,092,834	\$ 97,777,807	\$ 15,684,973

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 TEACHER RETIREMENT SYSTEM  
 FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016	2015
District's Proportion of the Net Pension Liability (Asset)	0.2559249%	0.2679667%	0.2910232%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 96,710,214	\$ 94,722,662	\$ 77,736,321
States Proportionate Share of the Net Pension Liability (Asset) associated with the District	178,592,718	171,061,013	154,489,762
Total	<u>\$ 275,302,932</u>	<u>\$ 265,783,675</u>	<u>\$ 232,226,083</u>
District's Covered Employee Payroll	\$ 337,170,971	\$ 325,747,398	\$ 320,921,902
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Employee Payroll	28.68%	29.08%	24.22%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	78.00%	78.43%	83.25%

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

**Changes Since the Prior Actuarial Valuation.**

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

*Economic Assumptions*

1. The inflation assumption remains at 2.50%.
2. The ultimate merit assumption for long-service employees is 1.00%
3. In accordance with the observed experience, there were small adjustments in the service-based promotional/longevity component of the salary scale.
4. The payroll growth assumption is 2.50%.

*Mortality Assumptions*

5. The active mortality rates were based on 90% of the RP 2014 Employee Mortality Tables for males and females.
6. The Post-retirement mortality rates were based on the 2015 TRS of Texas Healthy Pensioner Mortality Tables .

*Other Demographic Assumptions*

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

*Actuarial Methods and Policies*

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

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



SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT CONTRIBUTIONS  
 TEACHER RETIREMENT SYSTEM  
 FOR THE YEAR ENDED JUNE 30, 2017

	Fiscal Year Ended June 30,		
	2017	2016	2015
Contractually Required Contribution	\$ 8,612,371	\$ 8,074,206	\$ 7,853,920
Contribution in Relation to the Contractually Required Contribution	(8,612,371)	(8,074,206)	(7,853,920)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Employee Payroll	\$ 350,285,906	\$ 335,465,979	\$ 325,098,781
Contributions as a percentage of Covered Employee Payroll	2.46%	2.41%	2.42%

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



**OTHER SUPPLEMENTARY INFORMATION**



*Nonmajor Governmental Funds (Special Revenue Funds)*

## **SPECIAL REVENUE FUNDS DESCRIPTIONS**

The Special Revenue Funds generally account for state and federal awards for a specified project period. Funds are provided on a cost reimbursement basis. Project accounting is employed to maintain integrity for the various sources of funds. Funds included in the Special Revenue funds category are described in the following pages.

### **HEAD START PROGRAM (205)**

To account for funds granted to operate preschool programs to provide scientific, research-based, pre-reading instruction for three and four year old children.

### **ESEA, TITLE I, PART A-IMPROVING BASIC PROGRAMS (211)**

To account for funds granted to help students acquire the knowledge and skills in the state content standards and to help students meet the state student performance standards.

### **FEDERAL ADULT EDUCATION AND FAMILY LITERACY (220)**

To account for funds that provide support programs for educational services to adults who are beyond compulsory school attendance age, are not enrolled in school and function at less than a secondary completion level.

### **IDEA-PART B, FORMULA (224)**

To account for supplemental federal funds used to ensure that eligible students (ages 3-21) with disabilities are provided with a free appropriate public education as required by federal statute.

### **CHILD NUTRITION PROGRAM (240)**

To account for all food service activities of the District with major revenue sources that include the National School Lunch and Breakfast program and U.S.D.A donated commodities. Also accounts for funds associated with offering students a variety of nutritious fruits and vegetables under the Fresh Fruit and Vegetable Program and funds used to offer Head Start students afternoon snacks under the Child and Adult Care Food Program.

### **TITLE I 1003 (A) PRIORITY AND FOCUS GRANT (245)**

These funds are used for targeted campus interventions to accelerate student learning and meet state student performance standards.

### **TITLE I, PART C - CARL D. PERKINS BASIC FORMULA GRANT (244)**

To account for funds used to strengthen the academic skills of students participating in career and technology and to provide all students with strong experience in and understanding of all aspects of an industry. Also to develop, improve or expand the use of technology in career and technical education and provide professional development programs to teachers, career guidance and academic counselors.

### **ESEA, TITLE II, PART A -TEACHER AND PRINCIPAL TRAINING AND RECRUITING (255)**

To account for funds granted to improve student achievement by improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals in schools.

### **TITLE III, PART A – LIMITED ENGLISH PROFICIENCY (LEP) (263)**

To account for funds granted to improve the education of limited English proficient children by assisting students to learn English and meet challenging state academic content and student academic achievement standards.

## **SPECIAL REVENUE FUNDS DESCRIPTIONS**

### **GEAR UP PROJECT (274)**

To account for funds granted to promote student achievement and college readiness.

### **EASTSIDE PROMISE NEIGHBORHOOD (277)**

Funding to ensure high teacher quality to deliver targeted reading and science, technology, engineering and math (STEM) instruction from Pre-K – 12. Funds benefit students at six eastside schools of the District.

### **TEXAS TITLE I PRIORITY SCHOOLS (TTIPS) (281 & 282)**

These special School Improvement Grant are for a campus in need of improvement, corrective action, restructuring or other eligible need that demonstrates the greatest need for the funds and the strongest commitment to use the funds to provide adequate resources in order to raise substantially the achievement of the students so as to enable the school to make adequate yearly progress and exit improvement status.

### **OTHER FEDERAL SPECIAL REVENUE FUNDS (289) INCLUDE:**

Change for Good (204)  
McKinney - Vento Homeless Education (206)  
TITLE I Part C - Migrant (212)  
TITLE III, Part A - Immigrant (214)  
TITLE I Part D Subpart 2 – Delinquent Programs (215)  
Adult Education-English Literacy & Civics Education (221)  
Temporary Assistance for Needy Families (TANF) (223)  
IDEA-B Preschool (225)  
IDEA-B Discretionary Deaf-SSA-Region 20 (226)  
IDEA-B High Cost Risk Pool (227)  
IDRA-Turnaround School Leadership Program (257)  
Public Charter School Start-Up Grants (258-262)  
TITLE III-Part A - LEP (263)  
Draw the Line, Respect the Line (DTL/RTL) Teen Pregnancy Prevention (265)  
21<sup>st</sup> Century Community Learning Center (265)  
Diplomas Now Grant (271)  
Medical Assistance Program (272)  
Teacher Incentive Fund (276)  
MS Partners Program Irving (278)  
TTIPS, Miller ES (280)  
TTIPS, Rodriguez ES (283)  
TTIPS, Stewart ES (284)  
Wheatley Community School Ed Opportunity Center (285)  
Consolidated Administration Fund (287)  
Adult Completion and Skills Initiative Program (288)  
Wheatley Community School (289)  
Texas Literacy Initiative (290)

## **SPECIAL REVENUE FUNDS DESCRIPTIONS**

### **GR - ADULT EDUCATION (381)**

To account for funds that provide adult education and literacy programs for those age 16 and above who do not have a high school diploma and are out of school.

### **REGIONAL DAY SCHOOL PROGRAM FOR THE DEAF (386)**

To account for funds allocated for staff and activities for students with a hearing impairment which severely impairs processing linguistic information through hearing, even with recommended amplification, and which adversely affects educational performance.

### **OTHER STATE SPECIAL REVENUE FUNDS (429) INCLUDE:**

Supplemental Services - Visually Impaired (385)  
Instructional Materials Allotment Fund (410.6)  
Jobs and Education for Texas (427)  
HB4 Prekindergarten Grant Program (429)  
LEOSE – Law Enforcement Officer Standards & Ed (485)

### **CAMPUS ACTIVITY FUNDS (461)**

To account for transactions related to a principal's activity fund if the monies generated are not subject to recall by the school district's board of trustees into the General Fund.

### **STRATEGIC INITIATIVES FUND (470)**

This fund utilizes QSCB subsidy revenue to establish a reserve to fund future lawful District expenditures such as compensation restructuring, deferred facility maintenance, and technology initiatives.

### **AFTER SCHOOL CHALLENGE PROGRAM (478)**

To account for funds granted through an interlocal agreement with the City of San Antonio. These funds provide for recreational and educational opportunities for children in the community after school hours.

### **OTHER LOCAL SPECIAL REVENUE FUNDS (499) INCLUDE:**

City Education Partners (CEP) Ogden ES (476)  
After School Challenge Sliding Scale (477)  
Pre-K For SA Afterschool Enrichment Program (480)  
Centers for Applied Science & Technology (486)  
SPARK Program (489)  
Toshiba America Foundation (491)  
Communities Foundation of Texas – Sam Houston (493)  
Emerging Leaders Grant (494)  
Southern Regional Education Board (495)  
City Education Partners – Advanced Learning Academy (496)





SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2017

Data Control Codes	205 Head Start Program	211 ESEA Title I Part A, Imprv Basic Program	220 Federal Adult Ed & Family Literacy	224 IDEA - Part B Formula
<b>ASSETS</b>				
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1240	Receivables from Other Governments	3,108,884	4,265,838	141,340
1290	Other Receivables	-	-	-
1300	Inventories	-	-	-
1000	<b>Total Assets</b>	<u>\$ 3,108,884</u>	<u>\$ 4,265,838</u>	<u>\$ 141,340</u>
<b>LIABILITIES</b>				
2110	Accounts Payable	\$ 14,364	\$ 134,563	\$ -
2160	Accrued Wages Payable	1,093,590	1,815,440	17,492
2170	Due to Other Funds	2,000,930	2,315,835	123,848
2180	Due to Other Governments	-	-	-
2300	Unearned Revenues	-	-	-
2000	<b>Total Liabilities</b>	<u>3,108,884</u>	<u>4,265,838</u>	<u>141,340</u>
<b>FUND BALANCES</b>				
Nonspendable Fund Balance:				
3410	Inventories	-	-	-
3425	Endowment Principal	-	-	-
Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-
3490	Other Restricted Fund Balance	-	-	-
Committed Fund Balance:				
3530	Capital Expenditures for Equipment	-	-	-
3545	Other Committed Fund Balance	-	-	-
Assigned Fund Balance:				
3590	Other Assigned Fund Balance	-	-	-
3600	Unassigned Fund Balance	-	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,108,884</u>	<u>\$ 4,265,838</u>	<u>\$ 141,340</u>

240 Child Nutrition Program	244 Title I Part C Carl Perkins	245 Title I Priority & Focus Grant	255 ESEA II,A Training and Recruiting	263 Title III, A Limited Eng. Proficiency	274 Gear Up Project	277 Eastside Promise Grant	281 TTIPS Douglass ES
\$ 9,250,291	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
711,116	148,374	344,710	1,099,558	119,319	829,462	218,695	285,537
21,246	-	-	-	-	-	-	-
1,237,242	-	-	-	-	-	-	-
<u>\$ 11,219,895</u>	<u>\$ 148,374</u>	<u>\$ 344,710</u>	<u>\$ 1,099,558</u>	<u>\$ 119,319</u>	<u>\$ 829,462</u>	<u>\$ 218,695</u>	<u>\$ 285,537</u>
\$ 445,605	\$ (189)	\$ 26,644	\$ 537,775	\$ 2,602	\$ 78,235	\$ 4,985	\$ 139,326
1,354,430	-	-	180,731	-	33,345	38,469	61,769
-	148,563	318,066	381,052	116,717	717,882	175,241	84,442
-	-	-	-	-	-	-	-
425,041	-	-	-	-	-	-	-
<u>2,225,076</u>	<u>148,374</u>	<u>344,710</u>	<u>1,099,558</u>	<u>119,319</u>	<u>829,462</u>	<u>218,695</u>	<u>285,537</u>
812,200	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
8,182,619	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>8,994,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 11,219,895</u>	<u>\$ 148,374</u>	<u>\$ 344,710</u>	<u>\$ 1,099,558</u>	<u>\$ 119,319</u>	<u>\$ 829,462</u>	<u>\$ 218,695</u>	<u>\$ 285,537</u>

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2017

Data Control Codes	282 TTIPS Crockett ES	289 Other Federal Special Revenue Funds	381 Adult Basic Education	386 Regional Day School Progm for the Deaf	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ -	\$ 6,674	\$ 331	\$ -
1240	Receivables from Other Governments	397,878	3,089,495	330	318,261
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1000	<b>Total Assets</b>	<u>\$ 397,878</u>	<u>\$ 3,096,169</u>	<u>\$ 661</u>	<u>\$ 318,261</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ 134,496	\$ 808,498	\$ 96	\$ -
2160	Accrued Wages Payable	138,966	150,539	565	77,995
2170	Due to Other Funds	124,416	2,137,132	-	240,266
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenues	-	-	-	-
2000	<b>Total Liabilities</b>	<u>397,878</u>	<u>3,096,169</u>	<u>661</u>	<u>318,261</u>
<b>FUND BALANCES</b>					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	-
3425	Endowment Principal	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:					
3530	Capital Expenditures for Equipment	-	-	-	-
3545	Other Committed Fund Balance	-	-	-	-
Assigned Fund Balance:					
3590	Other Assigned Fund Balance	-	-	-	-
3600	Unassigned Fund Balance	-	-	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ 397,878</u>	<u>\$ 3,096,169</u>	<u>\$ 661</u>	<u>\$ 318,261</u>

429 Other State Special Revenue Funds	461 Campus Activity Funds	470 Strategic Initiatives Fund	478 After School Challenge Program	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	479 Permanent Fund	Total Nonmajor Governmental Funds
\$ 47,562	\$ 735,179	\$ 29,205,501	\$ -	\$ 26,297	\$ 39,271,835	\$ 4,039	\$ 39,275,874
654,208	-	-	445,657	199,386	18,068,713	-	18,068,713
5,217	-	-	-	104,239	130,702	-	130,702
-	-	-	-	-	1,237,242	-	1,237,242
<u>\$ 706,987</u>	<u>\$ 735,179</u>	<u>\$ 29,205,501</u>	<u>\$ 445,657</u>	<u>\$ 329,922</u>	<u>\$ 58,708,492</u>	<u>\$ 4,039</u>	<u>\$ 58,712,531</u>
\$ 242,160	\$ 10,103	\$ -	\$ 43,321	\$ 45,810	\$ 2,689,071	\$ -	\$ 2,689,071
65,420	3,798	-	-	32,509	5,740,401	-	5,740,401
351,845	-	-	402,336	280,342	10,913,558	-	10,913,558
-	2	-	-	-	2	-	2
29,064	-	-	-	-	454,105	-	454,105
<u>688,489</u>	<u>13,903</u>	<u>-</u>	<u>445,657</u>	<u>358,661</u>	<u>19,797,137</u>	<u>-</u>	<u>19,797,137</u>
-	-	-	-	-	812,200	-	812,200
-	-	-	-	-	-	1,000	1,000
-	-	-	-	-	8,182,619	-	8,182,619
-	-	-	-	-	-	3,039	3,039
-	-	2,319,626	-	-	2,319,626	-	2,319,626
-	721,276	18,625,528	-	-	19,346,804	-	19,346,804
18,498	-	8,260,347	-	-	8,278,845	-	8,278,845
-	-	-	-	(28,739)	(28,739)	-	(28,739)
<u>18,498</u>	<u>721,276</u>	<u>29,205,501</u>	<u>-</u>	<u>(28,739)</u>	<u>38,911,355</u>	<u>4,039</u>	<u>38,915,394</u>
<u>\$ 706,987</u>	<u>\$ 735,179</u>	<u>\$ 29,205,501</u>	<u>\$ 445,657</u>	<u>\$ 329,922</u>	<u>\$ 58,708,492</u>	<u>\$ 4,039</u>	<u>\$ 58,712,531</u>

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

Data Control Codes	205 Head Start Program	211 ESEA Title I Part A, Imprv Basic Program	220 Federal Adult Ed & Family Literacy	224 IDEA - Part B Formula
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	12,310,503	26,212,230	1,046,870	10,571,721
5020 Total Revenues	12,310,503	26,212,230	1,046,870	10,571,721
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	10,390,575	12,943,770	397,328	4,617,698
0012 Instructional Resources and Media Services	-	56,098	-	-
0013 Curriculum and Instructional Staff Development	415	6,977,072	25,411	1,266,351
0021 Instructional Leadership	1,205,602	1,962,447	615,831	116,826
0023 School Leadership	-	10,085	-	-
0031 Guidance, Counseling and Evaluation Services	-	526,977	8,300	3,536,154
0032 Social Work Services	-	578,566	-	186,468
0033 Health Services	280,224	-	-	68
0034 Student (Pupil) Transportation	-	-	-	1,419
0035 Food Services	73,906	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	326,790	30,323	-	5,320
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	218,387	-	-
0061 Community Services	32,991	2,910,467	-	254,715
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	(1,962)	-	586,702
6030 Total Expenditures	12,310,503	26,212,230	1,046,870	10,571,721
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

240 Child Nutrition Program	244 Title I Part C Carl Perkins	245 Title I Priority & Focus Grant	255 ESEA II,A Training and Recruiting	263 Title III, A Limited Eng. Proficiency	274 Gear Up Project	277 Eastside Promise Grant	281 TTIPS Douglass ES
\$ 1,123,394	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
198,835	-	-	-	-	-	-	-
43,970,570	986,346	1,614,700	5,053,946	861,346	3,503,487	660,754	1,026,878
45,292,799	986,346	1,614,700	5,053,946	861,346	3,503,487	660,754	1,026,878
-	838,786	699,328	844,068	193,887	611,866	226,722	287,972
-	-	27,055	15,770	-	-	-	-
-	31,980	824,526	3,781,111	528,828	145,702	262,464	546,794
-	35,710	3,168	193,066	42,975	1,232,521	170,497	-
-	-	12,898	26,306	95,656	-	-	15,403
-	49,999	47,685	250	-	1,061,449	-	47,308
-	-	-	-	-	308,561	-	70,158
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
43,643,406	-	-	-	-	-	-	-
-	-	-	-	-	119,520	-	-
7,564	-	-	-	-	-	-	-
2,392,682	29,871	-	-	-	11,580	-	-
-	-	-	-	-	-	-	-
-	-	40	-	-	-	-	58,396
-	-	-	193,375	-	12,288	1,071	847
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
46,043,652	986,346	1,614,700	5,053,946	861,346	3,503,487	660,754	1,026,878
(750,853)	-	-	-	-	-	-	-
401,934	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
401,934	-	-	-	-	-	-	-
(348,919)	-	-	-	-	-	-	-
9,343,738	-	-	-	-	-	-	-
\$ 8,994,819	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

Data Control Codes	282	289	381	386
	TTIPS Crockett ES	Other Federal Special Revenue Funds	Adult Basic Education	Regional Day School Progm for the Deaf
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 686,220
5800 State Program Revenues	-	-	210,416	188,910
5900 Federal Program Revenues	1,785,355	8,294,577	-	-
5020 Total Revenues	1,785,355	8,294,577	210,416	875,130
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	816,700	3,570,177	184,590	872,309
0012 Instructional Resources and Media Services	-	270,491	-	-
0013 Curriculum and Instructional Staff Development	656,891	1,494,363	-	2,821
0021 Instructional Leadership	-	843,997	25,826	-
0023 School Leadership	4,429	70,961	-	-
0031 Guidance, Counseling and Evaluation Services	47,307	76,848	-	-
0032 Social Work Services	215,821	237,883	-	-
0033 Health Services	-	374,639	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	4,012	-	-	-
0041 General Administration	-	417,249	-	-
0051 Facilities Maintenance and Operations	-	7,241	-	-
0052 Security and Monitoring Services	-	22,799	-	-
0053 Data Processing Services	38,745	-	-	-
0061 Community Services	1,450	907,929	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	1,785,355	8,294,577	210,416	875,130
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -



429 Other State Special Revenue Funds	461 Campus Activity Funds	470 Strategic Initiatives Fund	478 After School Challenge Program	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	479 Permanent Fund	Total Nonmajor Governmental Funds
\$ -	\$ 707,951	\$ -	\$ 1,388,346	\$ 1,522,377	\$ 5,428,288	21	\$ 5,428,309
3,743,026	-	-	-	-	4,341,187	-	4,341,187
-	-	2,280,561	-	-	120,179,844	-	120,179,844
3,743,026	707,951	2,280,561	1,388,346	1,522,377	129,949,319	21	129,949,340
3,516,709	302,050	-	-	887,385	42,201,920	-	42,201,920
-	28,769	141,091	-	-	539,274	-	539,274
-	7,852	-	-	275,410	16,827,991	-	16,827,991
-	329	-	-	132,606	6,581,401	-	6,581,401
-	4,264	-	-	222,859	462,861	-	462,861
-	778	-	-	-	5,403,055	-	5,403,055
-	-	-	-	-	1,597,457	-	1,597,457
-	1,989	-	-	-	656,920	-	656,920
-	462	-	-	-	1,881	-	1,881
-	-	-	-	-	43,717,312	-	43,717,312
-	230,869	-	-	-	354,401	-	354,401
-	3,971	-	-	-	428,784	-	428,784
-	76,049	-	-	-	2,879,856	-	2,879,856
3,044	7,512	225,700	-	-	259,055	-	259,055
-	-	-	-	-	315,568	-	315,568
223,273	33,210	-	1,388,346	9,134	5,969,096	-	5,969,096
-	6,235	46,655	-	23,722	76,612	-	76,612
-	-	-	-	-	584,740	-	584,740
3,743,026	704,339	413,446	1,388,346	1,551,116	128,858,184	-	128,858,184
-	3,612	1,867,115	-	(28,739)	1,091,135	21	1,091,156
-	-	-	-	-	401,934	-	401,934
-	-	(5,000,000)	-	-	(5,000,000)	-	(5,000,000)
-	-	(5,000,000)	-	-	(4,598,066)	-	(4,598,066)
-	3,612	(3,132,885)	-	(28,739)	(3,506,931)	21	(3,506,910)
18,498	717,664	32,338,386	-	-	42,418,286	4,018	42,422,304
\$ 18,498	\$ 721,276	\$ 29,205,501	\$ -	\$ (28,739)	\$ 38,911,355	\$ 4,039	\$ 38,915,394



*Proprietary Funds*



## INTERNAL SERVICE FUNDS DESCRIPTIONS

The Internal Service Funds are used to account for activities where the District charges fees to internal users for goods or services.

### **Workers' Compensation Insurance Fund (Fund 753)**

This fund is used to account for the operations of the District's self-funded insurance program, which meets the state mandate that all District employees be covered by workers' compensation insurance. Premiums are collected from the various campuses and departments based on predetermined experience rates. Claim costs, administrative costs, and stop loss insurance premiums are paid from the premiums collected. Excess claims are covered by a stop loss carrier.

### **Dental Insurance Fund (Fund 770)**

This fund is used to account for the operations of the District's self-funded dental insurance plan. Premiums are collected from the various campuses and departments of the District. Claim costs and administrative costs are paid from the proceeds of the premiums collected through this fund.

### **Medical Insurance Fund (Fund 771)**

This fund is used to account for the operations of the District's self-funded medical insurance plan including pharmacy. Premiums are collected from the various campuses and departments of the District. Claim costs and administrative costs are paid from the proceeds of the premiums collected through this fund. In order to protect our self-funded medical and pharmacy benefit plan assets, San Antonio Independent School District has in place a stop loss reinsurance policy with PartnerRe America Insurance Company. This policy protects the District from catastrophic claims incurred and paid for the plan year that exceed \$500,000 per covered person up to a \$1,000,000 aggregate limit. PartnerRe has an A.M. Best financial strength rating of A and a long-term issuer credit rating of a+.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 JUNE 30, 2017

	753 Workers Compensation Fund	770 Dental Insurance Fund	771 Medical Insurance Fund	Total Internal Service Funds
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 9,755,812	\$ 623,873	\$ 8,687,458	\$ 19,067,143
Due from Other Funds	-	-	3,459	3,459
Other Current Assets	450,000	22,812	800,000	1,272,812
Total Assets	<u>10,205,812</u>	<u>646,685</u>	<u>9,490,917</u>	<u>20,343,414</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	1,512	-	-	1,512
Short Term Claims Payable	2,448,144	382,138	3,150,425	5,980,707
Total Current Liabilities	<u>2,449,656</u>	<u>382,138</u>	<u>3,150,425</u>	<u>5,982,219</u>
NonCurrent Liabilities:				
Claims Payable - Due in More than One Year	822,856	-	-	822,856
Total Noncurrent Liabilities	<u>822,856</u>	<u>-</u>	<u>-</u>	<u>822,856</u>
Total Liabilities	<u>3,272,512</u>	<u>382,138</u>	<u>3,150,425</u>	<u>6,805,075</u>
<b>NET POSITION</b>				
Unrestricted Net Position	<u>6,933,300</u>	<u>264,547</u>	<u>6,340,492</u>	<u>13,538,339</u>
Total Net Position	<u>\$ 6,933,300</u>	<u>\$ 264,547</u>	<u>\$ 6,340,492</u>	<u>\$ 13,538,339</u>

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	753 Workers Compensation Fund	770 Dental Insurance Fund	771 Medical Insurance Fund	Total Internal Service Funds
<b>OPERATING REVENUES:</b>				
Local and Intermediate Sources	\$ 2,854,929	\$ 2,491,578	\$ 34,644,607	\$ 39,991,114
Total Operating Revenues	<u>2,854,929</u>	<u>2,491,578</u>	<u>34,644,607</u>	<u>39,991,114</u>
<b>OPERATING EXPENSES:</b>				
Payroll Costs	355,042	28,726	-	383,768
Professional and Contracted Services	260,002	148,686	3,221,602	3,630,290
Supplies and Materials	5,198	-	-	5,198
Other Operating Costs	2,298,025	2,566,603	25,082,513	29,947,141
Total Operating Expenses	<u>2,918,267</u>	<u>2,744,015</u>	<u>28,304,115</u>	<u>33,966,397</u>
Operating Income (Loss)	(63,338)	(252,437)	6,340,492	6,024,717
Total Net Position - July 1 (Beginning)	<u>6,996,638</u>	<u>516,984</u>	<u>-</u>	<u>7,513,622</u>
Total Net Position June 30 (Ending)	<u>\$ 6,933,300</u>	<u>\$ 264,547</u>	<u>\$ 6,340,492</u>	<u>\$ 13,538,339</u>

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	753 Workers Compensation Fund	770 Dental Insurance Fund	771 Medical Insurance Fund	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>				
Cash Received from User Charges	\$ 2,854,929	\$ 2,491,578	\$ 34,644,607	\$ 39,991,114
Cash Payments to Employees for Services	(355,042)	(28,726)	-	(383,768)
Cash Payments for Insurance Claims	(2,220,890)	(2,604,199)	(25,957,149)	(30,782,238)
Net Cash Provided by (Used for) Operating Activities	<u>278,997</u>	<u>(141,347)</u>	<u>8,687,458</u>	<u>8,825,108</u>
Net Increase (Decrease) in Cash and Cash Equivalents	278,997	(141,347)	8,687,458	8,825,108
Cash and Cash Equivalents at Beginning of Year	<u>9,476,815</u>	<u>765,220</u>	<u>-</u>	<u>10,242,035</u>
Cash and Cash Equivalents at End of Year	<u>\$ 9,755,812</u>	<u>\$ 623,873</u>	<u>\$ 8,687,458</u>	<u>\$ 19,067,143</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>				
Operating Income (Loss):	\$ (63,338)	\$ (252,437)	\$ 6,340,492	\$ 6,024,717
Effect of Increases and Decreases in Current Assets and Liabilities:				
Increase in Accounts Payable	948	-	-	948
Decrease in Accrued Wages Payable	(1,612)	-	-	(1,612)
Increase in Claims Payable	347,999	9,102	3,150,425	3,507,526
Increase in Deposits	(5,000)	101,988	(803,459)	(706,471)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 278,997</u>	<u>\$ (141,347)</u>	<u>\$ 8,687,458</u>	<u>\$ 8,825,108</u>



## *Fiduciary Funds*



## **AGENCY FUND DESCRIPTION**

Agency Funds are used to account for assets held by the District as an agent for campuses and organizations. They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

### **Student Activities Fund (Fund 865)**

This fund is used to account for the receipt and disbursement of monies for school approved activities of the various student groups and organizations at each campus. These activities promote the general welfare of a campus and educational development and morale of the students.



SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	BALANCE JULY 1 2016	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30 2017
<b>STUDENT ACTIVITY ACCOUNT</b>				
Assets:				
Cash and Temporary Investments	\$ 2,687,911	\$ 3,338,256	\$ 3,248,823	\$ 2,777,344
Liabilities:				
Due to Student Groups	\$ 2,687,911	\$ 3,338,256	\$ 3,248,823	\$ 2,777,344
<b>TOTAL AGENCY FUNDS</b>				
Assets:				
Cash and Temporary Investments	\$ 2,687,911	\$ 3,338,256	\$ 3,248,823	\$ 2,777,344
Liabilities:				
Due to Student Groups	\$ 2,687,911	\$ 3,338,256	\$ 3,248,823	\$ 2,777,344



# Required TEA Schedules









SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FISCAL YEAR ENDED JUNE 30, 2017

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2008 and prior years	Various	Various	\$ Various
2009	1.040000	0.209700	12,723,716,043
2010	1.040000	0.209700	12,882,846,677
2011	1.040000	0.239700	12,423,827,042
2012	1.040000	0.267600	12,264,858,813
2013	1.040000	0.317600	12,361,723,024
2014	1.040000	0.317600	12,737,897,528
2015	1.040000	0.342600	13,324,011,635
2016	1.040000	0.342600	14,797,210,947
2017 (School year under audit)	1.170000	0.342600	16,592,753,459
1000 TOTALS			

(10) Beginning Balance 7/1/2016	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2017
\$ 3,419,099	\$ -	\$ 131,725	\$ 20,758	\$ (421,926)	\$ 2,844,690
615,208	-	36,482	7,356	(6,046)	565,324
709,457	-	54,459	10,981	(8,522)	635,495
784,205	-	68,438	15,774	(9,019)	690,974
930,690	-	97,180	25,005	(2,193)	806,312
1,069,868	-	129,065	39,414	(3,291)	898,098
1,300,074	-	154,350	47,135	(97,018)	1,001,571
1,944,646	-	389,592	128,338	(169,598)	1,257,118
10,787,693	-	5,943,250	1,957,802	(956,354)	1,930,287
-	240,851,460	174,522,430	51,104,500	(1,434,619)	13,789,911
<u>\$ 21,560,940</u>	<u>\$ 240,851,460</u>	<u>\$ 181,526,971</u>	<u>\$ 53,357,063</u>	<u>\$ (3,108,586)</u>	<u>\$ 24,419,780</u>

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM  
 FOR THE YEAR ENDED JUNE 30, 2017

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
<b>REVENUES:</b>					
5700	Total Local and Intermediate Sources	\$ 1,138,257	\$ 1,138,257	\$ 1,123,394	\$ (14,863)
5800	State Program Revenues	197,935	197,935	198,835	900
5900	Federal Program Revenues	47,133,337	44,173,337	43,970,570	(202,767)
5020	Total Revenues	48,469,529	45,509,529	45,292,799	(216,730)
<b>EXPENDITURES:</b>					
0035	Food Services	46,275,691	46,189,824	43,643,406	2,546,418
0041	General Administration	8,000	20,000	7,564	12,436
0051	Facilities Maintenance and Operations	2,293,309	3,017,176	2,392,682	624,494
6030	Total Expenditures	48,577,000	49,227,000	46,043,652	3,183,348
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(107,471)	(3,717,471)	(750,853)	2,966,618
<b>OTHER FINANCING SOURCES (USES):</b>					
7915	Transfers In	130,000	130,000	401,934	271,934
1200	Net Change in Fund Balances	22,529	(3,587,471)	(348,919)	3,238,552
0100	Fund Balance - July 1 (Beginning)	9,343,738	9,343,738	9,343,738	-
3000	Fund Balance - June 30 (Ending)	\$ 9,366,267	\$ 5,756,267	\$ 8,994,819	\$ 3,238,552

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - DEBT SERVICE FUND  
 FOR THE YEAR ENDED JUNE 30, 2017

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 52,429,000	\$ 52,429,000	\$ 51,771,117	\$ (657,883)
5800	State Program Revenues	7,800,000	7,800,000	7,051,162	(748,838)
5900	Federal Program Revenues	2,708,180	2,708,180	2,653,701	(54,479)
5020	Total Revenues	62,937,180	62,937,180	61,475,980	(1,461,200)
EXPENDITURES:					
Debt Service:					
0071	Principal on Long Term Debt	65,721,193	30,581,200	27,240,000	3,341,200
0072	Interest on Long Term Debt	-	35,019,993	33,682,496	1,337,497
0073	Bond Issuance Cost and Fees	-	120,000	12,205	107,795
6030	Total Expenditures	65,721,193	65,721,193	60,934,701	4,786,492
1200	Net Change in Fund Balances	(2,784,013)	(2,784,013)	541,279	3,325,292
0100	Fund Balance - July 1 (Beginning)	86,699,033	86,699,033	86,699,033	-
3000	Fund Balance - June 30 (Ending)	\$ 83,915,020	\$ 83,915,020	\$ 87,240,312	\$ 3,325,292



# Statistical Section







# SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

## STATISTICAL SECTION OVERVIEW

The statistical section presents financial statement trends as well as detailed financial and operational information not provided elsewhere in the report. The statistical section is intended to enhance the reader's understanding of the information presented in the financial statement, notes to the financial statements, and other supplementary information presented in this report.

The statistical section is comprised of the five sections below.

	<b>Page</b>
<b>Financial Trend Information</b> This section contains schedules of government-wide and fund financial statements.	
<b>GOVERNMENT-WIDE INFORMATION</b> – This section contains schedules that reflect current year and past years amounts on the District's government-wide financial statements.	105-109
<b>FUND INFORMATION</b> – This section contains schedules that reflect current year and past years amounts on the District's fund financial statements.	110-121
<b>Revenue Capacity Information</b> This section contains schedules that provide information about the District's most significant major local revenue source, which is property taxes, and the factors that impact the District's ability to generate such revenue.	122-127
<b>Debt Capacity Information</b> This section contains schedules that provide information on the District's current levels of outstanding debt, the District's ability to repay the debt, and to issue additional debt in the future.	128-134
<b>Demographic and Economic Information</b> The schedules in this section offer demographics and economic indicators that provide the reader an understanding of the environment within which the District's financial activities take place.	135-137
<b>Operating Information</b> This section contains service data to help the reader understand how the information in the School District's financial report relates to the services the District and the activities it performs.	138-145



## **Financial Trend Information**



*Government-Wide Information*



SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
NET POSITION BY COMPONENT

LAST TEN YEARS

(Unaudited)

**Governmental Activities**

Fiscal Year	Net Investment in Capital Assets	Restricted	Unrestricted	Total Net Position
2008	247,224,627	66,331,710	64,108,935	377,665,272
2009	219,332,248	65,118,955	110,086,765	394,537,968
2010	297,770,820	65,712,857	43,912,966	407,396,643
2011	285,326,257	46,975,894	78,269,882	410,572,033
2012*	264,395,734	66,930,107	109,366,212	440,692,053
2013 <sup>1</sup>	263,261,972	68,638,676	108,237,773	440,138,421
2014 <sup>2</sup>	283,743,261	104,862,217	(28,501,407)	360,104,071
2015	331,322,940	92,812,566	(44,349,305)	379,786,201
2016	264,358,314	122,966,558	18,634,393	405,959,265
2017	280,184,696	97,550,757	62,700,062	440,435,515

Source: The District's Statement of Net Position (Exhibit A-1).

Note\*: The District changed from a fiscal year end of August 31 to June 30 beginning with 2012. For this reason, 2012 is a ten-month reporting period with only ten months of activity.

Note<sup>1</sup>: The District restated net position for the adoption of GASB 65, a decrease of \$3,426,465

Note<sup>2</sup>: The District restated net position for the adoption of GASB 68, a decrease of \$89,246,655

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL ACTIVITIES EXPENSES & PROGRAM REVENUES

LAST TEN YEARS

(Unaudited)

	2008	2009	2010	2011
<b>Expenses</b>				
Governmental Activities:				
Instruction	\$ 282,099,584	\$ 285,880,498	\$ 301,913,336	\$ 308,437,716
Instructional Resources & Media	8,669,616	8,259,073	8,275,841	8,436,723
Curr & Instr. Staff Development	22,117,698	19,651,645	21,986,186	19,610,974
Instructional Leadership	12,484,337	10,934,363	11,087,427	11,417,632
School Leadership	27,964,950	27,774,815	29,066,306	30,572,289
Guidance, Counseling & Eval Svcs	18,405,095	18,638,131	19,334,049	18,627,636
Social Work Services	2,861,816	2,762,650	2,798,724	4,010,581
Health Services	6,774,058	6,667,215	7,716,173	7,703,470
Student (Pupil) Transportation	10,083,719	10,059,529	11,571,089	11,508,343
Food Services	32,404,614	30,900,485	31,581,913	34,332,561
Extracurricular Activities	9,361,787	9,191,406	10,237,969	9,989,013
General Administration	12,350,258	13,945,038	13,299,575	13,028,158
Facilities Maintenance & Operations	46,819,189	47,132,011	49,908,328	49,131,995
Security & Monitoring Services	5,671,009	5,641,140	6,030,358	5,971,861
Data Processing Services	5,120,719	5,584,147	8,373,349	8,784,541
Community Services	6,317,163	6,035,175	6,218,703	6,705,996
Interest and Other Charges	24,250,441	23,559,716	22,864,393	23,460,926
Facilities Acquisition & Construction	-	-	-	-
Shared Service Arrangements	-	-	158,610	184,902
Juvenile Justice Alternative Ed Program	59,250	77,126	68,333	28,121
Other Intergovernmental Charges	865,920	866,810	911,195	861,959
Total Governmental Activities	<u>534,681,223</u>	<u>533,560,973</u>	<u>563,401,857</u>	<u>572,805,397</u>
<b>Program Revenues</b>				
Charges for Services				
Instruction	863,494	863,862	2,158,707	730,408
Curr & Instr. Staff Development	-	-	168,484	38,117
Instructional & School Leadership	-	-	-	-
Student (Pupil) Transportation	-	-	139,435	-
Food Services	2,568,975	3,776,449	2,540,495	2,635,354
Cocurr/Extracurr Activities	1,449,299	1,458,728	658,213	344,369
General Administration	-	-	-	-
Plant Maintenance & Operations	724,104	736,600	643,858	514,962
Security & Monitoring Services	-	-	-	26,389
Data Processing Services	-	-	5,810	17,593
Community Services	958,706	965,184	392,736	354,360
Operating Grants and Contributions	148,873,676	157,573,376	194,918,033	195,573,924
Total Governmental Activities				
Program Revenue	<u>155,438,254</u>	<u>165,374,199</u>	<u>201,625,771</u>	<u>200,235,476</u>
<b>Net Governmental Activities</b>				
Revenue/(Expense)	<u>\$ (379,242,969)</u>	<u>\$ (368,186,774)</u>	<u>\$ (361,776,086)</u>	<u>\$ (372,569,921)</u>

Source: The District's Statement of Activities (Exhibit B-1).

Note\*: The District changed from a fiscal year end of August 31 to June 30 beginning with 2012. For this reason, 2012 is a ten-month reporting period with only ten months of activity.



	2012*	2013	2014	2015	2016	2017
\$	285,389,734	\$ 298,269,664	\$ 304,413,610	\$ 304,624,281	\$ 333,292,774	\$ 317,144,166
	5,821,429	6,823,001	6,738,712	6,744,062	7,345,823	7,269,784
	11,418,241	14,432,403	14,881,186	17,787,930	19,439,521	26,623,808
	9,351,265	12,260,934	12,292,657	13,754,068	15,477,034	14,661,225
	28,811,254	33,520,175	31,623,651	31,817,262	34,032,647	36,712,854
	17,575,282	19,855,244	19,534,928	20,296,745	20,538,112	22,361,135
	3,727,395	5,487,101	5,828,314	6,125,699	5,756,793	5,631,551
	7,061,363	8,121,690	8,433,948	8,883,343	9,373,587	9,710,785
	9,378,357	11,393,289	11,908,679	11,813,960	12,150,180	13,041,346
	36,742,766	40,418,519	40,830,531	43,370,939	43,749,368	43,536,259
	9,700,278	10,104,335	10,439,507	11,726,676	11,842,204	12,691,289
	10,521,559	12,106,212	13,215,135	14,790,120	15,381,107	17,268,099
	39,441,279	48,656,050	54,628,818	55,692,868	63,169,846	64,042,929
	4,968,069	5,955,330	6,041,338	6,295,032	6,383,008	6,593,169
	8,257,962	8,784,965	9,821,353	14,132,655	10,432,011	12,473,758
	5,371,827	5,494,512	6,815,365	6,700,290	7,061,243	7,704,263
	25,245,279	29,868,294	29,293,753	29,010,398	26,153,873	28,726,464
	160,807	202,206	-	-	-	-
	877,011	690,826	1,165,756	912,547	776,161	584,740
	13,042	43,880	27,442	4,076	4,076	8,151
	856,158	899,217	935,370	961,645	987,411	1,074,277
	520,690,357	573,387,847	588,870,053	605,444,596	643,346,779	647,860,052
	798,254	545,203	876,119	509,660	818,682	653,654
	74,189	-	-	-	-	-
	4,946	-	-	-	-	-
	6,275	83,218	7,908	37,537	44,255	13,700
	2,597,974	2,545,339	2,287,650	1,602,502	1,630,008	1,517,085
	375,084	401,477	337,259	381,750	412,340	454,458
	-	-	-	8,872	-	-
	36,321	123,465	126,524	20,090	44,866	57,939
	-	-	48,236	9,384	12,422	7,046
	-	-	-	1,173	146,244	-
	212,474	326,840	208,421	287,446	349,099	338,091
	173,962,772	174,574,088	175,196,465	179,194,504	198,000,881	172,369,510
	178,068,289	178,599,630	179,088,582	182,052,918	201,458,797	175,411,483
\$	(342,622,068)	\$ (394,788,217)	\$ (409,781,471)	\$ (423,391,678)	\$ (441,887,982)	\$ (472,448,569)

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
GENERAL REVENUES AND CHANGES IN NET POSITION

LAST TEN YEARS

(Unaudited)

	2008	2009	2010	2011
<b>Net Governmental Activities</b>				
<b>Revenue/(Expense)</b>	\$ (379,242,969)	\$ (368,186,774)	\$ (361,776,086)	\$ (372,569,921)
<b>General Revenues and Changes in Net Position:</b>				
Property Taxes - General	110,428,655	123,386,852	124,185,378	120,824,928
Property Taxes - Debt Service	22,266,108	24,878,358	25,037,142	27,848,008
Grants and Contributions not Restricted	242,469,553	231,153,491	222,129,005	223,814,533
Investment Earnings	6,862,948	2,796,023	615,873	548,704
Miscellaneous - Local/Federal	2,427,954	2,844,746	2,667,363	3,357,138
Special Item - Proceeds from Ins. Settlement	-	-	-	-
Special Item - Early Separation Notice Incentive	-	-	-	(648,000)
Total General Revenues	384,455,218	385,059,470	374,634,761	375,745,311
Change in Net Position	\$ 5,212,249	\$ 16,872,696	\$ 12,858,675	\$ 3,175,390

Source: The District's Statement of Activities (Exhibit B-1).

Note\*: The District changed from a fiscal year end of August 31 to June 30 beginning with 2012. For this reason, 2012 is a ten-month reporting period with only ten months of activity.

	2012*	2013	2014	2015	2016	2017
\$	(342,622,068)	\$ (394,788,217)	\$ (409,781,471)	\$ (423,391,678)	\$ (441,887,982)	\$ (472,448,569)
	121,695,463	122,079,281	125,914,352	131,610,922	146,137,445	183,872,029
	31,300,841	37,280,694	38,456,241	43,354,784	48,140,060	53,842,255
	216,743,676	244,243,010	251,796,242	264,568,312	266,540,791	258,842,440
	2,006,847	784,901	588,680	575,392	5,169,963	(1,592,279)
	995,261	2,464,015	2,238,261	2,964,398	2,072,787	9,107,519
	-	-	-	-	-	2,852,855
	-	-	-	-	-	-
	372,742,088	406,851,901	418,993,776	443,073,808	468,061,046	506,924,819
\$	30,120,020	\$ 12,063,684	\$ 9,212,305	\$ 19,682,130	\$ 26,173,064	\$ 34,476,250



## *Fund Information*

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
FUND BALANCES  
GOVERNMENTAL FUNDS

LAST TEN YEARS

(Unaudited)

	2008	2009	2010	2011 <sup>1</sup>
<b>General Fund</b>				
Reserved Fund Balances:				
Investments in Inventory	\$ 2,767,345	\$ 1,861,577	\$ 1,532,814	\$ -
Prepaid Items	1,186,669	438,261	-	-
Outstanding Encumbrances	556,154	1,149,172	1,658,510	-
Unreserved Designated For:				
Human Resources	4,600,000	-	-	-
A/C, Equipment & Bldg. Repairs	-	5,000,000	5,000,000	-
Establish Health Insurance Internal Service Fund	-	-	10,000,000	-
Increase Funding for Internal Service Funds	-	-	3,750,000	-
Budgetary Fund Balance	-	-	-	-
Financial Obligations Carry Over	677,000	458,534	828,411	-
Workers Compensation	800,000	-	-	-
Instructional & Administrative Technology	323,000	528,000	-	-
E-Rate	800,000	2,901,000	2,213,000	-
Other Purposes	-	4,500,000	-	-
Unreserved and Undesignated:				
Reported in the General Fund	41,036,736	45,924,022	38,125,756	-
Nonspendable:				
Inventory	-	-	-	1,536,722
Prepaid Items	-	-	-	-
Restricted:				
Federal or State Funds Grant Restriction	-	-	-	945,000
Other Restricted	-	-	-	194,065
Committed:				
Capital Expenditures for Equipment	-	-	-	3,914,002
Self Insurance	-	-	-	7,250,000
Other Committed	-	-	-	5,000,000
Assigned:				
Other Assigned	-	-	-	1,372,719
Unassigned	-	-	-	42,956,292
Total General Fund Balance	\$ 52,746,904	\$ 62,760,566	\$ 63,108,491	\$ 63,168,800

(Continued)

Source: The District's Governmental Funds Balance Sheet (Exhibit C-1) and Combined Statements of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3).

Note <sup>1</sup>: The District implemented GASB 54 in fiscal year 2011.

Note <sup>2</sup>: The District changed from a fiscal year end of August 31 to June 30 beginning with 2012. For this reason, 2012 is a ten-month reporting period with only ten months of activity.

Note <sup>3</sup>: The District restated Fund Balance for the Long Term investment of \$2,921,844.



SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
FUND BALANCES  
GOVERNMENTAL FUNDS

LAST TEN YEARS

(Unaudited)

	2008	2009	2010	2011 <sup>1</sup>
<b>All Other Governmental Funds</b>				
Reserved, Reported In:				
Debt Service Fund	\$ 40,778,817	\$ 43,055,983	\$ 38,433,403	\$ -
Capital Projects Fund	46,455,476	38,165,094	31,066,251	-
Special Revenue Funds	-	663,988	761,932	-
Unreserved and Undesignated:				
Reported in Special Revenue Funds	416,579	2,556,632	6,235,259	-
Nonspendable:				
Inventory	-	-	-	779,879
Endowment Principal	-	-	-	101,000
Restricted:				
Federal or State Funds Grant Restriction	-	-	-	7,668,586
Capital Acquisition and Contractual Obligation	-	-	-	223,867,471
Retirement of Long-Term Debt	-	-	-	39,890,845
Other Restricted	-	-	-	20,333
Committed:				
Capital Expenditures for Equipment	-	-	-	-
Other Committed	-	-	-	507,562
Assigned:				
Other Assigned - Capital Projects Fund	-	-	-	592,492
Other Assigned - Other Funds	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds Balance	<u>87,650,872</u>	<u>84,441,697</u>	<u>76,496,845</u>	<u>273,428,168</u>
Total Governmental Funds -- Fund Balance	<u>\$ 140,397,776</u>	<u>\$ 147,202,263</u>	<u>\$ 139,605,336</u>	<u>\$ 336,596,968</u>
<b>Governmental Funds</b>				
Beginning Fund Balance	\$ 159,804,337	\$ 140,397,776	\$ 147,202,263	\$ 139,605,336
Net Change in Fund Balance	(19,406,561)	6,804,487	(7,596,927)	196,991,632
Ending Fund Balance	<u>\$ 140,397,776</u>	<u>\$ 147,202,263</u>	<u>\$ 139,605,336</u>	<u>\$ 336,596,968</u>

Source: The District's Governmental Funds Balance Sheet (Exhibit C-1) and Combined Statements of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3).

Note <sup>1</sup>: The District implemented GASB 54 in fiscal year 2011.

Note <sup>2</sup>: The District changed from a fiscal year end of August 31 to June 30 beginning with 2012. For this reason, 2012 is a ten-month reporting period with only ten months of activity.

Note <sup>3</sup>: The District restated Fund Balance for the Long Term investment of \$2,921,844.



	2012 <sup>2</sup>	2013 <sup>3</sup>	2014	2015	2016	2017
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	563,449	853,086	1,715,812	909,902	918,424	812,200
	1,000	1,000	1,000	1,000	1,000	1,000
	6,795,548	5,972,313	5,181,585	7,305,458	8,425,314	8,182,619
	202,864,654	150,728,621	26,409,480	7,190,047	40,638,540	25,527,228
	69,150,947	74,741,869	83,967,617	87,733,811	86,699,033	87,240,312
	3,004	3,009	3,009	3,010	3,018	3,039
	4,500,000	3,900,000	3,900,000	2,789,581	2,319,626	2,319,626
	15,657,948	23,696,009	23,727,184	19,347,618	19,343,192	19,346,804
	520,131	216,695	216,695	216,695	216,695	216,695
	-	-	2,106,006	5,636,066	11,411,730	8,278,845
	-	-	-	-	-	(28,739)
	300,056,681	260,112,602	147,228,388	131,133,188	169,976,572	151,899,629
\$	363,782,438	\$ 325,673,877	\$ 214,814,510	\$ 200,114,135	\$ 243,189,781	\$ 249,677,436
\$	336,596,968	\$ 363,782,438	\$ 325,673,877	\$ 214,814,510	\$ 200,114,135	\$ 243,189,781
	27,185,470	(38,108,561)	(110,859,367)	(14,700,375)	43,075,646	6,487,655
\$	363,782,438	\$ 325,673,877	\$ 214,814,510	\$ 200,114,135	\$ 243,189,781	\$ 249,677,436

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUND REVENUES BY SOURCE

LAST TEN YEARS

(Unaudited)

Fiscal Year	Local and Intermediate Sources			State Programs	
	Property Tax	Tuition	Other	Per Capita and Foundation	On-behalf TRS Payments
2008	133,289,728	139,389	17,848,888	242,469,553	17,199,385
2009	147,511,908	127,262	14,889,248	235,518,915	16,475,595
2010	148,643,811	127,639	11,366,549	222,827,905	17,442,431
2011	148,442,979	60,532	9,703,703	224,118,760	18,006,802
2012*	150,755,817	46,714	10,203,198	215,651,991	14,542,836
2013	159,522,405	53,301	9,668,959	243,180,074	16,916,289
2014	164,875,521	67,876	9,227,451	254,137,111	17,729,926
2015	175,412,184	76,187	9,808,711	263,861,117	18,037,649
2016	193,742,102	93,896	14,088,571	266,284,900	18,589,121
2017	236,670,645	82,459	8,462,861	255,669,239	19,623,256

Source: The District's Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3) and Notes to Financial Statements.

Note\*: The District changed from a fiscal year end of August 31 to June 30 beginning with 2012. For this reason, 2012 is a ten-month reporting period with only ten months of activity.

Other	Federal Programs	Total
36,283,652	93,087,921	540,318,516
29,412,141	105,206,258	549,141,327
20,251,727	154,515,658	575,175,720
18,354,152	156,769,188	575,456,116
25,763,319	124,858,734	541,822,609
17,140,411	140,306,925	586,788,364
24,419,248	130,257,302	600,714,435
20,444,524	136,537,942	624,178,314
25,981,559	140,434,520	659,214,669
11,774,579	136,368,372	668,651,411

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION

LAST TEN YEARS

(Unaudited)

Fiscal Year	Instruction and Instructional - Related Services	Instructional and School Leadership	Support Services - Student (Pupil)	Administrative Support Services	Support Services - Nonstudent Based	Ancillary Services
2008	302,020,522	39,067,896	83,213,163	11,937,961	56,141,561	6,099,706
2009	302,949,067	37,306,244	75,942,896	13,429,287	56,414,647	5,810,421
2010	322,328,306	38,857,678	80,512,249	12,688,873	62,563,435	6,130,510
2011	320,357,717	39,988,490	82,598,729	12,401,566	61,202,712	6,386,686
2012 <sup>2</sup>	291,011,190	36,671,157	81,255,793	10,105,296	51,172,524	5,210,425
2013	306,454,939	44,235,418	92,571,223	11,486,797	60,222,719	5,568,661
2014	312,519,185	42,263,595	94,673,041	12,554,233	66,008,361	6,877,298
2015	314,509,677	43,608,554	99,020,701	14,043,343	68,639,269	6,621,294
2016	337,926,587	46,387,558	100,495,905	14,258,864	68,707,839	6,976,506
2017 <sup>1</sup>	333,587,940	48,699,139	102,423,628	16,275,464	73,147,300	7,645,143

Source: The District's CAFR - Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3).

Note 1: Operating expenditures used to compute the debt service ratio exclude total Capital Outlay of \$24,755,947, which is the total of "Capital Outlay" plus "Capital Outlay Excluded from Capital Outlay Function" reported in this schedule.

Note 2: The District changed from a fiscal year end of August 31 to June 30 beginning with 2012. For this reason, 2012 is a ten-month reporting period with only ten months of activity.

Debt Service Principal	Debt Service Interest and Other	Capital Outlay	Inter-governmental Charges	Total Governmental Fund Expenditures	Capital Outlay Excluded from Capital Outlay Function	Ratio of Debt Service to Noncapital Expenditures
16,742,000	24,279,117	26,118,376	925,170	566,545,472	7,798,661	7.70%
17,495,000	23,411,807	9,377,907	943,936	543,081,212	3,507,937	7.71%
14,679,382	27,434,697	11,218,928	1,138,138	577,552,196	2,762,295	7.47%
12,074,970	35,311,971	17,927,187	1,074,982	589,325,010	3,779,377	7.83%
-	15,925,530	21,636,039	1,746,211	514,734,165	4,219,018	3.25%
16,570,000	31,666,232	56,320,791	1,633,923	626,730,703	2,806,238	8.49%
17,820,000	31,286,251	175,671,947	2,128,568	761,802,479	1,957,980	8.33%
22,355,000	37,960,614	186,234,229	1,878,268	794,870,949	(1,424,084)	9.41%
42,065,000	31,625,543	66,944,315	1,767,648	717,155,765	(2,022,736)	11.15%
27,240,000	33,694,701	24,631,024	1,667,168	669,011,507	124,923	9.46%

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUNDS OTHER SOURCES, USES  
AND CHANGES IN FUND BALANCES

LAST TEN YEARS

(Unaudited)

	2008	2009	2010	2011
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (26,226,956)	\$ 6,060,115	\$ (2,376,476)	\$ (13,868,894)
Other Financing Sources (Uses)				
Refunding Bonds Issued	-	-	-	99,085,000
Capital-Related Debt Issued	6,747,000	-	-	212,565,000
Refunding Bonds Premium	-	-	-	8,257,856
Sale of Real and Personal Property	73,395	744,372	89,549	1,672,449
Transfers In	6,733,071	2,869,858	2,975,700	5,319,394
Other Resources				
Transfers Out	(6,733,071)	(2,869,858)	(8,285,700)	(8,859,394)
Payment to Refunded Bond Escrow Agent	-	-	-	(106,409,031)
Other (Uses)	-	-	-	(122,748)
Total Other Financing Sources (Uses)	6,820,395	744,372	(5,220,451)	211,508,526
Special Item -- Proceeds from Ins. Settlement	-	-	-	-
Special Item -- Early Separation Notice Incentive	-	-	-	(648,000)
Total Special Items	-	-	-	(648,000)
Net Change in Fund Balances	\$ (19,406,561)	\$ 6,804,487	\$ (7,596,927)	\$ 196,991,632

Source: The District's Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3).

Note\*: The District changed from a fiscal year end of August 31 to June 30 beginning with 2012. For this reason, 2012 is a ten-month reporting period with only ten months of activity.

	2012*	2013	2014	2015	2016	2017
\$	27,088,444	\$ (39,942,339)	\$ (161,088,044)	\$ (170,692,635)	\$ (57,941,096)	\$ (360,096)
	-	-	-	404,965,000	69,350,000	-
	-	-	-	-	54,390,000	-
	-	-	-	41,506,534	22,156,479	-
	214,365	83,778	228,677	1,061,606	70,025	3,994,896
	18,772,882	10,750,939	2,503,864	12,426,161	4,562,701	5,401,934
	(18,772,882)	(9,000,939)	(2,503,864)	(12,426,161)	(4,562,701)	(5,401,934)
	-	-	-	(241,540,880)	(45,624,762)	-
	(117,339)	-	-	(200,000,000)	(36,925,000)	-
	97,026	1,833,778	50,228,677	155,992,260	101,016,742	3,994,896
	-	-	-	-	-	2,852,855
	-	-	-	-	-	-
	-	-	-	-	-	2,852,855
\$	27,185,470	\$ (38,108,561)	\$ (110,859,367)	\$ (14,700,375)	\$ 43,075,646	\$ 6,487,655

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION  
PER AVERAGE DAILY ATTENDANCE

LAST TEN YEARS

(Unaudited)

Fiscal Year	Average Daily Attendance <sup>1</sup>	Instruction and Instructional - Related Services	Instructional and School Leadership	Support Services - Student (Pupil)	Administrative Support Services	Support Services - Nonstudent Based
2008	50,488	5,982	774	1,648	236	1,112
2009	50,740	5,971	735	1,497	265	1,112
2010	48,830	6,601	796	1,649	260	1,281
2011	48,849	6,558	819	1,691	254	1,253
2012 <sup>2</sup>	48,793	5,964	752	1,665	207	1,049
2013	48,770	6,284	907	1,898	236	1,235
2014	48,468	6,448	872	1,953	259	1,362
2015	48,294	6,512	903	2,050	291	1,421
2016	47,345	7,138	980	2,123	301	1,451
2017	46,142	7,230	1,055	2,220	353	1,585

Source: Average Daily Attendance provided by the District's PEIMS and Data Services Office. Function expenditures are from the Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3).

Note <sup>1</sup>: Average Daily Attendance is the average daily attendance of eligible enrollees, district-wide, over the official number of instructional days.

Note <sup>2</sup>: The District changed from a fiscal year end of August 31 to June 30 beginning with 2012. For this reason, 2012 is a ten-month reporting period with only ten months of activity.



Ancillary Services	Debt Service Principal	Debt Service Interest and Other	Capital Outlay	Inter-governmental Charges	Total
121	332	481	517	18	11,221
115	345	461	185	19	10,704
126	301	562	230	23	11,828
131	247	723	367	22	12,065
107	-	326	443	36	10,549
114	340	649	1,155	34	12,852
142	368	646	3,624	44	15,718
137	463	786	3,856	39	16,458
147	888	668	1,414	37	15,147
166	590	730	534	36	14,499



## **Revenue Capacity Information**

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY

LAST TEN YEARS

(Unaudited)

Fiscal Year	Assessed Taxable Value			Estimated Actual Market Value	Ratio of Total Assessed Taxable To Total Estimated Actual Value	Total Direct Tax Rate *
	Real Property	Personal Property	Total			
2008	9,443,048,776	1,287,688,470	10,730,737,246	12,254,850,384	87.56%	1.2497
2009	11,195,493,370	1,528,222,673	12,723,716,043	15,537,789,879	81.89%	1.2497
2010	11,409,672,835	1,473,173,842	12,882,846,677	15,939,569,943	80.82%	1.2497
2011	11,117,223,316	1,306,603,726	12,423,827,042	15,593,598,904	79.67%	1.2797
2012	11,010,476,433	1,254,382,380	12,264,858,813	15,375,370,115	79.77%	1.3076
2013	11,166,503,297	1,195,219,727	12,361,723,024	15,409,101,695	80.22%	1.3576
2014	11,526,152,943	1,211,744,585	12,737,897,528	15,792,735,275	80.66%	1.3576
2015	12,137,757,776	1,186,253,859	13,324,011,635	16,469,744,123	80.90%	1.3826
2016	12,538,088,208	2,259,122,739	14,797,210,947	18,806,150,821	78.68%	1.3826
2017	14,289,715,002	2,303,038,457	16,592,753,459	21,151,385,053	78.45%	1.5126

\* Per \$100 of assessed value

Source: Bexar County Tax Assessor/Collector Tax Roll Statement.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN YEARS

(Unaudited)

Fiscal Year	Tax Year	Adjusted Tax Levy <sup>1</sup>	Collections in Year of Levy	Percent of Levy Collected	Collections in Subsequent Years	Total Tax Collections	Percent of Levy Collected
2008	2007	133,378,242	129,497,119	97.09%	3,180,161	132,677,280	99.47%
2009	2008	147,725,967	144,712,290	97.96%	2,051,366	146,763,656	99.35%
2010	2009	150,494,514	146,002,243	97.01%	3,312,151	149,314,394	99.22%
2011	2010	148,658,093	145,004,084	97.54%	2,191,326	147,195,410	99.02%
2012 <sup>2</sup>	2011	151,995,389	141,333,153	92.99%	8,432,444	149,765,597	98.53%
2013	2012	160,713,168	149,582,594	93.07%	8,064,475	157,647,069	98.09%
2014	2013	166,202,814	155,642,559	93.65%	7,408,894	163,051,453	98.10%
2015	2014	177,016,953	166,977,239	94.33%	7,277,564	174,254,803	98.44%
2016	2015	195,642,182	184,854,490	94.49%	7,901,052	192,755,542	98.52%
2017	2016	239,416,841	225,626,930	94.24%		225,626,930	94.24%

Source: Bexar County Tax Assessor/Collector and the District's Exhibit J-1.

Note <sup>1</sup>: Each tax levy shown above is the adjusted tax levy as of the fiscal year ended June 30, 2017.

Note <sup>2</sup>: The District changed from a fiscal year end of August 31 to June 30 beginning with 2012. For this reason, 2012 is a ten-month reporting period with only ten months of collections.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
ALLOCATION OF PROPERTY TAX RATES AND LEVIES

LAST TEN YEARS

(Unaudited)

Fiscal Year	Tax Rates (Per \$100 of Assessed Value)			Tax Levies		
	General Fund	Debt Service Fund	Total	General Fund	Debt Service Fund	Original Levy Total
2008	1.04000	0.20970	1.24970	111,706,808	22,523,959	134,230,767
2009	1.04000	0.20970	1.24970	124,953,568	25,194,915	150,148,483
2010	1.04000	0.20970	1.24970	127,192,213	25,646,303	152,838,516
2011	1.04000	0.23970	1.27970	122,845,056	28,313,511	151,158,567
2012	1.04000	0.26760	1.30760	122,145,943	31,429,141	153,575,084
2013	1.04000	0.31760	1.35760	123,758,106	37,793,347	161,551,453
2014	1.04000	0.31760	1.35760	128,141,111	39,131,833	167,272,944
2015	1.04000	0.34260	1.38260	134,066,022	44,163,491	178,229,513
2016	1.04000	0.34260	1.38260	148,675,272	48,976,012	197,651,284
2017	1.17000	0.34260	1.51260	186,298,604	54,552,856	240,851,460

Source: Bexar County Tax Assessor/Collector October 1 Tax Roll.

Note: The basis for the property tax rate is per \$100 of assessed valuation.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$100 ASSESSED VALUATION)

LAST TEN YEARS

(Unaudited)

Fiscal Year	Tax Year	Direct Tax Rate	Overlapping Tax Rates					Total Direct and Overlapping Tax Rate
		San Antonio Independent School District	City of San Antonio	Bexar County	Alamo Community College District	City of Balcones Heights	University Health System	
2008	2007	1.24970	0.57230	0.32687	0.13455	0.49836	0.23741	3.01918
2009	2008	1.24970	0.56714	0.28940	0.13586	0.49073	0.26102	2.99385
2010	2009	1.24970	0.56569	0.29619	0.14162	0.55884	0.27624	3.08828
2011	2010	1.27970	0.56569	0.29619	0.14162	0.55884	0.27624	3.11828
2012	2011	1.30760	0.56569	0.29619	0.14162	0.57220	0.27624	3.15953
2013	2012	1.35760	0.56569	0.29619	0.14915	0.57220	0.27624	3.21706
2014	2013	1.35760	0.56569	0.29619	0.14915	0.57220	0.27624	3.21706
2015	2014	1.38260	0.56569	0.28382	0.14915	0.57220	0.27624	3.22970
2016	2015	1.38260	0.55827	0.29750	0.14915	0.53930	0.27624	3.20306
2017	2016	1.51260	0.55827	0.29325	0.14915	0.55100	0.27624	3.34051

Source: Bexar County Tax Assessor/Collector.

Note: The District was subject to a maximum Maintenance & Operations tax rate of \$1.04 for tax years 2007-2015, and \$1.17 for tax year 2016 (per \$100 of assessed valuation).

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS PRIOR

(Unaudited)

Taxpayer	Type of Business	Fiscal Year 2017	
		Tax Year 2016 Assessed Taxable Valuation	Percentage of Total Assessed Taxable Valuation
HEB Grocery Company LP	Grocery	\$ 307,508,304	1.85%
Marriott Hotel Prop II Ltd	Hotel	176,679,000	1.06%
VHS San Antonio Partners LP	Medical	162,464,880	0.98%
Hotel Investments LP	Hotel	158,350,000	0.95%
New Rivercenter Mall II LP	Shopping Center	135,260,900	0.82%
Southwestern Bell Telephone	Telephone Utility	132,700,755	0.80%
Methodist Healthcare Sys SA Ltd LLP	Medical	105,173,982	0.63%
H E San Antonio I LLC	Hotel	93,500,000	0.56%
CP/IPERS Griffin Texas Tower LLC	Real Estate	88,000,000	0.53%
New Rivercenter Mall LP	Shopping Center	87,004,230	0.52%
HMH Rivers	Land/Improvements	-	-
Hyatt Regency Hotel	Hotel	-	-
Palacio Del Rio, Inc.	Hotel	-	-
Totals		<u>\$ 1,446,642,051</u>	<u>8.70%</u>

Source: Bexar County Appraisal District.



Fiscal Year 2008

Tax Year 2007 Assessed Valuation	Percentage of Total Assessed Valuation
\$ 137,265,435	1.48%
187,672,850	2.47%
79,391,540	0.54%
128,375,400	0.95%
-	-
167,113,290	2.05%
92,277,286	0.70%
-	-
-	-
84,030,907	0.59%
83,721,490	0.58%
104,567,799	0.72%
81,085,610	0.55%
<u>\$ 1,145,501,607</u>	<u>10.63%</u>



## **Debt Capacity Information**

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
OUTSTANDING DEBT BY TYPE

LAST TEN YEARS

(Unaudited)

Fiscal Year	General Obligation Bonds	Refunding Bonds	Lease Revenue Bonds	Maintenance Tax Note/ Commercial Paper <sup>1</sup>	Capital Appreciation Bonds	Premiums Discounts and Adjustments
2008	14,360,000	454,375,000	3,455,000	6,030,000	7,614,561	14,318,768
2009	6,475,000	446,515,000	2,370,000	5,365,000	7,614,561	14,461,894
2010	2,880,000	441,445,000	-	4,675,000	4,660,179	9,861,287
2011	212,565,000	438,445,000	-	-	319,988	4,311,479
2012	212,565,000	438,445,000	-	-	319,988	2,971,764
2013	212,565,000	421,875,000	-	-	319,988	1,510,799
2014	212,565,000	404,055,000	-	50,000,000	319,988	15,996,823
2015	208,865,000	550,685,000	-	-	319,988	43,631,921
2016	205,115,000	590,465,000	-	-	319,988	58,103,829
2017	201,300,000	567,040,000	-	-	319,988	51,361,701

Source: Debt information was obtained from the District's Finance Office.

Estimated Actual Property Value obtained from Bexar County Tax Assessor/ Collector.

Average Daily Membership obtained from the District's PEIMS & Data Services Office.

Note <sup>1</sup>: For Fiscal Year 2014 and after Commercial Paper was added to this column.  
The District has no liability for Maintenance Tax Notes after Fiscal Year 2010.

<u>Fund Balance Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Net General Bonded Debt to Estimated Actual Property Value</u>	<u>Net General Bonded Debt to Personal Income</u>	<u>Net General Bonded Debt Per Average Daily Membership</u>
40,778,817	459,374,512	3.75%	10.53%	8,599
43,055,983	439,745,472	2.83%	9.88%	8,167
38,433,403	425,088,063	2.67%	9.02%	8,160
39,890,845	615,750,622	3.95%	13.12%	11,907
69,150,947	585,150,805	4.77%	13.31%	11,389
71,820,046	564,450,741	4.57%	12.02%	11,055
83,967,617	598,969,194	4.70%	12.36%	11,770
87,733,811	715,768,098	5.37%	13.90%	14,067
86,699,033	767,304,784	5.19%	12.19%	15,348
87,240,312	732,781,377	4.42%	12.30%	14,928

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
DIRECT AND OVERLAPPING DEBT  
GENERAL OBLIGATION BONDS

(Unaudited)

Taxing Body	Net Debt Obligation	As of	Estimated Overlapping	
			Percentage	Amount
Alamo Community College District	\$ 369,638,157	12/31/2016	13.28%	\$ 49,087,947
City of Balcones Heights	258,000	7/31/2017	46.23%	119,273
Bexar County	1,311,941,457	9/30/2016	13.28%	174,225,825
Bexar County Hospital District	636,510,971	3/31/2017	13.28%	84,528,657
City of Olmos Park	2,200,000	7/31/2017	6.16%	135,520
City of San Antonio	1,489,505,613	9/30/2016	18.19%	270,941,071
				\$ 579,038,294
San Antonio Independent School District		6/30/2017		<u>768,659,988</u>
		Total Direct and Overlapping Debt		<u>\$ 1,347,698,282</u>

Source: The Texas Municipal Report from the Municipal Advisory Council of Texas.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule 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. This does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.



SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
COMPUTATION OF LEGAL DEBT MARGIN

LAST TEN YEARS

(Unaudited)

	2008	2009	2010	2011
Assessed Valuation	\$ 10,730,737,246	\$ 12,723,716,043	\$ 12,882,846,677	\$ 12,423,827,042
Debt Limit - 10% of Assessed Valuation	\$ 1,073,073,725	\$ 1,272,371,604	\$ 1,288,284,668	\$ 1,242,382,704
General Obligation Bonds	500,153,329	482,801,455	463,521,466	655,641,467
Deduct Amount Available in Debt Service Fund	40,778,817	43,055,983	38,433,403	39,890,845
Applicable Debt	459,374,512	439,745,472	425,088,063	615,750,622
Legal Debt Margin	\$ 613,699,213	\$ 832,626,132	\$ 863,196,605	\$ 626,632,082
Debt Margin as a Percentage of the Debt Limit	57.19%	65.44%	67.00%	50.44%

Source: Assessed Valuation obtained from the Bexar County Appraisal District. General Obligation Bonds and Amount Available in Debt Service Fund obtained from the San Antonio Independent School District's Finance Office.

Note: Texas statutes do not prescribe a debt limit; however, by custom, a practical economic debt limit of 10% of the assessed valuation is used.



2012	2013	2014	2015	2016	2017
\$ 12,264,858,813	\$ 12,361,723,024	\$ 12,737,897,528	\$ 13,324,011,635	\$ 14,797,210,947	\$ 16,592,753,459
\$ 1,226,485,881	\$ 1,236,172,302	\$ 1,273,789,753	\$ 1,332,401,164	\$ 1,479,721,095	\$ 1,659,275,346
654,301,752	636,270,767	682,936,811	803,501,909	854,003,817	820,021,689
69,150,947	71,820,026	83,967,617	87,733,811	86,699,033	87,240,312
585,150,805	564,450,741	598,969,194	715,768,098	767,304,784	732,781,377
\$ 641,335,076	\$ 671,721,561	\$ 674,820,559	\$ 616,633,066	\$ 712,416,311	\$ 926,493,969
52.29%	54.34%	52.98%	46.28%	48.15%	55.84%

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
RATIO OF NET GENERAL OBLIGATION BONDED DEBT  
TO ESTIMATED ACTUAL VALUE AND  
PER AVERAGE DAILY MEMBERSHIP

LAST TEN YEARS

(Unaudited)

Fiscal Year	Average Daily Membership <sup>1,2</sup>	Estimated Actual Property Value <sup>2</sup>	Net Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Property Value	Net Bonded Debt Per Average Daily Membership
2008	53,422	12,254,850,384	459,374,512	3.75%	8,599
2009	53,844	15,537,789,879	439,745,472	2.83%	8,167
2010	52,096	15,939,569,943	425,088,063	2.67%	8,160
2011	51,715	15,593,598,904	615,750,622	3.95%	11,907
2012 <sup>3</sup>	51,377	12,264,858,813	585,150,805	4.77%	11,389
2013	51,057	12,361,723,024	564,450,741	4.57%	11,055
2014	50,889	12,737,897,528	598,969,194	4.70%	11,770
2015	50,884	13,324,011,635	715,768,098	5.37%	14,067
2016	49,992	14,797,210,947	767,304,784	5.19%	15,348
2017	49,088	16,592,753,459	732,781,377	4.42%	14,928

Source: Average Daily Membership provided by the District's PEIMS and Data Service Office. Estimated Actual Property Value obtained from the Bexar County Tax Assessor/Collector.

Note<sup>1</sup>: Average Daily Membership represents the average daily enrollment of students, district-wide, over the official number of instructional days.

Note<sup>2</sup>: Estimated actual property value and average daily membership are used because they are more relevant to the school district than personal income and population.

Note<sup>3</sup>: The District changed from a fiscal year end of August 31 to June 30 beginning with 2012. For this reason, 2012 is a ten-month reporting period with only ten months of activity.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT  
TO TOTAL GENERAL FUND EXPENDITURES

LAST TEN YEARS

(Unaudited)

Fiscal Year	Principal	Interest*	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service To General Fund Expenditures
2008	16,742,000	24,247,792	40,989,792	415,420,173	9.87%
2009	17,495,000	23,398,466	40,893,466	374,987,551	10.91%
2010	14,679,382	27,398,868	42,078,250	373,143,859	11.28%
2011	12,074,970	32,350,278	44,425,248	373,878,921	11.88%
2012 <sup>1</sup>	-	15,911,515	15,911,515	341,232,896	4.66%
2013	16,570,000	31,640,176	48,210,176	391,970,365	12.30%
2014	17,820,000	30,840,703	48,660,703	412,776,456	11.79%
2015	22,355,000	35,054,582	57,409,582	419,562,647	13.68%
2016	42,065,000	30,642,686	72,707,686	439,342,056	16.55%
2017	27,240,000	33,682,496	60,922,496	456,105,804	13.36%

\* Excludes other fees.

Source: The District's Finance Office.

Note <sup>1</sup>: The District changed from a fiscal year end of August 31 to June 30 beginning with 2012. For this reason, 2012 is a ten-month reporting period with only ten months of activity.



## **Demographic and Economic Information**



SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN YEARS

(Unaudited)

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated Actual Property Value</u>	<u>Average Daily Membership</u>
2008	313,001	4,361,370,300	13,934	4.1%	12,254,850,384	53,422
2009	297,421	4,449,364,800	14,960	4.7%	15,537,789,879	53,844
2010	321,367	4,715,100,400	14,672	6.7%	15,939,569,943	52,096
2011	306,943	4,691,761,900	15,285	7.3%	15,593,598,904	51,715
2012	302,872	4,395,168,200	14,512	7.4%	12,264,858,813	51,377
2013	306,716	4,696,088,700	15,311	6.5%	12,361,723,024	51,057
2014	313,018	4,845,373,500	15,480	6.0%	12,737,897,528	50,889
2015	317,879	5,149,076,200	16,198	3.9%	13,324,011,635	50,884
2016	337,249	6,292,472,900	18,658	3.4%	14,797,210,947	49,992
2017	340,391	5,956,155,500	17,498	3.9%	16,592,753,459	49,088

Source: For fiscal years 2008-2017, Population, Personal Income, and Per Capita Income obtained from U.S. Census Bureau's American Community Surveys of the U.S.

Unemployment Rate obtained from U.S. Department of Labor Bureau of Statistics.

Estimated Actual Value of Property obtained from Bexar County Tax Assessor/ Collector.

Average Daily Membership obtained from the District's PEIMS & Data Services Office.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS PRIOR

(Unaudited)

Employer	2017		
	Employees	Rank	Percentage of Total Employment
Lackland Air Force Base	37,097	1	3.59%
Fort Sam Houston	32,000	2	3.09%
H.E.B. Food Stores	20,000	3	1.93%
USAA	17,000	4	1.64%
Northside I.S.D.	12,751	5	1.23%
Randolph Air Force Base	11,068	6	1.07%
North East I.S.D.	10,052	7	0.97%
City of San Antonio	9,145	8	0.88%
Methodist Healthcare System	8,118	9	0.78%
San Antonio I.S.D.	7,375	10	0.71%
U.S. Air Force (Lackland & Randolph)	-	-	-
Alamo Community College District	-	-	-
AT&T	-	-	-
United States Air Force	-	-	-
United States Army	-	-	-
	<u>164,606</u>		
Total Employment	<u><u>1,034,600</u></u>		

Source: San Antonio I.S.D. employment information for 2017 obtained from the District's PEIMS & Data Services Office. Employment information for 2017 for remaining employers obtained from the San Antonio Economic Development Foundation Website. Employment information for 2008 obtained from the City of San Antonio Planning Department and the 2008 Book of Lists published by the San Antonio Business Journal. Total employment for 2017 & 2008 obtained from the Texas Workforce Commission's Tracer web site.



2008		
<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
40,540	1	4.78%
25,018	2	2.95%
14,588	4	1.72%
13,500	5	1.59%
11,315	6	1.33%
15,492	3	1.83%
8,358	8	0.98%
9,813	7	1.16%
-	-	-
7,795	9	0.92%
-	-	-
-	-	-
6,000	10	0.71%
-	-	-
-	-	-
<u>152,419</u>		
<u><u>848,660</u></u>		



## **Operating Information**

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
WORK FORCE COMPOSITION BY EMPLOYEE CLASSIFICATION

LAST TEN YEARS

(Unaudited)

Classification	2008	2009	2010	2011
<b>Number of Employees</b>				
Teachers	3,388	3,321	3,402	3,437
Professional Support	799	772	777	808
Campus Administration	174	172	171	178
Central Administration	70	65	70	69
Educational Aides	916	856	821	899
Auxiliary Staff	2,218	2,153	2,238	2,242
<b>Total Employees</b>	<b>7,565</b>	<b>7,339</b>	<b>7,479</b>	<b>7,633</b>
<b>Percent of Total</b>				
Teachers	44.79%	45.25%	45.49%	45.03%
Professional Support	10.56%	10.52%	10.39%	10.59%
Campus Administration	2.30%	2.34%	2.29%	2.33%
Central Administration	0.93%	0.89%	0.94%	0.90%
Educational Aides	12.11%	11.66%	10.98%	11.78%
Auxiliary Staff	29.32%	29.34%	29.92%	29.37%
	100.00%	100.00%	100.00%	100.00%

Source: The District's PEIMS & Data Services Office.

2012	2013	2014	2015	2016	2017
3,385	3,367	3,329	3,288	3,290	3,226
737	773	739	784	800	858
177	180	198	205	210	222
66	69	71	74	78	71
819	875	790	808	783	786
2,207	2,258	2,297	2,224	2,173	2,212
7,391	7,522	7,424	7,383	7,334	7,375
45.80%	44.76%	44.84%	44.54%	44.86%	43.74%
9.97%	10.28%	9.95%	10.62%	10.91%	11.63%
2.39%	2.39%	2.67%	2.78%	2.86%	3.01%
0.89%	0.92%	0.96%	1.00%	1.06%	0.96%
11.08%	11.63%	10.64%	10.95%	10.68%	10.66%
29.86%	30.02%	30.94%	30.12%	29.63%	30.00%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF TEACHER INFORMATION

LAST TEN YEARS

(Unaudited)

Fiscal Year	State Minimum Salary Range*	District Teachers			
		Average Salary	Average Years of Experience	Bachelor's Education	Master's Education
2008	\$27,320 - \$44,270	\$49,376	13.6	62.3%	37.3%
2009	\$27,320 - \$44,270	\$48,620	13.3	63.8%	35.6%
2010	\$27,320 - \$44,270	\$50,045	12.6	65.4%	34.0%
2011	\$27,320 - \$44,270	\$49,904	11.8	66.8%	32.8%
2012	\$27,320 - \$44,270	\$49,184	11.3	65.5%	34.1%
2013	\$27,320 - \$44,270	\$49,357	11.1	66.1%	33.5%
2014	\$27,320 - \$44,270	\$51,638	10.7	66.7%	32.9%
2015	\$27,540 - \$44,620	\$52,599	10.9	67.0%	32.5%
2016	\$28,080 - \$45,510	\$54,086	10.7	66.9%	32.6%
2017	\$28,080 - \$45,510	\$54,889	10.5	67.8%	31.8%

Source: The District's PEIMS & Data Services Office.

\* Note: Minimum salaries are based on experience. The lowest amount in this range is the minimum salary for a teacher with less than one year of experience. The highest amount is the minimum salary for a teacher with twenty or more years of experience.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF STUDENT ATTENDANCE AND MEMBERSHIP

LAST TEN YEARS

(Unaudited)

Fiscal Year	Average Daily Attendance	Change	Average Daily Membership	Change	Percentage of Attendance to Membership
2008	50,488	-2.34%	53,422	-2.44%	94.51%
2009	50,740	0.50%	53,844	0.79%	94.24%
2010	48,830	-3.77%	52,096	-3.25%	93.73%
2011	48,849	0.04%	51,715	-0.73%	94.46%
2012	48,793	-0.11%	51,377	-0.65%	94.97%
2013	48,770	-0.05%	51,057	-0.62%	95.52%
2014	48,468	-0.62%	50,889	-0.33%	95.24%
2015	48,294	-0.36%	50,884	-0.01%	94.91%
2016	47,345	-1.97%	49,992	-1.75%	94.71%
2017	46,142	-2.54%	49,088	-1.81%	94.00%

Source: The District's PEIMS & Data Services Office.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
OPERATING STATISTICS

LAST TEN YEARS

(Unaudited)

Fiscal Year	Average Daily Attendance	General Fund Operating Expenditures	Cost Per Pupil	Percent Change	Operating Expenses	Cost Per Pupil	Percent Change
2008	50,488	413,671,405	8,193	6.23%	509,505,612	10,092	3.80%
2009	50,740	373,883,045	7,369	-10.06%	509,057,321	10,033	-0.59%
2010	48,830	369,050,885	7,558	2.57%	539,399,326	11,047	10.11%
2011	48,849	372,387,533	7,623	0.86%	548,269,489	11,224	1.60%
2012*	48,793	339,274,062	6,953	-8.79%	493,538,060	10,115	-9.88%
2013	48,770	390,137,924	8,000	15.05%	541,683,425	11,107	9.81%
2014	48,468	409,761,335	8,454	5.68%	557,447,732	11,501	3.55%
2015	48,294	417,970,981	8,655	2.37%	574,555,930	11,897	3.44%
2016	47,345	437,589,479	9,243	6.79%	615,425,258	12,999	9.26%
2017	46,142	452,866,715	9,815	6.19%	617,466,420	13,382	2.95%

Source: Average Daily Attendance obtained from the District's PEIMS and Data Services Office. Operating Expenditures and Expenses obtained from the District's CAFR for the respective year.

\*Note: The District changed from a fiscal year end of August 31 to June 30 beginning with 2012. For this reason, 2012 is a ten-month reporting period with only ten months of activity.



SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF STUDENT INFORMATION

LAST TEN YEARS

(Unaudited)

Fiscal Year	Teacher/ Student Ratio	# of Students who qualify for Free or Reduced Price Lunch*	% of Students who qualify for Free or Reduced Price Lunch*
2008	16.2	48,302	88.30%
2009	16.4	49,113	90.30%
2010	16.2	50,986	92.60%
2011	16.0	50,944	92.80%
2012	16.0	50,275	92.70%
2013	16.1	50,429	92.90%
2014	16.2	50,289	93.40%
2015	16.3	49,243	91.60%
2016	16.1	48,932	92.20%
2017	16.3	47,640	90.72%

Source: Academic Excellence Indicator System (AEIS) and PEIMS and Data Services office.

\*Note: Number and percent of students who qualify for free or reduced-price lunch includes economically disadvantaged students coded as eligible for free or reduced-price lunch or eligible for other public assistance.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF SCHOOL BUILDINGS

LAST TEN YEARS

(Unaudited)

	2008	2009	2010	2011
<b>High Schools</b>				
Number of Locations	8	10	10	10
Square Footage	2,562,142	2,715,231	2,715,231	2,715,231
Enrollment	12,899	13,151	13,057	12,622
<b>Middle Schools</b>				
Number of Locations	14	14	14	14
Square Footage	1,747,360	1,747,360	1,747,360	1,747,360
Enrollment	8,807	9,885	9,492	9,683
<b>Academy/Elementary Schools</b>				
Number of Locations	58	58	58	58
Square Footage	3,891,182	4,031,578	4,031,578	4,031,578
Enrollment	29,366	30,072	30,640	30,588
<b>Early Childhood Education Centers</b>				
Number of Locations	-	-	4	4
Square Footage	225,956	225,956	225,956	225,956
Enrollment	-	-	1,315	1,268
<b>Special Campuses</b>				
Number of Locations	4	4	4	4
Square Footage	131,363	235,263	235,263	235,263
Enrollment	350	256	386	491
<b>Other Support Facilities</b>				
Number of Locations	14	15	15	15
Square Footage	504,230	560,190	560,190	560,190
<b>District Totals</b>				
Number of Locations	98	101	105	105
School Square Footage	8,558,003	8,955,388	8,955,388	8,955,388
Total Square Footage	9,062,233	9,515,578	9,515,578	9,515,578
Enrollment	51,422	53,364	54,890	54,652

2012	2013	2014	2015	2016	2017
10	10	10	10	10	10
2,715,231	2,715,231	2,715,231	2,715,231	2,948,477	2,948,477
12,271	12,202	12,246	12,255	12,548	12,830
14	14	14	14	15	14
1,747,360	1,747,360	1,747,360	1,747,360	1,833,267	1,833,267
9,604	9,841	9,492	9,319	9,258	8,188
58	58	58	58	53	53
4,031,578	4,031,578	4,031,578	4,031,578	4,372,584	4,312,624
30,124	29,948	29,894	29,750	28,656	29,081
4	4	4	4	4	4
225,956	225,956	225,956	225,956	225,956	225,956
1,281	1,333	1,382	1,145	1,191	1,195
3	3	3	3	3	2
235,263	235,263	235,263	235,263	220,435	220,435
611	529	420	443	470	372
15	15	15	15	16	17
560,190	560,190	560,190	560,190	575,018	752,122
104	104	104	104	101	100
8,955,388	8,955,388	8,955,388	8,955,388	9,600,719	9,540,759
9,515,578	9,515,578	9,515,578	9,515,578	10,175,737	10,292,881
53,891	53,853	53,434	52,912	52,123	51,666

## SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

### MISCELLANEOUS STATISTICS

(Unaudited)

The San Antonio Independent School District has, as a part of its efforts to serve all of its students, expanded its educational system off campus to serve specific student needs. Some off campus educational programs are staffed with District teachers and teacher assistants.

As of June 30, 2017, it included such programs as follows:

**Bexar County Juvenile Detention Center** – The site detains juvenile offenders who are waiting to be adjudicated.

**Children’s Shelter of San Antonio** – The site receives children (infant to 11 yrs old) who have been removed from their homes because they have been abused and/or neglected. The Shelter has the responsibility of finding foster families or families who wish to adopt them.

**Christus Santa Rosa Children’s Hospital** - The site provides special education and general education services to all school age children who are admitted to the hospital for at least four (4) consecutive weeks or four weeks over the school year.

**Estrada & Gonzales Achievement DAEP Centers** – Special campuses of the District that are created to provide a safe, consistent climate within a structured program to empower students with severe behavior problems to develop the skills necessary to function successfully on a regular campus.

**Healy Murphy Center** – The site is a private, non-profit fully accredited high school, grades 9 to 12. Students choose to attend based on their need for personal academic attention and remediation in order to complete TEA requirements for graduation.

**Healy Murphy Pre-K** – The site is a private, non-profit fully accredited preschool for students ages 3 and 4. Most of these children belong to students attending Healy Murphy High School. There are two classrooms with approximately 20 students in each class. These students attend all day classes throughout the year.

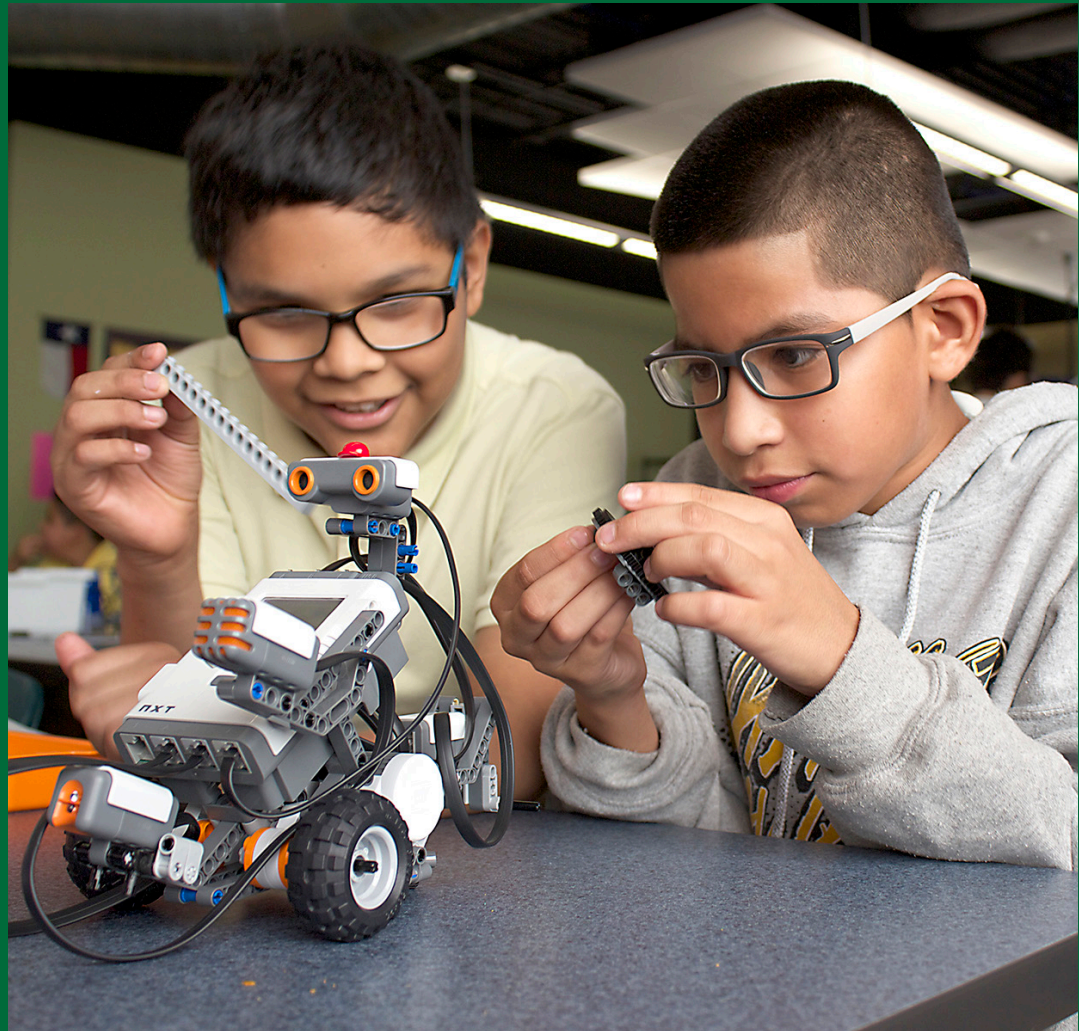
**Roy Maas Youth Alternative – The Bridge** – The site receives children who are placed by choice (9 to 18 yr. Olds), by local, state, and family referrals. Youth receive behavioral readjustment and social skills training.

**Seton Home for Girls** – Located within the District and receive Title I, Part A funding to support tutoring and academic remedial efforts for children who are in residence. Girls choose to be placed because they are homeless and/or have children.

**Seidel Learning Center** – The site provides educational services to special education and general education students residing temporarily at the San Antonio State Hospital.

**St. Peter, St. Joseph’s Home for Children** – Located within the District and receive Title I, Part A funding to support tutoring and academic remedial efforts for children who are in residence. Children, who are placed here following their stay at the Children’s Shelter, are allowed longer residential care until foster families are found, or until they are adopted.

# Federal Awards Section







# Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of School Trustees  
San Antonio Independent School District  
San Antonio, TX

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Antonio Independent School District (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 27, 2017

### **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 District'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*.

We noted a certain matter that we reported to management of the District in a separate letter dated October 27, 2017.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Borja / Gonzalez  
& Associates*

October 27, 2017



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE

Board of School Trustees  
San Antonio Independent School District  
San Antonio, Texas

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

We have audited San Antonio 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 June 30, 2017. 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 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, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 June 30, 2017.

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

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

We noted a certain matter that we reported to management of the District in a separate letter dated October 27, 2017.

**Purpose of this Report**

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.

*Barza/Gonzalez  
& Associates*

October 27, 2017



SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended June 30, 2017

**SECTION I --- SUMMARY OF AUDITORS' RESULTS**

<b><i>Financial Statements</i></b>			
	Type of auditor's report issued on GAAP financial statements:	Unmodified	
	Internal control over financial reporting: • Material weakness(es) identified?	<u>    </u> Yes	<u>  X  </u> No
	• Significant deficiency(ies) identified not considered to be material weaknesses?	<u>    </u> Yes	<u>  X  </u> None Reported
	Noncompliance material to financial statements noted?	<u>    </u> Yes	<u>  X  </u> No

<b><i>Federal Awards</i></b>			
	Internal control over major programs: • Material weakness(es) identified?	<u>    </u> Yes	<u>  X  </u> No
	• Significant deficiency(ies) identified not considered to be material weaknesses?	<u>    </u> Yes	<u>  X  </u> 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 the Uniform Guidance, Section 200.516(a)?	<u>    </u> Yes	<u>  X  </u> No

(Continued)

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended June 30, 2017

**SECTION I --- SUMMARY OF AUDITORS' RESULTS (Continued)**

<i>Identification of Major Federal Programs</i>	
CFDA Numbers(s)	Name of Federal Program or Cluster
93.600	Head Start
84.027 84.027 84.173	Special Education Cluster (IDEA): Idea-B Formula Idea-B Discretionary Deaf - SSA Idea-B Preschool
84.377	School Improvement Grants: Texas Title I Priority Schools Turnaround School Leadership Program
84.371	Texas Literacy Initiative (Striving Readers)
Dollar threshold used to distinguish between Type A and Type B programs:	\$3,000,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**SECTION II --- FINANCIAL STATEMENT FINDINGS**

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

**SECTION III --- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no federal award findings and questioned costs required to be reported in accordance with Uniform Guidance, Section 200.516(a).

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For The Year Ended June 30, 2017

There were no prior audit findings reported.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017

(1)	(2)	(3)	(4)
Project Number	Federal Grantor/ Pass - Through Grantor/ Program Title	Federal CFDA Number	Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<b>DIRECT PROGRAMS</b>			
	IMPACT AID PL874	84.041	\$ 57,750
	SUBTOTAL		<u>\$57,750</u>
P066A160187	WHEATLEY COMMUNITY SCHOOL EDUCATIONAL OPPORTUNITY CTR	84.066A	\$143,679
	SUBTOTAL		<u>\$143,679</u>
S184G140182-15	CHANGE FOR GOOD - YR 2 OF 5	84.184G	\$193,994
S184G140182-16	CHANGE FOR GOOD - YR 3 OF 5	84.184G	\$367,748
	SUBTOTAL		<u>\$561,742</u>
U215J140080-15	WHEATLEY COMMUNITY SCHOOL - YR 2 OF 5	84.215J	\$193,442
U215J140080-16	WHEATLEY COMMUNITY SCHOOL - YR 3 OF 5	84.215J	\$250,596
	SUBTOTAL		<u>\$444,038</u>
P334A110128-15	SAISD GEAR UP II PROJECT - YR 5 OF 7	84.334A	\$1,647,940
P334A110128-16	SAISD GEAR UP II PROJECT - YR 6 OF 7	84.334A	\$1,917,850
	SUBTOTAL		<u>\$3,565,789</u>
U374A160069	TEACHER INCENTIVE FUND-SAN ANTONIO (TIF-SA)	84.374A	\$462,004
	SUBTOTAL		<u>\$462,004</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION - DIRECT PROGRAMS</b>			<u>\$ 5,235,002</u>
<b>PASSED THROUGH STATE DEPARTMENT OF EDUCATION</b>			
16610101015907	TITLE I, PART A - IMPROVING BASIC PROGRAMS	84.010A	723,654
17610101015907	TITLE I, PART A - IMPROVING BASIC PROGRAMS	84.010A	26,084,642
16610103015907	TITLE I, PART D - SUBPT 2 -DELINQUENT PROGRAMS	84.010A	48,737
17610103015907	TITLE I, PART D - SUBPT 2 -DELINQUENT PROGRAMS	84.010A	167,069
16610112015907000	TITLE I, 1003(a) PRIORITY & FOCUS SCHOOL GRANT	84.010A	243,393
17610112015907000	TITLE I, 1003(a) PRIORITY & FOCUS SCHOOL GRANT	84.010A	1,408,024
	SUBTOTAL		<u>28,675,519</u>
16615001015907	TITLE I, PART C, MIGRANT	84.011A	28,761
	SUBTOTAL		<u>28,761</u>
<b>SPECIAL EDUCATION CLUSTER</b>			
166600010159076600	IDEA-B FORMULA	84.027A	224,512
176600010159076600	IDEA-B FORMULA	84.027A	10,587,608
176600060159076680	IDEA-B HIGH COST RISK POOL	84.027A	173,544
	SUBTOTAL		<u>10,985,665</u>
166610010159076610	IDEA-B PRESCHOOL	84.173A	745
176610010159076610	IDEA-B PRESCHOOL	84.173A	162,632
	SUBTOTAL		<u>163,377</u>
<b>SPECIAL EDUCATION CLUSTER SUBTOTAL</b>			<u>11,149,042</u>



SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017

(1)	(2)	(3)	(4)
Project Number	Federal Grantor/ Pass - Through Grantor/ Program Title	Federal CFDA Number	Federal Expenditures
16420006015907	CARL D PERKINS BASIC FORMULA GRANT	84.048A	2,980
17420006015907	CARL D PERKINS BASIC FORMULA GRANT	84.048A	1,005,795
	SUBTOTAL		<u>1,008,775</u>
155900077110010	2015-2016 PUBLIC CHARTER SCHOOL START UP GRANT-DAVIS MS	84.282A	103,367
175900087110014	2017-2019 PUBLIC CHARTER SCHOOL START UP GRANT-ALA	84.282A	340
155900077110009	2015-2016 PUBLIC CHARTER SCHOOL START UP GRANT-CONNELL MS	84.282A	866
175900087110013	2017-2019 PUBLIC CHARTER SCHOOL START UP GRANT-CAST TECH	84.282A	146,638
155900077110012	2015-2016 PUBLIC CHARTER SCHOOL START UP GRANT-YMLA	84.282A	58,923
175900087110015	2017-2019 PUBLIC CHARTER SCHOOL START UP GRANT-LAMAR ES	84.282A	6,926
155900077110011	2015-2016 PUBLIC CHARTER SCHOOL START UP GRANT-ST. PHILIP'S ECHS	84.282A	101,700
175900087110017	2017-2019 PUBLIC CHARTER SCHOOL START UP GRANT-OGDEN RESIDENCY LAB	84.282A	16,242
	SUBTOTAL		<u>435,001</u>
176950247110024	2016-2017 21ST CCLC CY 9 YR 1	84.287C	1,124,700
	SUBTOTAL		<u>1,124,700</u>
S330B120064	AP/IB TEST FEE SUBSIDIES	84.330B	780
	SUBTOTAL		<u>780</u>
17671003015907	TITLE III, PART A - IMMIGRANT	84.365A	10,662
16671001015907	TITLE III, PART A - LEP	84.365A	240,318
17671001015907	TITLE III, PART A - LEP	84.365A	635,201
	SUBTOTAL		<u>886,181</u>
16694501015907	TITLE II PART A-TEACHER & PRINCIPAL TRAINING & RECRUITING	84.367A	233,421
17694501015907	TITLE II PART A-TEACHER & PRINCIPAL TRAINING & RECRUITING	84.367A	4,935,451
	SUBTOTAL		<u>5,168,871</u>
69551602	SUMMER SCHOOL LEP	84.369A	30,287
	SUBTOTAL		<u>30,287</u>
156460037110023	TEXAS LITERACY INIT. (STR RDRS) CONT.	84.371C	52,808
166460037110024	TEXAS LITERACY INIT. (STR RDRS) CONT.	84.371C	3,111,129
	SUBTOTAL		<u>3,163,938</u>
166107307110010	TEXAS TTL I PRIORITY SCHOOLS-CY 5 YR 1 & 2 - MILLER ES	84.377A	189,942
146107107110021	TEXAS TTL I PRIORITY SCHOOLS-CY 3 - DOUGLASS ES	84.377A	1,050,229
136107047110029	TEXAS TTL I PRIORITY SCHOOLS-CY 2, YR 3 - DAVIS MS	84.377A	(628)
146107107110010	TEXAS TTL I PRIORITY SCHOOLS-CY 3 - CROCKETT ES	84.377A	1,826,582
166107307110011	TEXAS TTL I PRIORITY SCHOOLS-CY 5 YR 1 & 2 - RODRIGUEZ ES	84.377A	223,709
166107307110012	TEXAS TTL I PRIORITY SCHOOLS-CY 5 YR 1 & 2 - STEWART ES	84.377A	314,863
	SUBTOTAL		<u>3,604,697</u>
	<b>TOTAL PASSED THROUGH STATE DEPARTMENT OF EDUCATION</b>		<u>\$ 55,276,552</u>
	<b>PASSED THROUGH REGION 10</b>		
16-022	MCKINNEY-VENTO / TEXSHEP	84.196A	13,224
17-051	MCKINNEY-VENTO / TEXSHEP	84.196A	199,456
	SUBTOTAL		<u>212,681</u>
	<b>TOTAL PASSED THROUGH REGION 10</b>		<u>\$ 212,681</u>

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017

(1)	(2)	(3)	(4)
Project Number	Federal Grantor/ Pass - Through Grantor/ Program Title	Federal CFDA Number	Federal Expenditures
<b>PASSED THROUGH REGION 20</b>			
220472704	ADULT EDUCATION AND FAMILY LITERACY	84.002A	1,070,375
420-7-11	TITLE I, PART C, MIGRANT	84.011A	36,915
223475704	TEMPORARY ASSISTANCE TO NEEDY FAMILIES	93.558	91,122
315-634-702	IDEA B-DISCRETIONARY DEAF-SSA	84.027A	46,765
	SUBTOTAL		<u>1,245,177</u>
	<b>TOTAL PASSED THROUGH REGION 20</b>		<u>\$ 1,245,177</u>
<b>PASSED THROUGH UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY</b>			
U215N110053	EASTSIDE PROMISE NEIGHBORHOOD	84.215N	4,234
U215N110053	EASTSIDE PROMISE NEIGHBORHOOD	84.215N	671,488
	SUBTOTAL		<u>675,723</u>
	<b>TOTAL PASSED THROUGH UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY</b>		<u>\$ 675,723</u>
<b>PASSED THROUGH INTERCULTURAL DEVELOPMENT RESEARCH ASSOCIATION (IDRA)</b>			
S377B150006	IDRA TURNAROUND SCHOOL LEADERSHIP PROGRAM	84.377	39,257
	SUBTOTAL		<u>39,257</u>
	<b>TOTAL PASSED THROUGH INTERCULTURAL DEVELOPMENT RESEARCH ASSOCIATION (IDRA)</b>		<u>\$ 39,257</u>
<b>PASSED THROUGH TEXAS WORKFORCE COMMISSION</b>			
2015AEL000	TEXAS ADULT COMPLETION & SKILLS INITIATIVE	84.002A	(30)
	SUBTOTAL		<u>(30)</u>
	<b>TOTAL PASSED THROUGH TEXAS WORKFORCE COMMISSION</b>		<u>\$ (30)</u>
	<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>		<u>\$ 62,684,361</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<b>PASSED THROUGH TEXAS DEPARTMENT OF AGRICULTURE</b>			
N/A	CHILD & ADULT CARE FOOD PROGRAM - CASH ASSISTANCE	10.558	2,930,494
N/A	NATIONAL SCHOOL LUNCH PROGRAM - EQUIPMENT GRANT	10.579	79,989
N/A	FRESH FRUIT & VEGETABLE PROGRAM	10.582	871,350
	SUBTOTAL		<u>3,881,834</u>
	<b>TOTAL PASSED THROUGH TEXAS DEPARTMENT OF AGRICULTURE</b>		<u>\$ 3,881,834</u>
<b>PASSED THROUGH STATE DEPARTMENT OF EDUCATION</b>			
<b>CHILD NUTRITION CLUSTER</b>			
N/A	SCHOOL BREAKFAST PROGRAM	10.553	13,990,184
N/A	NATIONAL SCHOOL LUNCH PROGRAM - CASH ASSISTANCE	10.555	23,970,074
N/A	NATIONAL SCHOOL LUNCH PROGRAM - NON-CASH ASSISTANCE	10.555	2,128,478
	CHILD NUTRITION CLUSTER SUBTOTAL		<u>40,088,736</u>
	<b>TOTAL PASSED THROUGH STATE DEPARTMENT OF EDUCATION</b>		<u>\$ 40,088,736</u>
	<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>		<u>\$ 43,970,570</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<b>PASSED THROUGH OFFICE OF GOVERNOR</b>			
2887802	MIDDLE SCHOOL PARTNER'S GRANT-IRVING MS	16.540	48,220
	SUBTOTAL		<u>48,220</u>

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017

(1)	(2)	(3)	(4)
Project Number	Federal Grantor/ Pass - Through Grantor/ Program Title	Federal CFDA Number	Federal Expenditures
	<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>		<u>\$ 48,220</u>
	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
	<b>PASSED THROUGH THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO</b>		
160933 / 160920	HEALTHY FUTURES / UT HEALTH SCIENCE CENTER AT SAN ANTONIO	93.297	231,735
	SUBTOTAL		<u>231,735</u>
	<b>TOTAL PASSED THROUGH CITY OF SAN ANTONIO - DEPARTMENT OF HUMAN SERVICES</b>		<u>\$ 231,735</u>
	<b>PASSED THROUGH CITY OF SAN ANTONIO - DEPARTMENT OF HUMAN SERVICES</b>		
06CH7074-04-00	HEADSTART	93.600	6,152,834
06CH7074-04-00	HEADSTART	93.600	6,157,668
	SUBTOTAL		<u>12,310,503</u>
	<b>TOTAL PASSED THROUGH CITY OF SAN ANTONIO - DEPARTMENT OF HUMAN SERVICES</b>		<u>\$ 12,310,503</u>
	<b>PASSED THROUGH CITY OF SAN ANTONIO - METROPOLITAN HEALTH DISTRICT</b>		
N/A	MEDICAID 1115 WAIVER DEMONSTRATION PROJECT (COSASAMHD) DTL RTL	93.235	3,737
N/A	MEDICAID 1115 WAIVER DEMONSTRATION PROJECT (COSASAMHD)	93.235	538,930
	SUBTOTAL		<u>\$ 542,667</u>
	<b>PASSED THROUGH TEXAS DEPARTMENT OF HUMAN SERVICES</b>		
N/A	MEDICAL ASSISTANCE PROGRAM	93.778	324,654
	SUBTOTAL		<u>324,654</u>
	<b>TOTAL PASSED THROUGH TEXAS DEPARTMENT OF HUMAN SERVICES</b>		<u>\$ 324,654</u>
	<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		<u>\$ 13,177,823</u>
	<b>U.S. DEPARTMENT OF DEFENSE</b>		
N/A	ARMY JROTC	N/A	614,772
	SUBTOTAL		<u>614,772</u>
	<b>TOTAL U.S. DEPARTMENT OF DEFENSE - DIRECT PROGRAMS</b>		<u>\$ 614,772</u>
	<b>TOTAL FEDERAL ASSISTANCE</b>		<u>\$ 120,727,482</u>



SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2017

**1. BASIS OF PRESENTATION**

The District utilizes the fund types specified in Texas Education Agency's *Financial Accountability System Resource Guide*.

Special Revenue Funds are used to account for resources restricted, or designated for, specific purposes by a grantor. Federal and state awards, as well as federal awards passed through other agencies, are generally accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified grant periods.

The accompanying Schedule of Expenditures of Federal Awards, Exhibit K-1, includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2017. 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).

**2. BASIS OF ACCOUNTING**

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.

Federal funds for Impact Aid, Army JROTC, Summer School LEP, Medicaid 1115, AP/IB Test & Fees, Healthy Futures/UTHSC, and revenue for indirect costs are reported for in the General Fund which is also a component of the Governmental Fund type.

Also, Federal funds for the School Health and Related Services (SHARS), Build America Bonds interest subsidy, and Qualified School Construction Bonds interest subsidy, if any, have been excluded from the Schedule of Expenditures of Federal Awards.

All other federal programs are accounted for and reported in Special Revenue Funds.

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

The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the same accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which expenses were incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2017

Federal grant funds are considered to be earned to the extent of expenditures made under provisions of the grant, and accordingly, when such funds are received, they are recorded as deferred revenues until earned. When grant funds are received before expenditures are made, they are recorded as deferred revenues until earned.

**3. PERIOD OF AVAILABILITY**

The period of availability for most Federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the Federal project period is extended 30 days beyond the Federal project period ending date, in accordance with provisions in *Section H, Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Supplement*.

**4. BASIS OF FUNDING**

Expenditures for the National School Breakfast and Lunch Program are not specifically attributable to the Federal revenue source and are shown on the schedule in an amount equal to Federal revenue for balancing purposes only.

National School Lunch Program – Non-Cash Assistance - Commodity receipts represent USDA donated commodities received during the year ended June 30, 2017. The related expenditures relate to the issuance of the commodities to the District's campuses.

**5. INDIRECT COSTS**

Current USDE guidance indicates, that for grants awarded by USDE to the state or to a LEA on or after December 26, 2014, are not eligible to apply for the De Minimis indirect cost rate of 10%. In February 2015, the District elected to request from TEA a one-time four year extension of the fiscal year 2015 indirect cost rate extended through June 30, 2019.

**6. PASS-THROUGH AWARDS**

In fiscal year 2017, the Federal awards provided to subrecipients are as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
SAISD Gear Up Project – Year 5 of 7	84.334A	\$ 566,987
SAISD Gear Up Project – Year 6 of 7	84.334A	221,722
TOTAL		\$ 788,709

