

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2018



San Antonio Independent School District





SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

Comprehensive Annual Financial Report

San Antonio, Texas

For the Year Ended June 30, 2018



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, 2018

TABLE OF CONTENTS

	<u>PAGE NO.</u>	<u>EXHIBIT</u>
INTRODUCTORY SECTION		
Table of Contents.....	i – iv	
Letter of Transmittal.....	v – xxii	
Certificate of Achievement for Excellence in Financial Reporting (GFOA)	xxiii	
Certificate from the Association of School Business Officials (ASBO)	xxiv	
Administrative Organizational Chart.....	xxv	
List of Principal Officials	xxvi –xxvii	
Certificate of Board	xxviii	
FINANCIAL SECTION		
Independent Auditor’s Report.....	1-3	
Management’s Discussion and Analysis	4-17	
Basic Financial Statements		
<i>Government–Wide Financial Statements</i>		
Statement of Net Position.....	18	A-1
Statement of Activities	19	B-1
<i>Governmental Funds Financial Statements</i>		
Balance Sheet – Governmental Funds.....	20-21	C-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	22-23	C-2
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	24-25	C-3
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	26-27	C-4
Statement of Fund Net Position – Proprietary Funds.....	28	D-1
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds.....	29	D-2
Statement of Cash Flows – Proprietary Funds	30	D-3
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds.....	31	E-1
Notes to the Financial Statements	32-86	
(Continued)		

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

FINANCIAL SECTION	PAGE NO.	EXHIBIT
Required Supplementary Information		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – General Fund	87	G-1
Schedule of the District’s Proportionate Share of the Net Pension Liability Teacher Retirement System	88	G-2
Schedule of the District Contributions Teacher Retirement System	89	G-3
Schedule of the District’s Proportionate Share of the Net OPEB Liability Teacher Retirement System	90	G4
Schedule of the District OPEB Contributions Teacher Retirement System	91	G5
Other Supplementary Information		
<i>Nonmajor Governmental Funds (Special Revenue Funds)</i>		
Special Revenue Funds Descriptions	92-94	
Combining Balance Sheet	95-98	H-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	99-102	H-2
<i>Proprietary Funds</i>		
Internal Service Funds Descriptions	103	
Combining Statement of Fund Net Position – Internal Service Funds	104	H-3
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds	105	H-4
Combining Statement of Cash Flows– Internal Service Funds.....	106	H-5
<i>Fiduciary Funds</i>		
Agency Fund Description	107	
Statement of Changes in Assets and Liabilities - Agency Fund	108	H-9
Required TEA Schedules		
Schedule of Delinquent Taxes Receivable	109-110	J-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Child Nutrition Program	111	J-4

(Continued)

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

	PAGE NO.	EXHIBIT
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund	112	J-5
STATISTICAL SECTION		
Statistical Section Overview	113	
<i>Government-Wide Information</i>		
Net Position by Component – Last Ten Years	114	
Governmental Activities Expenses & Program Revenues – Last Ten Years	115-116	
General Revenues and Changes in Net Position - Last Ten Years	117-118	
<i>Fund Information</i>		
Fund Balances – Governmental Funds – Last Ten Years.....	119-122	
Governmental Fund Revenues by Source - Last Ten Years.....	123-124	
Governmental Fund Expenditures by Function - Last Ten Years	125-126	
Governmental Funds Other Sources, Uses and Changes in Fund Balances – Last Ten Years.....	127-128	
Governmental Fund Expenditures by Function Per Average Daily Attendance – Last Ten Years.....	129-130	
Revenue Capacity Information		
Assessed and Estimated Actual Value of Property – Last Ten Years	131	
Property Tax Levies and Collections - Last Ten Years	132	
Allocation of Property Tax Rates and Levies – Last Ten Years.....	133	
Property Tax Rates – Direct and Overlapping Governments (Per \$100 Assessed Valuation) – Last Ten Years	134	
Principal Property Taxpayers – Current Year and Nine Years Prior.....	135-136	
Debt Capacity Information		
Outstanding Debt by Type – Last Ten Years	137-138	
Direct and Overlapping Debt – General Obligation Bonds.....	139	
Computation of Legal Debt Margin - Last Ten Years.....	140-141	
Ratio of Net General Obligation Bonded Debt to Estimated Actual Value And Per Average Daily Membership – Last Ten Years	142	
Ratio of Annual Debt Service for General Bonded Debt to Total General Fund Expenditures – Last Ten Years	143	

(Continued)

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

	PAGE NO.	EXHIBIT
STATISTICAL SECTION		
Demographic and Economic Information		
Demographic and Economic Statistics – Last Ten Years	144	
Principal Employers – Current Year and Eight Years Prior	145-146	
Operating Information		
Work Force Composition by Employee Classification – Last Ten Years	147-148	
Schedule of Teacher Information – Last Ten Years	149	
Schedule of Student Attendance and Membership – Last Ten Years.....	150	
Operating Statistics – Last Ten Years	151	
Schedule of Student Information – Last Ten Years.....	152	
Schedule of School Buildings – Last Ten Years	153-154	
Miscellaneous Statistics	155	
FEDERAL AWARDS SECTION		
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 <i>Government Auditing Standards</i>	156-157	
Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	158-160	
Schedule of Findings and Questioned Costs	161-162	
Summary Schedule of Prior Audit Findings	163	
Schedule of Expenditures of Federal Awards.....	164-167	K-1
Notes to Schedule of Expenditures of Federal Awards	168-169	



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

PATTI RADLE
President

ARTHUR V. VALDEZ
Vice President

DEBRA GUERRERO
Secretary

ED GARZA
Member

JAMES HOWARD
Member

STEVE LECHOLOP
Member

CHRISTINA MARTINEZ
Member

PEDRO MARTINEZ
Superintendent

November 12, 2018

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

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, 2018 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 District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with 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.

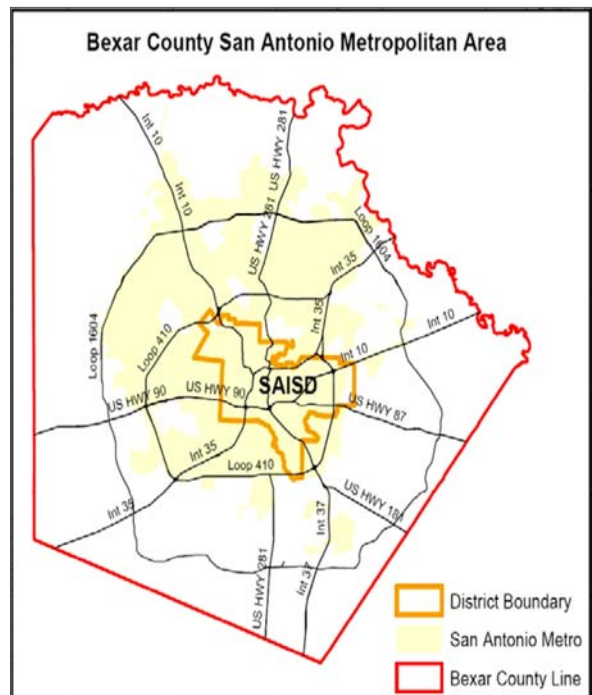
The District's financial statements have been audited by Garza/Gonzalez and Associates, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2018, are free 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, 2018, 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 auditor’s report on the internal controls and compliance with applicable laws and regulations in accordance with Government Auditing Standards; the independent auditor’s report on compliance for each major program and on internal controls in accordance with the Uniform Guidance; 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 19th largest of the 1,057 Texas public school districts. 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, former mayors of San Antonio, President of the Boston University, a world-renowned artist, 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 7th largest municipality in the United States and the 2nd 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. The US Census Bureau said the pace of growth amounts to an average of 66 persons per day since people are moving here for their work, the city’s diversity and other amenities.

Local Economy

San Antonio has seen some of the strongest economic growth in the country over the last decade. Our city is long known for hosting some 30 million visitors a year in addition to hosting the 2018 NCAA Men’s Final Four Championships which reaped more than \$160 million in revenue. This 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 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 industry 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 individuals 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.

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 30th is included on page xxvi. 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 which immediately follows.

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.

What this means for every SAISD graduate is that he or she 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

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 50,683 enrolled students. This includes a special education program for students with disabilities, occupational education, bilingual instruction for those with limited English proficiency, and specialized instruction for disadvantaged students. We offer dual language at two academies since reports show that students immersed in dual language studies provides for better employment opportunities, and prepares them for a life in a diverse, multicultural society.

The District remains committed to early childhood education by offering both the Pre-K and Head Start Programs for three and four-year-olds. This allows 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.



Magnet 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. In a high school level, magnet program, instruction centers on a specific focus such as computer science; engineering; architecture and automotive technology; health and law professions; media and film; international baccalaureate diploma programme; and, more. The District's magnet program are a fast-track to college and career, closely aligned to Alamo Colleges' programs, giving students the opportunity to earn up to 45 hours in college credit by graduation. College credits are earned through a mix of free dual credit courses and Advanced Placement or International Baccalaureate credit by exam. At the middle school level the magnet school program offers American heritage, technology and language immersion. A number 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. They are an important part of our strategy to improve academic achievement across the District. 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. In-District charters added in 2017-2018 are: The Advanced Learning Academy; CAST (Center for Applied Science & Technology) High School; Lamar ES Dual-language instruction; Ogden Elementary Residency Lab School; Twain Dual Language Academy and, Steele Montessori Academy, the city's only public Montessori school serving PK-1.

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. Burbank HS and Jefferson HS campuses also have an IB World School designation.

Early College High Schools

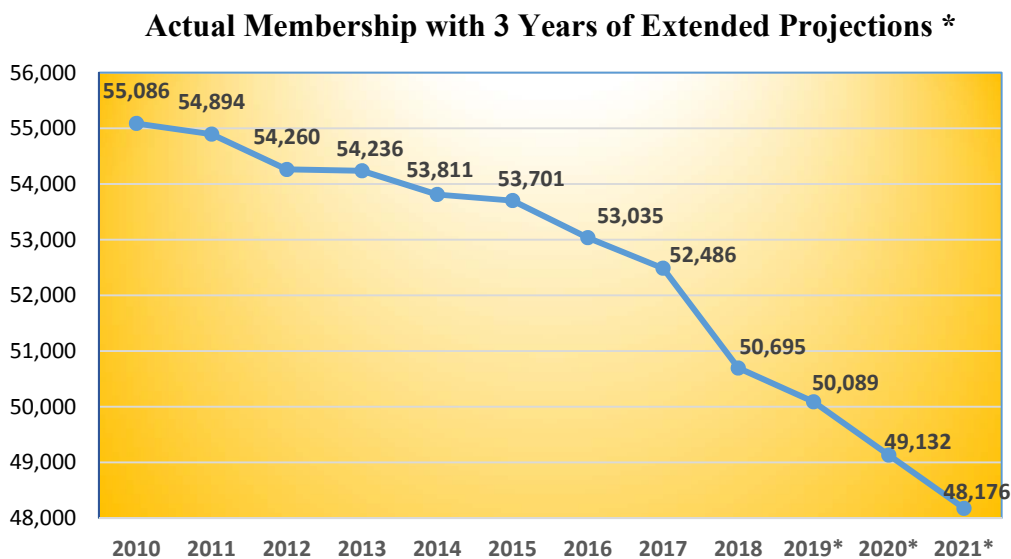
The ECHS group extends a personalized learning environment where students complete their high school diploma, get a feel for college life and earn up to 60 hours of college credit for free and/or an Associate Degree. Three campuses offering early college high school are Brackenridge, St. Philip's and Travis in partnership with the Alamo Colleges.

Child Nutrition Services

The mission of the SAISD Child Nutrition Services is to enhance the learning and health of our students by nourishing their bodies and minds through the availability of healthy, nutritious, appetizing 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 District's top priority is to ensure that every child receives a healthy breakfast and lunch and an afterschool snack. Supper meals and Head Start PM Snacks are currently provided at Head Start campuses.

Membership and Demographics

The District is still seeing shrinking membership since school year 2009-10, as illustrated in the graph below. The membership decrease is a trend noted in other inner-city districts, where suburban development draws families out towards the city limits and charter schools. The District's actual membership decreased by 1,845 or 3.5% for 2017-18. The change over a 9 year period is a decrease of 8.1%. Applying the historical membership trends for the next three years suggests membership will continue to decrease. By the year 2021, the membership for SAISD is projected just below 48,200.



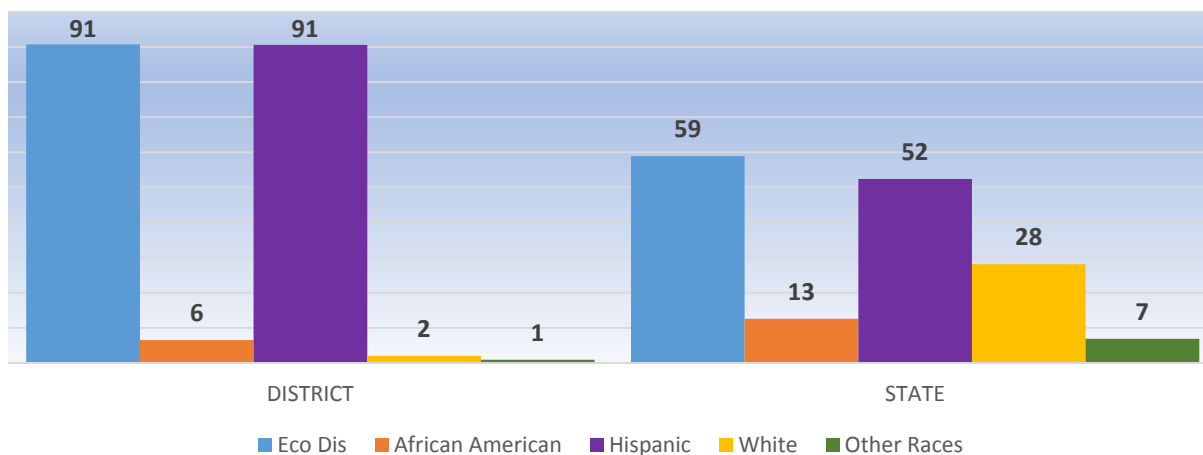
Source: TEA PEIMS Reports

* Projections provided by the Office of Accountability, Research & Evaluation

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 membership decline. The District is, also, in the midst of academic transformation to attract and better prepare all students for success in college and career. SAISD and the community have determined renovations of its aging infrastructures, in order to provide facilities more equitable with what is offered in neighboring school districts, will continue through the \$450 million bond referendum for facilities improvements along with the Tax Ratification Election both approved by voters in November 2016. According to our District's historical files, 4 campuses which opened back in 1903 celebrated their 115th anniversary while seventeen others marked a major milestone by observing 110th to 55th anniversaries.

As illustrated in the graph below, the District’s PEIMS 2017-18 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.

2017-2018 Percentage of Key Demographics



Student Assessment



More than 5 million students were enrolled in Texas public schools in the 2017-2018 school year, and they took more than 8.5 million STAAR assessments in reading, mathematics, writing, science and social studies. STAAR is designed to measure a student’s college and career readiness.

The state academic accountability system underwent an overhaul under House Bill 22 (85th Texas Legislature, Regular Session, 2017). The overall design of the accountability system evaluates performance according to three domains:

- *Student Achievement* evaluates performance across all subjects for all students. In this domain the district received a scaled score of 64.
- *School Progress* measures district and campus outcomes as measured by STAAR results and the achievement of all students relative to districts or campuses with similar economically disadvantaged percentages. The scaled score for the second domain was 75.
- *Closing The Gaps* uses disaggregated data to demonstrate differentials among racial/ethnic groups, socioeconomic backgrounds and other factors. The final domain received a scaled score of 72.

Overall the District scaled a score of 74 which equates to a C rating, one of 5 possible letter grades, for a points range of 70 to 79.

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 an additional 5 schools, making a total of 34 SAISD schools, earned one or more Distinction Designations from TEA based on student performance on the 2018 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.

Of the state's 8,759 public schools in Texas, only 448 (5.1%) 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 7 possible designations and is consistently rated Exemplary by the state since its inception.

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:

- Young Women's Leadership Academy, Fox Tech HS, Travis Early College HS, and St. Phillip's Early College HS were named among the top-ranked high schools in the nation by U.S. News and World Report. Top performing high schools received gold, silver and bronze medal recognition, with gold medals indicating the greatest level of college readiness. In Texas, out of 1,756 schools, only 4.2% of schools received gold medal recognition. 22,000 of the nation's public high schools were assessed for college readiness.
- Seven District teachers chosen as outstanding educators by the group of Lone Star Educators received a fellowship designed to support teacher leaders who serve high-needs students. These teachers represent the highest number from any other Texas school district to be part of the states first cohort of Teach Plus participants.
- Jefferson HS achieved the International Baccalaureate Diploma Programme World School status. Jefferson joins a community of only about 70 Diploma Programmes schools in Texas. The expectations are that the programme will open up more opportunities for students and help them to become more successful global citizens.
- From the class of 2018, six senior students were chosen by the Dell Foundation to each receive a \$20,000 scholarship to further their education. One student from Edison, two from Fox Tech HS, two from Travis Early College HS and one from Young Women's Leadership Academy.
- A trio of high school students were selected to participate in the UT Health San Antonio's Voelcker Biomedical Research Academy. This two year program promotes excellence in scholarship and biomedical research training. The students are from Fox Tech HS, Travis ECHS and St. Phillips' ECHS.
- A Young Women's Leadership Academy math teacher was SAISD's recipient of the ExCEL award. The teacher was presented the 2017 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.

U.S. News & World Report ranked four SAISD schools among best in nation

[SEE REPORT](#)



- Travis Early College HS was the proud recipient of the National Blue Ribbon award. Travis is among only 312 public and private campuses in the country selected for the category exemplary high performing schools. Travis is our District’s third recipient of the prestigious award.



District Initiatives

As the 19th 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.

The District’s Superintendent 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, the Superintendent 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.

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 5th grade and algebra in 8th grade
- Advanced college credit-bearing courses in the 11th and 12th 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.

During the 2017-18 school year, San Antonio ISD implemented or expanded many major initiatives in support of the District’s 5-Year Plan, such as:

- Created the role of “Master Teacher” and launched extensive recruiting efforts internally and externally to attract highly skilled teachers with a track record of high student achievement.
- Partnered to create lab schools, where aspiring teachers are paired with Master Teachers in an intensive classroom environment while working toward certification and an advanced degree.
- Partnered to offer advanced degree programs for teachers to elevate literacy instruction and increase the number of teachers credentialed to teach dual-credit and Advanced Placement courses.



- Launched a principal residency program delivering benefits of real-world experience, expert coaching and skills for success to develop a strong pipeline of principals who are ready to lead our schools.
- Renewed commitment to providing multiple avenues and ongoing support not only for our teachers but also for educators and leaders in the District.
- Opened CAST Tech High School on the Fox Tech High School campus. This school is a career-themed school focusing on coding, cyber security, gaming, entrepreneurship, business, and operates hand-in-hand with industry partners.



- Opened Steele Montessori Academy, the first public Montessori school in San Antonio. Students are taught by trained Montessori teachers with a focus on the whole child.
- Opened Twain Dual-Language Academy, providing Dual English and Spanish immersion for the entire student body. The academy was developed with input from national and local experts in the field of dual language education.



- Opened Brewer Academy, the District’s first charter partnership with the John H. Wood Charter School, 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, with the ultimate goal to transition and integrate the students back into their home school when they are ready.



- Expanded the International Baccalaureate Program. 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.”
- Invested a significant \$7 million in student technology, utilizing local funds made available by the voter-approved tax-ratification election. The goal was to upgrade the oldest technology in the schools and lower the computer to student ratio.
- A compensation increase of 2.0% for teachers, classified, paraprofessionals, and all other employees was approved and implemented as part of the 2017-18 school year budget. The starting salary for new teachers, librarians and registered nurses increased from \$51,500 to \$52,350. The minimum hourly rate for non-exempt, permanent, full-time employees increased from \$12 to \$13 with the start of the 2017-18 contract year. The entire cost of all components of the compensation increase was \$6.6 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 2017-18 budget, a continuation of the longevity stipend of \$500 for employees meeting the stated criteria.

Working with Our Community

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

- SAISD in partnership with Bexar County, is piloting an all-digital library on 7 District buses. The buses are fully equipped with Wi-Fi routers and other equipment for digital library access. Students on selected bus routes have access to more than 40,000 e-books and audio books. Bus routes will rotate periodically so that every student can participate in SAISD’s Rolling Readers buses with BiblioTech.
- The District, in partnership with the Culinary Institute of America (CIA), continues to provide 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.
- SAISD Child Nutrition Services, in collaboration with the Culinary Institute of America, developed new flavorful recipes and a training program for all Child Nutrition Managers, Assistant Managers, and Manager Interns. The staff was introduced to some local recipes developed by the CNS Chef, helping keep up with the modern needs of students. Getting a “thumbs up” for breakfast were a maple pancake wrap and a breakfast yogurt bundle.
- 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 focus of the new state-of-the art



facility is 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; continues 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 Child Nutrition Services enhanced operations.



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.

Just in 2017-18 alone, the SAISD Foundation awarded over 395 grants and invested approximately \$8.4 million in educator's grants, strategic initiatives and schools of innovations with emphasis on STEM, fine arts, enrichment activities and scholarships for higher education for seniors in the District. Grant winners represent educators of all grade levels, and thousands of students benefit from projects in their schools.



Renovating and Building a Better SAISD

First of Three Consecutive Bond Programs

Back into early 2010, following an extensive study of the condition 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 results for Bond 2010 projects. This dynamic metamorphosis will serve students, staff and the community for years to come.

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, 21st 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, 21st 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 seven high schools, four middle schools and two elementary schools. The proceeds from this bond will be used to replace outdated infrastructure systems that, in most cases, are more than 40 years old, upgrading science labs, and expanding classroom spaces to meet recommended state guidelines.

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 thus creating 21st Century classrooms, and upgrades to the learning environment that are not part of the 2016 Bond.

A general schedule for major projects included a year of planning in 2017, a year of design in 2018, and two years of construction with a completion target date of summer 2020. Some projects may require as many as three years of construction due to phasing to ensure safety and limit disruption to students and staff.

Debt Management Program

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. These bonds were one of two bond issuances that were originally sold to refund \$100 Million of the District's outstanding Tax Exempt Commercial Paper notes from Bond 2010. 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.

On June 26, 2018, the District went out in the market to convert its \$45.71 million Variable Rate Unlimited Refunding Bonds Series 2014B to a fixed rate structure. These bonds were originally sold to refund the remaining portion of the District's outstanding Tax Exempt Commercial Paper notes from Bond 2010. The true interest cost of the bond sales was 3.95% with an average annual debt service of \$2,844,400. On the same day, the District successfully priced the first issuance of Bond 2016 for \$200 million. The deal was structured as a 30-year issuance with a 7-year call option to retain increased optionality and flexibility. Orders in aggregate reached over \$825 million, or 4.6 times the par amount. As a result of the strong order book, spreads were tightened on many of the individual maturities and allowed the overall cost of the transaction to decrease by 2 basis points from the preliminary pricing scale which reduced the expected debt service for the issue by over \$715,000. The all-in TIC (true interest cost) for the transaction is 4.05%. District staff and its Financial Advisors and Bond Counsel were in good company with students from Brackenridge, Burbank, and Young Women's Leadership Academy who got to participate in the two bond pricings.

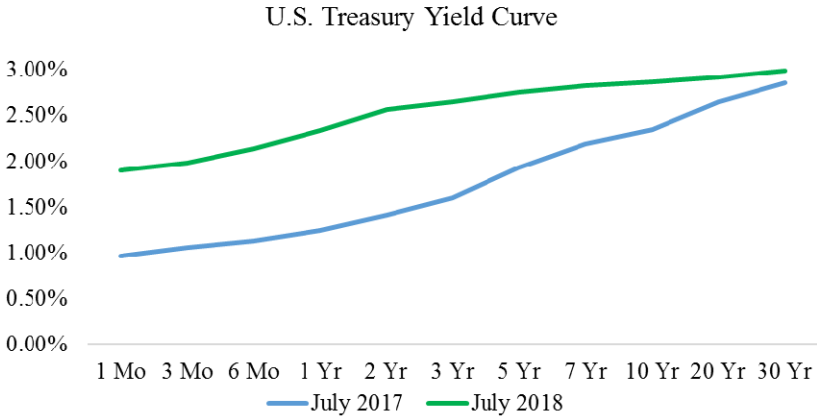


With the first \$200 million of the \$450 million bond authorization issued, the implementation of Bond 2016 is underway. Subsequent to 2017-2018, architects were selected, contracts were signed, and pre-construction services began with design teams working hard to ensure projects are on time, on budget, and will have minimal impact on students. It has been an on-going practice for Financial Services to invite students from various campuses with the District to attend and participate in its bond pricings. When the District enters the market for future bond sales, it will continue to make student involvement one of its priorities. Giving students 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.

Interest Rates

Since December 2015, the Federal Open Market Committee (FOMC) has been consistently increasing the federal funds rate in an effort to slow economic activity and reduce inflationary pressure. By the end of 2016, the FOMC had raised the federal funds target rate to 0.75% which was followed by three (3) rate hikes in 2017 and two (2) additional hikes in March and June of 2018.

By the end of the District's 2018 fiscal year, the federal funds rate target was 2.00%. This gradual increase in interest rates has had a positive impact on the District's investment earnings. In the last year, the average yield to maturity on the District's investment portfolio increased from 1.087% to 1.77%. With additional rate hikes expected in the near future, the District is continuously reviewing its investment strategy. 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 June 2018, the yield on a two-year Treasury was 2.52%.



Interest rates obtained from Treasury.gov

Budgetary Controls

The annual budget served as the foundation for the District's financial planning and control. The District's 2017-2018 reporting period began July 1, 2017 and ended June 30, 2018. The preparation of the budget commenced in October under the direction of the Superintendent of Schools. The Board reviewed the budget during workshops conducted between February and June.



Recommendations from schools, parents, employee groups, and stakeholders of the District were considered during the budget process. The final amended 2017-2018 budget was approved by the Board of Trustees on June 19, 2018. The District maintained 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.

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.

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 all Texas 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 remains 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 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.
- There was no new round of funding added for the Instructional Facilities Allotment (IFA).

The 86th Texas Legislature will convene in January of 2019, to continue work on the State’s plan for funding K-12 education for the 2020-21 biennium. With the strong Texas economy and substantial reserves, it is hopeful that an increase in the basic allotment will be considered, along with other structural or programmatic improvements that will benefit our students. However, early information shows that the overall state budget for public education may decline due to increasing local property values across the state.

Local Funding

For 2017-18 (Tax Year 2017), local property values in the District increased approximately 5.7% over the prior year, providing welcome help to the financing of the construction program. The current debt service (I&S) tax rate remains well 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 2018 increased two cents, due to the November 2016 authorization of a \$450 million bond initiative in support of renovations for 13 schools. The total tax rate for 2017-18 is \$1.5326, comprised of \$1.1700 for Maintenance & Operations and \$0.3626 for Interest & Sinking Fund (Debt Service).

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.”

For the year ending June 30, 2018, State funding represents about 56% of the total General Fund revenue. As noted above, the 85th 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 2017-18 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, 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.

Child Nutrition Funding

The Child Nutrition Program (CNP) continued to provide services to each campus and enhanced 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 was able to build its fund balance to \$9M for 2017-2018. The constant monitoring of the Child Nutrition revenues and expenses enabled the CNP to maintain its required non-profit status and still increase its fund balance to be used when labor and food expenses increase; as well as, allowing investment in equipment for campus needs.

The Child Nutrition Program continued the Community Eligibility Provision (CEP) during the 2017-2018 school year. 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 is reimbursed based on the number of breakfasts, lunches, after-school and Head Start afternoon snacks served, and the afterschool supper meals served. For 2018-2019 the District will be reimbursed at the free rate for 100% 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 to students at the CAN Academy and Irving Dual Language Campuses because they do not participate in CEP. These two campuses were 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 2.49% for lunch, 2.63% for breakfast, and 2.46% for supper from 2017-2018 to the 2018-2019 school year.

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 \$28.8 million for 2017-2018.

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 (GFOA) of the United States and Canada 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, 2017. To be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized CAFR. The 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 2018 CAFR continues to meet the Certificate of Achievement Program's requirements, and will be submitted to GFOA to determine its eligibility for another certificate.

- **Certificate of Excellence in Financial Reporting**

The Association of School Business Officials (ASBO) International awarded its Certificate of Excellence in Financial Reporting to the District for the 2016-2017 fiscal year. This award certifies that the CAFR for the twelve months ended June 30, 2017 conforms to the principles and standards of financial reporting as recommended and adopted by ASBO. The District is of the opinion that the 2018 CAFR also conforms to these principles and standards, and will be submitted to ASBO for eligibility review.

- **Meritorious Budget Award**

The District received from ASBO the Meritorious Budget Award for the twelfth 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.

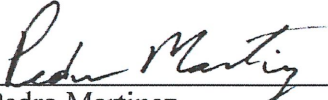
- **School FIRST Rating**

For the 2017-18 school year, based on the 2017 fiscal data, the District earned the highest rating of "A for Superior Achievement" for the Texas Education Agency's School FIRST (Financial Integrity Rating System of Texas) program. The purpose of School FIRST 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.

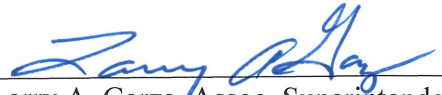
Acknowledgements

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 financial report. We also would like to express our gratitude to our independent auditors, Garza/Gonzalez and Associates, for their role in providing professional guidance and leadership in developing the CAFR. 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,



Pedro Martinez
Superintendent of Schools



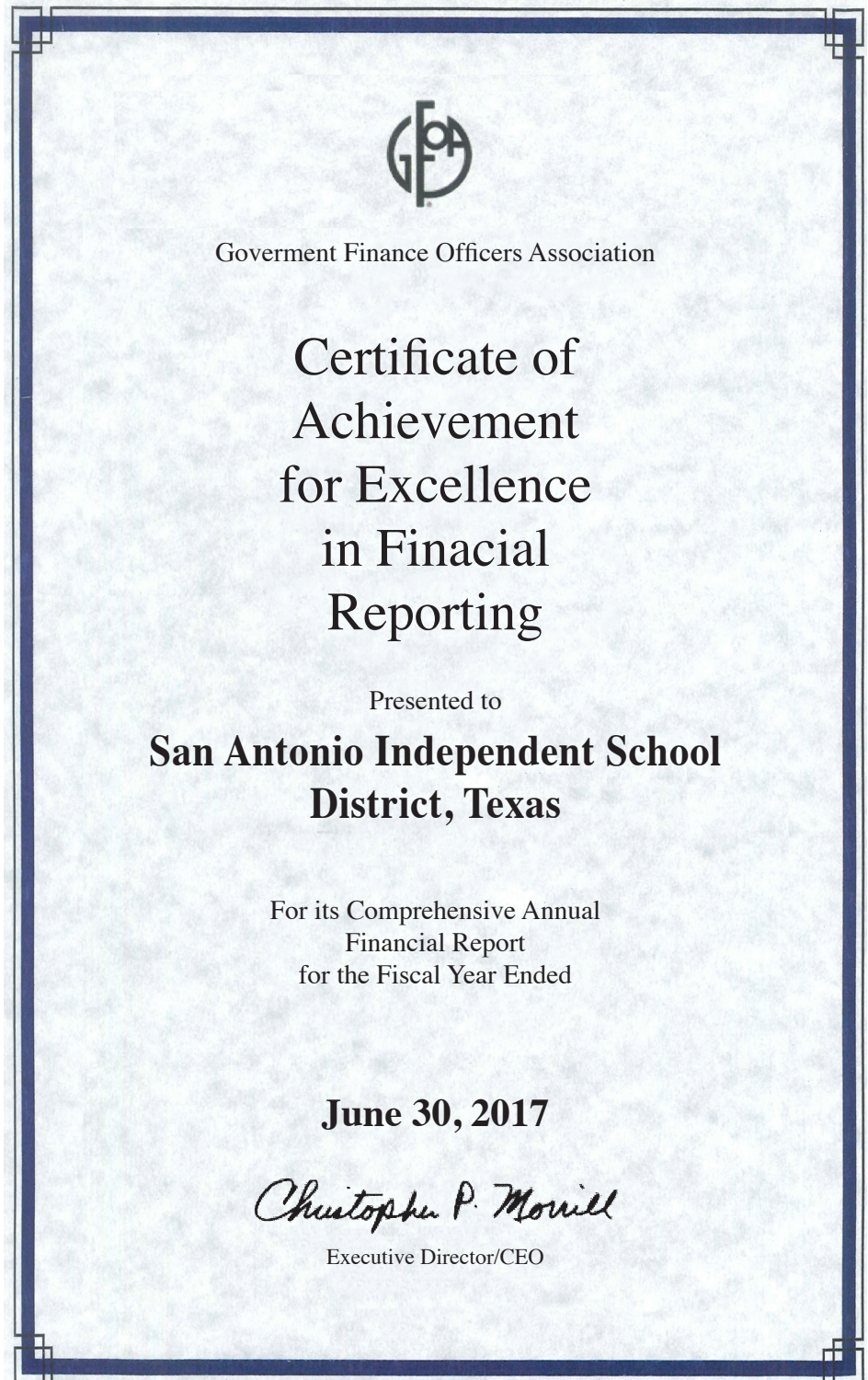
Larry A. Garza, Assoc. Superintendent
Financial Services and Business
Operations

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, 2017. 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 thirty (30) 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, 2017.**

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



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

John D. Musso, CAE
Executive Director

**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-eighth (38) consecutive year, for its CAFR for the fiscal year ended June 30, 2017. 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).






San Antonio Independent School District

Dustin Cramer
Asst. Superintendent
High Schools




Dr. Judith Solis
Asst. Superintendent
Middle Schools




Dr. Carl Scarborough
Asst. Superintendent
Elementary - Team 1



Angélica Romero
Asst. Superintendent
Elementary - Team 2




Dr. Joanelia De León
Asst. Superintendent
Tutoring Campuses



Dr. Ofelia Hernandez
Asst. Superintendent
Bilingual,
ESL & Migrant



Dr. Stanton Lawrence
Asst. Superintendent
Administration



Board of Trustees

Pedro Martinez
Superintendent



Maria Lourdes Martin
Director, Internal
Auditing



Escamilla & Poneck General Counsel


Dr. Pauline Dow
Deputy Superintendent
Of
Schools



Dr. Matthew Weber
Deputy Superintendent
Talent Management




Toni Thompson
Associate Superintendent
Human Resources




Mohammed A. Choudhury
Chief Innovation
Officer



Willie T. Burroughs
Chief Operations
Officer



Patricia Hohb
Chief Technology
Officer



Tiffany Grant
Chief of Staff




Elizabeth H. Nawrocki Jones
Special Executive
Director
Special Education



Jose Carrol
Chief of Police



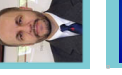
Leslie Price
Chief
Communications
Officer



Carmen Vazquez-Gonzalez
Executive Director
Governmental &
Community Relations



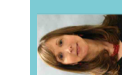
Kamal ElHahr
Associate
Superintendent
Construction
Services




Lisa A. Riggs
Associate
Superintendent
Academics



Theresa Urrabazo
Executive Director,
Academic Quality,
Research &
Evaluation &
Testing




Jenny Arredondo
Senior Executive
Director
Child Nutrition



Nathan Graf
Director
Transportation



Michael Sanchez
Senior Executive
Director
Facility Services



* 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
Talent Management

Kamal ElHabr*
Associate Superintendent
Construction 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

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

Jenny Arredondo
Sr. Executive Director
Child Nutrition

Dr. Pauline Dow*
Deputy Superintendent of Schools

Larry A. Garza*
Associate Superintendent
Financial Services, Business Operations

Lisa A. Riggs*
Associate Superintendent
Academics

Carmen Vázquez-González
Executive Director
Governmental & Community Relations

Tiffany Grant*
Chief of Staff

Olivia Hernandez
Asst. Superintendent
Bilingual, ESL and Migrant

Patricia Holub
Chief Information Officer
Technology & Management
Information Systems

Nathan Graff
Sr. Executive Director
Transportation

Jose Curiel
Chief of Police

Mohammed Choudhury*
Chief Innovation Officer

Toni Thompson*
Associate Superintendent
Human Resources

Leslie Price*
Executive Director
Chief Communications Officer

Elizabeth Nawrocki Jones
Sr. Executive Director
Special Education

Angelica Romero
Asst. Superintendent
Elementary Schools - Team 2

Joanelda DeLeon
Asst. Superintendent
Turnaround Campuses

Willie Burroughs*
Chief Operations Officer

Michael Sanchez
Sr. Executive Director
Facility Services

*Denotes member of the Executive Leadership Team

CERTIFICATE OF BOARD

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

BEXAR

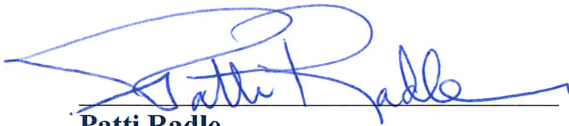
015-907

Name of School District

County

Co. Dist. No.

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, 2018 at a meeting of the Board of Trustees of such school district on the 12th day of November, 2018.



Patti Radle
Board President



Debra Guerrero
Board Secretary







Financial Section





Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2018, 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.

Emphasis of Matter

As described in the notes to the financial statements, in fiscal year 2018, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions amending GASB Statement No. 45*. GASB Statement No. 75, requires state and local government employers to display the actuarially determined Net OPEB Liability in its financial statements. Our opinion is not modified with respect to this matter.

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 and OPEB 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 November 1, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Gonza / Gonzalez
& Associates*

November 1, 2018



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, 2018. 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 \$161,220,610 at June 30, 2018, which is a decrease of \$279,214,905 from the prior year balance. The majority of the decrease is related to the implementation in the current year of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, which negatively impacted net position by a net amount of \$287,648,869.
- The District's Statement of Activities reflects an increase in net position for Governmental Activities in the amount of \$80,477,763 for current year activity. This is a result of expenses being less than the \$604,971,469 generated in taxes, state aid, investment earnings, and other revenues such as charges for services and grants.
- The General Fund reported a fund balance in the governmental funds financial statements this year of \$98,657,180. Approximately 89% of this total amount, \$87,993,518, is available for spending at the District's discretion (unassigned fund balance).
- As shown on the Statement of Activities, property tax revenues increased \$16,985,745, or 7%, from the prior year due to a \$1,309,057,788 increase in property values. The 2017-18 tax rate is \$1.5326 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

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 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.

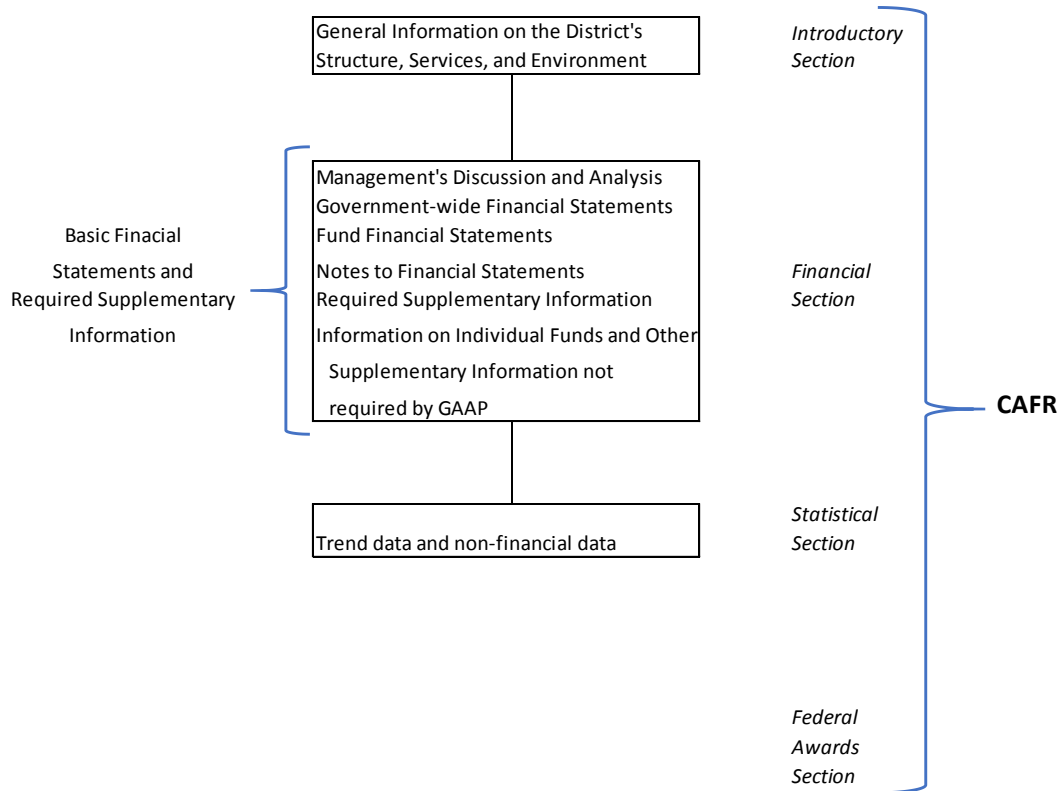
The combining statements for non-major governmental funds and the combining statements for internal service funds contain even more information about the District's individual Special Revenue and Permanent Funds and Internal Service Funds, respectively. The Statement of Changes in Assets and Liabilities 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 accrual basis of accounting used by most private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into 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 \$161,220,610 as of June 30, 2018.

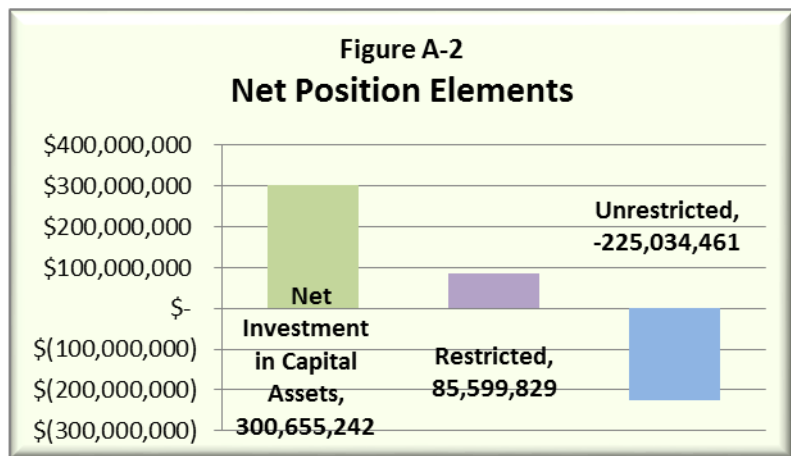
SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS

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 2018	Governmental Activities 2017
Current and Other Assets	\$ 343,351,184	\$ 343,813,071
Capital Assets, Net	1,054,744,344	1,083,096,850
Total Assets	<u>1,398,095,528</u>	<u>1,426,909,921</u>
Deferred Outflows of Resources	26,044,073	25,611,762
Long Term Liabilities	1,082,480,306	925,559,754
Other Liabilities	74,555,246	72,317,660
Total Liabilities	<u>1,157,035,552</u>	<u>997,877,414</u>
Deferred Inflows of Resources	105,883,439	14,208,754
Net Position:		
Net Investment in Capital Assets	300,655,242	280,184,696
Restricted	85,599,829	97,550,757
Unrestricted	(225,034,461)	62,700,062
Total Net Position	<u>\$ 161,220,610</u>	<u>\$ 440,435,515</u>

At approximately 187% 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 53% 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 -140% of total net position.

Capital Assets

The District's investment in capital assets for its governmental activities, as of June 30, 2018, amounts to \$1,054,744,344 (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 \$15,127,053 and of this amount, \$6,600,314 or 44% 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 2018	Governmental Activities 2017
Land	\$ 61,487,766	\$ 66,645,909
Buildings and Improvements	902,803,162	932,055,364
Furniture, Equipment, & Vehicles	19,520,419	17,179,102
Construction in Progress	70,932,997	67,216,475
Total	<u>\$ 1,054,744,344</u>	<u>\$ 1,083,096,850</u>

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt

At June 30, 2018, the District had \$734,744,988 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.

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.

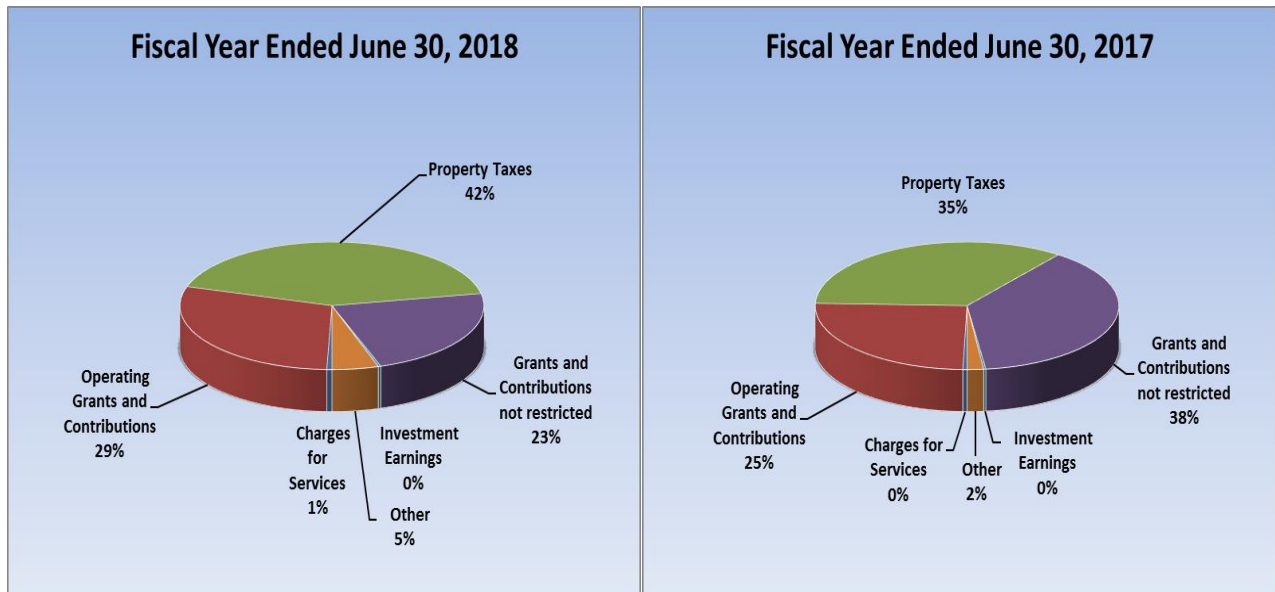
In the current year, the District has adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB). GASB Statement No. 75 requires school districts to report their portion of the unfunded (liability) or overfunded (asset) of the Teacher Retirement System of Texas OPEB plan. The District has participated in the Teacher Retirement System of Texas OPEB plan for years. With the implementation of GASB Statement No. 75, the costs and obligations of the state and the District related to the Teacher Retirement System of Texas OPEB plan are intended to be more transparent.

Changes in Net Position

The District's revenue sources for fiscal year 2018 and fiscal year 2017 are illustrated in Figure A-3. Property Taxes made up the largest portion of the revenue, followed by Operating Grants and Contributions, then followed by Grants and Contributions not restricted. The largest decrease was in Grants and contributions not restricted of \$120,527,904 offset by an increase in Other miscellaneous and local of \$20,682,512, which resulted from the contributed capital (construction in progress) of \$4,363,667 and the gain on sale of real estate when selling central office locations of \$22,975,205.

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

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



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

	Governmental Activities 2018	Governmental Activities 2017
Revenues:		
Program revenues:		
Charges for services	\$ 3,280,378	\$ 3,041,973
Operating grants and contributions	177,278,223	172,369,510
General revenues:		
Maintenance and operations taxes	194,440,532	183,872,029
Debt service taxes	60,259,497	53,842,255
Grants and contributions not restricted	138,314,536	258,842,440
Investment Earnings	1,608,272	(1,592,279)
Other (Miscellaneous & Local)	29,790,031	9,107,519
Extraordinary Item - resource	-	2,852,855
Total revenues	\$ 604,971,469	\$ 682,336,302

(Continued)

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

	Governmental Activities 2018	Governmental Activities 2017
Expenses:		
Instruction and media services	\$ 254,155,738	\$ 324,413,950
Curriculum and instructional staff development	24,932,749	26,623,808
Instructional and school leadership	38,044,663	51,374,079
Student support services	40,859,087	50,744,817
Food services	36,926,737	43,536,259
Extracurricular activities	10,217,208	12,691,289
General administration	13,677,953	17,268,099
Facilities maintenance, security, and data processing services	69,907,505	83,109,856
Community services	7,815,440	7,704,263
Debt services	25,954,386	28,726,464
SSA, JJAEP, and property tax appraisal services	2,002,240	1,667,168
Total expenses	<u>524,493,706</u>	<u>647,860,052</u>
Increase in Net Position	80,477,763	34,476,250
Beginning Net Position	440,435,515	405,959,265
Prior Period Adjustment	(359,692,668)	-
Ending Net Position	<u>\$ 161,220,610</u>	<u>\$ 440,435,515</u>

The District's total revenues for its governmental activities are \$604,971,469, an 11% decrease of \$77,364,833 from the prior year. The largest increase was in *Property Taxes*. Property tax revenues increased \$16,985,743, or 7%, from the prior year primarily due to the increase in the I&S tax rate of \$0.02 from 2017 and an increase in property values. The decreases in Grants and Contributions not Restricted of \$120,527,904 are due to lower state funding.

The expenses for governmental activities totaled \$524,493,706, a 19% decrease of \$123,366,346 from the prior year. The majority of the decrease is in *Instruction and Media Services, Instructional and School Leadership, Student Support Services, and Facilities Maintenance, Security and Data Processing Services*. During the year under audit, the non-employer contributing entities (NECE) expense was negative due to changes in benefits within the TRS-care plan. The accrual for the District's proportionate share of that expense was a negative on-behalf revenue and negative on-behalf expense.

As shown on the District's Statement of Activities, net position of the District's governmental activities decreased by a net of \$279,214,905 for the fiscal year ended June 30, 2018 (Table 3). The decrease is due to the implementation of GASB 75 in the current year, which required a restatement in the amount of -\$359,692,668 to reflect the beginning balance of the Net OPEB Liability and related accounts. The increase in net position before the prior period adjustment was \$80,477,763. The District was able to increase its net position for the current year operations due to expenses decreasing at a rate of 19% from the prior year although its revenue also decreased but only at a rate of 11%.

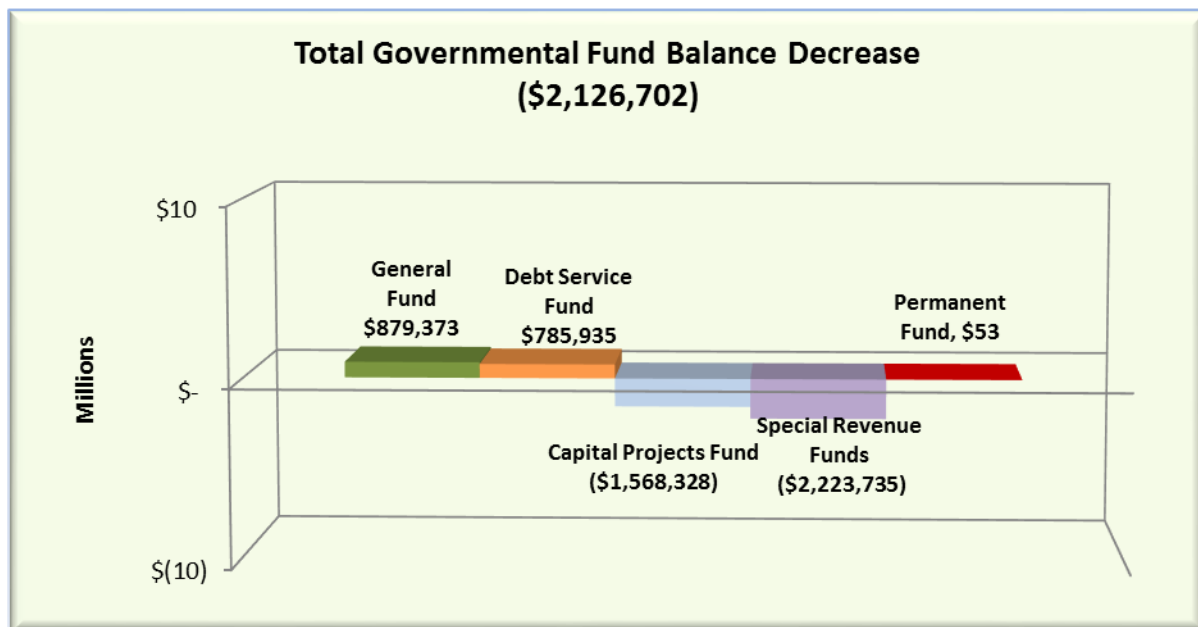
SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

THE DISTRICT'S FUNDS

As the District completed the year ended June 30, 2018, its governmental funds (as presented in the Balance Sheet) reported a combined fund balance of \$247,550,734. Included in this year's \$2,126,702 total decrease in fund balance is an increase of \$879,373 in the District's General Fund and an increase of \$785,935 in the Debt Service Fund offset by \$3,792,010 decrease in the Capital Projects Fund and Other Funds, as illustrated in Figure A-4.

Figure A-4 District Fund Balances



Total revenues in the General Fund decreased \$10,780,267 or 2% from 2017 to 2018.

- State revenue decreased \$21.9M as a result of Foundation School Program and Available School funding decreases.
- Federal revenue decreased only \$645,111 due primarily to lower SHARS activity, University of Texas Health Science Center UT Teen Health Grant, and Medicaid 1115 COSA Grant.
- Property taxes, including penalties and interest, increased \$11.9M primarily due to an increase in current property values.

Total expenditures in the General Fund increased \$30,231,958 as compared to the previous year. This increase is due to \$20.5M increases in Instruction, \$4.2M increases in Curriculum and Instructional Staff Development costs, and \$2.7M increases in Community Services due to salary increases and added positions.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

The fund balance of the Debt Service Fund increased \$785,935, from the amount of \$87,240,312 in the prior year to \$88,026,247 this year. Similar to the General Fund, increased property values resulted in additional local tax revenues of \$6.3M in the Debt Service Fund offset by decreases in Existing Debt Allotment and Instructional Facilities Allotment state revenue. The Debt Service Fund expenditures increased \$3.7M from last year with the increase in principal and interest paid on Long Term Debt.

The fund balance of the Capital Projects Fund decreased \$1,568,328 from last year. This decrease was expected with the completion of projects though partially offset by \$10.5M being transferred from General Fund from real estate sales to start design and construction on a new central office building.

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 decreased by \$14,282,953 from the adopted budget. Local revenue did increase slightly due to an increase in property tax values slightly higher than expected in the original budget. State revenues were reduced almost \$16 million for the final amended budget due to a student enrollment decline of 2,110 students from the projection used for the original adopted budget. The student decline from the prior year is 1,791. Federal revenues for the final amended budget were very close to the adopted budget.

Expenditures in the General Fund are \$5.1M (+1.1%) higher than appropriations in the adopted budget, but \$8.5 M less than the board approved final amended budget. The General Fund, due primarily to revenues generated by the Tax Ratification Election, supported strategic spending for the Superintendent's academic initiatives, and investment in technology and facility upgrades.

The budget was increased in the functional areas of School Leadership, Curriculum & Instructional Staff Development, Extracurricular Activities, and Facilities Maintenance. These increases were offset in part by decreases in the functional areas of Instruction (due to student decline), and Facilities Acquisition & Construction. Most other functional areas showed minor changes from the adopted budget.

Final amended budget to actual comparisons in the General Fund reflect a \$.9M positive variance between the expected net change to the fund balance of (\$0.0M) and the actual change in the fund balance of \$0.9M. This positive variance is due primarily to \$31.9M of proceeds from the sale of real property, offset in part by a transfer out of \$10.5M to capital project funds for the first phase of the planned construction of the central office building. Final expenditures in this year were less than the final amended budgeted appropriations, with a total variance of 1.7% (\$8.5 million). Spending in all functional categories are lower than final amended budget amount.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

During 2017-18, there were several significant changes to the budget, primarily in the area Facilities Maintenance & Operations and in School Leadership. For Facilities Maintenance, the final expenditures were significantly below the adopted budget. This year was the first full year of initiatives planned in support of the Tax Ratification Election (TRE), so certain large projects such as campus renovations and turf installation were planned and approved at the time of the budget adoption, but many projects were not fully completed within this fiscal year. Budget for School Leadership was increased during the 2017-18 year, due to targeted initiatives designed to increase support for certain schools, many with “Improvement Required” status. Additional campus administrative positions such as supplemental Associate Principals, Assistant Principals, and Aspiring Principals were added during the year. Additionally, some campuses were provided the extra support of a retired principal to assist with accomplishing certain objectives. Finally, certain Principal, Associate, and Assistant Principal work day calendars were increased during this year. Remaining variances to the final amended budget 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 2018-2019 school year (Tax Year 2018) is projected to increase by more than 7% to \$17,910,789,040 compared to the revised assessed taxable value in the 2017-2018 school year (Tax Year 2017) of \$16,715,287,648.
- The Board approved a three cent increase to the District's Debt Service (I&S) tax rate for this coming school year. With this increase, the District's total tax rate will be \$1.5626 per \$100 of assessed valuation.
- Taxes to fund programs and services for the upcoming school year will increase by \$180.02 per year for the average residential homeowner. Of this increase, \$154.46 is due to the increase in appraised residential property value, and \$25.56 is due to the three cent increase in the tax rate for this year. Both, commercial properties and residential properties, contributed to this year's growth of the tax base.
- The 2018-2019 budget for state revenues is based on a projected ADA of 43,753. This number is projecting a decrease from the prior year of 521 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 2018-2019 are presented below:

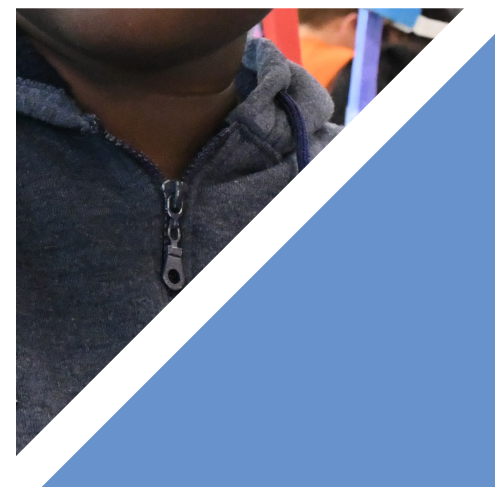
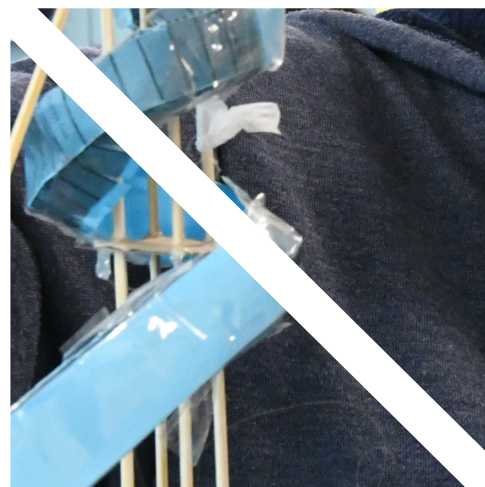
Revenue Sources	Proposed Budget 2018-2019
Local Sources	\$ 211,405,080
State Sources	228,194,962
Federal Sources	<u>12,714,272</u>
Total Estimated Operating Revenue	<u>\$ 452,314,314</u>

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, 2018

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 212,355,632
1220 Property Taxes Receivable (Delinquent)	28,043,802
1230 Allowance for Uncollectible Taxes	(280,438)
1240 Due from Other Governments	80,363,369
1290 Other Receivables, net	898,881
1292 Receivable	29,441
1300 Inventories	3,069,229
1410 Prepayments	52,534
1493 Deposits	528,000
Capital Assets:	
1510 Land	61,487,766
1520 Buildings, Net	902,803,162
1530 Furniture and Equipment, Net	19,520,419
1580 Construction in Progress	70,932,997
1990 Long Term Investments	18,290,734
1000 Total Assets	1,398,095,528
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	6,253,874
1705 Deferred Outflow Related to TRS Pension	16,818,683
1706 Deferred Outflow Related to TRS OPEB	2,971,516
1700 Total Deferred Outflows of Resources	26,044,073
LIABILITIES	
2110 Accounts Payable	12,983,885
2123 Claims Payable - ST	6,252,591
2124 Compensated Absences	69,970
2140 Interest Payable	12,837,725
2150 Payroll Deductions & Withholdings	4,131,414
2160 Accrued Wages Payable	34,842,987
2180 Due to Other Governments	150,233
2300 Unearned Revenue	3,286,441
Noncurrent Liabilities:	
2501 Due Within One Year	43,045,083
2502 Due in More Than One Year	748,433,318
2540 Net Pension Liability (District's Share)	86,094,623
2545 Net OPEB Liability (District's Share)	204,907,282
2000 Total Liabilities	1,157,035,552
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Inflow Related to TRS Pension	20,170,336
2606 Deferred Inflow Related to TRS OPEB	85,713,103
2600 Total Deferred Inflows of Resources	105,883,439
NET POSITION	
3200 Net Investment in Capital Assets	300,655,242
3810 Restricted Permanently for Endowment Principal	1,000
3820 Restricted Temporarily for Fed and State Programs	7,829,862
3850 Restricted Temporarily for Debt Service	72,625,724
3860 Restricted Temporarily for Capital Projects	4,134,092
3870 Restricted Temporarily for Campus Activities	758,042
3890 Restricted Temporarily for Other Purposes	251,109
3900 Unrestricted	(225,034,461)
3000 Total Net Position	\$ 161,220,610

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, 2018

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

Primary Government:

GOVERNMENTAL ACTIVITIES:

11 Instruction	\$ 249,073,072	\$ 690,504	\$ 61,272,992	\$ (187,109,576)
12 Instructional Resources and Media Services	5,082,666	-	918,656	(4,164,010)
13 Curriculum and Staff Development	24,932,749	-	19,599,248	(5,333,501)
21 Instructional Leadership	10,520,898	-	6,442,774	(4,078,124)
23 School Leadership	27,523,765	45,034	3,488,317	(23,990,414)
31 Guidance, Counseling and Evaluation Services	18,466,738	-	9,298,247	(9,168,491)
32 Social Work Services	4,625,897	-	2,455,489	(2,170,408)
33 Health Services	7,165,877	-	11,532,044	4,366,167
34 Student (Pupil) Transportation	10,600,575	143,838	406,833	(10,049,904)
35 Food Services	36,926,737	1,646,057	41,426,281	6,145,601
36 Extracurricular Activities	10,217,208	387,837	631,415	(9,197,956)
41 General Administration	13,677,953	-	3,235,759	(10,442,194)
51 Facilities Maintenance and Operations	55,988,721	53,025	5,249,144	(50,686,552)
52 Security and Monitoring Services	4,720,866	35,960	226,995	(4,457,911)
53 Data Processing Services	9,197,918	3,996	594,112	(8,599,810)
61 Community Services	7,815,440	274,127	4,821,360	(2,719,953)
72 Debt Service - Interest on Long Term Debt	25,954,386	-	5,050,877	(20,903,509)
93 Payments related to Shared Services Arrangements	627,680	-	627,680	-
95 Payments to Juvenile Justice Alternative Ed. Prg.	93,736	-	-	(93,736)
99 Other Intergovernmental Charges	1,280,824	-	-	(1,280,824)

[TP] TOTAL PRIMARY GOVERNMENT:	\$ 524,493,706	\$ 3,280,378	\$ 177,278,223	(343,935,105)
--------------------------------	----------------	--------------	----------------	---------------

Data Control Codes	General Revenues:	
	Taxes:	
MT	Property Taxes, Levied for General Purposes	194,440,532
DT	Property Taxes, Levied for Debt Service	60,259,497
GC	Grants and Contributions not Restricted	138,314,536
IE	Investment Earnings	1,608,272
MI	Miscellaneous Local and Intermediate Revenue	29,790,031
TR	Total General Revenues	424,412,868
CN	Change in Net Position	80,477,763
NB	Net Position - Beginning	440,435,515
PA	Prior Period Adjustment	(359,692,668)
NE	Net Position--Ending	\$ 161,220,610

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, 2018

Data Control Codes	Major Fund General Fund	Major Fund Debt Service Fund	Major Fund Capital Projects
ASSETS			
1110 Cash and Cash Equivalents	\$ 50,068,560	\$ 68,831,311	\$ 42,213,993
1220 Property Taxes - Delinquent	21,800,529	6,243,273	-
1230 Allowance for Uncollectible Taxes (Credit)	(218,005)	(62,433)	-
1240 Receivables from Other Governments	53,152,666	-	-
1260 Due from Other Funds	27,323,013	710,430	-
1290 Other Receivables	114,949	-	-
1300 Inventories	1,064,581	-	-
1410 Prepayments	12,575	-	-
1490 Deposits	28,000	-	-
1900 Long Term Investments	-	18,290,734	-
1000 Total Assets	<u>\$ 153,346,868</u>	<u>\$ 94,013,315</u>	<u>\$ 42,213,993</u>
LIABILITIES			
2110 Accounts Payable	\$ 7,488,034	\$ -	\$ 2,647,340
2150 Payroll Deductions and Withholdings Payable	4,131,414	-	-
2160 Accrued Wages Payable	28,917,267	-	28,431
2170 Due to Other Funds	711,664	550	15,362,627
2180 Due to Other Governments	150,038	-	-
2300 Unearned Revenues	-	2,363,094	-
2000 Total Liabilities	<u>41,398,417</u>	<u>2,363,644</u>	<u>18,038,398</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	13,291,271	3,623,424	-
2600 Total Deferred Inflows of Resources	<u>13,291,271</u>	<u>3,623,424</u>	<u>-</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	1,064,581	-	-
3425 Endowment Principal	-	-	-
3430 Prepaid Items	40,575	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	13,458,900
3480 Retirement of Long-Term Debt	-	88,026,247	-
3490 Other Restricted Fund Balance	248,017	-	-
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	-	10,716,695
3600 Unassigned Fund Balance	87,993,518	-	-
3000 Total Fund Balances	<u>98,657,180</u>	<u>88,026,247</u>	<u>24,175,595</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 153,346,868</u>	<u>\$ 94,013,315</u>	<u>\$ 42,213,993</u>

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

Other Funds	Total Governmental Funds
\$ 32,419,779	\$ 193,533,643
-	28,043,802
-	(280,438)
22,975,352	76,128,018
-	28,033,443
783,932	898,881
2,004,648	3,069,229
39,959	52,534
-	28,000
-	18,290,734
<u>\$ 58,223,670</u>	<u>\$ 347,797,846</u>
\$ 2,751,291	\$ 12,886,665
-	4,131,414
5,897,289	34,842,987
11,959,836	28,034,677
195	150,233
923,347	3,286,441
<u>21,531,958</u>	<u>83,332,417</u>
-	16,914,695
<u>-</u>	<u>16,914,695</u>
1,162,074	2,226,655
1,000	1,000
-	40,575
7,829,862	7,829,862
-	13,458,900
-	88,026,247
3,092	251,109
2,319,626	4,550,798
19,383,570	24,383,570
5,992,488	18,788,500
-	87,993,518
<u>36,691,712</u>	<u>247,550,734</u>
<u>\$ 58,223,670</u>	<u>\$ 347,797,846</u>

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION
 JUNE 30, 2018

EXHIBIT C-2

Total Fund Balances - Governmental Funds \$ 247,550,734

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. 12,024,279

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 \$1,510,695,832 and the accumulated depreciation was (\$427,598,982). 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 (\$771,097,327), termination benefits payable was (\$8,004,993), interest payable was (\$12,921,804). The combined balance of premiums and deferred charge on refunding for these issuances, at the beginning of the year, was (\$43,268,282). In addition, the beginning balance for compensated absences classified as a short-term liability was (\$314,198). At the beginning of the year, the District's proportionate share of the net pension liability was (\$96,710,214), and the related deferred outflows and inflows of resources were \$19,955,682 and (\$14,208,754), respectively. The net effect of recognizing the governmental-wide beginning balances is to increase net position. Note: Beginning Balances related to TRS-Care are NOT included in this amount. 156,526,960

Transactions related to current year capital outlays, 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: 44,661,981

- Acquisition of capital assets was \$15,127,053
 - Disposition of capital assets was (\$22,101,812) and the related accumulated depreciation was \$13,183,781
 - Payments made on bond principal were \$29,630,000
 - Accretion on capital appreciation bonds was (\$125,459)
 - Issuance of remarketed bonds was (\$42,195,000) with associated premiums of (\$4,642,251) and resulted in a deferred charge on remarketing of \$947,670.
 - The bond remarketing transactions resulted in the payment of bonds outstanding of \$46,480,000 and the write-off of unamortized premium of \$1,304,922.
 - Current year amortization of bond premiums was \$6,838,897 and the amortization of deferred charge on refunding bonds was (\$349,875)
 - Change in interest payable was a \$84,079 decrease; compensated absences was a \$244,228 decrease; and terminations benefits was a \$235,748 decrease
- The net effect is to increase net position.

Included in the items related to debt is the recognition of the decrease in the District's proportionate share of the net pension liability required by GASB 68 in the amount of \$10,615,591, a increase in deferred resources inflow related to TRS in the amount of (\$5,961,582), and an decrease in deferred resource outflow related to TRS in the amount of (\$3,136,999). The net effect is to increase net position. (286,131,859)

Transactions related to the adoption of GASB 75 for recognition of the District's proportionate share of the net OPEB liability in the amount of (\$204,907,282), a Deferred Resource Inflow related to TRS in the amount of (\$85,713,103), and a Deferred Resource Outflow related to TRS in the amount of \$2,971,516. The net effect is to

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, 2018

EXHIBIT C-2

(decrease) 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.	(34,561,528)
---	--------------

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 \$5,761,094 and from prior year levies in the amount of \$11,153,601; recognize SHARS revenue in the amount of \$4,235,348. The net effect is to increase net position.	21,150,043
--	------------

Net Position of Governmental Activities	<u>\$ 161,220,610</u>
--	-----------------------

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, 2018

Data Control Codes		Major Fund General Fund	Major Fund Debt Service Fund	Major Fund Capital Projects
REVENUES:				
5700	Total Local and Intermediate Sources	\$ 199,586,005	\$ 60,030,646	\$ 172,029
5800	State Program Revenues	253,821,452	2,437,370	-
5900	Federal Program Revenues	12,889,716	2,613,507	-
5020	Total Revenues	<u>466,297,173</u>	<u>65,081,523</u>	<u>172,029</u>
EXPENDITURES:				
Current:				
0011	Instruction	278,760,212	-	-
0012	Instructional Resources and Media Services	5,779,422	-	-
0013	Curriculum and Instructional Staff Development	13,539,419	-	-
0021	Instructional Leadership	8,559,018	-	-
0023	School Leadership	34,882,172	-	-
0031	Guidance, Counseling and Evaluation Services	15,306,861	-	-
0032	Social Work Services	3,205,855	-	-
0033	Health Services	9,083,458	-	-
0034	Student (Pupil) Transportation	12,133,898	-	-
0035	Food Services	273,750	-	-
0036	Extracurricular Activities	11,569,779	-	-
0041	General Administration	15,443,625	-	132,430
0051	Facilities Maintenance and Operations	52,401,112	-	291,896
0052	Security and Monitoring Services	6,078,397	-	-
0053	Data Processing Services	9,660,302	-	22,790
0061	Community Services	4,409,014	-	-
Debt Service:				
0071	Principal on Long Term Debt	-	29,630,000	-
0072	Interest on Long Term Debt	-	34,650,215	-
0073	Bond Issuance Cost and Fees	-	368,222	-
Capital Outlay:				
0081	Facilities Acquisition and Construction	3,876,908	-	11,793,241
Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	-	-	-
0095	Payments to Juvenile Justice Alternative Ed. Prg.	93,736	-	-
0099	Other Intergovernmental Charges	1,280,824	-	-
6030	Total Expenditures	<u>486,337,762</u>	<u>64,648,437</u>	<u>12,240,357</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(20,040,589)</u>	<u>433,086</u>	<u>(12,068,328)</u>
OTHER FINANCING SOURCES (USES):				
7911	Remarketed Bonds Issued	-	42,195,000	-
7912	Sale of Real and Personal Property	31,893,236	-	-
7915	Transfers In	-	-	10,500,000
7916	Premium or Discount on Issuance of Bonds	-	4,642,252	-
8911	Transfers Out (Use)	(10,973,274)	-	-
8949	Other (Uses)	-	(46,484,403)	-
7080	Total Other Financing Sources (Uses)	<u>20,919,962</u>	<u>352,849</u>	<u>10,500,000</u>
1200	Net Change in Fund Balances	879,373	785,935	(1,568,328)
0100	Fund Balance - July 1 (Beginning)	<u>97,777,807</u>	<u>87,240,312</u>	<u>25,743,923</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ 98,657,180</u>	<u>\$ 88,026,247</u>	<u>\$ 24,175,595</u>

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

Other Funds	Total Governmental Funds
\$ 7,788,739	\$ 267,577,419
7,314,862	263,573,684
124,548,899	140,052,122
<u>139,652,500</u>	<u>671,203,225</u>
49,553,310	328,313,522
701,205	6,480,627
19,154,162	32,693,581
5,960,920	14,519,938
2,083,147	36,965,319
8,658,027	23,964,888
2,273,624	5,479,479
459,548	9,543,006
3,529	12,137,427
43,045,154	43,318,904
227,962	11,797,741
1,233,064	16,809,119
3,235,140	55,928,148
24,708	6,103,105
263,738	9,946,830
4,495,717	8,904,731
-	29,630,000
-	34,650,215
-	368,222
348,821	16,018,970
627,680	627,680
-	93,736
-	1,280,824
<u>142,349,456</u>	<u>705,576,012</u>
<u>(2,696,956)</u>	<u>(34,372,787)</u>
-	42,195,000
-	31,893,236
473,274	10,973,274
-	4,642,252
-	(10,973,274)
-	(46,484,403)
<u>473,274</u>	<u>32,246,085</u>
<u>(2,223,682)</u>	<u>(2,126,702)</u>
<u>38,915,394</u>	<u>249,677,436</u>
<u>\$ 36,691,712</u>	<u>\$ 247,550,734</u>

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, 2018

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$	(2,126,702)
The District uses internal service funds to account for the revenues and expenses to the workers compensation and medical 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.		(1,514,059)
Transactions related to current year capital outlays, 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:		44,661,981
<ul style="list-style-type: none"> ● Acquisition of capital assets was \$15,127,053 ● Disposition of capital assets was (\$22,101,812) and the related accumulated depreciation was \$13,183,781 ● Payments made on bond principal were \$29,630,000 ● Accretion on capital appreciation bonds was (\$125,459) ● Issuance of remarketed bonds was (\$42,195,000) with associated premiums of (\$4,642,251) and resulted in a deferred charge on remarketing of \$947,670. ● The bond remarketing transactions resulted in the payment of bonds outstanding of \$46,480,000 and the write-off of unamortized premium of \$1,304,922. ● Current year amortization of bond premiums was \$6,838,897 and the amortization of deferred charge on refunding bonds was (\$349,875) ● Change in interest payable was a \$84,079 decrease; compensated absences was a \$244,228 decrease; and terminations benefits was a \$235,748 decrease 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.		(34,561,528)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting, as follows:		457,311
<ul style="list-style-type: none"> ● Remove tax collections from prior year levies in the amount of (\$690,500) ● Recognize unavailable revenue from current year levy in the amount of \$5,761,094 ● Recognize less tax revenue in the amount of (\$3,874,235) for the difference between what was estimated in the prior year and collected in the current year ● Recognize SHARS revenue in the amount of \$4,235,348 ● Remove SHARS revenue from prior year in the amount of (\$4,974,396) The net effect is to increase net position.		
Various adjustments were necessary for GASB 68 purposes as follows:		73,560,760
<ul style="list-style-type: none"> ● Contributions made after the measurement date of August 31, 2017 in the amount of \$7,694,269 were deexpended, and recorded as deferred resource outflows ● Contributions made before the measurement date of August 31, 2017 in the amount of \$1,522,240 were also deexpended ● The net effect to deferred resource outflows and inflows was (\$9,490,341) including amounts amortized in the current measurement period ● The contribution adjustments were (\$17,032) ● The district's proportionate share of pension expense was \$1,807,874 The net effect is an increase to the change in net position.		
Various adjustments were necessary for GASB 75 purposes as follows:		
<ul style="list-style-type: none"> ● Contributions made after the measurement date of August 31, 2017 in the amount 		

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, 2018

EXHIBIT C-4

- of \$2,939,441 were deexpended, and recorded as deferred resource outflows
 - Contributions made before the measurement date of August 31, 2017 in the amount of \$410,642 were also deexpended
 - The net effect of deferred resource outflows and inflows including amounts amortized in the current measurement period was (\$85,681,028)
 - The contribution adjustments were (\$24,307)
 - The district's proportionate share of OPEB expense was \$154,373,832 and amounts recognized from other sources was \$25,170
- The net effect is an increase to the change in net position.

Change in Net Position of Governmental Activities

\$ 80,477,763

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, 2018

	Governmental Activities -
	Total Internal Service Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 18,821,989
Due from Other Funds	752,234
Other Receivables	29,441
Other Current Assets	<u>500,000</u>
Total Assets	<u>20,103,664</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	97,220
Short Term Claims Payable	6,252,591
Due to Other Funds	<u>751,000</u>
Total Current Liabilities	<u>7,100,811</u>
Noncurrent Liabilities:	
Claims Payable - Due in More than One Year	<u>978,574</u>
Total Noncurrent Liabilities	<u>978,574</u>
Total Liabilities	<u>8,079,385</u>
NET POSITION	
Unrestricted Net Position	<u>12,024,279</u>
Total Net Position	<u>\$ 12,024,279</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, 2018

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 52,121,293
Total Operating Revenues	52,121,293
OPERATING EXPENSES:	
Payroll Costs	433,000
Professional and Contracted Services	5,795,941
Supplies and Materials	4,687
Other Operating Costs	47,401,725
Total Operating Expenses	53,635,353
Transfer In	751,000
Transfers Out	(751,000)
Operating Income (Loss)	(1,514,060)
Total Net Position - July 1 (Beginning)	13,538,339
Total Net Position - June 30 (Ending)	\$ 12,024,279

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, 2018

	Governmental Activities -
	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 52,121,293
Cash Payments to Employees for Services	(433,000)
Cash Payments for Insurance Claims	(51,933,447)
Net Cash Used for Operating Activities	<u>(245,154)</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>	
Transfer In from Medical Fund	751,000
Transfer Out to Dental Fund	(751,000)
Net Cash Provided by Non-Capital Financing Activities	<u>-</u>
Net Decrease in Cash and Cash Equivalents	(245,154)
Cash and Cash Equivalents at Beginning of Year	<u>19,067,143</u>
Cash and Cash Equivalents at End of Year	<u>\$ 18,821,989</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (1,514,060)
Effect of Increases and Decreases in Current Assets and Liabilities:	
Increase in Receivables	(29,441)
Increase in Due from Other Funds	(748,775)
Increase in Accounts Payable	95,708
Increase/Decrease in Claims Payable	427,602
Increase/Decrease in Deposits	772,812
Increase in Due to Other Funds	751,000
Net Cash Used for Operating Activities	<u>\$ (245,154)</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, 2018

	Agency Fund
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 2,690,005
Total Assets	<u>\$ 2,690,005</u>
LIABILITIES	
Due to Student Groups	\$ 2,690,005
Total Liabilities	<u>\$ 2,690,005</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, 2018

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, 2018, 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, 2018

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, 2018

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, 2018

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, 2018

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, funds held in the District's depository accounts and in local Government Pools are considered cash and cash equivalents.

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, 2018

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, 2018, the General and Debt Service fund rates were \$1.17 and \$.3626, 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, 2018.

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, 2018 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 acquisition 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, 2018

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, 2018

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.

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.

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.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

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, 2018 is \$87,993,518 which exceeds the required minimum amount of \$45,610,580.

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 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.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

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, 2018.

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 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, 2018 is \$6,253,874. The District also reports \$19,790,199 pension and OPEB costs to be amortized in future periods. The total deferred outflows in the government-wide financial statements is \$26,044,073 at June 30, 2018 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 \$16,914,695 at June 30, 2018. 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 \$105,883,439 at June 30, 2018 comprised of changes in results and assumptions from pension and OPEB activity.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

16. Investments

At June 30, 2018, the District's current investments are comprised of local government investment pools and money market funds. The investment pools and money market funds are reported as cash and cash equivalents.

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 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

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

to First Public at 12007 Research Blvd., Austin, Texas 78759 or by calling 1-800-558-8875.

The District is invested in J.P. Morgan U.S. Government Money Market Fund (OGVXX) managed by J.P. Morgan Investment Management Inc. (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.

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.

18. Other Post Employment Benefits

In fiscal year 2018, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB 75 requires state and local government agencies to report the actuarially determined net other postemployment benefit liability in its financial statements. The primary objective of the Statement is to improve accounting and financial

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). The scope of the Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. The disclosures for the OPEB plan required in accordance with GASB 75 are included Section III. M.

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting in accordance with GASB 75 and is the same basis used by the Plan. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflow of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

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 20th, 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.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

- * 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 30th, the Board adopted the budget for the General Fund, Debt Service Fund and Child Nutrition Program Fund.
- * 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, 2018 that were provided for in the 2018-2019 budget were reported as follows:
 - o The General Fund had \$912,195 in outstanding encumbrances, all of which was reported as assigned fund balance.
 - o The Capital Projects Fund had \$7,127,929 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 \$99,510 in outstanding encumbrances, all of which was reported as restricted fund balance.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

During the year the budget was properly amended in accordance with the above procedures, except as follows:

	Final Amended Budget	Actual Expenditures	Variance (Excess)
Debt Service Fund:			
73 Bond Issuance Cost and Fees	\$ 100,000	\$ 368,222	\$ (268,222)

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	\$ (73,666,064)	\$ -	\$ 33,018,189	\$ 32,414,716	\$ (8,233,159)	\$ 11,515,919	\$ 3,282,760
Cash on Hand	-	-	-	975	975	-	975
Investment Pools	103,425,941	58,672,008	263,368	4,088	162,365,405	7,306,070	169,671,475
Money Market Funds	20,308,683	10,159,303	8,932,436	-	39,400,422	-	39,400,422
Total	\$ 50,068,560	\$ 68,831,311	\$ 42,213,993	\$ 32,419,779	\$ 193,533,643	\$ 18,821,989	\$ 212,355,632

Agency Funds	
Student Activity Funds	
Cash and Cash Equivalents:	
Demand Accounts	\$ (117,718)
Cash on Hand	125
TexPool	2,807,599
Total	\$ 2,690,005

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

At June 30, 2018, the carrying amount of the District's deposits (cash and interest-bearing savings accounts), including agency funds, was \$3,165,040 and the bank balance was \$4,074,703. To control custody risk, in accordance with the District's policy, the District's cash deposits at June 30, 2018, and during the year ended June 30, 2018, are covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. However, for 2 days during the year including the day with the highest balance the District's deposits exceeded the pledged collateral which did not result in a loss due to custodial risk.

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

1. Name of Bank: Frost Bank
2. The highest combined balances of cash and interest-bearing savings accounts amounted to \$19,967,970 and occurred during the month of August 2017.
3. Total amount of pledged collateral and FDIC coverage at the time of the highest combined balance was \$17,923,585.

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.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

As of June 30, 2018, the District, including agency funds, had the following investments:

Investment	Fair Value	Weighted Average Maturity (Days)	Ratings
Lone Star Investment Pool	\$ 70,086,212	1	S&P AAA
TexPool	66,918,373	1	S&P AAAm
TexStar	35,474,489	1	S&P AAAm
Money Market Mutual Funds			
Money Market Portfolio Fund	<u>39,400,422</u>	1	Not Rated
Total	<u>\$ 211,879,496</u>		

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.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

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.

The table below illustrates the fair value of the District’s investments at June 30, 2018:

Investments Measured at Fair Value
(\$ in millions)

		Fair Value Measurements Using		
6/30/2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments by fair value level				
Money Market Funds	\$ 39	\$ 39	\$ -	\$ -
Total Cash Equivalents & Investments Reported @ FMV	\$ 39	\$ 39	\$ -	\$ -

In addition, the District has funds held in 2a7 like external investment pools valued at amortized cost, in the amount of \$172,479,074 which includes \$2,807,599 reported in Agency Funds.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

B. RECEIVABLES

Receivables as of June 30, 2018, 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	\$ 21,800,529	\$ 6,243,273	\$ -	\$ 28,043,802
Receivables from Other Governments	53,152,666	-	22,975,352	76,128,018
Other Receivables	114,949	-	783,932	898,881
Gross Receivables	\$ 75,068,144	\$ 6,243,273	\$ 23,759,284	\$ 105,070,701
Less : Allowance for Uncollectible Taxes	(218,005)	(62,433)	-	(280,438)
Total Receivables (Net)	\$ 74,850,139	\$ 6,180,840	\$ 23,759,284	\$ 104,790,263

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

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

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

	<u>Major Fund</u>		Total
	General Fund	Other Governmental Funds	
Due from State Agencies	\$ 52,907,377	\$ 6,212,894	\$ 59,120,271
Due from Federal Agencies	245,289	12,024,290	12,269,579
Due from Other Government Agencies	-	4,738,168	4,738,168
 Total Due from Other Governments	 \$ 53,152,666	 \$ 22,975,352	 \$ 76,128,018

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.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

At June 30, 2018, unearned revenue reported in the governmental funds was as follows:

	Major Fund		
	Debt	Other	Total
	Service Fund	Governmental Funds	
Federal Food Commodities	\$ -	\$ 842,574	\$ 842,574
Advance Funding	2,363,094	80,773	2,443,867
Total	\$ 2,363,094	\$ 923,347	\$ 3,286,441

The Federal Food Commodities amount of \$842,574 along with the Advance Funding amount of \$2,443,867 total \$3,286,441 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 \$842,574.

Deferred Inflows

As of June 30, 2018, the unavailable revenue reported as deferred inflows of resources in the governmental funds were as follows:

	Major Funds		
	General	Debt	Total
	Fund	Service Fund	
Unavailable Revenue – Property Taxes	\$ 13,291,271	\$ 3,623,424	\$ 16,914,695

The unavailable revenue of \$16,914,695 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.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

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

The composition of amounts due to/from other funds as of June 30, 2018 is as follows:

	Receivable	Payable
General Fund:		
Debt Service Fund	\$ 550	\$ 710,430
Capital Projects Fund	15,362,627	-
Other Funds	11,959,836	-
Internal Service Fund	-	1,234
Total General Fund	27,323,013	711,664
Debt Service Fund:		
General Fund	710,430	550
Capital Projects Fund:		
General Fund	-	15,362,627
Other Funds:		
General Fund	-	11,959,836
Total Governmental Funds	28,033,443	28,034,677
Internal Service Funds:		
General Fund	1,234	-
Internal Service Fund	751,000	751,000
Total Internal Service Funds	752,234	751,000
Total Interfund Receivables and Payables	\$ 28,785,677	\$ 28,785,677

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 to be reimbursed by the General Fund. 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.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

Transfers during the year ended June 30, 2018 were as follows:

	Transfers In	Transfers Out
Governmental Funds:		
General Fund:		
Capital Projects Fund	\$ -	\$ 10,500,000
Other Governmental Funds	-	473,274
Total General Fund	-	10,973,274
Capital Projects Fund:		
General Fund	10,500,000	-
Total Capital Projects Funds	10,500,000	-
Other Governmental Funds:		
General Fund	473,274	-
Total Other Governmental Funds	473,274	-
Total Governmental Funds	10,973,274	10,973,274
Internal Service Funds:		
Internal Service Fund	751,000	751,000
Total Transfers	\$ 11,724,274	\$ 11,724,274

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 General Fund to Capital Project Fund of \$10.5 million was for \$8.5 million for the first phase of the planned construction of a central office building and \$2 million for renovations for facilities and police building. The transfer from the Medical Insurance Fund to the Dental Insurance Fund of \$751,000 was to help cover increased dental claims until the new increased dental premiums take effect in January 2019. It is expected that the Dental Insurance Fund will be able to transfer back the \$751,000 in the future.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

E. CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Increases	Decreases	Transfers	Balance June 30, 2018
Capital Assets, Not Being Depreciated:					
Land	\$ 66,645,909	\$ 982,499	\$ (1,237,033)	\$ (4,903,609)	\$ 61,487,766
Construction in progress	67,216,475	13,125,372	-	(9,408,850)	70,932,997
Total Capital Assets, Not Being Depreciated	133,862,384	14,107,871	(1,237,033)	(14,312,459)	132,420,763
Capital Assets, Being Depreciated:					
Buildings & Improvements	1,331,497,132	-	(20,442,824)	9,408,850	1,320,463,158
Furniture, Equipment, & Vehicles	45,336,316	1,019,182	(421,955)	4,903,609	50,837,152
Total Capital Assets, Being Depreciated	1,376,833,448	1,019,182	(20,864,779)	14,312,459	1,371,300,310
Less Accumulated Depreciation for:					
Buildings & Improvements	(399,441,768)	(31,127,147)	12,908,919	-	(417,659,996)
Furniture, Equipment, & Vehicles	(28,157,214)	(3,434,381)	274,862	-	(31,316,733)
Total Accumulated Depreciation	(427,598,982)	(34,561,528)	13,183,781	-	(448,976,729)
Total Capital Assets, Being Depreciated, Net	949,234,466	(33,542,346)	(7,680,998)	14,312,459	922,323,581
Total Governmental Activities Capital Assets, Net	\$ 1,083,096,850	\$ (19,434,475)	\$ (8,918,031)	\$ -	\$ 1,054,744,344

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 \$4,363,667 through June 30, 2018. 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.

The District sold two central office locations this year for \$31,893,236 in anticipation of building a new consolidated central office location near Fox Tech High School with the proceeds. The District's Austin Street Complex was sold in the fall of 2017, and the District's Lavaca Street Complex was sold in the spring of 2018.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

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

Instruction	\$18,259,960
Instructional Resources and Media Services	375,753
Curriculum and Instructional Staff Development	876,025
Instructional Leadership	559,446
School Leadership	2,256,939
Guidance, Counseling, and Evaluation Services	992,336
Social Work Services	207,425
Health Services	589,508
Student (Pupil) Transportation	2,074,913
Food Services	262,323
Extracurricular Activities	884,908
General Administration	1,021,849
Facilities Maintenance and Operations	4,014,780
Security and Monitoring Services	489,560
Data Processing Services	1,410,107
Community Services	285,696
Total Governmental Activities	<u>\$34,561,528</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 \$19,824,808.

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

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

and instrumentalities. Each deposit will earn interest at 2.80% per annum, calculated on a 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 \$18,290,734 as of June 30, 2018. The District reported a decrease in the fair value of \$521,626 for the year ended June 30, 2018.

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	513	195	708
Texas Workforce Commission	91,444	-	91,444
Total	\$ 150,038	\$ 195	\$ 150,233

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

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, 2017	\$ 314,198
Plus: Additions	346,844
Less: Payments	<u>(591,072)</u>
Balance - June 30, 2018	<u><u>\$ 69,970</u></u>

The District uses 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 \$2,613,507 for the year ended June 30, 2018. 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 \$2,283,009 for the year ended June 30, 2018.

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

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

of the District; therefore, they are not included in the District's financial statements. At June 30, 2018, \$45,445,000 of previously legally defeased bonds are outstanding.

On August 1, 2017, the District remarketed the \$48,795,000 Variable Rate Unlimited Tax Refunding Bonds, Series 2014A (Series 2014A) bonds with premium of \$5,159,546. 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 \$47,290,000. 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.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

The following is a summary of changes in bonds payable for the year ended June 30, 2018:

Description	Interest Rate Payable	Range of Maturity	Amounts Original Issue	Amounts Outstanding June 30, 2017	Issued/ Refunding	Retired	Amounts Outstanding June 30, 2018	Due Within One Year
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	140,185,000	-	3,895,000	136,290,000	3,985,000
Unlimited Tax Refunding Bonds, Series 2011	2.0- 5.0%	2014-2029	99,085,000	73,475,000	-	7,115,000	66,360,000	7,435,000
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 Series 2014A	.83- 7.0%	2017-2044	48,795,000	47,290,000	-	47,290,000	-	-
Unlimited Tax Refunding Bonds Remarketed Series 2014A	4.0- 5.0%	2018-2044	42,195,000	-	42,195,000	-	42,195,000	805,000
Variable Rate Unlimited Tax Refunding Bonds Series 2014B	1.15- 7.0%	2018-2044	48,880,000	47,370,000	-	810,000	46,560,000	850,000
Unlimited Tax Sch. Bldg and Refunding Bonds, Series 2015	1.25- 5.0%	2016-2045	307,290,000	275,165,000	-	16,255,000	258,910,000	21,340,000
Unlimited Tax Sch. Bldg and Refunding Bonds, Series 2016	2.0- 5.0%	2017-2046	123,740,000	123,740,000	-	745,000	122,995,000	1,455,000
			<u>\$ 882,869,988</u>	<u>\$ 768,659,988</u>	<u>\$ 42,195,000</u>	<u>\$ 76,110,000</u>	<u>\$ 734,744,988</u>	<u>\$ 35,870,000</u>
				Balance June 30, 2017	Addition	Retired	Balance June 30, 2018	Due within One Year
Accretion on Capital Appreciation Bonds*				<u>\$ 2,437,339</u>	<u>\$ 125,459</u>	<u>\$ -</u>	<u>\$ 2,562,798</u>	<u>\$ -</u>

*This represents accretion of interest on a cumulative basis.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

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, 2018.

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

Year Ending June 30	Principal	Interest	Total Requirements
2019	\$ 35,870,000	\$ 34,997,372	\$ 70,867,372
2020	31,285,000	34,612,103	65,897,103
2021	31,310,000	33,053,360	64,363,360
2022	32,850,000	31,485,595	64,335,595
2023	34,465,000	29,831,298	64,296,298
2024-2028	161,729,988	123,164,551	284,894,539
2029-2033	184,375,000	72,012,808	256,387,808
2034-2038	89,955,000	45,382,276	135,337,276
2039-2043	92,155,000	19,879,251	112,034,251
2044-2048	40,750,000	2,833,425	43,583,425
Total	\$ 734,744,988	\$ 427,252,039	\$1,161,997,027

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 \$2,902,000 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 \$1,923,426 is reflected as part of current liabilities and the remaining portion of \$978,574 is reported as part of noncurrent liabilities in the Proprietary Funds Statement of Net Position.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

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 \$500,000 at June 30, 2018. The deposit is included as part of the Other Current Assets balance in the Proprietary Funds Statement of Net Position.

Changes in the claims liability amount for fiscal years 2017 to 2018 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, 2017	\$ 2,923,000	\$ 2,137,773	\$ (1,789,773)	\$ 3,271,000
Year Ended June 30, 2018	3,271,000	1,141,613	(1,510,613)	2,902,000

(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, 2018 for employees with ten or more years of service is \$7,769,245. Of this amount, \$7,041,288 is reflected as a noncurrent liability and \$727,957 is reflected as a current liability in the Statement of Net Position. The District uses the General Fund to liquidate the ALIP liability when employees separate from the District.

(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, 2018.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

K. CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for the governmental activities for the year ended June 30, 2018 were as follows:

	Amount Outstanding July 1, 2017	Additions	Deletions	Amount Outstanding June 30, 2018	Due Within One Year
Bonds Payable	\$ 768,659,988	\$ 42,195,000	\$ (76,110,000)	\$ 734,744,988	\$ 35,870,000
Accretion on Capital Appreciation Bonds	2,437,339	125,459	-	2,562,798	-
Unamortized Bond Premium	48,924,362	4,642,252	(8,143,819)	45,422,795	6,447,126
Workers' Compensation *	3,271,000	1,141,613	(1,510,613)	2,902,000	1,923,426
ALIP	8,004,993	1,989,504	(2,225,252)	7,769,245	727,957
Net Pension Liability**	96,710,214	(1,790,842)	(8,824,749)	86,094,623	-
Net OPEB Liability**	361,753,456	(154,396,399)	(2,449,775)	204,907,282	-
Total	\$ 1,289,761,352	\$ (106,093,413)	\$ (99,264,208)	\$ 1,084,403,731	\$ 44,968,509

* The \$1,923,426 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.

**The District utilizes the Fund based on employee assignment to liquidate the Pension and OPEB liability through employer contributions in the payroll process.

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

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

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

Pension Plan Fiduciary Net Position. Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at: <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592. The information provided in the Notes to the Financial Statements in the 2017 Comprehensive Annual Financial Report for TRS provides the following information regarding the Pension Plan fiduciary net position as of August 31, 2017.

<u>Net Pension Liability</u>	<u>Total</u>
Total Pension Liability	\$179,336,534,819
Less: Plan Fiduciary Net Position	<u>(147,361,922,120)</u>
Net Pension Liability	<u>\$ 31,974,612,699</u>
 Net Position as percentage of Total Pension Liability	 82.17%

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.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2017 and 2018.

	<u>Contribution Rates</u>	
	<u>2017</u>	<u>2018</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
2018 Employer Contributions		\$ 9,216,509
2018 Member Contributions		\$ 28,796,780
2017 NECE On-Behalf Contributions		\$ 15,237,423

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:

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding 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, 2017 actuarial valuation was determined using the following actuarial assumptions:

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

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

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

Discount Rate. The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2017 are summarized below:

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

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

**Target allocations are based on FY 2014 policy model. Infrastructure was moved from Real Assets to Energy and Natural Resources in FY 2017, but the reallocation does not affect the long-term expected geometric real rate of return or expected contribution to long term portfolio returns.*

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

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

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 2017 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:	\$ 145,138,524	\$ 86,094,623	\$ 36,930,993

Pension Liabilities, Pension Expense, and Deferred outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2018, the District reports a liability of \$86,094,623 for its proportionate share of the TRS’s net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District’s proportionate share of the collective net pension liability	\$ 86,094,623
State’s proportionate share that is associated with the District	<u>148,969,476</u>
Total	<u>\$ 235,064,099</u>

The net pension liability was measured as of August 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer’s 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, 2016 through August 31, 2017.

At August 31, 2017 the District’s proportion of the collective net pension liability was 0.2692593% which was an increase of 0.0133344% from its proportion measured as of August 31, 2016.

Changes Since the Prior Actuarial Valuation. There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

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

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

For the year ended June 30, 2018, the District recognized pension expense of \$17,540,058. The District also recognized revenue of \$11,362,799 for support provided by the State. At June 30, 2018 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experiences	\$ 1,259,603	\$ 4,642,970
Changes in actuarial assumptions	3,921,747	2,245,108
Differences between projected and actual investment earnings	-	6,274,389
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	3,943,064	7,007,869
Total as of August 31, 2017 measurement date	\$ 9,124,414	\$ 20,170,336
Contributions paid to TRS subsequent to the measurement date	7,694,269	
Total as of fiscal year-end	\$ 16,818,683	\$ 20,170,336

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

<u>Year Ended June 30,</u>	<u>Pension Expense Amount</u>
2019	\$ (3,759,706)
2020	1,735,937
2021	(4,181,881)
2022	(5,398,906)
2023	124,992
Thereafter	433,642
Total	\$ (11,045,922)

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

At June 30, 2018, 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, 2017 measurement date	\$ 9,124,414	\$ 20,170,336
Contributions paid to TRS subsequent to the measurement date	7,694,269	-
Total	\$ 16,818,683	\$ 20,170,336

M. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

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

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

Components of the net OPEB liability of the TRS-Care plan as of August 31, 2017 are as follows:

<u>Net OPEB Liability</u>	<u>Total</u>
Total OPEB Liability	\$ 43,885,784,621
Less: Plan Fiduciary Net Position	399,535,986
Net OPEB Liability	\$ 43,486,248,635
Net Position as percentage of Total OPEB Liability	0.91%

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

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

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

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with Medicare Parts A&B coverage, with 20 to 29 years of service for the basic plan and the two optional plans.

TRS-Care Plan Premium Rates			
Effective Sept. 1, 2016 – Dec. 31, 2017			
	TRS-Care 1	TRS-Care 2	TRS-Care 3
	<u>Basic Plan</u>	<u>Optional Plan</u>	<u>Optional Plan</u>
Retiree*	\$ 0	\$ 70	\$ 100
Retiree and Spouse	20	175	255
Retiree* and Children	41	132	182
Retiree and Family	61	237	337
Surviving Children only	28	62	82

**or surviving spouse*

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

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.0% of the member’s annual compensation. Section 1575.203 establishes the active member’s rate which is .65% of the member’s annual compensation. Section 1575.204 establishes an employer contribution rate of not less than 0.25% and not more than 0.75% of the annual compensation of each active member. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	<u>Contribution Rates</u>	
	<u>2017</u>	<u>2018</u>
Member	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.00%	1.25%
Employers	0.55%	0.75%
Federal/Private Funding Remitted by Employers	1.00%	1.25%
2018 Employer Contributions		\$ 3,350,083
2018 Member Contributions		\$ 2,427,850
2017 NECE On-Behalf Contributions		\$ 3,021,054

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$15.6 million in fiscal year 2017. House Bill 21 was passed in special session and provided a supplemental appropriation in the amount of \$212 million in fiscal year 2018.

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

The following assumptions and other inputs used for members of TRS-Care are based on a study of actuarial experience for the four year period ending August 31, 2014 and adopted September 24, 2015 by the TRS Pension Plan and are as follows:

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

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

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2017
Actuarial Cost Method	Individual Entry Age
Asset Valuation Method	Market Value
Inflation	2.5%
Single Discount Rate	3.42%
Aging Factors Projected Expenses	Based on Plan Specific Experience Third Party administrative expenses related to the delivery of health care benefits are included in the age adjusted claims cost.
Payroll Growth Rate	2.5%
Salary Increases*	3.5% - 9.5%
Healthcare Trend Rates	4.5% to 12.0%
Election Rates	Normal Retirement: 70% participation prior to age 65 and 75% participation after age 65
Ad hoc post-employment benefit changes	None
<i>*Includes Inflation of 2.5%</i>	

Other Information: There was a significant plan change adopted in fiscal year ending August 31, 2017. Effective January 1, 2018, only one health plan option will be offered and all retirees will be required to contribute monthly premiums for coverage. Assumption changes made for the August 31, 2017 valuation include a change to the assumption regarding the phase-out of the Medicare Part D subsidies and a change to the discount rate from 2.98% as of August 31, 2016 to 3.42% as of August 31, 2017.

Discount Rate. A single discount rate of 3.42% was used to measure the total OPEB liability. There was a change of .44 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on the assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of currently plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

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

	1% Decrease in Discount Rate (2.42%)	Discount Rate (3.42%)	1% Increase in Discount Rate (4.42%)
Proportionate share of the net OPEB liability:	\$ 241,841,462	\$ 204,907,282	\$ 175,220,529

Healthcare Cost Trend Rates Sensitivity Analysis. The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of the net OPEB liability:	\$ 170,605,783	\$ 204,907,282	\$ 249,915,171

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

At June 30, 2018, the District reported a liability of \$204,907,282 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 204,907,282
State's proportionate share that is associated with the District	<u>252,690,983</u>
Total	<u>\$ 457,598,265</u>

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

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

At August 31, 2017 the District's proportion of the collective net OPEB liability was 0.4712001%. Since this is the first year of implementation, the plan did not compute the proportion measured as of August 31, 2016.

For the year ended June 30, 2018, the District recognized a net decrease in OPEB expense of \$(153,661,480). The District also recorded a net decrease in revenue of \$(84,557,122) for support provided by the State.

At June 30, 2018 the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experiences	\$ -	\$ 4,277,595
Changes in actuarial assumptions	-	81,435,508
Differences between projected and actual investment earnings	31,126	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	949	-
Total as of August 31, 2017 measurement date	\$ 32,075	\$ 85,713,103
Contributions paid to TRS subsequent to the measurement date	2,939,441	
Total as of fiscal year-end	\$ 2,971,516	\$ 85,713,103

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

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

Year Ended June 30,	Pension Expense Amount
2019	\$ (11,305,711)
2020	(11,305,711)
2021	(11,305,711)
2022	(11,305,711)
2023	(11,313,492)
Thereafter	(29,144,692)
Total	<u><u>\$ (85,681,028)</u></u>

At June 30, 2018, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Total net amounts per August 31, 2017 measurement date	\$ 32,075	\$ 85,713,103
Contributions paid to TRS subsequent to the measurement date	2,939,441	-
Total	<u><u>\$ 2,971,516</u></u>	<u><u>\$ 85,713,103</u></u>

IV. OTHER INFORMATION

A. FUND BALANCE

At June 30, 2018, fund balance is comprised of the following:

	Major Funds				
	General Fund	Debt Service	Capital Projects	Other Funds	Total
Nonspendable:					
Inventories	\$ 1,064,581	\$ -	\$ -	\$ 1,162,074	\$ 2,226,655
Endowment Principal	-	-	-	1,000	1,000
Prepaid	40,575	-	-	-	40,575

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

Restricted:

Federal or State Funds Grant Restriction:

National Breakfast and Lunch Program	-	-	-	7,829,862	7,829,862
Capital Acquisition and Contractual Obligation	-	-	13,458,900	-	13,458,900
Retirement of Long-Term Debt	-	88,026,247	-	-	88,026,247
Other					
Scholarships	248,017	-	-	3,092	251,109

Committed:

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
	-	-	-	500,000	500,000
Other Committed:					
HVAC Equipment, Building Repairs & Facilities	5,000,000	-	-	-	5,000,000
Campus Activity Funds	-	-	-	758,042	758,042
Compensation Initiative	-	-	-	8,000,000	8,000,000
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

Assigned:

Other Assigned Fund Balance	2,079,317	-	10,716,695	5,992,488	18,788,500
	-	-			

Unassigned

87,993,518	-	-	-	87,993,518
------------	---	---	---	------------

Total	\$ 98,657,180	\$ 88,026,247	\$ 24,175,595	\$ 36,691,712	\$ 247,550,734
-------	---------------	---------------	---------------	---------------	----------------

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

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 Sun Life Financial. 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 \$56,155,632. Sun Life Financial has an A.M. Best financial strength rating of A+ and a long-term issuer credit rating of aa-.

During the year ended June 30, 2018, 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, 2018, in the amount of \$4,218,740 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.

DENTAL – During the year ended June 30, 2018, 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, 2018, in the amount of \$110,425 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 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.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

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, 2018

D. REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

	Major Funds				Total
	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	
Property Taxes	\$ 193,364,476	\$ 59,846,736	\$ -	\$ -	\$ 253,211,212
Investment Income	1,863,528	(427,338)	172,029	53	1,608,272
Insurance Recovery	197,923	-	-	1,852	199,775
Penalties, Interest and Other Tax Related Income	2,126,471	611,248	-	-	2,737,719
Food Service Activity	-	-	-	1,237,266	1,237,266
Tuition	288,211	-	-	-	288,211
Rent	274,127	-	-	-	274,127
San Antonio Education Foundation Grant	46,696	-	-	-	46,696
College Board AP Pilot Program	172,000	-	-	-	172,000
Aspiring Principals	25,686	-	-	-	25,686
Athletic Activity	360,817	-	-	-	360,817
Campus Activity	-	-	-	742,120	742,120
Co-curricular Student	19,500	-	-	-	19,500
After School Challenge Program	-	-	-	1,605,634	1,605,634
Other	846,570	-	-	4,201,814	5,048,384
Total	\$ 199,586,005	\$ 60,030,646	\$ 172,029	\$ 7,788,739	\$ 267,577,419

During the year ended June 30, 2018, revenues from local and intermediate sources in the Proprietary Fund Types consisted of the following:

Internal Service Fund	
Interest Earned	\$ 98,158
Charges for Services	52,023,135
Total	\$ 52,121,293

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

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	\$ 58,384
Army ROTC	N/A	606,811
School Health and Related Services (SHARS)	N/A	10,642,236
Summer School LEP	84.369	27,305
Healthy Fut/UTHSC-DOE	93.297	113,300
Indirect Costs		
MS Partner's Grant Irving	16.540	112
Adult Education and Family Literacy	84.002	17,768
ESEA Title I, Part A	84.010	572,965
ESEA Title I, Part D	84.010	4,255
Title I, School Improvement Program	84.010	43,430
IDEA-B Formula	84.027	265,457
Carl D. Perkins, Title I, Part C	84.048	16,456
IDEA-B Preschool	84.173	6,349
Change for Good	84.184	10,097
McKinney Homeless Children Grant	84.196	4,768
Teaching American History	84.215	13,008
Carol White Pep/Grant	84.215	8,212
Eastside Promise Neighborhood	84.215	15,137
Gear-Up Project	84.334	52,002
TTL III, Part A-LEP	84.365	22,847
Title II, Part A TPTR	84.367	52,758
Texas TTL I, Priority Schools	84.377	45,699
Temporary Assistance for Needy Families	93.558	1,428
Wheatley Comm Sch ED Opp Ctr	84.066	1,717
21 st CCLC Cycle 9	84.287	38,848
Title III, Part A Immigrant	84.365	1,150
Teacher Incentive Fund	84.374	158,063
TTIPS Rodriguez ES	84.277	33,014
TTIPS Stewart ES	84.377	37,838
Title IV, Part A	84.424	11,186
School Redesign Page MS	84.010	218
Transformation Zone Planning	84.010	2,842
TLI Grant Prior Year	84.371	(2)
English Literacy & Civics Education	84.002	351
Foster Youth Dropout Prevention & Recovery	93.558	2,213
GT Visual Arts & Leadership Program	84.206	1,495
		<u>\$ 12,889,716</u>

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

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

F. 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 \$1,367,223; \$1,701,761; and \$1,105,860 for fiscal years 2016, 2017, and 2018 respectively.

G. OPERATING LEASES

The District entered into leases for copiers in 2016 from Ricoh USA, Inc. (Ricoh) and high production copiers in 2017 from Dahill Office Technology Corporation (Dahill). The Ricoh lease has a five year initial lease with the option to renew for up to two additional one year periods at an annual cost of \$839,160. The Dahill lease has a three year initial lease with the option to renew for up to two additional one year periods at an annual cost of \$359,306.

The District entered into a lease with Brooks Development Authority for a building located at 2601 Louis Bauer in San Antonio, Texas on October 1, 2017. It is the location of CAST Med Tech which is a Healthcare Career Magnet High School with 77,648 square feet on 11.19 acres of land with surrounding grounds and parking areas. The initial lease is until September 30, 2037 with an option to terminate any time prior to October 1, 2022, either Landlord or the District may terminate the lease with 30 days' prior written notice to the other party for the following reasons: (i) The District has not established a Healthcare Careers Magnet High School on the Premises with enrollment starting Fall 2018 or is not working diligently on achieving that goal in Landlord's reasonable opinion; or (ii) The District has not been able to sustain enrollment in the Healthcare Careers Magnet High School and has stopped taking in students for the Permitted Use. The District will have two options to extend the term of the lease for the Premises for five years each. There is a purchase option any time after October 1, 2022, the District may purchase the Premises for a purchase price equal to the Fair Market Value of the Premises based on a current appraisal obtained by Landlord with a credit for the District's Investment in the Premises made over the term of the Lease, but in no event will the purchase price of the Premises be less than \$7,850,000.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

The annual lease payment requirements are as follows:

Year Ending June 30	Amounts
2019	\$ 1,448,466
2020	1,874,540
2021	1,874,540
2022	2,051,408
2023	1,831,526
Total	<u>\$ 9,080,480</u>

Under these agreements, the District has recorded expenditures of \$1,649,282.

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.

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

I. 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.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

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 \$3,092 as of June 30, 2018 and is reported as Other Restricted Fund Balance on the Balance Sheet and as Restricted for Other Purposes on the Statement of Net Position.

J. PRIOR PERIOD ADJUSTMENT

During fiscal year 2018, the District adopted GASB Statement No. 75 for Accounting and Reporting for Postemployment Benefits Other Than Pensions. With GASB 75, the District must recognize their proportionate share of the Net OPEB Liability of the Teacher Retirement System of Texas. Adoption of GASB 75 required a prior period adjustment to report the effect of GASB 75 retroactively. The net amount of the prior period adjustment is \$(359,692,668). The restated beginning net position is reported as follows:

	Governmental Activities
Net Position	
June 30, 2017	\$ 440,435,515
Net OPEB Liability	(359,692,668)
July 1, 2017 (Restated)	\$ 80,742,847

K. SUBSEQUENT EVENTS

In July 2018, the District sold \$178,975,000 Unlimited Tax School Building Bonds, Series 2018 (Series 2018) bonds issued with a premium of \$22,393,361. These bonds were issued pursuant to an Order of the Board of Trustees adopted on April 16, 2018. The Series 2018 bonds in the amount of \$178,975,000 were sold as follows: \$96,075,000 Serial Bonds were sold due on August 15, 2039 with an interest rate starting at 4% then going to 5% in 2022. \$32,410,000 Term Bonds were sold due on August 15, 2043 with an interest rate of 5%. \$50,490,000 Term Bonds were sold due on August 15, 2048 with an interest rate of 5%. Interest on bonds accrue from the closing date of July 25, 2018 and are payable on each February 15 and August 15 thereafter, commencing on February 15, 2019 until maturity or prior redemption. The proceeds will be used on 13 schools (seven high schools, four middle schools, and two elementary schools), renovations to include classroom spaces, sports facilities upgrades, science labs, upgrade restrooms and fencing for certain schools and major infrastructure improvements (heating and cooling systems, electrical structures, plumbing and structural elements).

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2018

In August 2018, the District remarketed the \$48,880,000 Variable Rate Unlimited Tax Refunding Bonds, Series 2014B (Series 2014B), pursuant to an Order of the Board of Trustees adopted on April 16, 2018. The Bonds were in the initial rate period, bearing interest at an initial rate, expiring on July 31, 2018. The Bonds were outstanding in the aggregate principal amount of \$46,560,000. On August 1, 2018, \$850,000 in principal amount was redeemed, and the remaining \$45,710,000 was subject to mandatory tender without right of retention. Tendered Bonds in the principal amount of \$4,860,000 were retired by the District using proceeds derived from the remarketing and the balance of \$40,850,000 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 \$26,430,000 Serial Bonds with a 4% fixed rate until 2019 then a 5% fixed rate from 2020 to 2038, and there are \$14,420,000 Term Bonds with a 5% fixed rate until 2044. The District reserves the right to redeem the Bonds maturing on or after August 1, 2026 in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on August 1, 2025 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, 2018 and will be payable on each February 1 and August 1 of each year, commencing on February 1, 2019.





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, 2018

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 199,213,012	\$ 200,738,830	\$ 199,586,005	\$ (1,152,825)
5800	State Program Revenues	269,965,919	254,068,948	253,821,452	(247,496)
5900	Federal Program Revenues	12,505,546	12,593,746	12,889,716	295,970
5020	Total Revenues	481,684,477	467,401,524	466,297,173	(1,104,351)
EXPENDITURES:					
Current:					
0011	Instruction	280,837,216	279,298,055	278,760,212	537,843
0012	Instructional Resources and Media Services	5,212,124	5,977,476	5,779,422	198,054
0013	Curriculum and Instructional Staff Development	12,580,431	13,586,476	13,539,419	47,057
0021	Instructional Leadership	8,422,073	8,582,342	8,559,018	23,324
0023	School Leadership	29,492,599	36,315,962	34,882,172	1,433,790
0031	Guidance, Counseling and Evaluation Services	15,123,677	15,912,056	15,306,861	605,195
0032	Social Work Services	3,384,017	3,515,452	3,205,855	309,597
0033	Health Services	8,858,933	9,303,881	9,083,458	220,423
0034	Student (Pupil) Transportation	13,007,055	13,619,191	12,133,898	1,485,293
0035	Food Services	152,030	402,030	273,750	128,280
0036	Extracurricular Activities	11,095,884	11,772,212	11,569,779	202,433
0041	General Administration	16,049,437	16,312,562	15,443,625	868,937
0051	Facilities Maintenance and Operations	48,948,388	52,967,212	52,401,112	566,100
0052	Security and Monitoring Services	5,783,991	6,586,779	6,078,397	508,382
0053	Data Processing Services	9,842,035	9,777,290	9,660,302	116,988
0061	Community Services	3,998,408	4,506,206	4,409,014	97,192
Debt Service:					
0071	Principal on Long Term Debt	-	50,000	-	50,000
Capital Outlay:					
0081	Facilities Acquisition and Construction	7,446,179	4,816,048	3,876,908	939,140
Intergovernmental:					
0095	Payments to Juvenile Justice Alternative Ed. Prg.	30,000	135,295	93,736	41,559
0099	Other Intergovernmental Charges	1,020,000	1,370,000	1,280,824	89,176
6030	Total Expenditures	481,284,477	494,806,525	486,337,762	8,468,763
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	400,000	(27,405,001)	(20,040,589)	7,364,412
OTHER FINANCING SOURCES (USES):					
7912	Sale of Real and Personal Property	-	31,893,236	31,893,236	-
8911	Transfers Out (Use)	(400,000)	(465,000)	(10,973,274)	(10,508,274)
7080	Total Other Financing Sources (Uses)	(400,000)	31,428,236	20,919,962	(10,508,274)
1200	Net Change in Fund Balances	-	4,023,235	879,373	(3,143,862)
0100	Fund Balance - July 1 (Beginning)	97,777,807	97,777,807	97,777,807	-
3000	Fund Balance - June 30 (Ending)	\$ 97,777,807	\$ 101,801,042	\$ 98,657,180	\$ (3,143,862)

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2018

	Measurement Year Ended August 31,			
	2017	2016	2015	2014
District's Proportion of the Net Pension Liability (Asset)	0.2692593146%	0.2559248998%	0.2679667000%	0.2910232000%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 86,094,623	\$ 96,710,214	\$ 94,722,662	\$ 77,736,321
States Proportionate Share of the Net Pension Liability (Asset) associated with the District	148,969,476	178,592,718	171,061,013	154,489,762
Total	<u>\$ 235,064,099</u>	<u>\$ 275,302,932</u>	<u>\$ 265,783,675</u>	<u>\$ 232,226,083</u>
District's Covered Payroll	\$ 353,433,432	\$ 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 Payroll	24.36%	28.68%	29.08%	24.22%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	82.17%	78.00%	78.43%	83.25%

Note: Only four 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."

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:

Changes of Benefit terms.

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

Changes of Assumptions.

There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR PENSIONS
 TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR THE YEAR ENDED JUNE 30, 2018

	Fiscal Year Ended June 30,			
	2018	2017	2016	2015
Contractually Required Contribution	\$ 9,216,509	\$ 8,612,371	\$ 8,074,206	\$ 7,853,920
Contribution in Relation to the Contractually Required Contribution	<u>(9,216,509)</u>	<u>(8,612,371)</u>	<u>(8,074,206)</u>	<u>(7,853,920)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 373,598,254	\$ 350,285,906	\$ 335,465,979	\$ 325,098,781
Contributions as a percentage of Covered Payroll	2.47%	2.46%	2.41%	2.42%

Note: Only four 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."

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR THE YEAR ENDED JUNE 30, 2018

	Measurement Year Ended August 31, 2017
District's Proportion of the Net OPEB Liability (Asset)	0.4712001802%
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 204,907,282
State's Proportionate Share of the Net OPEB Liability (Asset) associated with the District	<u>252,690,983</u>
Total	<u>\$ 457,598,265</u>
District's Covered Payroll	\$ 353,433,432
District's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its Covered Payroll	57.98%
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	0.91%

Note: Only one year of data is presented in accordance with GASB #75, paragraph 245. "The information for all fiscal years 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."

Changes in Benefit.

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

Changes in Assumptions.

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

1. Significant plan changes were adopted during fiscal year ending August 31, 2017. Effective January 1, 2018, only one health option will exist (instead of three), and all retirees will be required to contribute monthly premiums for coverage. The health plan changes triggered changes to several of the assumptions, including participation rates, retirement rates, and spousal participation rates.
2. The August 31, 2016 valuation had assumed that the savings related to the Medicare Part D reimbursements would phase out by 2022. This assumption was removed for the August 31, 2017 valuation. Although there is uncertainty regarding these federal subsidies, the new assumption better reflects the current substantive plan. This change was unrelated to the plan amendment, and its impact was included as an assumption change in the reconciliation of the total OPEB liability. This change significantly lowered the OPEB liability.
3. The discount rate changed from 2.98 percent as of August 31, 2016 to 3.42 percent as of August 31, 2017. This change lowered the total OPEB liability.

In this valuation the impact of the Cadillac tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50 percent.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis point addition to the long term trend rate assumption.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
 TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR THE YEAR ENDED JUNE 30, 2018

	Fiscal Year Ended June 30, 2018
Contractually Required Contribution	\$ 3,350,083
Contribution in Relation to the Contractually Required Contribution	(3,350,083)
Contribution Deficiency (Excess)	\$ -
District's Covered Payroll	\$ 373,598,254
Contributions as a percentage of Covered Payroll	0.90%

Note: Only one year of data is presented in accordance with GASB #75, paragraph 245. "The information for all fiscal years 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.

TEACHER INCENTIVE FUND (276)

Funding to support, develop, and implement sustainable Performance-based compensation systems for teachers, principals and other personnel in high-need schools within the context of overall Human Capital Management System in order to increase Educator effectiveness and student achievement in those schools.

TEXAS TITLE I PRIORITY SCHOOLS (TTIPS) (283 & 284)

These special School Improvement Grant are for campuses 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)

TITLE IV, Part A Subpart 1 – Student Support and Academic Enrichments (216)

School Redesign (217)

GT Visual Arts and Leadership Program (218)

Transformation Zone Planning (219)

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)

IDRA-Turnaround School Leadership Program (257)

Public Charter School Start-Up Grants (258-262)

21st Century Community Learning Center (265)

Foster Youth Dropout Prevention and Recovery High School Completion Pilot Program (271)

Medical Assistance Program (272)

Eastside Promise (277)

MS Partners Program Irving (278)

TTIPS, Miller ES (280)

TTIPS, Douglass ES (281)

TTIPS, Crockett ES (282)

Wheatley Community School Ed Opportunity Center (285)

Consolidated Administration Fund (287)

Wheatley Community School (289)

Hurricane Relief (289.9)

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 (410.8)
Urban Schools Agriculture Program (420)
TEA Math Literacy Reading Stipend (427)
Expanding the 3 E's Program (481)
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)
Counselor Care Program – Valero (482)
School Green Infrastructure – SARA (483)
After School Tutoring – Davis MS (484)
City Education Partners (CEP) Storm Ogden – Relay Summer Experience (486)
SPARK Program (489)
City Education Partners – Advanced Learning Academy (496)
Project Lead the Way – Ball Academy (497)
Project Lead the Way – Sam Houston (498)



SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018

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
ASSETS				
1110	\$ -	\$ -	\$ -	\$ -
1240	3,991,776	4,075,101	101,063	1,829,282
1290	-	-	-	-
1300	-	-	-	-
1410	-	-	-	-
1000	<u>\$ 3,991,776</u>	<u>\$ 4,075,101</u>	<u>\$ 101,063</u>	<u>\$ 1,829,282</u>
LIABILITIES				
2110	\$ -	\$ 182,569	\$ 317	\$ 106,128
2160	1,014,188	1,425,926	27,302	699,337
2170	2,977,588	2,466,606	73,444	1,023,817
2180	-	-	-	-
2300	-	-	-	-
2000	<u>3,991,776</u>	<u>4,075,101</u>	<u>101,063</u>	<u>1,829,282</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410	-	-	-	-
3425	-	-	-	-
Restricted Fund Balance:				
3450	-	-	-	-
3490	-	-	-	-
Committed Fund Balance:				
3530	-	-	-	-
3545	-	-	-	-
Assigned Fund Balance:				
3590	-	-	-	-
3000	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<u>\$ 3,991,776</u>	<u>\$ 4,075,101</u>	<u>\$ 101,063</u>	<u>\$ 1,829,282</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	276 Teacher Incentive Fund	283 TTIPS Rodriguez ES
\$ 4,137,572	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,183,654	109,957	562,422	369,690	200,233	384,770	1,231,480	548,795
41,115	-	-	-	-	-	259	558
2,004,648	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 11,366,989</u>	<u>\$ 109,957</u>	<u>\$ 562,422</u>	<u>\$ 369,690</u>	<u>\$ 200,233</u>	<u>\$ 384,770</u>	<u>\$ 1,231,739</u>	<u>\$ 549,353</u>
\$ 85,954	\$ 36,717	\$ 287,722	\$ -	\$ 5,081	\$ 41,614	\$ 232,024	\$ 264,181
1,446,525	-	-	40,771	9,564	53,660	607,343	43,777
-	73,240	274,700	328,919	185,588	289,496	392,372	241,395
-	-	-	-	-	-	-	-
842,574	-	-	-	-	-	-	-
<u>2,375,053</u>	<u>109,957</u>	<u>562,422</u>	<u>369,690</u>	<u>200,233</u>	<u>384,770</u>	<u>1,231,739</u>	<u>549,353</u>
1,162,074	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
7,829,862	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>8,991,936</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 11,366,989</u>	<u>\$ 109,957</u>	<u>\$ 562,422</u>	<u>\$ 369,690</u>	<u>\$ 200,233</u>	<u>\$ 384,770</u>	<u>\$ 1,231,739</u>	<u>\$ 549,353</u>

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018

Data Control Codes	284 TTIPS Stewart ES	289 Other Federal Special Revenue Funds	381 Adult Basic Education	386 Regional Day School Progm for the Deaf
ASSETS				
1110	Cash and Cash Equivalents	\$ -	\$ 1,942	\$ -
1240	Receivables from Other Governments	398,033	2,920,240	37,657
1290	Other Receivables	96	477	-
1300	Inventories	-	-	-
1410	Prepayments	-	-	-
1000	Total Assets	<u>\$ 398,129</u>	<u>\$ 2,922,659</u>	<u>\$ 37,657</u>
LIABILITIES				
2110	Accounts Payable	\$ 159,907	\$ 731,901	\$ -
2160	Accrued Wages Payable	62,571	230,834	2,941
2170	Due to Other Funds	175,651	1,959,924	34,716
2180	Due to Other Governments	-	-	-
2300	Unearned Revenues	-	-	-
2000	Total Liabilities	<u>398,129</u>	<u>2,922,659</u>	<u>37,657</u>
FUND BALANCES				
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	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 398,129</u>	<u>\$ 2,922,659</u>	<u>\$ 37,657</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
\$ 388,841	\$ 759,731	\$ 27,108,478	\$ -	\$ 19,123	\$ 32,415,687	\$ 4,092	\$ 32,419,779
8,394	-	-	560,650	185,741	22,975,352	-	22,975,352
8,843	-	724	19,040	712,820	783,932	-	783,932
-	-	-	-	-	2,004,648	-	2,004,648
-	-	39,959	-	-	39,959	-	39,959
<u>\$ 406,078</u>	<u>\$ 759,731</u>	<u>\$ 27,149,161</u>	<u>\$ 579,690</u>	<u>\$ 917,684</u>	<u>\$ 58,219,578</u>	<u>\$ 4,092</u>	<u>\$ 58,223,670</u>
\$ 304,940	\$ 1,494	\$ 202,778	\$ 102,518	\$ 5,446	\$ 2,751,291	\$ -	\$ 2,751,291
-	-	27,239	-	131,245	5,897,289	-	5,897,289
17,237	-	-	477,172	765,623	11,959,836	-	11,959,836
-	195	-	-	-	195	-	195
65,403	-	-	-	15,370	923,347	-	923,347
<u>387,580</u>	<u>1,689</u>	<u>230,017</u>	<u>579,690</u>	<u>917,684</u>	<u>21,531,958</u>	<u>-</u>	<u>21,531,958</u>
-	-	-	-	-	1,162,074	-	1,162,074
-	-	-	-	-	-	1,000	1,000
-	-	-	-	-	7,829,862	-	7,829,862
-	-	-	-	-	-	3,092	3,092
-	-	2,319,626	-	-	2,319,626	-	2,319,626
-	758,042	18,625,528	-	-	19,383,570	-	19,383,570
18,498	-	5,973,990	-	-	5,992,488	-	5,992,488
<u>18,498</u>	<u>758,042</u>	<u>26,919,144</u>	<u>-</u>	<u>-</u>	<u>36,687,620</u>	<u>4,092</u>	<u>36,691,712</u>
<u>\$ 406,078</u>	<u>\$ 759,731</u>	<u>\$ 27,149,161</u>	<u>\$ 579,690</u>	<u>\$ 917,684</u>	<u>\$ 58,219,578</u>	<u>\$ 4,092</u>	<u>\$ 58,223,670</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, 2018

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
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	12,026,410	25,196,381	815,063	11,673,630
5020 Total Revenues	12,026,410	25,196,381	815,063	11,673,630
EXPENDITURES:				
Current:				
0011 Instruction	10,087,468	10,500,382	309,464	5,194,663
0012 Instructional Resources and Media Services	-	533,597	-	-
0013 Curriculum and Instructional Staff Development	-	7,724,319	11,990	1,921,439
0021 Instructional Leadership	1,169,388	1,883,718	483,658	102,703
0023 School Leadership	-	1,067,952	-	-
0031 Guidance, Counseling and Evaluation Services	3,398	1,088,286	9,951	3,336,917
0032 Social Work Services	-	1,303,432	-	233,715
0033 Health Services	279,394	-	-	1,200
0034 Student (Pupil) Transportation	-	-	-	235
0035 Food Services	75,755	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	307,762	28,136	-	5,446
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	224,087	-	-
0061 Community Services	50,855	842,472	-	249,632
Capital Outlay:				
0081 Facilities Acquisition and Construction	52,390	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	627,680
6030 Total Expenditures	12,026,410	25,196,381	815,063	11,673,630
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
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	276 Teacher Incentive Fund	283 TTIPS Rodriguez ES
\$ 1,293,230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
205,160	-	-	-	-	-	-	-
43,747,221	723,697	1,909,924	2,380,876	1,064,558	2,418,029	6,950,956	1,457,905
45,245,611	723,697	1,909,924	2,380,876	1,064,558	2,418,029	6,950,956	1,457,905
-	585,007	1,726,528	417,187	100,660	22,291	2,142,809	733,120
-	-	-	136	-	-	-	7,443
-	44,672	117,841	1,617,897	800,397	28,201	3,045,391	486,959
-	10,063	18,182	106,167	45,819	234,917	159,758	84,223
-	-	16,844	3,805	113,074	-	381,149	3,976
-	50,000	29,932	-	-	1,988,072	-	19,702
-	-	-	-	-	29,655	-	60,231
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
42,969,399	-	-	-	-	-	-	-
-	-	-	-	-	65	-	-
8,296	-	-	-	-	-	1,221,849	-
2,744,073	33,955	-	-	-	2,876	-	-
-	-	-	-	-	210	-	-
-	-	-	-	-	-	-	-
-	-	597	235,684	4,608	111,742	-	62,251
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
45,721,768	723,697	1,909,924	2,380,876	1,064,558	2,418,029	6,950,956	1,457,905
(476,157)	-	-	-	-	-	-	-
473,274	-	-	-	-	-	-	-
(2,883)	-	-	-	-	-	-	-
8,994,819	-	-	-	-	-	-	-
\$ 8,991,936	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

Data Control Codes	284 TTIPS Stewart ES	289 Other Federal Special Revenue Funds	381 Adult Basic Education	386 Regional Day School Progm for the Deaf
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 742,793
5800 State Program Revenues	-	-	126,916	204,753
5900 Federal Program Revenues	1,663,974	10,237,266	-	-
5020 Total Revenues	1,663,974	10,237,266	126,916	947,546
EXPENDITURES:				
Current:				
0011 Instruction	816,955	4,731,002	123,915	943,742
0012 Instructional Resources and Media Services	15,000	102,752	-	-
0013 Curriculum and Instructional Staff Development	468,127	1,360,248	-	3,804
0021 Instructional Leadership	154,484	1,317,678	3,001	-
0023 School Leadership	5,713	116,371	-	-
0031 Guidance, Counseling and Evaluation Services	33,958	525,414	-	-
0032 Social Work Services	108,761	537,570	-	-
0033 Health Services	-	178,953	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	359	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	33,299	-	-
0052 Security and Monitoring Services	-	11,919	-	-
0053 Data Processing Services	-	39,651	-	-
0061 Community Services	60,976	1,282,050	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	1,663,974	10,237,266	126,916	947,546
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
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
\$ -	\$ 742,120	\$ -	\$ 1,571,960	\$ 3,438,583	\$ 7,788,686	\$ 53	\$ 7,788,739
6,778,033	-	-	-	-	7,314,862	-	7,314,862
-	-	2,283,009	-	-	124,548,899	-	124,548,899
6,778,033	742,120	2,283,009	1,571,960	3,438,583	139,652,447	53	139,652,500
6,639,793	305,867	2,662,447	-	1,510,010	49,553,310	-	49,553,310
-	42,277	-	-	-	701,205	-	701,205
133,350	13,720	1,371,213	-	4,594	19,154,162	-	19,154,162
-	1,817	1,010	-	184,334	5,960,920	-	5,960,920
-	4,125	40,962	-	329,176	2,083,147	-	2,083,147
-	611	311,334	-	1,260,452	8,658,027	-	8,658,027
-	-	260	-	-	2,273,624	-	2,273,624
-	1	-	-	-	459,548	-	459,548
-	3,294	-	-	-	3,529	-	3,529
-	-	-	-	-	43,045,154	-	43,045,154
-	222,603	-	-	4,935	227,962	-	227,962
-	2,919	-	-	-	1,233,064	-	1,233,064
-	79,593	-	-	-	3,235,140	-	3,235,140
4,890	6,198	1,491	-	-	24,708	-	24,708
-	-	-	-	-	263,738	-	263,738
-	22,329	44	1,571,960	517	4,495,717	-	4,495,717
-	-	180,605	-	115,826	348,821	-	348,821
-	-	-	-	-	627,680	-	627,680
6,778,033	705,354	4,569,366	1,571,960	3,409,844	142,349,456	-	142,349,456
-	36,766	(2,286,357)	-	28,739	(2,697,009)	53	(2,696,956)
-	-	-	-	-	473,274	-	473,274
-	36,766	(2,286,357)	-	28,739	(2,223,735)	53	(2,223,682)
18,498	721,276	29,205,501	-	(28,739)	38,911,355	4,039	38,915,394
\$ 18,498	\$ 758,042	\$ 26,919,144	\$ -	\$ -	\$ 36,687,620	\$ 4,092	\$ 36,691,712



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 Sun Life Financial. 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. Sun Life Financial has an A.M. Best financial strength rating of A+ and a long-term issuer credit rating of aa-.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2018

	753 Workers Compensation Fund	770 Dental Insurance Fund	771 Medical Insurance Fund	Total Internal Service Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 10,526,466	\$ 189,453	\$ 8,106,070	\$ 18,821,989
Due from Other Funds	-	751,000	1,234	752,234
Other Receivables	-	1,963	27,478	29,441
Other Current Assets	500,000	-	-	500,000
Total Assets	<u>11,026,466</u>	<u>942,416</u>	<u>8,134,782</u>	<u>20,103,664</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	2,271	94,949	-	97,220
Short Term Claims Payable	1,923,426	110,425	4,218,740	6,252,591
Due to Other Funds	-	-	751,000	751,000
Total Current Liabilities	<u>1,925,697</u>	<u>205,374</u>	<u>4,969,740</u>	<u>7,100,811</u>
NonCurrent Liabilities:				
Claims Payable - Due in More than One Year	978,574	-	-	978,574
Total Noncurrent Liabilities	<u>978,574</u>	<u>-</u>	<u>-</u>	<u>978,574</u>
Total Liabilities	<u>2,904,271</u>	<u>205,374</u>	<u>4,969,740</u>	<u>8,079,385</u>
NET POSITION				
Unrestricted Net Position	<u>8,122,195</u>	<u>737,042</u>	<u>3,165,042</u>	<u>12,024,279</u>
Total Net Position	<u>\$ 8,122,195</u>	<u>\$ 737,042</u>	<u>\$ 3,165,042</u>	<u>\$ 12,024,279</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, 2018

	753 Workers Compensation Fund	770 Dental Insurance Fund	771 Medical Insurance Fund	Total Internal Service Funds
OPERATING REVENUES:				
Local and Intermediate Sources	\$ 3,246,529	\$ 2,585,341	\$ 46,289,423	\$ 52,121,293
Total Operating Revenues	<u>3,246,529</u>	<u>2,585,341</u>	<u>46,289,423</u>	<u>52,121,293</u>
OPERATING EXPENSES:				
Payroll Costs	375,067	30,695	27,238	433,000
Professional and Contracted Services	265,212	139,577	5,391,152	5,795,941
Supplies and Materials	4,687	-	-	4,687
Other Operating Costs	1,412,668	2,693,574	43,295,483	47,401,725
Total Operating Expenses	<u>2,057,634</u>	<u>2,863,846</u>	<u>48,713,873</u>	<u>53,635,353</u>
Income (Loss) Before Transfers	1,188,895	(278,505)	(2,424,450)	(1,514,060)
Transfer In	-	751,000	-	751,000
Transfers Out	-	-	(751,000)	(751,000)
Change in Net Position	<u>1,188,895</u>	<u>472,495</u>	<u>(3,175,450)</u>	<u>(1,514,060)</u>
Total Net Position - July 1 (Beginning)	<u>6,933,300</u>	<u>264,547</u>	<u>6,340,492</u>	<u>13,538,339</u>
Total Net Position June 30 (Ending)	<u><u>\$ 8,122,195</u></u>	<u><u>\$ 737,042</u></u>	<u><u>\$ 3,165,042</u></u>	<u><u>\$ 12,024,279</u></u>

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	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	\$ 3,246,529	\$ 2,585,341	\$ 46,289,423	\$ 52,121,293
Cash Payments to Employees for Services	(375,067)	(30,695)	(27,238)	(433,000)
Cash Payments for Insurance Claims	(2,100,808)	(3,740,066)	(46,092,573)	(51,933,447)
Net Cash Provided by (Used for) Operating Activities	<u>770,654</u>	<u>(1,185,420)</u>	<u>169,612</u>	<u>(245,154)</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>				
Transfer In from Medical Fund	-	751,000	-	751,000
Transfer Out to Dental Fund	-	-	(751,000)	(751,000)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>-</u>	<u>751,000</u>	<u>(751,000)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	770,654	(434,420)	(581,388)	(245,154)
Cash and Cash Equivalents at Beginning of Year	9,755,812	623,873	8,687,458	19,067,143
Cash and Cash Equivalents at End of Year	<u>\$ 10,526,466</u>	<u>\$ 189,453</u>	<u>\$ 8,106,070</u>	<u>\$ 18,821,989</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>				
Operating Income (Loss):	\$ 1,188,895	\$ (278,505)	\$ (2,424,450)	\$ (1,514,060)
Effect of Increases and Decreases in Current Assets and Liabilities:				
Increase in Receivables	-	(1,963)	(27,478)	(29,441)
Increase in Due from Other Funds	-	(751,000)	2,225	(748,775)
Increase in Accounts Payable	759	94,949	-	95,708
Increase/Decrease in Claims Payable	(369,000)	(271,713)	1,068,315	427,602
Increase/Decrease in Deposits	(50,000)	22,812	800,000	772,812
Increase in Due to Other Funds	-	-	751,000	751,000
Net Cash Provided by (Used for) Operating Activities	<u>\$ 770,654</u>	<u>\$ (1,185,420)</u>	<u>\$ 169,612</u>	<u>\$ (245,154)</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, 2018

	BALANCE JULY 1 2017	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30 2018
STUDENT ACTIVITY ACCOUNT				
Assets:				
Cash and Cash Equivalents	<u>\$ 2,777,344</u>	<u>\$ 3,194,090</u>	<u>\$ 3,281,429</u>	<u>\$ 2,690,005</u>
Liabilities:				
Due to Student Groups	<u>\$ 2,777,344</u>	<u>\$ 3,194,090</u>	<u>\$ 3,281,429</u>	<u>\$ 2,690,005</u>
TOTAL AGENCY FUNDS				
Assets:				
Cash and Cash Equivalents	<u>\$ 2,777,344</u>	<u>\$ 3,194,090</u>	<u>\$ 3,281,429</u>	<u>\$ 2,690,005</u>
Liabilities:				
Due to Student Groups	<u>\$ 2,777,344</u>	<u>\$ 3,194,090</u>	<u>\$ 3,281,429</u>	<u>\$ 2,690,005</u>





Required TEA Schedules







SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED JUNE 30, 2018

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2009 and prior years	Various	Various	\$ Various
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	1.170000	0.342600	16,592,753,459
2018 (School year under audit)	1.170000	0.362600	17,901,811,247
1000 TOTALS			

(10) Beginning Balance 7/1/2017	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2018
\$ 3,410,014	\$ -	\$ 137,948	\$ 22,892	\$ (105,706)	\$ 3,143,468
635,495	-	35,830	7,224	(5,536)	586,905
690,974	-	51,250	11,812	(6,336)	621,576
806,312	-	58,693	15,102	(14,778)	717,739
898,098	-	57,812	17,655	(47,375)	775,256
1,001,571	-	85,817	26,207	(39,678)	849,869
1,257,118	-	141,741	46,692	(70,642)	998,043
1,930,287	-	243,835	80,323	(455,487)	1,150,642
13,789,911	-	6,270,697	1,836,216	(3,260,232)	2,422,766
-	263,640,021	184,718,119	57,246,381	(4,897,983)	16,777,538
<u>\$ 24,419,780</u>	<u>\$ 263,640,021</u>	<u>\$ 191,801,742</u>	<u>\$ 59,310,504</u>	<u>\$ (8,903,753)</u>	<u>\$ 28,043,802</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, 2018

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 1,121,880	\$ 1,273,732	\$ 1,293,230	\$ 19,498
5800	State Program Revenues	197,935	197,935	205,160	7,225
5900	Federal Program Revenues	47,218,824	43,718,824	43,747,221	28,397
5020	Total Revenues	48,538,639	45,190,491	45,245,611	55,120
EXPENDITURES:					
0035	Food Services	46,409,292	45,204,593	42,969,399	2,235,194
0041	General Administration	10,000	20,000	8,296	11,704
0051	Facilities Maintenance and Operations	2,493,884	3,400,435	2,744,073	656,362
6030	Total Expenditures	48,913,176	48,625,028	45,721,768	2,903,260
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(374,537)	(3,434,537)	(476,157)	2,958,380
OTHER FINANCING SOURCES (USES):					
7915	Transfers In	400,000	465,000	473,274	8,274
1200	Net Change in Fund Balances	25,463	(2,969,537)	(2,883)	2,966,654
0100	Fund Balance - July 1 (Beginning)	8,994,819	8,994,819	8,994,819	-
3000	Fund Balance - June 30 (Ending)	\$ 9,020,282	\$ 6,025,282	\$ 8,991,936	\$ 2,966,654

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, 2018

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 60,119,611	\$ 60,119,611	\$ 60,030,646	\$ (88,965)
5800	State Program Revenues	1,587,310	3,987,310	2,437,370	(1,549,940)
5900	Federal Program Revenues	2,708,180	2,608,180	2,613,507	5,327
5020	Total Revenues	64,415,101	66,715,101	65,081,523	(1,633,578)
EXPENDITURES:					
Debt Service:					
0071	Principal on Long Term Debt	68,045,586	33,225,000	29,630,000	3,595,000
0072	Interest on Long Term Debt	-	34,820,586	34,650,215	170,371
0073	Bond Issuance Cost and Fees	-	100,000	368,222	(268,222)
6030	Total Expenditures	68,045,586	68,145,586	64,648,437	3,497,149
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,630,485)	(1,430,485)	433,086	1,863,571
OTHER FINANCING SOURCES (USES):					
7911	Remarketed Bonds Issued	-	-	42,195,000	42,195,000
7916	Premium or Discount on Issuance of Bonds	-	-	4,642,252	4,642,252
8949	Other (Uses)	-	-	(46,484,403)	(46,484,403)
7080	Total Other Financing Sources (Uses)	-	-	352,849	352,849
1200	Net Change in Fund Balances	(3,630,485)	(1,430,485)	785,935	2,216,420
0100	Fund Balance - July 1 (Beginning)	87,240,312	87,240,312	87,240,312	-
3000	Fund Balance - June 30 (Ending)	\$ 83,609,827	\$ 85,809,827	\$ 88,026,247	\$ 2,216,420





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.

	Page
Financial Trend Information This section contains schedules of government-wide and fund financial statements.	
GOVERNMENT-WIDE INFORMATION – This section contains schedules that reflect current year and past years amounts on the District's government-wide financial statements.	114-118
FUND INFORMATION – This section contains schedules that reflect current year and past years amounts on the District's fund financial statements.	119-130
Revenue Capacity Information 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.	131-136
Debt Capacity Information 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.	137-143
Demographic and Economic Information 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.	144-146
Operating Information 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.	147-154



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
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 ¹	263,261,972	68,638,676	108,237,773	440,138,421
2014 ²	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
2018	300,655,242	85,599,829	(225,034,461)	161,220,610

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.

Note¹: The District restated net position for the adoption of GASB 65, a decrease of \$3,426,465

Note²: 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)

	2009	2010	2011	2012*
Expenses				
Governmental Activities:				
Instruction	\$ 285,880,498	\$ 301,913,336	\$ 308,437,716	\$ 285,389,734
Instructional Resources & Media	8,259,073	8,275,841	8,436,723	5,821,429
Curr & Instr. Staff Development	19,651,645	21,986,186	19,610,974	11,418,241
Instructional Leadership	10,934,363	11,087,427	11,417,632	9,351,265
School Leadership	27,774,815	29,066,306	30,572,289	28,811,254
Guidance, Counseling & Eval Svcs	18,638,131	19,334,049	18,627,636	17,575,282
Social Work Services	2,762,650	2,798,724	4,010,581	3,727,395
Health Services	6,667,215	7,716,173	7,703,470	7,061,363
Student (Pupil) Transportation	10,059,529	11,571,089	11,508,343	9,378,357
Food Services	30,900,485	31,581,913	34,332,561	36,742,766
Extracurricular Activities	9,191,406	10,237,969	9,989,013	9,700,278
General Administration	13,945,038	13,299,575	13,028,158	10,521,559
Facilities Maintenance & Operations	47,132,011	49,908,328	49,131,995	39,441,279
Security & Monitoring Services	5,641,140	6,030,358	5,971,861	4,968,069
Data Processing Services	5,584,147	8,373,349	8,784,541	8,257,962
Community Services	6,035,175	6,218,703	6,705,996	5,371,827
Interest and Other Charges	23,559,716	22,864,393	23,460,926	25,245,279
Facilities Acquisition & Construction	-	-	-	160,807
Shared Service Arrangements	-	158,610	184,902	877,011
Juvenile Justice Alternative Ed Program	77,126	68,333	28,121	13,042
Other Intergovernmental Charges	866,810	911,195	861,959	856,158
Total Governmental Activities	<u>533,560,973</u>	<u>563,401,857</u>	<u>572,805,397</u>	<u>520,690,357</u>
Program Revenues				
Charges for Services				
Instruction	863,862	2,158,707	730,408	798,254
Curr & Instr. Staff Development	-	168,484	38,117	74,189
Instructional & School Leadership	-	-	-	4,946
Student (Pupil) Transportation	-	139,435	-	6,275
Food Services	3,776,449	2,540,495	2,635,354	2,597,974
Cocurr/Extracurr Activities	1,458,728	658,213	344,369	375,084
General Administration	-	-	-	-
Plant Maintenance & Operations	736,600	643,858	514,962	36,321
Security & Monitoring Services	-	-	26,389	-
Data Processing Services	-	5,810	17,593	-
Community Services	965,184	392,736	354,360	212,474
Operating Grants and Contributions	157,573,376	194,918,033	195,573,924	173,962,772
Total Governmental Activities				
Program Revenue	<u>165,374,199</u>	<u>201,625,771</u>	<u>200,235,476</u>	<u>178,068,289</u>
Net Governmental Activities				
Revenue/(Expense)	<u>\$ (368,186,774)</u>	<u>\$ (361,776,086)</u>	<u>\$ (372,569,921)</u>	<u>\$ (342,622,068)</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.

	2013	2014	2015	2016	2017	2018
\$	298,269,664	\$ 304,413,610	\$ 304,624,281	\$ 333,292,774	\$ 317,144,166	\$ 249,073,072
	6,823,001	6,738,712	6,744,062	7,345,823	7,269,784	5,082,666
	14,432,403	14,881,186	17,787,930	19,439,521	26,623,808	24,932,749
	12,260,934	12,292,657	13,754,068	15,477,034	14,661,225	10,520,898
	33,520,175	31,623,651	31,817,262	34,032,647	36,712,854	27,523,765
	19,855,244	19,534,928	20,296,745	20,538,112	22,361,135	18,466,738
	5,487,101	5,828,314	6,125,699	5,756,793	5,631,551	4,625,897
	8,121,690	8,433,948	8,883,343	9,373,587	9,710,785	7,165,877
	11,393,289	11,908,679	11,813,960	12,150,180	13,041,346	10,600,575
	40,418,519	40,830,531	43,370,939	43,749,368	43,536,259	36,926,737
	10,104,335	10,439,507	11,726,676	11,842,204	12,691,289	10,217,208
	12,106,212	13,215,135	14,790,120	15,381,107	17,268,099	13,677,953
	48,656,050	54,628,818	55,692,868	63,169,846	64,042,929	55,988,721
	5,955,330	6,041,338	6,295,032	6,383,008	6,593,169	4,720,866
	8,784,965	9,821,353	14,132,655	10,432,011	12,473,758	9,197,918
	5,494,512	6,815,365	6,700,290	7,061,243	7,704,263	7,815,440
	29,868,294	29,293,753	29,010,398	26,153,873	28,726,464	25,954,386
	202,206	-	-	-	-	-
	690,826	1,165,756	912,547	776,161	584,740	627,680
	43,880	27,442	4,076	4,076	8,151	93,736
	899,217	935,370	961,645	987,411	1,074,277	1,280,824
	<u>573,387,847</u>	<u>588,870,053</u>	<u>605,444,596</u>	<u>643,346,779</u>	<u>647,860,052</u>	<u>524,493,706</u>
	545,203	876,119	509,660	818,682	653,654	690,504
	-	-	-	-	-	-
	-	-	-	-	-	45,034
	83,218	7,908	37,537	44,255	13,700	143,838
	2,545,339	2,287,650	1,602,502	1,630,008	1,517,085	1,646,057
	401,477	337,259	381,750	412,340	454,458	387,837
	-	-	8,872	-	-	-
	123,465	126,524	20,090	44,866	57,939	53,025
	-	48,236	9,384	12,422	7,046	35,960
	-	-	1,173	146,244	-	3,996
	326,840	208,421	287,446	349,099	338,091	274,127
	<u>174,574,088</u>	<u>175,196,465</u>	<u>179,194,504</u>	<u>198,000,881</u>	<u>172,369,510</u>	<u>177,278,223</u>
	<u>178,599,630</u>	<u>179,088,582</u>	<u>182,052,918</u>	<u>201,458,797</u>	<u>175,411,483</u>	<u>180,558,601</u>
\$	<u>(394,788,217)</u>	<u>(409,781,471)</u>	<u>(423,391,678)</u>	<u>(441,887,982)</u>	<u>(472,448,569)</u>	<u>(343,935,105)</u>

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

LAST TEN YEARS

(Unaudited)

	2009	2010	2011	2012*
Net Governmental Activities				
Revenue/(Expense)	\$ (368,186,774)	\$ (361,776,086)	\$ (372,569,921)	\$ (342,622,068)
General Revenues and Changes in Net Position:				
Property Taxes - General	123,386,852	124,185,378	120,824,928	121,695,463
Property Taxes - Debt Service	24,878,358	25,037,142	27,848,008	31,300,841
Grants and Contributions not Restricted	231,153,491	222,129,005	223,814,533	216,743,676
Investment Earnings	2,796,023	615,873	548,704	2,006,847
Miscellaneous - Local/Federal	2,844,746	2,667,363	3,357,138	995,261
Special Item - Proceeds from Ins. Settlement	-	-	-	-
Special Item - Early Separation Notice Incentive	-	-	(648,000)	-
Total General Revenues	<u>385,059,470</u>	<u>374,634,761</u>	<u>375,745,311</u>	<u>372,742,088</u>
Change in Net Position	<u>\$ 16,872,696</u>	<u>\$ 12,858,675</u>	<u>\$ 3,175,390</u>	<u>\$ 30,120,020</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.

	2013	2014	2015	2016	2017	2018
\$	(394,788,217)	\$ (409,781,471)	\$ (423,391,678)	\$ (441,887,982)	\$ (472,448,569)	\$ (343,935,105)
	122,079,281	125,914,352	131,610,922	146,137,445	183,872,029	194,440,532
	37,280,694	38,456,241	43,354,784	48,140,060	53,842,255	60,259,497
	244,243,010	251,796,242	264,568,312	266,540,791	258,842,440	138,314,536
	784,901	588,680	575,392	5,169,963	(1,592,279)	1,608,272
	2,464,015	2,238,261	2,964,398	2,072,787	9,107,519	29,790,031
	-	-	-	-	2,852,855	-
	-	-	-	-	-	-
	406,851,901	418,993,776	443,073,808	468,061,046	506,924,819	424,412,868
\$	12,063,684	\$ 9,212,305	\$ 19,682,130	\$ 26,173,064	\$ 34,476,250	\$ 80,477,763



Fund Information

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN YEARS

(Unaudited)

	2009	2010	2011 ¹	2012 ²
General Fund				
Reserved Fund Balances:				
Investments in Inventory	\$ 1,861,577	\$ 1,532,814	\$ -	\$ -
Prepaid Items	438,261	-	-	-
Outstanding Encumbrances	1,149,172	1,658,510	-	-
Unreserved Designated For:				
Human Resources	-	-	-	-
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	458,534	828,411	-	-
Workers Compensation	-	-	-	-
Instructional & Administrative Technology	528,000	-	-	-
E-Rate	2,901,000	2,213,000	-	-
Other Purposes	4,500,000	-	-	-
Unreserved and Undesignated:				
Reported in the General Fund	45,924,022	38,125,756	-	-
Nonspendable:				
Inventory	-	-	1,536,722	1,408,607
Prepaid Items	-	-	-	-
Restricted:				
Federal or State Funds Grant Restriction	-	-	945,000	-
Other Restricted	-	-	194,065	131,152
Committed:				
Capital Expenditures for Equipment	-	-	3,914,002	1,685,645
Self Insurance	-	-	7,250,000	7,250,000
Other Committed	-	-	5,000,000	5,000,000
Assigned:				
Other Assigned	-	-	1,372,719	1,993,004
Unassigned	-	-	42,956,292	46,257,349
Total General Fund Balance	\$ 62,760,566	\$ 63,108,491	\$ 63,168,800	\$ 63,725,757

(Continued)

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

Note¹: The District implemented GASB 54 in fiscal year 2011.

Note²: 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

Note³: 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)

	2009	2010	2011 ¹	2012 ²
All Other Governmental Funds				
Reserved, Reported In:				
Debt Service Fund	\$ 43,055,983	\$ 38,433,403	\$ -	\$ -
Capital Projects Fund	38,165,094	31,066,251	-	-
Special Revenue Funds	663,988	761,932	-	-
Unreserved and Undesignated:				
Reported in Special Revenue Funds	2,556,632	6,235,259	-	-
Nonspendable:				
Inventory	-	-	779,879	563,449
Endowment Principal	-	-	101,000	1,000
Restricted:				
Federal or State Funds Grant Restriction	-	-	7,668,586	6,795,548
Capital Acquisition and Contractual Obligation	-	-	223,867,471	202,864,654
Retirement of Long-Term Debt	-	-	39,890,845	69,150,947
Other Restricted	-	-	20,333	3,004
Committed:				
Capital Expenditures for Equipment	-	-	-	4,500,000
Other Committed	-	-	507,562	15,657,948
Assigned:				
Other Assigned - Capital Projects Fund	-	-	592,492	520,131
Other Assigned - Other Funds	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds Balance	<u>84,441,697</u>	<u>76,496,845</u>	<u>273,428,168</u>	<u>300,056,681</u>
Total Governmental Funds -- Fund Balance	<u>\$ 147,202,263</u>	<u>\$ 139,605,336</u>	<u>\$ 336,596,968</u>	<u>\$ 363,782,438</u>
Governmental Funds				
Beginning Fund Balance	\$ 140,397,776	\$ 147,202,263	\$ 139,605,336	\$ 336,596,968
Net Change in Fund Balance	6,804,487	(7,596,927)	196,991,632	27,185,470
Ending Fund Balance	<u>\$ 147,202,263</u>	<u>\$ 139,605,336</u>	<u>\$ 336,596,968</u>	<u>\$ 363,782,438</u>

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

Note¹: The District implemented GASB 54 in fiscal year 2011.

Note²: 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

Note³: The District restated Fund Balance for the Long Term investment of \$2,921,844.

	2013 ³	2014	2015	2016	2017	2018
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	853,086	1,715,812	909,902	918,424	812,200	1,162,074
	1,000	1,000	1,000	1,000	1,000	1,000
	5,972,313	5,181,585	7,305,458	8,425,314	8,182,619	7,829,862
	150,728,621	26,409,480	7,190,047	40,638,540	25,527,228	13,458,900
	74,741,869	83,967,617	87,733,811	86,699,033	87,240,312	88,026,247
	3,009	3,009	3,010	3,018	3,039	3,092
	3,900,000	3,900,000	2,789,581	2,319,626	2,319,626	2,319,626
	23,696,009	23,727,184	19,347,618	19,343,192	19,346,804	19,383,570
	216,695	216,695	216,695	216,695	216,695	10,716,695
	-	2,106,006	5,636,066	11,411,730	8,278,845	5,992,488
	-	-	-	-	(28,739)	-
	260,112,602	147,228,388	131,133,188	169,976,572	151,899,629	148,893,554
\$	325,673,877	\$ 214,814,510	\$ 200,114,135	\$ 243,189,781	\$ 249,677,436	\$ 247,550,734
\$	363,782,438	\$ 325,673,877	\$ 214,814,510	\$ 200,114,135	\$ 243,189,781	\$ 249,677,436
	(38,108,561)	(110,859,367)	(14,700,375)	43,075,646	6,487,655	(2,126,702)
\$	325,673,877	\$ 214,814,510	\$ 200,114,135	\$ 243,189,781	\$ 249,677,436	\$ 247,550,734

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
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
2018	253,211,212	288,211	14,077,996	233,087,477	20,689,196

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
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
9,797,011	140,052,122	671,203,225

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
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 ²	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	333,587,940	48,699,139	102,423,628	16,275,464	73,147,300	7,645,143
2018 ¹	367,487,730	51,485,257	106,241,445	16,809,119	71,978,083	8,904,731

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 \$15,127,053, 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
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%
29,630,000	35,018,437	16,018,970	2,002,240	705,576,012	1,151,609	9.34%

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

LAST TEN YEARS

(Unaudited)

	2009	2010	2011	2012*
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 6,060,115	\$ (2,376,476)	\$ (13,868,894)	\$ 27,088,444
Other Financing Sources (Uses)				
Refunding Bonds Issued	-	-	99,085,000	-
Remarketed Bonds Issued	-	-	-	-
Capital-Related Debt Issued	-	-	212,565,000	-
Refunding Bonds Premium	-	-	8,257,856	-
Sale of Real and Personal Property	744,372	89,549	1,672,449	214,365
Transfers In	2,869,858	2,975,700	5,319,394	18,772,882
Other Resources	-	-	-	-
Transfers Out	(2,869,858)	(8,285,700)	(8,859,394)	(18,772,882)
Payment to Refunded Bond Escrow Agent	-	-	(106,409,031)	-
Other (Uses)	-	-	(122,748)	(117,339)
Total Other Financing Sources (Uses)	744,372	(5,220,451)	211,508,526	97,026
Special Item -- Proceeds from Ins. Settlement	-	-	-	-
Special Item -- Early Separation Notice Incentive	-	-	(648,000)	-
Total Special Items	-	-	(648,000)	-
Net Change in Fund Balances	\$ 6,804,487	\$ (7,596,927)	\$ 196,991,632	\$ 27,185,470

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.

	2013	2014	2015	2016	2017	2018
\$	(39,942,339)	\$ (161,088,044)	\$ (170,692,635)	\$ (57,941,096)	\$ (360,096)	\$ (34,372,787)
	-	-	404,965,000	69,350,000	-	-
	-	-	-	-	-	42,195,000
	-	-	-	54,390,000	-	-
	-	-	41,506,534	22,156,479	-	-
	83,778	228,677	1,061,606	70,025	3,994,896	31,893,236
	10,750,939	2,503,864	12,426,161	4,562,701	5,401,934	10,973,274
	-	50,000,000	150,000,000	37,600,000	-	4,642,252
	(9,000,939)	(2,503,864)	(12,426,161)	(4,562,701)	(5,401,934)	(10,973,274)
	-	-	(241,540,880)	(45,624,762)	-	-
	-	-	(200,000,000)	(36,925,000)	-	(46,484,403)
	1,833,778	50,228,677	155,992,260	101,016,742	3,994,896	32,246,085
	-	-	-	-	2,852,855	-
	-	-	-	-	-	-
	-	-	-	-	2,852,855	-
\$	(38,108,561)	\$ (110,859,367)	\$ (14,700,375)	\$ 43,075,646	\$ 6,487,655	\$ (2,126,702)

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

LAST TEN YEARS

(Unaudited)

Fiscal Year	Average Daily Attendance ¹	Instruction and Instructional - Related Services	Instructional and School Leadership	Support Services - Student (Pupil)	Administrative Support Services	Support Services - Nonstudent Based
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 ²	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
2018	44,274	8,300	1,163	2,400	380	1,626

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

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.

Ancillary Services	Debt Service Principal	Debt Service Interest and Other	Capital Outlay	Inter-governmental Charges	Total
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
201	669	791	362	45	15,937



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			
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
2018	15,580,434,279	2,321,376,968	17,901,811,247	22,829,385,843	78.42%	1.5326

* 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 ¹	Collections in Year of Levy	Percent of Levy Collected	Collections in Subsequent Years	Total Tax Collections	Percent of Levy Collected
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 ²	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%	8,106,913	233,733,843	97.63%
2018	2017	258,742,038	241,964,500	93.52%		241,964,500	93.52%

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

Note ¹: Each tax levy shown above is the adjusted tax levy as of the fiscal year ended June 30, 2018.

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 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
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
2018	1.17000	0.36260	1.53260	201,265,428	62,374,593	263,640,021

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	
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
2018	2017	1.53260	0.55827	0.29123	0.14915	0.58300	0.27624	3.39048

Source: Bexar County Tax Assessor/Collector.

Note: The District was subject to a maximum Maintenance & Operations tax rate of \$1.04 for tax years 2008-2015, and \$1.17 for tax year 2016 and 2017 (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 2018	
		Tax Year 2017 Assessed Taxable Valuation	Percentage of Total Assessed Taxable Valuation
HEB Grocery Company LP	Grocery	\$ 293,886,426	1.64%
VHS San Antonio Partners LP	Medical	185,590,267	1.04%
Marriott Hotel Prop II Ltd	Hotel	185,010,000	1.03%
New Rivercenter Mall II LP	Shopping Center	159,572,760	0.89%
Hotel Investments LP	Hotel	157,600,000	0.88%
Southwestern Bell Telephone	Telephone Utility	129,354,798	0.72%
Methodist Healthcare Sys SA Ltd LLP	Medical	108,668,643	0.61%
H E San Antonio I LLC	Hotel	106,000,000	0.59%
CP/IPERS Griffin Texas Tower LLC	Real Estate	90,200,000	0.50%
New Rivercenter Mall LP	Shopping Center	-	-
HMH Rivers	Land/Improvements	-	-
Hyatt Regency Hotel	Hotel	-	-
Palacio Del Rio, Inc.	Hotel	87,000,000	0.49%
Totals		\$ 1,502,882,894	8.39%

Source: Bexar County Appraisal District.

Fiscal Year 2009

	Tax Year 2008 Assessed Valuation	Percentage of Total Assessed Valuation
\$	137,265,435	1.20%
	79,391,540	0.69%
	187,672,850	1.64%
	-	-
	128,375,400	1.12%
	167,113,290	1.46%
	92,277,286	0.81%
	-	-
	-	-
	84,030,907	0.73%
	83,721,490	0.73%
	104,567,799	0.91%
	81,085,610	0.71%
\$	1,145,501,607	10.00%



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 ¹	Capital Appreciation Bonds	Premiums Discounts and Adjustments
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
2018	197,405,000	537,020,000	-	-	319,988	47,985,593

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 ¹: 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>Restricted Temporarily for Debt Service</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>
\$ 28,827,509	\$ 453,973,946	2.92%	10.20%	8,431
28,001,967	\$ 435,519,499	2.73%	9.24%	8,360
36,759,469	\$ 618,881,998	3.97%	13.19%	11,967
58,900,128	\$ 595,401,624	4.85%	13.55%	11,589
64,525,394	\$ 571,745,393	4.63%	12.17%	11,198
70,587,036	\$ 612,349,775	4.81%	12.64%	12,033
77,326,366	\$ 726,175,543	5.45%	14.10%	14,271
72,913,686	\$ 781,090,131	5.28%	12.41%	15,624
71,881,169	\$ 748,140,520	4.51%	12.56%	15,241
72,625,724	\$ 710,104,857	3.97%	11.60%	15,001

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	\$ 488,500,000	6/30/2018	13.25%	\$ 64,726,250
City of Balcones Heights	197,000	6/30/2018	47.63%	93,831
Bexar County	1,702,665,000	6/30/2018	13.25%	225,603,113
Bexar County Hospital District	876,814,000	12/31/2017	13.25%	116,177,855
City of Olmos Park	1,780,000	6/30/2018	6.19%	110,182
City of San Antonio	1,607,955,000	6/30/2018	18.10%	291,039,855
				\$ 697,751,086
San Antonio Independent School District		6/30/2018		<u>734,744,988</u>
		Total Direct and Overlapping Debt		<u>\$ 1,432,496,074</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)

	2009	2010	2011	2012
Assessed Valuation	\$ 12,723,716,043	\$ 12,882,846,677	\$ 12,423,827,042	\$ 12,264,858,813
Debt Limit - 10% of Assessed Valuation	\$ 1,272,371,604	\$ 1,288,284,668	\$ 1,242,382,704	\$ 1,226,485,881
General Obligation Bonds	497,029,929	473,952,902	658,772,843	664,552,571
Deduct Amount Available in Debt Service Fund	43,055,983	38,433,403	39,890,845	69,150,947
Applicable Debt	453,973,946	435,519,499	618,881,998	595,401,624
Legal Debt Margin	\$ 818,397,658	\$ 852,765,169	\$ 623,500,706	\$ 631,084,257
Debt Margin as a Percentage of the Debt Limit	64.32%	66.19%	50.19%	51.45%

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.

2013	2014	2015	2016	2017	2018
\$ 12,361,723,024	\$ 12,737,897,528	\$ 13,324,011,635	\$ 14,797,210,947	\$ 16,592,753,459	\$ 17,901,811,247
\$ 1,236,172,302	\$ 1,273,789,753	\$ 1,332,401,164	\$ 1,479,721,095	\$ 1,659,275,346	\$ 1,790,181,125
643,565,419	696,317,392	813,909,354	867,789,164	835,380,832	798,131,104
71,820,026	83,967,617	87,733,811	86,699,033	87,240,312	88,026,247
571,745,393	612,349,775	726,175,543	781,090,131	748,140,520	710,104,857
\$ 664,426,909	\$ 661,439,978	\$ 606,225,621	\$ 698,630,964	\$ 911,134,826	\$ 1,080,076,268
53.75%	51.93%	45.50%	47.21%	54.91%	60.33%

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 ^{1,2}	Estimated Actual Property Value ²	Net Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Property Value	Net Bonded Debt Per Average Daily Membership
2009	53,844	15,537,789,879	453,973,946	2.92%	8,431
2010	52,096	15,939,569,943	435,519,499	2.73%	8,360
2011	51,715	15,593,598,904	618,881,998	3.97%	11,967
2012 ³	51,377	12,264,858,813	595,401,624	4.85%	11,589
2013	51,057	12,361,723,024	571,745,393	4.63%	11,198
2014	50,889	12,737,897,528	612,349,775	4.81%	12,033
2015	50,884	13,324,011,635	726,175,543	5.45%	14,271
2016	49,992	14,797,210,947	781,090,131	5.28%	15,623
2017	49,088	16,592,753,459	748,140,520	4.51%	15,241
2018	47,337	17,901,811,247	710,104,857	3.97%	15,001

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.

Note¹: Average Daily Membership represents the average daily enrollment of students, district-wide, over the official number of instructional days.

Note²: Estimated actual property value and average daily membership are used because they are more relevant to the school district than personal income and population.

Note³: 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
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 ¹	-	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%
2018	29,630,000	34,650,215	64,280,215	486,337,762	13.22%

* Excludes other fees.

Source: The District's Finance Office.

Note ¹: 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>
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
2018	330,268	6,120,944,600	18,533	3.6%	17,901,811,247	47,337

Source: For fiscal years 2009-2018, 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	2018		
	Employees	Rank	Percentage of Total Employment
Lackland Air Force Base	37,000	1	3.50%
Fort Sam Houston	32,000	2	3.03%
H.E.B. Food Stores	20,000	3	1.89%
USAA	18,305	4	1.73%
Northside I.S.D.	13,977	5	1.32%
Randolph Air Force Base	11,000	6	1.04%
Methodist Healthcare System	9,620	7	0.91%
City of San Antonio	9,145	8	0.87%
North East I.S.D.	9,001	9	0.85%
San Antonio I.S.D.	7,703	10	0.73%
U.S. Air Force (Lackland & Randolph)	-	-	-
Alamo Community College District	-	-	-
AT&T	-	-	-
United States Air Force	-	-	-
United States Army	-	-	-
	167,751		
Total Employment	1,056,600		

Source: San Antonio I.S.D. employment information for 2018 obtained from the District's PEIMS & Data Services Office. Employment information for 2018 for remaining employers obtained from the San Antonio Economic Development Foundation Website. Employment information for 2009 obtained from the City of San Antonio Planning Department and the 2009 Book of Lists published by the San Antonio Business Journal. Total employment for 2018 & 2009 obtained from the Texas Workforce Commission's Tracer web site.

2009		
<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
33,893	1	4.07%
15,200	3	1.83%
19,249	2	2.31%
14,443	4	1.73%
12,810	5	1.54%
10,733	6	1.29%
7,496	10	0.90%
9,830	7	1.18%
8,360	8	1.00%
8,000	9	0.96%
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>140,014</u>		
<u>832,800</u>		



Operating Information

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
WORK FORCE COMPOSITION BY EMPLOYEE CLASSIFICATION

LAST TEN YEARS

(Unaudited)

Classification	2009	2010	2011	2012
Number of Employees				
Teachers	3,321	3,402	3,437	3,385
Professional Support	772	777	808	737
Campus Administration	172	171	178	177
Central Administration	65	70	69	66
Educational Aides	856	821	899	819
Auxiliary Staff	2,153	2,238	2,242	2,207
Total Employees	7,339	7,479	7,633	7,391
Percent of Total				
Teachers	45.25%	45.49%	45.03%	45.80%
Professional Support	10.52%	10.39%	10.59%	9.97%
Campus Administration	2.34%	2.29%	2.33%	2.39%
Central Administration	0.89%	0.94%	0.90%	0.89%
Educational Aides	11.66%	10.98%	11.78%	11.08%
Auxiliary Staff	29.34%	29.92%	29.37%	29.86%
	100.00%	100.00%	100.00%	100.00%

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

2013	2014	2015	2016	2017	2018
3,367	3,329	3,288	3,290	3,226	3,360
773	739	784	800	858	1,042
180	198	205	210	222	235
69	71	74	78	71	69
875	790	808	783	786	813
2,258	2,297	2,224	2,173	2,212	2,183
7,522	7,424	7,383	7,334	7,375	7,702
44.76%	44.84%	44.54%	44.86%	43.74%	43.62%
10.28%	9.95%	10.62%	10.91%	11.63%	13.53%
2.39%	2.67%	2.78%	2.86%	3.01%	3.05%
0.92%	0.96%	1.00%	1.06%	0.96%	0.90%
11.63%	10.64%	10.95%	10.68%	10.66%	10.56%
30.02%	30.94%	30.12%	29.63%	29.99%	28.34%
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
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%
2018	\$28,080 - \$45,510	\$55,340	10.1	67.7%	31.5%

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
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%
2018	44,274	-4.05%	47,337	-3.57%	93.53%

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
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%
2018	44,274	481,086,294	10,866	10.71%	496,537,080	11,215	-16.19%

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*
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%
2018	15.1	45,934	90.63%

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)

	2009	2010	2011	2012
High Schools				
Number of Locations	10	10	10	10
Square Footage	2,715,231	2,715,231	2,715,231	2,715,231
Enrollment	13,151	13,057	12,622	12,271
Middle Schools				
Number of Locations	14	14	14	14
Square Footage	1,747,360	1,747,360	1,747,360	1,747,360
Enrollment	9,885	9,492	9,683	9,604
Academy/Elementary Schools				
Number of Locations	58	58	58	58
Square Footage	4,031,578	4,031,578	4,031,578	4,031,578
Enrollment	30,072	30,640	30,588	30,124
Early Childhood Education Centers				
Number of Locations	-	4	4	4
Square Footage	225,956	225,956	225,956	225,956
Enrollment	-	1,315	1,268	1,281
Special Campuses				
Number of Locations	4	4	4	3
Square Footage	235,263	235,263	235,263	235,263
Enrollment	256	386	491	611
Other Support Facilities				
Number of Locations	15	15	15	15
Square Footage	560,190	560,190	560,190	560,190
District Totals				
Number of Locations	101	105	105	104
School Square Footage	8,955,388	8,955,388	8,955,388	8,955,388
Total Square Footage	9,515,578	9,515,578	9,515,578	9,515,578
Enrollment	53,364	54,890	54,652	53,891

2013	2014	2015	2016	2017	2018
10	10	10	10	10	10
2,715,231	2,715,231	2,715,231	2,948,477	2,948,477	2,981,247
12,202	12,246	12,255	12,548	12,830	12,518
14	14	14	15	14	13
1,747,360	1,747,360	1,747,360	1,833,267	1,833,267	1,833,267
9,841	9,492	9,319	9,258	8,188	6,973
58	58	58	53	53	53
4,031,578	4,031,578	4,031,578	4,372,584	4,312,624	4,250,273
29,948	29,894	29,750	28,656	29,081	29,087
4	4	4	4	4	6
225,956	225,956	225,956	225,956	225,956	303,135
1,333	1,382	1,145	1,191	1,195	1,616
3	3	3	3	2	2
235,263	235,263	235,263	220,435	220,435	220,435
529	420	443	470	372	368
15	15	15	16	17	16
560,190	560,190	560,190	575,018	752,122	617,270
104	104	104	101	100	100
8,955,388	8,955,388	8,955,388	9,600,719	9,540,759	9,588,357
9,515,578	9,515,578	9,515,578	10,175,737	10,292,881	10,205,627
53,853	53,434	52,912	52,123	51,666	50,562

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, 2018, 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.

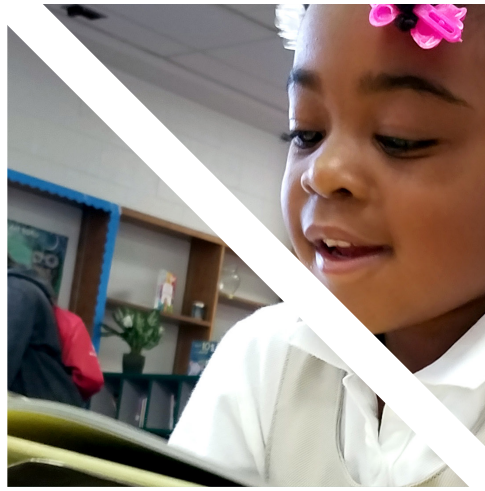
Healy Murphy Center – The site is a private, non-profit fully accredited high school, grades 9 to 12. Students choose to attend based on their need for personal academic attention and remediation in order to complete TEA requirements for graduation.

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.

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, Texas

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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 1, 2018

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*.

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.

*Gonza / Gonzalez
& Associates*

November 1, 2018

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, 2018. 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2018.

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.

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.

*Garza/Gonzalez
& Associates*

November 1, 2018



SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended June 30, 2018

SECTION I --- SUMMARY OF AUDITORS' RESULTS

<i>Financial Statements</i>			
	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

<i>Federal Awards</i>			
	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, 2018

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

<i>Identification of Major Federal Programs</i>		
	CFDA Numbers(s)	Name of Federal Program or Cluster
	10.553 10.555	Child Nutrition Cluster School Breakfast Program National School Lunch Program
	10.558	Child & Adult Care Food Program
	84.374	Teacher Incentive Fund
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, 2018

There were no prior audit findings reported.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

(1)	(2)	(3)	(4)
Project Number	Federal Grantor/ Pass - Through Grantor/ Program Title	Federal CFDA Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
DIRECT PROGRAMS			
	IMPACT AID PL874	84.041	\$ 58,384
	SUBTOTAL		<u>58,384</u>
P066A160187	WHEATLEY COMMUNITY SCHOOL EDUCATIONAL OPPORTUNITY CTR	84.066A	77,228
	SUBTOTAL		<u>77,228</u>
S184G140182-16	CHANGE FOR GOOD - YR 3 OF 5	84.184G	166,702
S184G140182-17	CHANGE FOR GOOD - YR 4 OF 5	84.184G	287,472
	SUBTOTAL		<u>454,174</u>
S206A170013	SAISD GT VISUAL ARTS AND LEADERSHIP PROGRAM	84.206A	67,275
	SUBTOTAL		<u>67,275</u>
U215J140080-16	WHEATLEY COMMUNITY SCHOOL - YR 3 OF 5	84.215J	174,157
U215J140080-17	WHEATLEY COMMUNITY SCHOOL - YR 4 OF 5	84.215J	195,195
	SUBTOTAL		<u>369,352</u>
P334A110128-16	SAISD GEAR UP II PROJECT - YR 6 OF 7	84.334A	851,115
P334A110128-17	SAISD GEAR UP II PROJECT - YR 7 OF 7	84.334A	1,618,916
	SUBTOTAL		<u>2,470,031</u>
U374A160069	TEACHER INCENTIVE FUND-SAN ANTONIO (TIF-SA) YR 1 OF 5	84.374A	1,691,428
U374A160069-17	TEACHER INCENTIVE FUND-SAN ANTONIO (TIF-SA) YR 2 OF 5	84.374A	5,417,591
	SUBTOTAL		<u>7,109,019</u>
	TOTAL U.S. DEPARTMENT OF EDUCATION - DIRECT PROGRAMS		<u>\$ 10,605,463</u>
PASSED THROUGH STATE DEPARTMENT OF EDUCATION			
17610101015907	TITLE I, PART A - IMPROVING BASIC PROGRAMS	84.010A	\$ 1,388,678
18610101015907	TITLE I, PART A - IMPROVING BASIC PROGRAMS	84.010A	24,380,668
17610103015907	TITLE I, PART D - SUBPT 2 -DELINQUENT PROGRAMS	84.010A	44,528
18610103015907	TITLE I, PART D - SUBPT 2 -DELINQUENT PROGRAMS	84.010A	146,857
17610112015907000	TITLE I, 1003(a) PRIORITY & FOCUS SCHOOL GRANT	84.010A	952,616
18610123015907	TITLE I, 1003(a) SCHOOL IMPROVEMENT	84.010A	1,000,738
186101207110010	2017-2019 SCHOOL REDESIGN GRANT, PILOT CYCLE	84.010A	9,821
186101217110005	2018-2019 TRANSFORMATION ZONE PLANNING GRANT	84.010A	127,842
	SUBTOTAL		<u>28,051,748</u>
SPECIAL EDUCATION CLUSTER			
176600010159076600	IDEA-B FORMULA	84.027A	177,558
186600010159076600	IDEA-B FORMULA	84.027A	11,761,529
	SUBTOTAL		<u>11,939,087</u>
176610010159076610	IDEA-B PRESCHOOL	84.173A	657
186610010159076610	IDEA-B PRESCHOOL	84.173A	284,919
	SUBTOTAL		<u>285,576</u>
	SPECIAL EDUCATION CLUSTER SUBTOTAL		<u>12,224,663</u>

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

(1)	(2)	(3)	(4)
Project Number	Federal Grantor/ Pass - Through Grantor/ Program Title	Federal CFDA Number	Federal Expenditures
17420006015907	CARL D PERKINS BASIC FORMULA GRANT	84.048A	4,887
18420006015907	CARL D PERKINS BASIC FORMULA GRANT	84.048A	735,267
	SUBTOTAL		<u>740,154</u>
175900087110014	2017-2019 PUBLIC CHARTER SCHOOL START UP GRANT-ALA	84.282A	449,843
175900087110013	2017-2019 PUBLIC CHARTER SCHOOL START UP GRANT-CAST TECH	84.282A	228,314
175900087110015	2017-2019 PUBLIC CHARTER SCHOOL START UP GRANT-LAMAR ES	84.282A	544,885
175900087110016	2017-2019 PUBLIC CHARTER SCHOOL START UP GRANT-MARK TWAIN DL ACADEMY	84.282A	396,544
175900087110017	2017-2019 PUBLIC CHARTER SCHOOL START UP GRANT-OGDEN RESIDENCY LAB	84.282A	533,518
	SUBTOTAL		<u>2,153,104</u>
176950247110024	2016-2017 21ST CCLC CY 9 YR 1	84.287C	207,337
186950247110024	2017-2018 21ST CCLC CY 9 YR 2	84.287C	1,551,894
	SUBTOTAL		<u>1,759,231</u>
17671003015907	TITLE III, PART A - IMMIGRANT	84.365A	1,042
18671003015907	TITLE III, PART A - IMMIGRANT	84.365A	50,713
17671001015907	TITLE III, PART A - LEP	84.365A	105,760
18671001015907	TITLE III, PART A - LEP	84.365A	981,646
	SUBTOTAL		<u>1,139,161</u>
17694501015907	TITLE II PART A-TEACHER & PRINCIPAL TRAINING & RECRUITING	84.367A	137,962
18694501015907	TITLE II PART A-TEACHER & PRINCIPAL TRAINING & RECRUITING	84.367A	2,295,672
	SUBTOTAL		<u>2,433,634</u>
69551702	SUMMER SCHOOL LEP	84.369A	27,305
	SUBTOTAL		<u>27,305</u>
166107307110010	TEXAS TTL I PRIORITY SCHOOLS-CY 5 YR 1 & 2 - MILLER ES	84.377A	1,270,763
146107107110021	TEXAS TTL I PRIORITY SCHOOLS-CY 3 - DOUGLASS ES	84.377A	5,914
146107137110010	TEXAS TTL I PRIORITY SCHOOLS-CY 3 - DOUGLASS ES	84.377A	579,152
146107107110010	TEXAS TTL I PRIORITY SCHOOLS-CY 3 - CROCKETT ES	84.377A	7,117
146107137110009	TEXAS TTL I PRIORITY SCHOOLS-CY 3 - CROCKETT ES	84.377A	777,494
166107307110011	TEXAS TTL I PRIORITY SCHOOLS-CY 5 YR 1 & 2 - RODRIGUEZ ES	84.377A	1,490,919
166107307110012	TEXAS TTL I PRIORITY SCHOOLS-CY 5 YR 1 & 2 - STEWART ES	84.377A	1,701,812
	SUBTOTAL		<u>5,833,171</u>
18680101015907	TTL IV PART A, SUBPART 1 STUDENT SUPPORT AND ACADEMIC ENRICHMENT PROGRAM	84.424A	503,102
	SUBTOTAL		<u>503,102</u>
5121901	2017-2018 TEXAS HURRICANE EMERGENCY IMPACT AID FOR DISPLACED STUDENTS	84.938C	258,976
	SUBTOTAL		<u>258,976</u>
	TOTAL PASSED THROUGH STATE DEPARTMENT OF EDUCATION		<u>\$ 55,124,251</u>
	PASSED THROUGH REGION 10		
17-051	MCKINNEY-VENTO / TEXSHEP	84.196A	\$ 14,294
18-022	MCKINNEY-VENTO / TEXSHEP	84.196A	200,169
	SUBTOTAL		<u>214,463</u>
	TOTAL PASSED THROUGH REGION 10		<u>\$ 214,463</u>

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

(1)	(2)	(3)	(4)
Project Number	Federal Grantor/ Pass - Through Grantor/ Program Title	Federal CFDA Number	Federal Expenditures
	PASSED THROUGH REGION 20		
220472704	ADULT EDUCATION AND FAMILY LITERACY	84.002A	\$ 67,128
220472804	ADULT EDUCATION AND FAMILY LITERACY	84.002A	765,703
220402807	ENGLISH LITERACY AND CIVICS EDUCATION GRANT	84.002A	15,800
420-8-07	TITLE I, PART C, MIGRANT	84.011A	105,185
223475704	TEMPORARY ASSISTANCE TO NEEDY FAMILIES	93.558	13,939
223475804	TEMPORARY ASSISTANCE TO NEEDY FAMILIES	93.558	50,332
315-634-802	IDEA B-DISCRETIONARY DEAF-SSA	84.027A	48,780
	SUBTOTAL		1,066,867
	TOTAL PASSED THROUGH REGION 20		\$ 1,066,867
	PASSED THROUGH TEXAS WORKFORCE COMMISSION		
2017TAN007	FOSTER YOUTH DROPOUT PREVENTION & RECOVERY HS COMPLETION PILOT PGM	93.558	\$ 99,548
	SUBTOTAL		99,548
	TOTAL PASSED THROUGH TEXAS WORKFORCE COMMISSION		\$ 99,548
	PASSED THROUGH UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY		
U215N110053	EASTSIDE PROMISE NEIGHBORHOOD	84.215N	\$ (2,500)
U215N110053	EASTSIDE PROMISE NEIGHBORHOOD	84.215N	694,535
	SUBTOTAL		692,035
	TOTAL PASSED THROUGH UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY		\$ 692,035
	PASSED THROUGH INTERCULTURAL DEVELOPMENT RESEARCH ASSOCIATION (IDRA)		
S377B150006	IDRA TURNAROUND SCHOOL LEADERSHIP PROGRAM	84.377	\$ 32,707
	SUBTOTAL		32,707
	TOTAL PASSED THROUGH INTERCULTURAL DEVELOPMENT RESEARCH ASSOCIATION (IDRA)		\$ 32,707
	TOTAL U.S. DEPARTMENT OF EDUCATION		\$ 67,835,332
	U.S. DEPARTMENT OF AGRICULTURE		
	PASSED THROUGH TEXAS DEPARTMENT OF AGRICULTURE		
N/A	CHILD & ADULT CARE FOOD PROGRAM - CASH ASSISTANCE	10.558	\$ 4,400,144
N/A	FRESH FRUIT & VEGETABLE PROGRAM	10.582	396,237
	SUBTOTAL		4,796,381
	TOTAL PASSED THROUGH TEXAS DEPARTMENT OF AGRICULTURE		4,796,381
	PASSED THROUGH STATE DEPARTMENT OF EDUCATION		
	CHILD NUTRITION CLUSTER		
N/A	SCHOOL BREAKFAST PROGRAM	10.553	13,982,020
N/A	NATIONAL SCHOOL LUNCH PROGRAM - CASH ASSISTANCE	10.555	23,417,734
N/A	NATIONAL SCHOOL LUNCH PROGRAM - NON-CASH ASSISTANCE	10.555	1,551,085
	CHILD NUTRITION CLUSTER SUBTOTAL		38,950,839
	TOTAL PASSED THROUGH STATE DEPARTMENT OF EDUCATION		38,950,839
	TOTAL U.S. DEPARTMENT OF AGRICULTURE		\$ 43,747,220
	U.S. DEPARTMENT OF JUSTICE		
	PASSED THROUGH OFFICE OF GOVERNOR		
2887802	MIDDLE SCHOOL PARTNER'S GRANT-IRVING MS	16.540	\$ 5,350
	SUBTOTAL		5,350
	TOTAL U.S. DEPARTMENT OF JUSTICE		5,350

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

(1)	(2)	(3)	(4)
Project Number	Federal Grantor/ Pass - Through Grantor/ Program Title	Federal CFDA Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
PASSED THROUGH THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO			
162633 / 162200	HEALTHY FUTURES/UT HEALTH SCIENCE CENTER AT SAN ANTONIO	93.297	113,300
	SUBTOTAL		<u>113,300</u>
	TOTAL PASSED THROUGH THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO		<u>\$ 113,300</u>
PASSED THROUGH CITY OF SAN ANTONIO - DEPARTMENT OF HUMAN SERVICES			
06CH7074-05-02	HEADSTART	93.600	\$ 6,065,833
06CH7074-06-01	HEADSTART	93.600	5,960,577
	SUBTOTAL		<u>12,026,410</u>
	TOTAL PASSED THROUGH CITY OF SAN ANTONIO - DEPARTMENT OF HUMAN SERVICES		<u>\$ 12,026,410</u>
PASSED THROUGH TEXAS DEPARTMENT OF HUMAN SERVICES			
N/A	MEDICAL ASSISTANCE PROGRAM	93.778	\$ 178,953
	SUBTOTAL		<u>178,953</u>
	TOTAL PASSED THROUGH TEXAS DEPARTMENT OF HUMAN SERVICES		<u>178,953</u>
	TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		<u>\$ 12,318,663</u>
U.S. DEPARTMENT OF DEFENSE			
N/A	ARMY JROTC	N/A	\$ 606,811
	SUBTOTAL		<u>606,811</u>
	TOTAL U.S. DEPARTMENT OF DEFENSE - DIRECT PROGRAMS		<u>\$ 606,811</u>
	TOTAL FEDERAL ASSISTANCE		<u>\$ 124,513,376</u>



SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2018

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, 2018. 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, AP/IB Test & Fees, 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, 2018

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 unearned revenues until earned (when expenditures are made).

3. PERIOD OF PERFORMANCE

The period of performance 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, on average extended 30 days beyond the Federal project period ending date, in accordance with provisions in *Section H, Period of Performance of Federal Funds, Part 3, OMB 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 reporting purposes.

National School Lunch Program – Non-Cash Assistance - Commodity receipts represent USDA donated commodities received during the year ended June 30, 2018. The related expenditures relate to the issuance of the commodities to the District's campuses.

5. INDIRECT COSTS

In 2015, the District obtained from TEA a one-time four year extension of the fiscal year 2015 indirect cost rate of 2.274% for restricted and 16.960% for unrestricted through June 30, 2019. In the latest TEA delegation agreement from USDE, indirect cost rate extensions beyond 2017-2018 are rescinded. Thereafter, the District must follow the TEA annual indirect cost rate application process for new approved rates annually.

6. PASS-THROUGH AWARDS

In fiscal year 2018, the Federal awards provided to subrecipients are as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
SAISD Gear Up Project – Year 6 of 7	84.334A	\$ 131,154
SAISD Gear Up Project – Year 7 of 7	84.334A	-
TOTAL		\$ 131,154

