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2014-15
Comprehensive
Annual Financial
Report

For the Fiscal Year Ended August 31, 2015

AUSTIN Independent School District

Austin, TX – Travis County

1111 West Sixth Street
Austin, TX 78703

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512.414.1700

AUSTIN INDEPENDENT SCHOOL DISTRICT
Austin, Texas

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED
AUGUST 31, 2015**

**Prepared by:
Financial Services Department**

Austin Independent School District

Year Ended August 31, 2015

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Introductory Section

Austin Independent School District

1111 West 6th Street
Austin, Texas 78703



February 5, 2016

To the Board of Trustees (“Board”) and the Citizens of Austin Independent School District:

We submit the Comprehensive Annual Financial Report (“CAFR”) of the Austin Independent School District (“the District”) for the fiscal year ended August 31, 2015. This report provides information concerning the financial condition of the District to the Board, citizens of the District, representatives of financial institutions, rating agencies and other interested parties.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge, the enclosed data is accurate in all material respects and fairly represents the financial position of all District funds. We have included all disclosures necessary to enable the reader to gain an understanding of the District’s financial activities.

The financial section of the CAFR includes Management’s Discussion and Analysis (“MD&A”). The MD&A provides an overview and analysis to accompany the basic financial statements. This transmittal letter complements MD&A and should be read in conjunction with it. The District’s MD&A can be found immediately following the independent auditor’s report. The federal awards section includes the single audit report prepared in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments and Non-Profit Organizations.

This report encompasses all funds of the District. The District is a public school system offering early childhood education, pre-kindergarten and kindergarten through grade 12 educational opportunities for all school age residents within its geographic boundaries. This report also includes any activities for which the Board has oversight responsibilities and/or authority to make decisions.

A component unit is a legally separate organization that a primary government must include as a part of its financial reporting entity for fair presentation in conformity with accounting principles generally accepted in the United States of America (“GAAP”). The District is not a component unit nor does it have component units.

GOVERNING BODY

The District is governed by a nine member Board of Trustees (“Board”), two of which are elected at large, comprised of community members who are elected to serve staggered four year terms. Board seats are filled on a rotating basis during biennial elections held on the first Tuesday in November.

Regular meetings are scheduled for the fourth Monday of the month and are held in the Carruth Administration Center Board Auditorium. Work sessions are held on the second Monday of each month. Special called meetings, committee meetings and workshop sessions are scheduled as needed and announced to the public in compliance with public notice requirements.

The Board has final control over local school matters limited only by the state legislature, the court system and by the will of its citizens as expressed in school Board elections and bond referendums. Board decisions are based on a majority vote of those present.

The Board is responsible for adopting policy, employing and evaluating the Superintendent and overseeing the operations of the District and its schools. The Board is also responsible for setting the tax rate, adopting the annual budget along with periodic amendments, setting salary schedules and serving as a board of appeals in personnel and student matters.

DISTRICT FACTS & FIGURES

The District was created in 1955, when all properties and operations of the City of Austin public free school system were transferred from the control of the City’s governing body to the District. The total area of the District is approximately 230.3 square miles located entirely within Travis County, Texas. During a period of several years following the creation of the District, several adjoining independent and common school districts were annexed to the District. The District is characterized as an urban district.

The District has 130 instructional campuses – 85 elementary schools, 18 middle schools, 17 high schools and 10 special campuses/alternative learning centers. The age of school buildings as determined by the year built can be found on Table 24 of the Miscellaneous Statistical Data.

The District had a peak total student population of 84,564 in fiscal year 2015, which represents a decrease to 2010 enrollment levels. This declining enrollment trend is expected to continue with 2016’s enrollment projected to be 83,628. The District continues to be ethnically diverse. Recent statistics indicate a student population that is approximately 58.8 percent Hispanic, 26.6 percent Caucasian, 7.8 percent African-American and 6.8 percent other.

In September 2004, the citizens of the District successfully passed a general obligation bond election that was the culmination of the hard work of the Board of Trustees, Superintendent, District staff and the Citizen’s Bond Committee, which studied and prioritized the capital needs of the District. The bond referendum totaled \$519.5 million and was intended to alleviate overcrowding, keep up with Austin’s growth and improve the quality, safety and sustainability of Austin ISD’s campuses and facilities.

In May 2008, another bond package was approved by voters valued at \$343.7 million to address critical needs including meeting new health requirements and upgrading technology though out the district and to address overcrowding and provide funds to build a district-wide performing arts center. These bond packages included construction of new schools, additions and renovations to various campuses,

additional land purchases, expansion of technology for enhanced curriculum delivery and purchases of new school buses.

In May 2013, voters approved a bond package valued at \$489.6 million to support technology, transportation, energy conservation and address facility repairs and improvements across the district.

ECONOMIC CONDITION AND OUTLOOK

The Austin metropolitan area has long been nationally recognized as one of the most desirable cities in the United States in which to live and work due to a highly successful combination of industry, business, government, education and the overall quality of life. Austin offers a wide variety of entertainment, with music as a special element. Known as the ‘Live Music Capital of the World’ Austin has more than 120 live music venues and is host to the annual South by Southwest and Austin City Limits music festivals.

Known as the “Silicon Hills”, Austin has become one of the nation’s prominent high-tech centers and is now one of the top wireless cities. Austin is one of the top locations in the nation for filmmaking and is consistently ranked highly in many national “best places” lists, including best places to live, best places for business, best places to raise a family and best places to retire. Recently, Forbes ranked Austin 11th on the list of *Best Cities for Young Adults*, 2nd on its list of *America’s Fastest Growing Cities in 2015*, and 4th on its list of *Best Big Cities for Jobs 2015*.

In 2010, the U.S. Census Bureau reported Austin with a population of 790,390 and the population of the Austin-Round Rock Metropolitan Statistical Area (MSA) – which includes Bastrop, Hays, Caldwell, Travis, and Williamson counties – was estimated at 1,716,289. As of October 2015, the population was estimated at 2,020,452. This number is projected to increase by 14.7 percent to 2,317,732 by 2020. In 2014, the estimated median household income and per capita income for the City was \$55,216 and \$32,672, respectively.

Since the 1960’s when IBM first opened its facility in Austin, the area has long been synonymous with the phrase “high tech”. Subsequent arrivals of major firms such as Motorola, Sematech, Advanced Micro Devices, Applied Materials and Dell Computers placed Central Texas on the map as a technological center and created an environment for innovation. Although technology remains the area’s strongest focus, new economic growth is expected to occur in the industries of healthcare, pharmaceuticals and biotechnology. Much of this growth is possible through collaborative research partnerships at local universities and the infusion of venture capital funding.

The Central Texas area is rich in its capacity to generate new talent to support business and industry through the seven institutions of higher learning in the area, led by the University of Texas at Austin. The addition in Round Rock of a branch of Texas State University and the Texas A&M University medical school as well as the planned addition of a campus for Austin Community College will provide an even greater pool for firms to draw future members of the workforce. According to the U.S. Census Bureau, 46% of residents in Austin ages 25 and up have attained a bachelor’s degree or higher in comparison to 27.1% in Texas and 29.3% throughout the United States.

FINANCIAL INFORMATION

The District takes pride in its commitment to fiscal management through integrity, prudent stewardship, planning, accountability, transparency and communication. This philosophy has fostered management actions that led to the generation of a strong fund balance that has accumulated over the years, allowing the District to sustain a high quality of educational services, even in the most trying financial times.

In August 2010, Moody's raised the District's credit rating to Aaa. "The highest-quality rating reflects the district's substantial tax base, economic stability provided by significant institutional presence, historically satisfactory financial operations, and moderate debt profile." (quote from Moody's). In August 2014, and again in June 2015, the District's bond rating was confirmed as Aaa.

Internal Control

Management is responsible for designing, implementing and maintaining adequate, efficient and effective systems of internal control. These systems of control provide reasonable, but not absolute, assurance that (1) District assets and critical records are safeguarded from loss, theft or misuse, (2) authorized transactions are promptly and accurately recorded, (3) District resources are efficiently and economically employed and (4) financial reports are prepared in accordance with GAAP.

The concept of "reasonable assurance" recognizes that (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management. Management believes the internal controls adequately meet the above objectives. In addition, the District has an Internal Audit Department that reports directly to the Board of Trustees.

Budgetary Control

State law requires that every local education agency in Texas prepare and file an annual budget of anticipated revenues and expenditures with the Texas Education Agency. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Board of Trustees. The budget itself is prepared utilizing a detailed line item approach for Governmental Fund types and is prepared in accordance with the budgeting requirements as outlined in the Financial Accountability System Resource Guide for Texas school districts.

The District also maintains an encumbrance accounting system as a budgetary control. Outstanding encumbrances at the end of the fiscal year are rolled forward into the subsequent fiscal period and budget amendments are implemented accordingly.

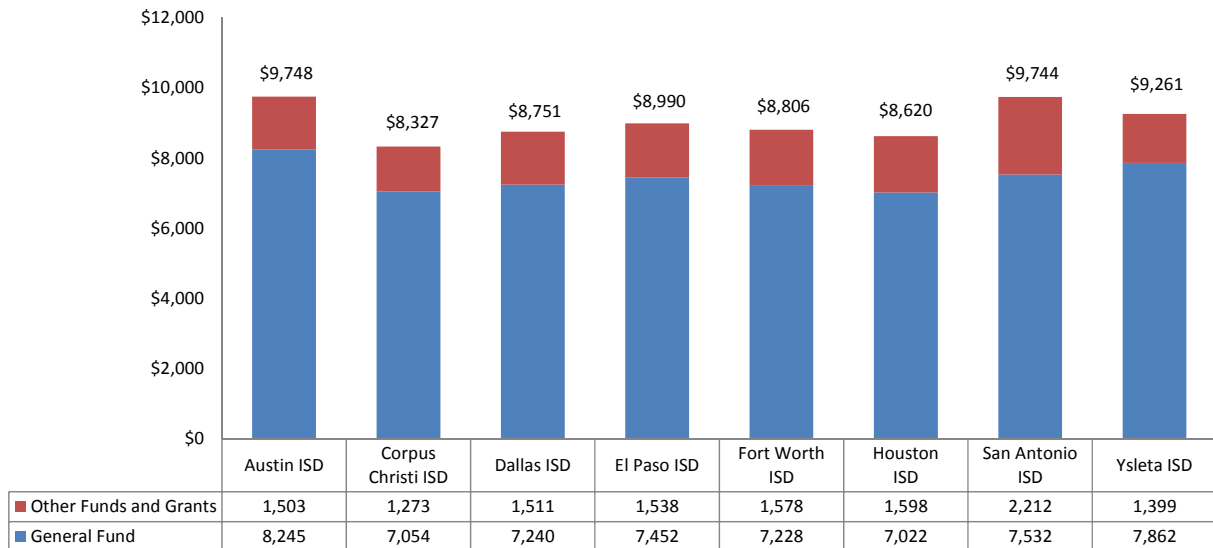
It is the intent of the District that the budgetary process results in the most effective mix of the educational and financial resources available while attaining the goals and objectives of the District's strategic plan. The ultimate decision of the level of funding and the programs to be funded rests with the Board of Trustees. After considering all factors, the Board sets an ad valorem tax rate that generates sufficient revenues to support the expenditure budget of the District.

The budget may be amended during the year to address unanticipated or changing needs of the District. A change to functional expenditure categories, revenue objects, or other sources and uses accounts requires Board approval.

OUR STUDENT INVESTMENT WHEN COMPARED TO OUR TEXAS PEERS

In FY2014, the most recent year for which comparable data is available, Austin ISD spent \$9,748 per pupil, which ranks the highest among urban school districts in Texas. San Antonio ISD had similar spending at \$9,744 per pupil. As illustrated in the graph, three out of eight urban districts spent more than \$9,000 per pupil in FY2014 and all of the urban peers spent more than \$8,000 per pupil. Although AISD’s operating expenditures per pupil are higher than its urban peers, the per-pupil spending level reflects the district’s commitment to ensuring that its diverse student population and graduates are prepared to meet the competitive demands of a global economy. Also, AISD is one of the few school districts that contribute to Social Security at a cost of \$33 million annually or \$391 per pupil in FY2014.

Austin Independent School District
Operating Expenditures per Pupil FY2014 – Urban Peers



FINANCIAL ACCOUNTABILITY

Despite budget constraints in recent years, AISD continues to use sound fiscal management practices, and prudently allocates its resources. Budgets have been developed and implemented with a focus on students and their needs. The district's efforts at fiscal responsibility have helped produce the following results:

- The lowest overall property tax rates in Central Texas for school districts in FY2016.
- Aaa debt rating from Moody's Investors Service, AA+ from Standard & Poor's, and AA from Fitch Ratings, which are among the highest ratings a Texas public school can earn from these agencies. This has resulted in millions of dollars worth of savings for the district's bond program and Austin taxpayers.
- A 2015 School FIRST (*Financial Integrity Rating System of Texas*) rating of *Superior Achievement*, for the 13th consecutive year.
- The Texas Comptroller of Public Accounts awarded AISD with a *Platinum Leadership Circle Award* for budget transparency, the sixth consecutive year the district has been awarded Gold or higher. Platinum is the highest level achievable and requires multiple financial documents and a web page dedicated to financial transparency.
- The Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for 12 years in a row and the GFOA Certificate of Achievement for Excellence in Financial Reporting for five years in a row.
- The Association of School Business Officials International (ASBO) Meritorious Budget Award for excellence in the preparation and issuance of its school system budget for five years in a row.
- The ASBO Certificate of Excellence in Financial Reporting for the fifth year in a row.
- First ranked school district in the nation for total amount of renewable energy purchased.

OTHER INITIATIVES FOR FISCAL YEAR 2015

In December 2013, the Board of Trustees approved the following Strategic Priorities presented by the Superintendent.

1. Develop a plan to implement HB5 mandates to enhance graduation plan endorsements, including Career and Technical Education (CTE) related and other programming.
2. Expand social and emotional initiatives to provide behavioral health supports for all students consistent with our commitment to Whole Child, Every Child.
3. Develop and implement a marketing campaign to improve community understanding of all of the good things that our District offers and build pride and improve satisfaction among AISD's students, teachers, staff and families and increase enrollment.
4. Research and develop professional pathways to recruit, develop, evaluate, compensate, and retain high quality teachers in AISD.
5. Develop multi-faceted solutions to balance the budget and ensure future financial stability by considering both revenue alternatives such as a TRE and expenditure reductions.
6. Implement district literacy plan to promote academic achievement and graduation rates for all student groups.
7. Implement the Facility Master Plan and jumpstart the May 2013 bond program, pending resolution of the Travis County Taxpayers Union Lawsuit.

INDEPENDENT AUDIT

The Texas Education Code, as well as District policy, requires an annual audit of the District's financial statements by independent certified public accountants selected by the Board of Trustees. In addition to meeting the requirements set forth in state statutes, the audit was designed to also meet the requirements of the *Government Auditing Standards* issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of State, Local Governments and Non-Profit Organizations*. The independent auditor's report on the basic financial statements and the combining and individual fund statements and schedules are included in the financial section of this report.

ACKNOWLEDGMENTS

Preparation of this report in a timely manner could not have been accomplished without the dedicated services of the District's Financial Services staff. We would like to express our appreciation for their contributions to its presentation. Acknowledgement is also given to Padgett Stratemann & Co. LLP, staff for their assistance in the production of the report. Finally, we would like to thank the Board of Trustees for their support of the District's objectives of excellence in all aspects of financial management.

Respectfully submitted,



Nicole Conley, Chief Financial Officer



Leo Lopez, Executive Director of Finance



Brent Droll, Comptroller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Austin Independent School District
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2014

Executive Director/CEO

Association of School Business Officials International



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

Austin Independent School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended August 31, 2014*

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



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

AUSTIN INDEPENDENT SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED AUGUST 31, 2015

PRINCIPAL OFFICIALS AND ADVISORS

BOARD OF TRUSTEES

Gina Hinojosa	President
At Large, Position 8	
Amber Elenz	Vice President
District 5	
Jayme Mathias.....	Secretary
District 2	
Edmund T. Gordon.....	Member
District 1	
Ann Teich.....	Member
District 3	
Julie Cowan.....	Member
District 4	
Paul Saldaña.....	Member
District 6	
Robert Schneider.....	Member
District 7	
Kendall Pace.....	Member
At Large, Position 9	

ADMINISTRATIVE STAFF

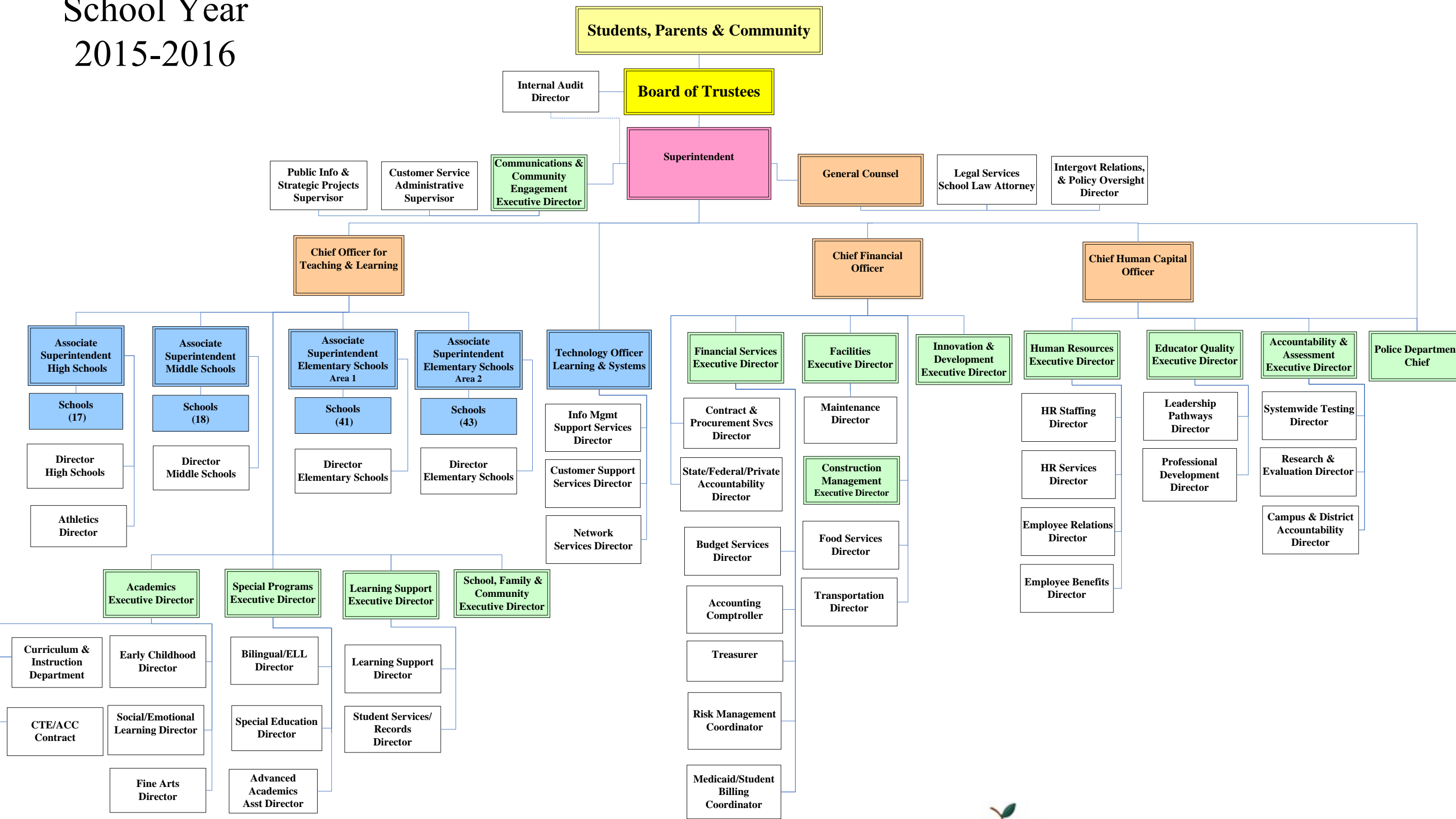
Paul Cruz, Ph.D., Superintendent

Mel Waxler	Chief of Staff
Nicole Conley	Chief Financial Officer
Edmund Oropez	Interim Chief Schools Officer
Pauline Dow	Chief Academic Officer
Lawrence Fryer	Chief Operations Officer
Michael Houser	Chief Human Capital Officer

CONSULTANTS, ADVISORS AND INDEPENDENT AUDITORS

Padgett Stratemann & Co. LLP, Austin, Texas.....	Independent Auditors
Andrews & Kurth LLP, Austin, Texas.....	Bond Counsel
First Southwest Company, Austin, Texas.....	Financial Advisors

School Year 2015-2016



Financial Section



Padgett Stratemann

Independent Auditor's Report

To the Board of Trustees
Austin Independent School District
Austin, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Austin Independent School District (the "District") as of and for the year ended August 31, 2015, 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.

AUSTIN

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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 August 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 18 to the financial statements, effective September 1, 2014, the District adopted Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, An Amendment of GASB Statement No. 68*. As discussed in Note 18 to the financial statements, the prior year’s reported net position has been restated for the adoption of GASB Statement of No. 68. 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 Schedule – General Fund, Schedule of the District’s Proportionate Share of the Net Pension Liability, and Schedule of District Contributions, 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 Other Supplementary Information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* (Circular A-133), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Other Supplementary Information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 and 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. Such information has 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2016 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 that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Padgett, Statemann + Co., L.L.P.

Austin, Texas
January 19, 2016

Austin Independent School District

Management's Discussion and Analysis

August 31, 2015

This section of Austin Independent School District's (the "District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2015. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets plus deferred outflows of resources of the District exceeded its liabilities plus deferred inflows of resources at the close of the fiscal year ended August 31, 2015. Net position was \$237.5 million. Net investment in capital assets was \$141.5 million. The District's restricted net position was \$52.7 million. Unrestricted net position was \$43.3 million.
- During the year, the District's expenses were \$17.2 million less than the \$1,147.0 million generated in taxes and other revenues for governmental activities. Expenditures totaled \$956.6 million after charges for services and operating grants and contributions (revenue). Total revenue from property taxes, state aid, unrestricted grants and contributions, investment income, and miscellaneous revenues is \$973.8 million.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$191.0 million, or 21% of the total general fund expenditures.
- The District issued \$150.4 million in bonds during fiscal year 2014-2015, and ended the year with \$20 million outstanding commercial paper.
- Effective September 1, 2014, the District adopted Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*. As discussed in Note 18 to the financial statements, the prior year's reported net position has been restated for the adoption of GASB Statement No. 68. However, the net position at the beginning of fiscal year 2014 was not restated as actuarial data required for the restatement was not available.

Austin Independent School District

Management's Discussion and Analysis

August 31, 2015

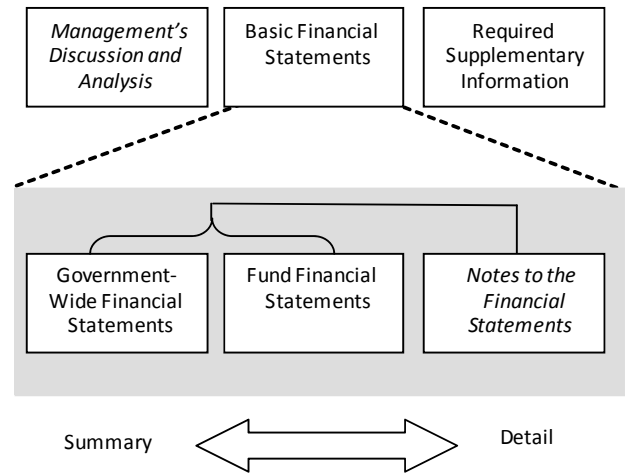
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the District's operations in more detail than the government-wide statements.
- The Governmental Funds statements tell how general government services were financed in the short term, as well as what remains for future spending.
- The Proprietary Fund statements provide information about the District's internal service funds, which are used to accumulate expenses to be charged to the governmental funds.
- Fiduciary Fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-1 Required Components of the District's Annual Financial Report



Austin Independent School District

Management’s Discussion and Analysis

August 31, 2015

Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section explains the structure and contents of each of the statements.

Figure A-2 Major Features of the District’s Government-Wide and Fund Financial Statements

Type of Statement	Government-Wide	Governmental Funds	Fiduciary Funds
<i>Scope</i>	Entire District’s government (except fiduciary funds)	The activities of the District that are not propriety or fiduciary	Instances in which the District is the trustee or agent for someone else’s resources
<i>Required Financial Statements</i>	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of fiduciary net position
<i>Accounting Basis and Measurement Focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<i>Type of Asset/Liability Information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
<i>Type of Inflow/Outflow Information</i>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after year-end, expenditures when goods or services have been received and payment is due during the year or soon thereafter	Agency funds do not report revenue and expenditures

Austin Independent School District

Management's Discussion and Analysis

August 31, 2015

Government-Wide Statements

The government-wide statements report information about the District as a whole, using accounting methods similar to those used by private-sector companies. The statement of net position includes all the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All the current year's revenues and expenses are accounted for in the statement of activities on the accrual basis, regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, are one way to measure the District's financial position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating.
- To assess the overall financial health of the District, one must consider additional factors, such as changes in the District's tax base.

The government-wide financial statements of the District include the governmental activities. All the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's major funds, rather than the District as a whole. Funds are a governmental accounting tool the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage resources for specific purposes or to delineate the use of certain taxes and grants.

The District has three kinds of funds:

- *Governmental Funds* – Most of the District's basic services are included in Governmental Funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) on the balances left at year-end that are available for spending. Consequently, the Governmental Funds statements provide a detailed short-term view that helps determine the availability of financial resources to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the Governmental Funds statement, or on the subsequent page, that explains the relationship (or differences) between them. These include debt financing and capital projects.

Austin Independent School District

Management's Discussion and Analysis

August 31, 2015

- *Proprietary Funds* – Services for which the District charges internal departments a fee are generally reported in Proprietary Funds. Proprietary Funds, like the government-wide statements, provide both long- and short-term financial information. In the District, internal service funds are used to report activities that provide supplies and services for the District's other programs and activities, such as the District's Self Insurance Fund.
- *Fiduciary Funds* – The District is the trustee, or fiduciary, for certain funds. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes a Budgetary Comparison Schedule – General Fund, Schedule of the District's Proportionate Share of the Net Position Liability, and the Schedule of the District's Contributions. The Budgetary Comparison Schedule – General Fund provides detailed comparisons of expenditures and intra-agency transfers at the legal level of control. Comparisons can be made between the original budget, final budget, and actual costs for the year. The Schedule of the District's Proportionate Share of the Net Position Liability and Schedule of the District's Contributions disclose covered payroll and related comparison information, as required by GASB Statement No. 68, as of August 31, 2015.

Austin Independent School District

Management's Discussion and Analysis

August 31, 2015

Financial Analysis of the District as a Whole

Net Position – The District's combined net position was approximately \$237.5 million at August 31, 2015. The following is a schedule of the District's net position:

Table A-1
The District's Net Position
(In Millions of Dollars)

	<u>Governmental Activities</u>		<u>Percentage Change</u>
	<u>2015</u>	<u>2014</u>	
Current and other assets	\$ 432.6	\$ 395.2	9%
Capital assets	952.6	915.6	4%
Total assets	<u>1,385.2</u>	<u>1,310.8</u>	6%
Deferred loss on refunding	8.7	-	n/a
Deferred outflow for TRS pension liability	17.4	-	n/a
Total deferred outflows of resources	<u>26.1</u>	<u>-</u>	n/a
Current liabilities	241.9	185.1	31%
Long-term liabilities	900.6	789.4	14%
Total liabilities	<u>1,142.5</u>	<u>974.5</u>	17%
Deferred inflow for TRS pension liability	31.3	-	n/a
Total deferred inflows of resources	<u>31.3</u>	<u>-</u>	n/a
Net position:			
Net investment in capital assets	141.5	94.9	49%
Restricted	52.7	48.8	8%
Unrestricted	43.3	192.5	(78%)
Total net position, prior to restatement	<u>237.5</u>	<u>336.2</u>	
Restatement	-	(115.9)	
Total net position, as restated	<u>\$ 237.5</u>	<u>\$ 220.3</u>	8%

Austin Independent School District

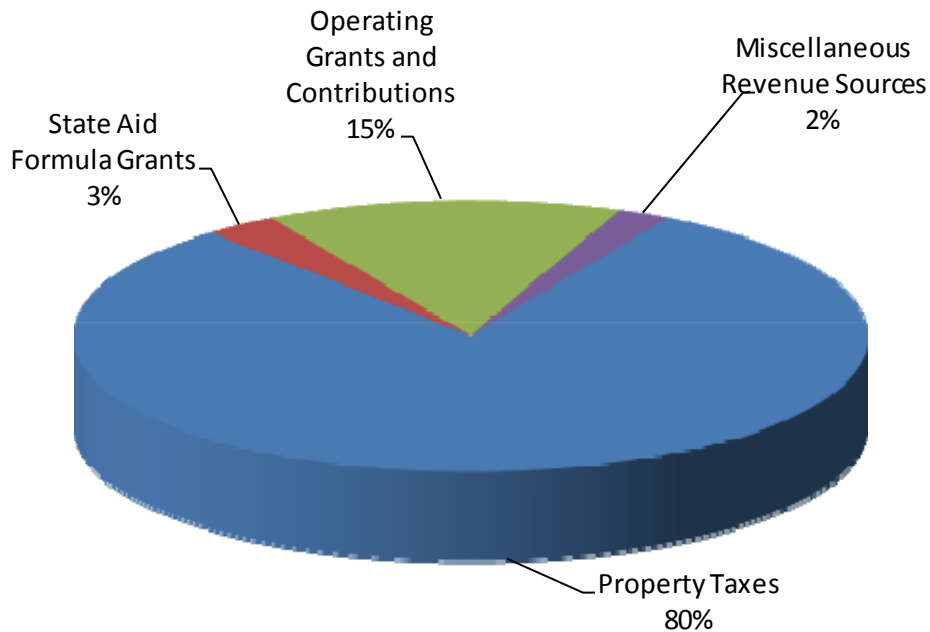
Management's Discussion and Analysis

August 31, 2015

Changes in Net Position

The District's total revenues were \$1,147.0 million. A significant portion, 80%, of the District's revenue comes from taxes; 3% comes from state aid formula grants, while 15% is related to other operating grants and contributions; the remaining 2% comes from miscellaneous revenue sources (see Figure A-3 below).

**Figure A-3
Sources of Revenues for Fiscal Year 2015**



The total cost of all programs was \$1,129.8 million and \$1,104.5 million for the years ended August 31, 2015 and 2014, respectively. When adjusted for the \$183.6 million in expenses in 2015 and \$125.9 million in expenses in 2014 related to Chapter 41 and other pass-through costs, 72.1% and 69.5%, respectively, of these costs are for instructional and student services.

The total of all program and service costs for school leadership was 6.4% in 2015 and 6.5% in 2014, and 9.1% and 8.9% in 2015 and 2014, respectively, for plant maintenance and operations (including security services).

Austin Independent School District

Management's Discussion and Analysis

August 31, 2015

Table A-2
Changes in the District's Net Position
(In Millions of Dollars)

	<u>Governmental Activities</u>		<u>Percentage Change</u>
	<u>2015</u>	<u>2014</u>	
Revenues			
Program revenues:			
Charges for services	\$ 6.2	\$ 5.7	9%
Operating grants and contributions	167.1	178.7	(6%)
General revenues:			
Property taxes	921.2	836.8	10%
State aid – formula	34.1	35.3	(3%)
Investment earnings	0.8	0.8	0%
Other	17.6	11.8	49%
Total revenues	<u>1,147.0</u>	<u>1,069.0</u>	7%
Expenses			
Instruction and instructional related	505.5	507.2	0%
Instructional resources and media related	13.8	13.5	2%
Curriculum and staff development	30.4	29.5	3%
Instructional leadership	16.8	16.4	2%
School leadership	55.6	55.5	0%
Guidance, counseling, and evaluation services	26.9	26.4	2%
Social work services	5.0	5.3	(6%)
Health services	6.8	6.5	5%
Student transportation	33.6	33.1	2%
Food services	42.6	42.0	1%
Extracurricular activities	17.9	17.1	5%
General administration	19.1	18.8	2%
Plant maintenance and operations	93.2	88.2	6%
Security and monitoring services	10.0	9.7	3%
Data processing services	19.9	25.6	(22%)
Community services	17.6	17.0	4%
Debt service	25.0	61.7	(59%)
Payments to fiscal agent/member districts – shared service	183.6	125.9	46%
Other governmental charges	5.3	4.2	26%
Depreciation – exclusive of functional amounts	1.2	0.9	33%
Total expenses	<u>1,129.8</u>	<u>1,104.5</u>	2%
Change in net position	17.2	(35.5)	(149%)
Net position at beginning of year	<u>220.3</u>	<u>371.8</u>	(41%)
Net position at end of year, before restatement	<u>237.5</u>	<u>336.2</u>	
Restatement	-	(115.9)	(100%)
Net position at end of year, as restated	<u>\$ 237.5</u>	<u>\$ 220.3</u>	8%

Austin Independent School District

Management’s Discussion and Analysis

August 31, 2015

Table A-3 presents the cost of the District’s largest functions, as well as each function’s net cost (total costs less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded directly by state revenues, as well as local tax dollars.

- The cost of all governmental activities in 2015 was \$1,129.8 million and, in 2014, was \$1,104.5 million.
- However, the amount the District’s taxpayers paid for these activities through property taxes was only \$921.2 million in 2015 and \$836.8 million in 2014.
- Those who directly benefited paid some costs of the programs (\$6.2 million in 2015 and \$5.7 million in 2014), with grants and contributions (\$167.0 million in 2015 and \$178.7 million in 2014) sharing the load.

Table A-3
Net Cost of Selected District Functions
(In Millions of Dollars)

	<u>Total Cost of Services</u>			<u>Percentage Change</u>	<u>Net Cost of Services</u>		
	<u>2015</u>	<u>2014</u>			<u>2015</u>	<u>2014</u>	<u>Percentage Change</u>
Instruction	\$ 549.7	\$ 550.2		(0%)	\$ 466.7	\$ 458.8	2%
School leadership	72.3	71.9		1%	64.6	63.1	2%
Plant maintenance and operations	93.2	88.2		6%	91.5	86.3	6%

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes.

Governmental Funds

The focus of the District’s Governmental Funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. In particular, the unassigned fund balance may serve as a useful measure of the District’s net resources available for spending at the end of a fiscal year.

At the end of the current fiscal year, the District’s Governmental Funds reported combined ending fund balances of \$236.6 million. Approximately 81% percent of this total amount (\$191.0 million) is available for spending at the government’s discretion (General Fund unassigned fund balance). The remainder of the fund balance is nonspendable, restricted, or assigned to indicate it is not available for new spending because it has already been committed for various purposes, including capital projects, repayment of debt, food service, wastewater plant, and investment in inventories.

Austin Independent School District

Management's Discussion and Analysis

August 31, 2015

The General Fund is the primary operating fund of the District. At the end of the current fiscal year, the fund balance of the General Fund was \$217.7 million. Of this amount, \$18.4 million is assigned for various projects, and \$8.3 million is nonspendable for investment in inventories. As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The total General Fund balance represents approximately 24% of total fund expenditures. The fund balance decreased by \$3.2 million during the current fiscal year period.

The Debt Service Fund had an increase in fund balance of \$4.4 million during the current year to bring the year end fund balance to \$48.2 million. The increase is primarily the result of the refunding bond issuances of \$150.4 million during the year, including \$23.1 million of premium related to the bonds. These increases are offset by \$102.7 million in payments to the escrow agent and a transfer of \$70.0 million to the Capital Projects Fund to retire commercial paper.

The Capital Projects Fund accounts for the construction of school buildings and improvements. At the end of the current fiscal year, the fund balance was a negative \$37.0 million, due to outstanding payables related to construction costs of \$24.5 million at August 31, 2015. The District finances construction costs with commercial paper until bonded debt is issued at a later date.

General Fund Budgetary Highlights (See Exhibit G-1)

Differences between the final general operating fund budget and the actual amounts are explained as follows:

Revenues

- An unfavorable variance in local and state sources were due to the following adjustments:
 - Local property tax collections, including current year, prior year, and penalty and interest, were approximately \$1.1 million, or less than a quarter of a percent lower than anticipated.
 - State revenue including the Foundation School Program and TRS on behalf payments were almost \$2.0 million less than anticipated.
 - Federal and grant indirect cost earnings was \$474,905 less than anticipated.

Expenditures

- A net favorable variance of almost \$11 million in expenditures was due to the following variances:
 - Employee payroll, payroll taxes, and benefits, including the related TRS on behalf payment, were \$6.5 million less than budgeted.
 - Professional and contracted services were \$4.9 million less than estimated.
 - The District spent \$0.65 million more on supplies and materials than budgeted. This includes software, equipment, and general supplies.
 - The District spent \$0.39 million less on other operating costs. This includes employee travel and insurance and bonding costs.
 - The District spent \$0.22 million more on capital outlay for buildings and equipment than budgeted.
 - Other areas of unspent items that were spread across the remaining accounts not covered above, totaling \$0.08 million.

Austin Independent School District

Management's Discussion and Analysis

August 31, 2015

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At August 31, 2015, the District had invested \$952.6 million in a broad range of capital assets, including land, equipment, buildings, vehicles, and capital lease assets. (See Table A-4 below.)

Table A-4
District's Capital Assets
(In Millions of Dollars)

	<u>Governmental Activities</u>		<u>Percentage Change</u>
	<u>2015</u>	<u>2014</u>	
Land	\$ 70.7	\$ 67.4	5%
Buildings and improvements	858.7	826.0	4%
Furniture fixtures and equipment	23.2	22.2	5%
	<u>\$ 952.6</u>	<u>\$ 915.6</u>	4%

During the District's fiscal year 2014-2015, capital spending totaled \$95.4 million in building and improvements and capital equipment. At August 31, 2015, the District is committed under contracts in the amount of approximately \$29.7 million. The commitments are for remaining work on various construction projects. These commitments are payable from the Capital Projects Fund. For more detailed information on capital assets, refer to Note 7 of the notes to the basic financial statements.

Debt Administration

At August 31, 2015, the District had \$860.5 million in long-term debt outstanding, as shown in Table A-5 (on the following page). Additionally, the District is approved for the issuance of Austin Independent School District Commercial Paper Notes, Series A ("Commercial Paper") in an aggregate principal amount not to exceed \$150,000,000 for the purpose of funding new construction and rehabilitation and renovation of existing facilities. The Commercial Paper notes mature in not more than 270 days from issuance and are supported by a revolving credit agreement. Up until June 11, 2015, the notes were supported with a joint revolving credit agreement with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. The Commercial Paper is secured by a pledge of the proceeds of future general obligation bonds or loans issued by the District to pay the principal of the Commercial Paper or proceeds from ad valorem property taxes. The District had \$20 million Commercial Paper outstanding in the Capital Projects Fund as of August 31, 2015.

Austin Independent School District

Management’s Discussion and Analysis

August 31, 2015

Table A-5
District’s Long-Term Debt
(In Millions of Dollars)

	Governmental Activities		Percentage Change
	2015	2014	
Bonds payable	\$ 856.9	\$ 863.1	(1%)
Notes and leases payable	3.6	3.6	1%
	<u>\$ 860.5</u>	<u>\$ 866.7</u>	(1%)

For more information on long-term debt, refer to Note 8 of the notes to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

Assessed values for the 2014-2015 school year were \$75.5 billion as of May 7, 2015, an increase of 12.2% from the previous year. The values for the 2015-2016 school year, as of August 24, 2015, were at \$81.3 billion, an increase of 14.7% from 2014-2015. The first six week’s enrollment for 2015-2016 was 83,628 a decrease of 1.1% from 2014-2015. Funding from the state is based on Average Daily Attendance (“ADA”). ADA for 2014-2015 was 77,359, a decrease of 621, or 0.8% from the prior year. For 2015-2016, the District projects an estimated ADA of 76,493 which represents a 1.1% decrease from the 2014-2015 school year.

The actual cost per student for 2014-2015 was \$8,611 and the projected estimated cost per student for 2015-2016 is \$8,676. The cost per student for 2014-2015 was calculated by dividing the total General Fund actual expenditures, net of Chapter 41 payments, with the actual student enrollment. The cost per student for 2015-2016 was calculated by dividing the total General Fund adopted budget, net of Chapter 41 payments, with budgeted enrollment. The increase in the cost per student from 2014-2015 to 2015-2016 is attributed to a combination of increases in the General Fund budget (driven largely by the \$14.7 million salary increase) combined with decreases in student enrollment.

Increases

- A 3% pensionable increase over the District’s fiscal year 2014-15 annualized salary for fiscal year 2015-16. (\$14.7 million).
- Increase to meet statutorily required or contractually obligated programs (\$3.4 million).
- Baseline increases, including employee health benefits, insurance and bonding costs, and tax collection and appraisal fees (\$2.7 million). Increase in Chapter 41 payment estimate (\$97.2 million).
- Board Consent on Blazier-Doss-Wooten Relief Plan (\$116,830).

Austin Independent School District

Management's Discussion and Analysis

August 31, 2015

- Districtwide Marketing Plan to increase student enrollment and position AISD as the city's premier choice in K-12 (\$797,138).
- Professional Development – Campus Police (\$5,000).
- Change bell time at LBJ and HB5 Student Sharing Transportation (\$67,500).

Decreases

- Reduction of payroll costs resulting from decrease in enrollment (\$13.8 million).
- Decrease in Strategic Compensation (\$2.2 million).
- Central Department Budget Reduction (\$2.3 million).
- Decrease in Teacher Reserved Units (\$1.0 million).
- Supplemental Support transition to grants (High Dosage Tutoring) (\$1.5 million).
- Custodian Sq. Ft. Adjustments (Est. 90 FTEs) (\$938,499).
- Energy savings, reduction in painting and vehicle services (\$610,000).
- Curriculum Writing Cadre Reduction (\$593,200).
- Increase in Field Trip Reimbursement – Negative Expenditure Line Item (\$450,000).
- Transfer software maintenance to IMA funds (\$265,775).
- Election Costs (\$160,000).
- Summer program reduction for nursing services already budgeted and tutoring support (\$60,000).
- Community In Action Network (\$30,000). This amount, however was reinstated per a Board request, after the budget was adopted.
- Reduction in use of emergency pagers (\$40,000).

At the end of the 2014-2015 school year, the District had a decrease of \$3.2 million in the General Fund balance, bringing the District's fund balance from \$221.0 million to \$217.7 million as of August 31, 2015. Of this amount, \$8.3 million is nonspendable, \$18.4 million is assigned, and \$191.0 million is unassigned. For the 2015-2016 school year, General Fund revenues are projected to increase approximately 13.7% and expenditures are projected to increase 10.5%. The District anticipates having a surplus of revenues over expenditures by \$931,068 at the end of the 2015-2016 school year. For the 2014-2015 and 2015-2016 school years, recapture payments totaled \$181.1 million and estimated at \$272.8 million, respectively. The District's maintenance and operation tax rate is \$1.079 per hundred dollars of assessed value for 2014-2015 and remained the same for the 2015-2016 school year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Financial Services Department.

Basic Financial Statements

Austin Independent School District

Exhibit A-1 Statement of Net Position

August 31, 2015

Data Control Codes		Governmental Activities
	Assets	
1110	Cash, cash equivalents, and temporary investments	\$ 391,899,639
1225	Property taxes receivable – net	7,822,864
1240	Due from other governments	19,356,412
1260	Receivables from external parties	736,698
1290	Other receivables – net	993,935
1310	Inventories	3,207,475
1410	Prepays and other assets	8,623,479
	Capital assets:	
1510	Land	70,679,124
1520	Buildings and improvements – net	782,459,651
1530	Furniture and equipment – net	23,240,181
1580	Construction in progress	76,228,054
		1,385,247,512
1000	Total assets	
	Deferred Outflows of Resources	
1701	Deferred loss on refunding	8,668,723
1705	Deferred outflow for TRS pension liability	17,437,431
		26,106,154
	Total deferred outflows of resources	
	Liabilities	
2110	Accounts payable	50,016,698
2120	Commercial paper	20,000,000
2150	Payroll deductions and withholdings	13,403,153
2160	Accrued wages payable	5,206,507
2170	Payables to external parties	5,909
2180	Due to other governments	72,483,623
2200	Accrued expenses	2,992,054
2300	Unearned revenues	2,211,626
	Noncurrent liabilities:	
2400	Due within one year	75,629,444
2500	Due in more than one year	798,274,313
2500	Net pension liability – District’s share	102,327,301
		1,142,550,628
2000	Total liabilities	
	Deferred Inflows of Resources	
2605	Deferred inflow for TRS pension liability	31,302,225
		31,302,225
	Total deferred inflows of resources	
	Net Position	
3200	Net investment in capital assets	141,515,416
3800	Restricted for:	
	Retirement of long-term debt	48,169,616
	Federal and state funds grants	4,550,895
3900	Unrestricted	43,264,886
		43,264,886
3000	Total net position	\$ 237,500,813

The accompanying notes are an integral part of this statement.

Austin Independent School District

Exhibit B-1 Statement of Activities

Year Ended August 31, 2015

Data Control Codes	Functions/Programs	1	3	4	Net (Expense) Revenue and Changes in Net Position
		Expenses	Program Revenues		Governmental Activities
			Charges for Services	Operating Grants and Contributions	
Government activities:					
11	Instruction	\$ 505,494,951	\$ 1,242,470	\$ 63,462,381	\$ (440,790,100)
12	Instructional resources and media services	13,797,834	-	813,266	(12,984,568)
13	Curriculum and instructional staff development	30,406,021	-	17,512,996	(12,893,025)
21	Instructional leadership	16,763,657	-	3,312,257	(13,451,400)
23	School leadership	55,575,630	-	4,429,954	(51,145,676)
31	Guidance, counseling, and evaluation services	26,888,141	-	4,050,090	(22,838,051)
32	Social work services	5,038,697	-	516,079	(4,522,618)
33	Health services	6,853,096	-	22,180,025	15,326,929
34	Student (pupil) transportation	33,617,548	-	1,047,840	(32,569,708)
35	Food services	42,557,473	-	37,310,898	(5,246,575)
36	Curricular/extracurricular activities	17,872,326	760,197	568,392	(16,543,737)
41	General administration	19,070,099	1,623,120	1,055,160	(16,391,819)
51	Plant maintenance and operations	93,176,143	-	1,716,608	(91,459,535)
52	Security and monitoring services	9,961,903	-	433,322	(9,528,581)
53	Data processing services	19,931,330	-	1,222,308	(18,709,022)
61	Community services	17,648,983	2,584,159	7,389,036	(7,675,788)
71	Interest on long-term debt	25,010,656	-	-	(25,010,656)
91	Contracted instructional services between schools	181,118,956	-	-	(181,118,956)
93	Payments related to shared services arrangements	2,526,261	-	-	(2,526,261)
99	Other intergovernmental charges	5,267,148	-	-	(5,267,148)
99	Depreciation – exclusive of functional amounts	1,237,813	-	-	(1,237,813)
TG	Total governmental activities	<u>1,129,814,666</u>	<u>6,209,946</u>	<u>167,020,612</u>	<u>(956,584,108)</u>
TP	Total primary government	<u>\$ 1,129,814,666</u>	<u>\$ 6,209,946</u>	<u>\$ 167,020,612</u>	<u>(956,584,108)</u>
General revenues:					
MT	Property taxes – levied for general purposes				813,457,542
DT	Property taxes – levied for debt service				107,788,597
SF	State aid – formula grants				34,132,093
GC	Grants and contributions not restricted to specific programs				4,605,140
IE	Investment earnings				778,009
MI	Miscellaneous				<u>13,015,643</u>
TG	Total general revenues				<u>973,777,024</u>
CN	Change in net position				17,192,916
NB	Net position at beginning of year – as previously reported				336,245,158
PA	Restatement required by GASB Statement No. 68 (Note 18)				<u>(115,937,261)</u>
NB	Net position at beginning of year, as restated				<u>220,307,897</u>
NE	Net position at end of year				<u>\$ 237,500,813</u>

The accompanying notes are an integral part of this statement.

Austin Independent School District

Exhibit C-1 Balance Sheet – Governmental Funds

August 31, 2015

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Funds	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
1110	Cash, cash equivalents, and temporary investments	\$ 281,738,359	\$ 48,219,556	\$ 25,450,149	\$ 13,049,034	\$ 368,457,098
1220	Property taxes – delinquent	30,666,690	4,316,196	-	-	34,982,886
1230	Allowance for uncollectible taxes	(23,799,154)	(3,360,868)	-	-	(27,160,022)
1240	Due from other governments	415,443	-	-	18,940,969	19,356,412
1260	Due from other funds	38,820,805	35,420	449	-	38,856,674
1290	Other receivables	771,517	23,013	-	199,285	993,815
1300	Inventories	395,152	-	-	2,724,358	3,119,510
1410	Prepays and other assets	7,930,082	-	-	480,477	8,410,559
1000	Total assets	<u>\$ 336,938,894</u>	<u>\$ 49,233,317</u>	<u>\$ 25,450,598</u>	<u>\$ 35,394,123</u>	<u>\$ 447,016,932</u>
Liabilities						
2110	Accounts payable	\$ 21,497,277	\$ 83,294	\$ 24,496,650	\$ 3,300,492	\$ 49,377,713
2120	Loans payable	-	-	20,000,000	-	20,000,000
2150	Payroll deductions and withholdings	13,403,153	-	-	-	13,403,153
2160	Accrued wages payable	3,357,332	-	89,445	739,542	4,186,319
2170	Due to other funds	5,498,557	25,000	17,908,148	17,369,551	40,801,256
2180	Due to other governments	68,568,999	-	-	3,914,624	72,483,623
2300	Unearned revenues	23,112	79	-	2,314,184	2,337,375
2000	Total liabilities	<u>112,348,430</u>	<u>108,373</u>	<u>62,494,243</u>	<u>27,638,393</u>	<u>202,589,439</u>
Deferred inflows of resources						
2600	Unavailable revenue – property taxes	6,867,536	955,328	-	-	7,822,864
	Total deferred inflows of resources	<u>6,867,536</u>	<u>955,328</u>	<u>-</u>	<u>-</u>	<u>7,822,864</u>
Fund Balances						
3410	Nonspendable	8,325,234	-	-	3,204,835	11,530,069
3490	Restricted	-	48,169,616	-	4,550,895	52,720,511
3500	Assigned	18,430,045	-	-	-	18,430,045
3600	Unassigned	190,967,649	-	(37,043,645)	-	153,924,004
3000	Total fund balances	<u>217,722,928</u>	<u>48,169,616</u>	<u>(37,043,645)</u>	<u>7,755,730</u>	<u>236,604,629</u>
4000	Total liabilities, deferred inflows of resources and fund balances	<u>\$ 336,938,894</u>	<u>\$ 49,233,317</u>	<u>\$ 25,450,598</u>	<u>\$ 35,394,123</u>	<u>\$ 447,016,932</u>

The accompanying notes are an integral part of this statement.

Austin Independent School District

Exhibit C-2 Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position

August 31, 2015

	Total fund balances – Governmental Funds balance sheet	\$ 236,604,629
<p>Amounts reported for governmental activities in the statement of net position (Exhibit A-1) are different because:</p>		
<p>Data Control Codes</p> <hr style="width: 10%; margin-left: 0;"/>		
1	Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	952,607,010
2	Property Taxes from 2014 received and earned in 2015	125,749
3	Amount of interest on debt payable in August is required to be recognized in the statement of net position.	(2,992,054)
4	Revenue in governmental activities is recognized in the period earned.	7,822,864
5	Internal Service Funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of Internal Service Funds are included in governmental activities in the statement of net position.	12,381,077
6	Bonds and loans payable are not due and payable in the current period and, therefore, are not reported in the funds.	(860,512,286)
7	The accrual of vacation leave is not due and payable in the current period and, therefore, is not reported as expenditures in the governmental funds.	(1,012,804)
8	Unamortized loss on bond refunding in governmental activities, not reported in the governmental funds	8,668,723
9	Recognition of the District's proportionate share of the net pension liability required by GASB Statement. No 68 (\$102,327,301), a deferred inflow of resources (\$31,302,225), and a deferred outflow of resources (\$17,437,431).	<u>(116,192,095)</u>
19	Net position of governmental activities	<u>\$ 237,500,813</u>

The accompanying notes are an integral part of this statement.

Austin Independent School District

Exhibit C-3 Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended August 31, 2015

Data Control Codes	General Fund	Debt Service Fund	Capital Projects Funds	Nonmajor Governmental Funds	Total Governmental Funds	
Revenues						
5700	Local and intermediate sources	\$ 818,924,395	\$ 108,192,795	\$ 8,853	\$ 18,371,257	\$ 945,497,300
5800	State program revenues	62,523,918	-	-	7,137,190	69,661,108
5900	Federal program revenues	24,204,869	912,600	-	101,330,541	126,448,010
5020	Total revenues	<u>905,653,182</u>	<u>109,105,395</u>	<u>8,853</u>	<u>126,838,988</u>	<u>1,141,606,418</u>
Expenditures						
Current:						
0011	Instruction	417,253,355	-	-	44,637,217	461,890,572
0012	Instructional resources and media services	10,670,892	-	-	417,332	11,088,224
0013	Curriculum and instructional staff development	12,683,581	-	-	17,555,646	30,239,227
0021	Instructional leadership	13,513,543	-	-	3,135,581	16,649,124
0023	School leadership	49,868,639	-	-	2,461,494	52,330,133
0031	Guidance, counseling, and evaluation services	23,035,089	-	-	3,306,226	26,341,315
0032	Social work services	4,566,336	-	-	414,578	4,980,914
0033	Health services	5,694,259	-	-	827,807	6,522,066
0034	Student (pupil) transportation	29,067,082	-	5,950,589	-	35,017,671
0035	Food services	-	-	-	38,550,638	38,550,638
0036	Curricular/extracurricular activities	15,751,680	-	-	207,976	15,959,656
0041	General administration	17,689,045	-	-	537,002	18,226,047
0051	Plant maintenance and operations	85,939,696	-	4,108,127	273,231	90,321,054
0052	Security and monitoring services	9,770,847	-	-	19,147	9,789,994
0053	Data processing services	17,207,584	-	3,895,672	736,114	21,839,370
0061	Community services	4,973,026	-	-	12,512,353	17,485,379
0071	Principal on long-term debt	401,624	67,177,633	-	-	67,579,257
0072	Interest on long-term debt	105,461	36,485,920	-	-	36,591,381
0073	Bond issuance costs and fees	-	1,713,547	-	-	1,713,547
0081	Capital outlay	2,212,410	-	81,625,638	2,413,338	86,251,386
0091	Contracted instructional services between schools	181,118,956	-	-	-	181,118,956
0093	Payments related to shared services arrangements	2,526,261	-	-	-	2,526,261
0099	Other intergovernmental charges	5,267,148	-	-	-	5,267,148
6030	Total expenditures	<u>909,316,514</u>	<u>105,377,100</u>	<u>95,580,026</u>	<u>128,005,680</u>	<u>1,238,279,320</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>(3,663,332)</u>	<u>3,728,295</u>	<u>(95,571,173)</u>	<u>(1,166,692)</u>	<u>(96,672,902)</u>
Other Financing Sources and (Uses)						
7911	Refunding bonds issued	-	150,405,000	-	-	150,405,000
7914	Noncurrent loan proceeds	425,852	-	-	-	425,852
7915	Transfers in	-	-	70,000,000	-	70,000,000
7916	Premium or discount on issuance of bonds	-	23,085,488	-	-	23,085,488
8911	Transfers out	-	(70,000,000)	-	-	(70,000,000)
8940	Payment to bond refunding escrow agent	-	(102,745,079)	-	-	(102,745,079)
7080	Total other financing sources and (uses)	<u>425,852</u>	<u>745,409</u>	<u>70,000,000</u>	<u>-</u>	<u>71,171,261</u>
1200	Net change in fund balances	<u>(3,237,480)</u>	<u>4,473,704</u>	<u>(25,571,173)</u>	<u>(1,166,692)</u>	<u>(25,501,641)</u>
0100	Fund balances at beginning of year	<u>220,960,408</u>	<u>43,695,912</u>	<u>(11,472,472)</u>	<u>8,922,422</u>	<u>262,106,270</u>
3000	Fund balances at end of year	<u>\$ 217,722,928</u>	<u>\$ 48,169,616</u>	<u>\$ (37,043,645)</u>	<u>\$ 7,755,730</u>	<u>\$ 236,604,629</u>

The accompanying notes are an integral part of this statement.

Austin Independent School District

Exhibit C-4

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities

Year Ended August 31, 2015

Net change in fund balances – total Governmental Funds	\$ (25,501,641)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$95,404,106) exceeded depreciation expense (\$58,377,680) and net asset removal (\$2,369) in the current period.	37,024,057
Bond and noncurrent loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and noncurrent loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which repayments of principal and loan principal (\$174,937,828) exceeded debt and loan proceeds (\$150,830,852).	24,106,976
Governmental funds report the effect of premiums when the debt is first issued whereas these amounts are deferred and amortized over the life of the bonds in the statement of activities. This is the amount by which the current year bond premium (\$23,085,488) exceeded amortization (\$5,116,818).	(17,968,670)
The amount of interest which is accrued, but not yet paid, for bond payments due in August is not recognized in the governmental funds. This is the net change in amount of interest payable (\$12,058) and deferred losses on refunding (\$8,668,723).	8,680,781
Property taxes do not provide current financial resources in the funds, and as such, are recognized as unearned revenue in the governmental funds. This is the net change between 2015 and 2014, as well as amounts from 2014 received and earned in 2015.	272,756
The revenues and expenses of the Internal Service Fund are distributed in the statement of activities and are not considered a governmental fund. The difference is the amount of net income.	(9,110,163)
Costs associated with the accrual of vacation leave are recognized as expenditures in the governmental funds when matured. This is the amount of net change in the vacation accrual between 2015 and 2014.	(56,346)
The implementation of GASB Statement No. 68 required that certain expenditures be de-expended and recorded as deferred resources. Contributions made after the measurement date (\$9,203,518) and the District's share of pension expense (\$9,458,352) are not deferred resources of the governmental funds.	<u>(254,834)</u>
Change in net position of governmental activities – statement of activities	<u>\$ 17,192,916</u>

The accompanying notes are an integral part of this statement.

Austin Independent School District

Exhibit D-1 Statement of Net Position – Proprietary Funds

August 31, 2015

<u>Data Control Codes</u>	<u>Governmental Activities – Internal Service Fund</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 526,955
Temporary investments	22,915,586
Due from other funds	5,587,294
Other receivable	120
Inventories	87,965
Other assets	<u>212,920</u>
Total current assets	<u>29,330,840</u>
1000 Total assets	<u>\$ 29,330,840</u>
Liabilities	
Current liabilities:	
Accounts payable	\$ 615,285
Accrued expenditures	31,084
Due to other funds	2,911,923
Claims payable – due within one year	<u>9,300,000</u>
Total current liabilities	<u>12,858,292</u>
Noncurrent liabilities:	
Claims payable – due in more than one year	<u>4,091,471</u>
2000 Total liabilities	<u>16,949,763</u>
	<u>12,381,077</u>
3000 Total net position	<u>\$ <u>12,381,077</u></u>

The accompanying notes are an integral part of this statement.

Austin Independent School District

Exhibit D-2

Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds

Year Ended August 31, 2015

<u>Data Control Codes</u>		<u>Governmental Activities – Internal Service Fund</u>
	Operating Revenues	
5700	Local and intermediate sources	\$ <u>76,352,511</u>
	Total revenues	<u>76,352,511</u>
	Operating Expenses	
6400	Other operating expenses	<u>85,476,633</u>
6030	Total expenses	<u>85,476,633</u>
	Operating loss	(9,124,122)
	Nonoperating Revenues	
	Investment earnings	<u>13,959</u>
	Total nonoperating revenues	<u>13,959</u>
	Change in net position	(9,110,163)
0100	Net position at beginning of year	<u>21,491,240</u>
3300	Net position at end of year	\$ <u><u>12,381,077</u></u>

The accompanying notes are an integral part of this statement.

Austin Independent School District

Exhibit D-3 Statement of Cash Flows – Proprietary Funds

Year Ended August 31, 2015

	<u>Governmental Activities – Internal Service Fund</u>
Cash Flows From Operating Activities	
Payments to suppliers	\$ (8,637,148)
Payments to employee salaries and benefits	(1,333,598)
Payments from other funds	73,089,426
Claims paid	<u>(72,948,993)</u>
Net cash used in operating activities	<u>(9,830,313)</u>
Cash Flows From Investing Activities	
Proceeds from sales and maturities of investments	63,254,309
Outlays for purchase of investments	(53,014,610)
Interest income	<u>13,959</u>
Net cash provided by investing activities	<u>10,253,658</u>
Net increase in cash and cash equivalents	423,345
Cash and cash equivalents at beginning of year	<u>103,610</u>
Cash and cash equivalents at end of year	<u><u>\$ 526,955</u></u>
Reconciliation of Operating Loss to Net Cash Used In Operating Activities	
Operating loss	\$ (9,124,122)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Changes in:	
Increase in due from other funds	(5,385,591)
Increase in receivables	(120)
Decrease in inventory	1,636
Increase in other assets	(10,981)
Increase in accounts payable and accrued expenditures	522,286
Increase in due to other funds	2,122,626
Increase in claims payable	<u>2,043,953</u>
Net cash used in operating activities	<u><u>\$ (9,830,313)</u></u>

The accompanying notes are an integral part of this statement.

Austin Independent School District

Exhibit E-1

Statement Fiduciary Assets and Liabilities – Fiduciary Funds

August 31, 2015

<u>Data Control Codes</u>		<u>Agency Funds</u>
	Assets	
1110	Cash and cash equivalents	\$ 6,946,358
	Temporary investments	6,322,505
	Due from other funds	5,909
	Other receivables	31,662
	Other assets	<u>14,637</u>
1000	Total assets	\$ <u>13,321,071</u>
	Liabilities	
	Accounts payable	\$ 737,230
	Due to other governments	3,385,470
	Due to other funds	736,698
2190	Due to student groups	<u>8,461,673</u>
2000	Total liabilities	\$ <u>13,321,071</u>

The accompanying notes are an integral part of this statement.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

1. Reporting Entity

This report includes the financial statements of the funds required to account for those activities, organizations, and functions which are related to the Austin Independent School District (the "District") and which are controlled by or dependent upon the District's governing body, the Board of Trustees (the "Board"). The Board, a nine-member group as a body corporate, has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or to the State Board of Education are reserved for the Board, and TEA may not substitute its judgment for the lawful exercise of those powers and duties of the Board.

The District receives funding from local, state, and federal government sources and must comply with the applicable requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity," as defined by the Governmental Accounting Standards Board's ("GASB") *Codification of Governmental Accounting and Financial Reporting Standards*, since Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters. There are no component units with the reporting entity. The District is a governmental entity exempt from federal income taxation under Internal Revenue Code Section 115.

2. Government-Wide and Fund Financial Statements

The government-wide financial statements consist of the statement of net position and the statement of activities. These statements report information on all nonfiduciary activities of the District. The effect of the interfund activity has been removed from these statements. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues include charges to customers and grants used for operational requirements. Governmental activities are supported by tax revenues, state aid, charges for services, investment earnings, and intergovernmental revenues such as grants.

Direct expenses are those that are clearly identifiable with a specific function. All capital asset depreciation, other than depreciation of the District's central administration building, is reported as a direct expense of the functional program that benefits from the use of the capital assets. Depreciation expense related to the District's central administrative building is reported as unallocated in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

2. Government-Wide and Fund Financial Statements (continued)

The fund financial statements provide information about the District's funds, with separate statements for Governmental Funds, Proprietary Funds, and Fiduciary Funds even though the latter are excluded from the government-wide financial statements. Major individual Governmental Funds are reported as separate columns in the fund financial statements.

3. Summary of Significant Accounting Policies

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), as applied to governmental units in conjunction with TEA's *Financial Accountability System Resource Guide* ("FAR"). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to, and accounted for the purpose of, carrying on specific activities in accordance with laws, regulations, or other appropriate requirements.

Governmental Fund Types

The District reports the following major Governmental Funds:

The General Fund is the fund that accounts for financial resources in use for general types of operations. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. This is a budgeted fund, and any fund balances are considered as resources available for current operations. Fund balances may be appropriated by the Board to implement its responsibilities.

The Debt Service Fund is the fund that accounts for the use of debt service taxes and other revenues collected for the purposes of retiring bond principal and paying interest on long-term general obligation debt and other long-term debt for which a tax has been dedicated. This is a budgeted fund.

The Capital Projects Fund is the fund that accounts for proceeds from sales of bonds and other revenues to be used for Board-authorized acquisition, construction, or renovations, as well as furnishing and equipping major capital facilities. Upon completion of a project, any unused bond proceeds are transferred to the Debt Service Fund and are used to retire related bond principal. This fund is budgeted on a project basis.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

3. Summary of Significant Accounting Policies (continued)

A. Fund Accounting (continued)

Governmental Fund Types (continued)

Additionally, the District reports the following nonmajor funds:

The Special Revenue Funds are the funds that account for state and federally financed programs or expenditures legally restricted for specified purposes or where unused balances are returned to the grantor at the close of specified project periods. This fund type also includes the following funds which are allowed to maintain a fund balance: child care operations, food concessions, scholarships, and food service operations. The Food Service Fund is the only Special Revenue Fund that is required to be budgeted and balances are to be used exclusively for allowable child nutrition program purposes. For all other funds in this fund-type, project accounting is employed to maintain integrity for the various sources of funds.

Proprietary Fund Types

The Internal Service Fund, an unbudgeted fund, is the fund that accounts for the District's self-funding of workers' compensation claims, Campus Police, Print Shop, Laundry Services and Health Services. Revenues are generated in the Internal Service Fund through charges to various funds of the District. Expenses result from the administration and funding of District workers' compensation and health claims and other activities of Internal Service Funds. Internal Service Funds inherently create redundancy because their expenses are recorded a second time in the funds that are billed for the services they provide. Therefore, on the government-wide financial statements, the operations of the Internal Service Funds are consolidated and interfund transactions are eliminated.

Fiduciary Fund Types

Agency Funds, unbudgeted funds, are the funds that account for activities of student groups and other types of activities requiring clearing accounts. An Agency Fund is also used to account for the District's activities as successor-in-interest of the Travis County Education District. This fund type has no equity, assets are equal to liabilities, and do not include revenues and expenditures for general operations of the District.

B. Measurement Focus

The government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund type financial statements. All Governmental Funds are accounted for on a "spending" or "financial flow" measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance of Governmental Funds is considered a measure of "available spendable resources." The Fiduciary Fund financial statement does not have a measurement focus.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

3. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting

The government-wide financial statements and Proprietary Fund and Fiduciary Fund type financial statements follow the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants, state aid, and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider are met and qualifying expenditures have been incurred.

The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual (i.e., both available and measurable). Revenues other than grants are considered to be available when they are expected to be collected during the current budgetary period, or within 60 days thereafter, to pay liabilities outstanding at the close of the budgetary period. Revenues from state and federal grants are recognized as earned when the related program expenditures are incurred and all eligibility requirements have been met, except in the Food Service Special Revenue Fund where revenue recognized is based on the number of students served. Funds received, but unearned, are reflected as unearned revenues, and funds expended, but not yet received, are shown as receivables. Interest revenue and building rentals are recorded when earned, since they are measurable and available. Other revenues such as fees, tuition, local food service revenue, and miscellaneous revenues are recognized when measurable and available.

The District reports the following types of Governmental Fund balances: committed, nonspendable, restricted, assigned, and unassigned.

- The committed fund balance consists of funds that may be used only for a specific purpose, pursuant to constraints imposed by a formal action of the District's Board. The purpose for the funds can be changed only by formal action of the District's Board.
- Nonspendable fund balances are those that are not in a spendable form.
- Restricted fund balances are those that have constraints placed on the use of their resources. These constraints can be: (a) externally imposed by creditors (i.e., debt covenants), grantors, contributors, or laws/regulations of other governments or (b) imposed by law through constitutional provision or enabling legislation. Both constraints are legally enforceable by an external party.
- Assigned fund balances are those that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances do not require District Board formal action and may be specified as "intent" simply through the budgeting process that the resources from these funds be spent for specific purposes within the fund. By Board policy, the assigned fund balance may be designated by the Board or by the Board's designees, the Superintendent, or the Chief Financial Officer.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

3. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

- Unassigned fund balances are those within the General Fund and represent fund balances that have not been restricted, committed, or assigned.

The District maintains a stabilization arrangement, by policy approved by the District's Board, sufficiently adequate for fiscal cash liquidity purposes that will provide for sufficient cash flow to minimize the potential of short-term tax anticipation borrowing. This amount shall be equal to not less than 20% of the combined budgeted expenditures of the District's General Fund.

The stabilization arrangement balance represents balances available for appropriation at the discretion of the District's Board. However, the Board shall make every reasonable effort to use these unassigned funds for the following purposes, listed in order of priority:

1. To increase committed fund balances, as deemed necessary.
2. To increase assigned fund balances, as deemed necessary.
3. To use as beginning cash balance in support of the annual budget.

The District's Board recognizes that any such funds should be appropriated for nonrecurring expenditures, as they represent prior year surpluses that may or may not materialize in subsequent fiscal years.

When the District incurs an expenditure for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources. When expenditures are incurred for which assigned or unassigned fund balances are available, the District considers amounts to have been spent out of assigned funds and then unassigned, as needed, unless the District's Board has provided otherwise in its assignment actions.

Expenditures are recognized in the accounting period in which the fund liability is incurred, except expenditures for debt service, including unmatured interest on long-term debt and compensated absences. Expenditures for principal and interest on long-term debt and compensated absences are recognized when matured.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as program revenues include operating grants and contributions, food service user charges, and other charges. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

3. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Proprietary Fund's principal ongoing operations. The principal operating revenues of the District's Internal Service Funds are health and workers' compensation insurance premiums to participate in the District's self-insured health and workers' compensation programs. The principal operating expenses for the Internal Service Funds include the cost of health and workers' compensation claims and administrative charges. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, bank deposit accounts, investments in local government investment pools, and certificates of deposit ("CDs") owned with original stated maturities of three months or less.

E. Investments

State statutes and Board policy authorize the District to invest any and all of its funds in fully collateralized CDs, direct debt securities of the United States of America or the state of Texas, other obligations the principal and interest of which are unconditionally guaranteed by the state of Texas or the United States, fully collateralized direct repurchase agreements, bankers' acceptances, local government investment pools, money market mutual funds, and other investments specifically allowed by Chapter 2256 of the Texas Government Code (the "Public Funds Investment Act") and Sections 23.80 and 20.42 of the Texas Education Code. The District participates in several local government investment pools and money market mutual funds. The District believes these investments meet the definition of Rule 2a7-like, as defined in GASB Statement No. 59. The District accrues interest on temporary investments based on the terms and effective interest rates of the specific investments. The District's policy is to report local government investment pools, Securities and Exchange Commission ("SEC") registered money market mutual funds, and repurchase agreements at amortized cost based on published net asset values per share. The District carries investments in debt securities at fair value based on quoted prices.

F. Due From (To) Other Funds

Interfund receivables and payables arise from interfund receipts or disbursements of cash and are recorded in all affected funds in the period in which transactions are executed in the normal course of operations.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

3. Summary of Significant Accounting Policies (continued)

G. Inventories

Inventory of materials and supplies are carried on the basis of the last invoice cost, which approximates first-in, first-out cost, and are subsequently charged to budgetary expenditures when consumed. Inventories include plant maintenance and operating supplies, as well as instructional materials. These inventories are offset at year-end by a nonspendable fund balance, which indicates they do not represent "available spendable resources."

Donated commodities inventory is recorded as unearned revenue at year-end. Revenue is recognized when the commodities are distributed to the schools. Donated commodities in inventory at August 31, 2015 totaled \$992,160.

H. Capital Assets

Capital assets, which include land, buildings and improvements, furniture and equipment, and construction in progress, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

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

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	30 years
Furniture and equipment	5-10 years
Vehicles	5-7 years
Property under capital leases	10 years
Buses	8-10 years
Computer software and equipment	3-7 years
Portable buildings	10 years

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

3. Summary of Significant Accounting Policies (continued)

I. Compensated Absences

The state of Texas has created a minimum sick leave program consisting of five days of personal leave per year that may be used for illness or discretionary personal leave with no limit on accumulation and transferability among districts for every eligible employee regularly employed in Texas public schools.

Each district's local Board of Education is required to establish a sick leave plan. Local school districts may provide additional sick leave beyond the state minimum. The District's policy provides six to eight additional sick leave days per year depending on the number of duty days scheduled to work during the school year.

Accumulated state leave at the end of the year remains in the employee's state personal leave account. Additional sick leave days provided by the District do not vest; therefore, at fiscal year-end, no liability exists.

Teachers do not receive paid vacation, but are paid only for the number of days they are required to work each year. All regular employees are entitled to an annual vacation. In the government-wide financial statements, the District has a liability for unused vacation pay for regular employees for all vacation earned as of August 31, 2015. The District allows unused vacation days to carry over through December 31.

J. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

The District participates in the Texas Association of School Boards Modified Self-Funded program for its vehicle liability insurance. The District has commercial insurance for all other risks of loss, except vehicle liability insurance and workers' compensation, including employee health benefits and employee life and dental and accident insurance.

During the year ended August 31, 2015, employees of the District were covered by a self-funded health insurance plan. During the 2011 plan year, the District established a self-funded health insurance program utilizing a plan provided by Blue Cross Blue Shield of Texas (BCBS). District employees had a choice of three PPO plans, one of which offered a health savings account. As of January 1, 2015 the district switched providers from BCBS to Aetna. Under the Aetna health plan, employees now have a choice of four plans, including two PPO plans and two ACO plans, one of which offers a health savings account.

Claims administration is contracted from a third-party administrator. Health benefit consultant services are contracted from an outside entity. The District maintains individual stop-loss coverage for catastrophic losses exceeding \$350,000 per claim.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

3. Summary of Significant Accounting Policies (continued)

J. Risk Management (continued)

The District is self-insured up to \$500,000 per occurrence for losses related to workers' compensation. The District has purchased excess coverage through a commercial insurer licensed in the state of Texas.

K. Encumbrances

The District employs encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase orders and contracts. An encumbrance represents a commitment of Board appropriation related to unperformed contracts for goods and services. The issuance of a purchase order or the signing of a contract creates an encumbrance, but does not represent an expenditure for the period, only a commitment to expend resources. Appropriations lapse at August 31 and encumbrances outstanding at that time are either cancelled or appropriately provided for in the subsequent year's budget.

Outstanding encumbrances at August 31, 2015 that were subsequently provided for in the 2016 budget as September and October amendments for Board approval totaled \$8,926,799 in the General Fund, \$43,204,821 in the Capital Projects Fund, and \$7,970,036 in the Nonmajor Fund.

L. Fund Balance

In the Governmental Fund financial statements, unassigned fund balances indicate available amounts for the budgeting of future operations. Restricted and assigned fund balances are that portion of fund balance which is not available for appropriation, or which has been legally separated for specific purposes. Designations of fund balance as nonspendable, restricted, committed, assigned, or unassigned are the representations of management for the utilization of financial resources in future periods.

M. Data Control Totals

Data control codes refer to the account code structure prescribed by TEA in the FAR. TEA requires school districts to display these codes in the financial statements filed with the agency in order to ensure accuracy in building a statewide database for policy development and funding plans.

N. Unearned Revenue

The unearned revenue on the balance sheet of the General Fund, Debt Service Fund, and the nonmajor Governmental Funds primarily relates to donated commodity inventory, pre-payments for school lunch tickets in the child nutrition program special revenue fund, and unearned grant revenues.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

3. Summary of Significant Accounting Policies (continued)

O. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

P. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

Q. Prepaid Wages Payable

With state law changes that push the start of school to later in August, the actual number of days most employees work in August has decreased. In order for these employees' pay streams to be unaffected, most of which are teachers, they are still paid one-twelfth of their yearly contract amount in August, thus creating a "prepaid" in wages payable at August 31, which is classified in Data Control Code 1410 – prepaids and other assets.

R. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position includes separate sections for deferred outflows/inflows of resources. These separate financial statement elements represent a consumption/acquisition of net position that applies to a future period(s) and will not be recognized as an outflow/inflow of resources (expense/revenue) until that time. Governments are only permitted to report deferred outflows/inflows of resources in circumstances specifically authorized by the GASB. Typical deferred outflows/inflows of resources for school districts relate to pensions and deferred charges on refunded debt.

The deferred inflows of resources on the balance sheet of the General Fund and Debt Service Fund primarily relates to uncollected property taxes, less the allowance for doubtful accounts.

S. Deferred Resources Related to Pensions

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

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

4. Deposits and Investments

Deposits

The District's policies and state law require the District's funds to be deposited under the terms of a depository contract, the terms of which are set out in depository contract law. The depository bank may either place approved pledged securities for safekeeping with the District's agent or file a corporate surety bond in an amount greater than or equal to the District's deposits. The pledge of approved securities is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation ("FDIC") coverage.

At August 31, 2015, all District deposits were with the contracted depository bank in accounts which were secured at the balance sheet date by FDIC coverage and by pledged securities, as approved by the School Depository Act, held by the District's agent, Bank of New York Mellon, in the name of the District.

At August 31, 2015, the District had a general ledger balance of \$418,500 (excluding student activity fund balances of approximately \$6,946,000), while the total of bank balances equaled \$16,421,419. Of the bank balances, \$500,000 is covered by federal depository insurance, and the remainder was covered by \$15,921,419 of collateral pledged in the District's name.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

1. Name of bank: Bank of New York Mellon
2. The amount of bond and/or security pledged as of the date of the highest combined balance on deposit was \$62,927,318.
3. The largest deposit combined account balance amounted to \$63,427,318 and occurred during the month of October 2014.
4. Total amount of FDIC coverage at the time of the largest combined balance was \$500,000.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

4. Deposits and Investments (continued)

Investments

The District’s temporary investments, including restricted assets, at August 31, 2015 are as follows:

	Carrying Value	Fair Value
Governmental activities:		
Bank of America – repurchase agreement	\$ 4,424,061	\$ 4,911,351
U.S. Government agency securities	5,502,533	5,726,473
JPMorgan Money Market Fund	18,689	18,689
Lone Star Investment Pool	105,774,037	105,390,100
Texas Daily Investment Pool	140,215,970	140,215,970
Texas Local Government Investment Pool (“TexPool”)	69,227,092	69,320,338
TexStar Investment Pool	63,150,968	63,150,968
U.S. Bank – U.S. Treasury and agency securities	3,440,037	3,490,058
Total governmental activities	391,753,387	392,223,947
Fiduciary fund:		
TexPool	4,644,661	4,644,661
Bank of America Money Market Fund	523,976	523,976
Savings accounts	1,153,868	1,153,868
Total fiduciary fund	6,322,505	6,322,505
Total investments	\$ 398,075,892	\$ 398,546,452

Investment Objectives

The primary objective of the District’s investment activity is to provide the highest reasonable market return with the maximum security, while meeting daily cash flow requirements and conforming to all applicable state laws.

The District’s investment policy contains investment strategies for each accounting fund of the District. The investment portfolio shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issue, a specific class of securities, or a specific institution.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

4. Deposits and Investments (continued)

Credit Risk

As of August 31, 2015, the District's investment in U.S. Government securities were rated AA+ by Standard & Poor's.

Interest Rate Risk

As a means of limiting the exposure to fair value losses that could occur from rising interest rates, the District's investment policy limits the maturity of investments to no longer than one year, except for the Capital Projects Fund, which is one and one-half years. The District's General Fund did not hold U.S. Government Treasury Bills or agency securities at August 31, 2015. The District's Debt Service Fund holds \$8,942,570 in U.S. Government Treasury and agency securities at August 31, 2015, all of which mature in one year or less.

Texas Local Government Investment Pool

Texas Local Government Investment Pool ("TexPool") is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed both of participants in TexPool and of other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, TexPool is rated AAAM by Standard & Poor's.

Although TexPool is not registered with the SEC as an investment company, the District believes it operates as a Rule 2a7-like pool, as described in GASB Statement No. 59. As such, the District uses amortized cost to report its investment.

Lone Star Investment Pool

The Lone Star Investment Pool ("Lone Star") is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Chapter 791, of the Texas Government Code, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. Lone Star is managed by an 11-member board of trustees and, pursuant to the investment agreement, the board of trustees is authorized and directed to adopt and maintain bylaws consistent with the bylaws of the Texas School Cash Management Program. Pursuant to Section 2256.016(g) of the Public Funds Investment Act, Lone Star has established an advisory board. The purpose of the advisory board is to gather and exchange information from participants and nonparticipants relating to Lone Star's operations. The Board has entered into an agreement with the Texas Association of School Boards ("TASB"), a Texas nonprofit corporation, pursuant to which TASB serves as administrator of Lone Star's operations. Standard & Poor's rates money market funds and has rated Lone Star as AAA.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

4. Deposits and Investments (continued)

Lone Star Lone Star Investment Pool (continued)

Although Lone Star is not registered with the SEC as an investment company, the District believes it operates as a Rule 2a7-like pool, as described in GASB Statement No. 59. As such, the District uses amortized cost to report its investment.

TexasTERM (TexasDAILY) Investment Pool

TexasDAILY is a public funds investment pool established by the TexasTERM Local Government Investment Pool ("TexasTERM") advisory board, pursuant to provisions of the TexasTERM Common Investment Contract that established the TexasTERM Local Government Investment Pool and the series known as TexasDAILY. TexasDAILY was organized in conformity with the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. An advisory board, composed of participants and nonparticipant members elected by the participant shareholders of TexasTERM, is responsible for the overall management of TexasTERM, including formulation and implementation of its investment and operating policies. In addition, the advisory board members select and oversee the activities of the investment advisor and custodian of TexasTERM and monitor investment performance and the method of valuing the shares. The investment advisor and administrator for TexasDAILY is PFM Asset Management, LLC. TexasTERM and TexasDAILY are rated AAAM by Standard & Poor's.

Although TexasTERM is not registered with the SEC as an investment company, the District believes it operates as a Rule 2a7-like pool, as described in GASB Statement No. 59. As such, the District uses amortized cost to report its investment.

TexSTAR Investment Pool

TexSTAR is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, of the Texas Government Code, and the Public Funds Investment Act, chapter 2256, of the Texas Government Code. The pool was created through a contract among its participating governmental units, and is governed by a board of directors to provide for the joint investment of participants' public funds and funds under their control. TexSTAR is managed by J.P. Morgan Investment Management, Inc., an affiliate of JPMorgan Chase Bank, N.A. a national banking association, and First Southwest Asset Management, Inc., an affiliate of Texas based First Southwest Company. TexSTAR's investment manager will maintain the dollar-weighted average maturity of sixty (60) days or less, and the maximum stated maturity for any obligation of the United States, its agencies, or instrumentalities is limited to 397 days for fixed rate securities and 24 months for variable rate notes. TexSTAR is rated AAAM by Standard and Poor's.

Although TexSTAR is not registered with the SEC as an investment company, the District believes it operates as a Rule 2a7 like pool, as described in GASB Statement No. 59. As such, the District uses amortized cost to report its investments.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

5. Property Taxes

Property taxes are levied as of October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period, including those property taxes expected to be collected during a 60-day period after the close of the District's fiscal year.

The final assessed value at January 1, 2014, upon which the October 2014 levy was based, was \$75,479,270,096.

The tax rates assessed for the year ended August 31, 2015 to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.079 and \$0.143 per \$100 valuation, respectively, for a total of \$1.222 per \$100 of assessed valuation.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectibles within the General and Debt Service Funds are based upon 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.

As of August 31, 2015, property taxes receivable, net of estimated uncollectible taxes, totaled \$6,867,536 and \$955,328 for the General and Debt Service Funds, respectively.

6. Receivables From Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the state through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of August 31, 2015 for the District's major fund and nonmajor funds are summarized below. All federal grants shown below are passed through TEA and are reported in the basic financial statements as receivable from other governments.

Fund	Local Entities	State Grants and Other	Federal Grants	Total
General Fund	\$ -	\$ -	\$ 415,443	\$ 415,443
Nonmajor fund	<u>2,065,477</u>	<u>16,832,274</u>	<u>43,218</u>	<u>18,940,969</u>
	<u>\$ 2,065,477</u>	<u>\$ 16,832,274</u>	<u>\$ 458,661</u>	<u>\$ 19,356,412</u>

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

7. Changes in Capital Assets

The following summarizes the change in capital assets for the year ended August 31, 2015:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 67,390,803	\$ 3,288,321	\$ -	\$ 70,679,124
Construction in progress	70,975,302	85,103,642	(79,850,890)	76,228,054
Total capital assets not being depreciated	138,366,105	88,391,963	(79,850,890)	146,907,178
Capital assets being depreciated:				
Property under capital leases	15,759,460	-	(15,759,460)	-
Buildings and improvements	1,392,288,436	79,826,648	-	1,472,115,084
Furniture and equipment	89,522,761	7,036,385	(1,492,517)	95,066,629
Total capital assets being depreciated	1,497,570,657	86,863,033	(17,251,977)	1,567,181,713
Less accumulated depreciation for:				
Property under capital leases	(15,759,460)	-	15,759,460	-
Buildings and improvements	(637,236,409)	(52,419,024)	-	(689,655,433)
Furniture and equipment	(67,357,940)	(5,958,656)	1,490,148	(71,826,448)
Total accumulated depreciation	(720,353,809)	(58,377,680)	17,249,608	(761,481,881)
Total capital assets being depreciated – net	777,216,848	28,485,353	(2,369)	805,699,832
Governmental activities capital assets – net	\$ 915,582,953	\$ 116,877,316	\$ (79,853,259)	\$ 952,607,010

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

7. Changes in Capital Assets (continued)

Depreciation expense for the year ended August 31, 2015 was charged to functions/programs of primary government activities as follows:

Instruction	\$ 38,952,075
Instructional resources and media services	2,611,786
Curriculum and staff development	733
Instructional leadership	14,034
School leadership	2,696,187
Guidance, counseling, and evaluation services	286,214
Health services	94,565
Student (pupil) transportation	2,270,572
Food services	3,663,232
Curricular/extracurricular activities	2,178,278
General administration	16,772
Plant maintenance and operations	3,045,828
Security and monitoring services	177,180
Data processing services	1,125,213
Community services	7,198
Depreciation – exclusive of functional amounts	<u>1,237,813</u>
	<u>\$ 58,377,680</u>

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

8. Long-Term Obligations

Long-term obligations include par bonds and loans, leases, self-insurance claims payable, and net pension liability. At August 31, 2015, the District's debt limitation under local policies, which represents 10.0% of the District's total assessed property value for school tax purposes, is \$75,479,270,096, and the District's legal debt margin is 1.1%.

The following is a summary of changes in long-term obligations (including general obligation bonds, loans, self-insurance claims payable, and net pension liability) for the year ended August 31, 2015:

	<u>Bonds Payable</u>	<u>Loans Payable</u>	<u>Self-Insurance Claims Payable</u>	<u>Net Pension Liability</u>
Balance – as reported at August 31, 2014	\$ 863,050,468	\$ 3,600,124	\$ 11,347,518	\$ 124,957,054
Additions – bond premium	23,085,488	-	-	-
Current year claims and/or changes in estimates	-	-	78,639,536	-
Draws	-	425,852	-	-
Bond issuances	150,405,000	-	-	-
Retirements	(174,536,203)	(401,625)	-	-
Claim payments	-	-	(76,595,583)	-
Amortized bond premium	(5,116,818)	-	-	-
Additions – net pension expense	-	-	-	9,458,352
Reductions – net deferred resources	-	-	-	(23,068,312)
Reductions – prior year contributions	-	-	-	(9,019,793)
Balance at August 31, 2015	<u>\$ 856,887,935</u>	<u>\$ 3,624,351</u>	<u>\$ 13,391,471</u>	<u>\$ 102,327,301</u>
Amount due within one year	<u>\$ 65,942,633</u>	<u>\$ 386,811</u>	<u>\$ 9,300,000</u>	<u>\$ -</u>

The District primarily liquidates debt through the Debt Service Fund. Self-insurance liabilities are liquidated through the Internal Service Fund. The net pension liability will be liquidated in future years by the General Fund.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

8. Long-Term Obligations (continued)

The following is a summary of the interest rates and original issue amounts for the District's long-term debt as of August 31, 2015:

Description	Interest Rate Payable	Amounts Original Issue
Bonded indebtedness:		
1998 Unlimited Tax Refunding Bonds	3.10-5.00%	\$ 130,397,389
2002 Unlimited Tax School Qualified Zone Academy Bonds	4.11%	5,082,652
2004 Unlimited Tax Refunding Building Bonds	5.00-5.25%	111,935,000
2005B Unlimited Tax School Qualified Zone Academy Bonds	3.01%	4,491,923
2006 Unlimited Tax Refunding Bonds	5.00-5.25%	54,375,000
2006 Unlimited Tax School Qualified Zone Academy Bonds	2.69%	6,408,071
2006A Unlimited Tax Refunding Building Bonds	4.00-5.00%	90,000,000
2006B Unlimited Tax Refunding Bonds	4.00-5.00%	31,460,000
2007 Unlimited Tax Refunding Bonds	3.00-5.00%	135,000,000
2008 Unlimited Tax School Qualified Zone Academy Bonds	0.00%	2,442,131
2008 Unlimited Tax Refunding Bonds	4.00-5.25%	100,000,000
2009 Unlimited Tax Refunding Bonds	2.00-5.00%	99,495,000
2010A Unlimited Tax Refunding Bonds	2.50-5.00%	25,165,000
2010B Unlimited Tax Refunding Bonds	3.68-5.24%	58,315,000
2011 Unlimited Tax Refunding Bonds	2.00-5.00%	91,625,000
2013A Unlimited Tax Refunding Bonds	1.50-5.50%	101,100,000
2013B Unlimited Tax Refunding Bonds	0.443-2.333%	8,555,000
2014A Unlimited Tax Refunding Bonds	2.00-5.00%	54,815,000
2014B Unlimited Tax Refunding Bonds	5.00%	89,595,000
2015A Unlimited Tax Refunding Bonds	3.15-5.00%	63,110,000
2015B Unlimited Tax Refunding Bonds	5.00%	87,295,000
		<u>\$ 1,350,662,166</u>

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

8. Long-Term Obligations (continued)

Description	Amounts Outstanding August 31, 2014	Additions Current Year	Retired Current Year	Amounts Outstanding August 31, 2015
Bonded indebtedness:				
Building bonds:				
1998 Unlimited Tax Refunding	\$ 50,013,570	\$ -	\$ (31,293,570)	\$ 18,720,000
2002 Unlimited Tax School Qualified Zone Academy	5,082,652	-	-	5,082,652
2004 Unlimited Tax Refunding	26,630,000	-	(8,400,000)	18,230,000
2005 Unlimited Tax Refunding	1,890,000	-	(1,890,000)	-
2005A Unlimited Tax School	130,000	-	(130,000)	-
2005B Unlimited Tax School Qualified Zone Academy	4,491,923	-	-	4,491,923
2006 Unlimited Tax Refunding	13,900,000	-	(6,770,000)	7,130,000
2006 Unlimited Tax School Qualified Zone Academy	6,408,071	-	-	6,408,071
2006A Unlimited Tax Refunding	18,785,000	-	(15,385,000)	3,400,000
2006B Unlimited Tax Refunding	31,445,000	-	(7,260,000)	24,185,000
2007 Unlimited Tax Refunding	72,865,000	-	(47,980,000)	24,885,000
2008 Unlimited Tax School Qualified Zone Academy	1,526,333	-	(152,633)	1,373,700
2008 Unlimited Tax Refunding	86,880,000	-	(41,500,000)	45,380,000
2009 Unlimited Tax Refunding	83,895,000	-	(2,725,000)	81,170,000
2010 Unlimited Tax Refunding	74,510,000	-	(3,870,000)	70,640,000
2011 Unlimited Tax Refunding	84,645,000	-	(2,330,000)	82,315,000
2013A Unlimited Tax Refunding	99,365,000	-	-	99,365,000
2013B Unlimited Tax Refunding	8,250,000	-	-	8,250,000
2014A Unlimited Tax Refunding	54,815,000	-	(4,850,000)	49,965,000
2014B Unlimited Tax Refunding	89,595,000	-	-	89,595,000
2015A Unlimited Tax Refunding	-	63,110,000	-	63,110,000
2015B Unlimited Tax Refunding	-	87,295,000	-	87,295,000
Bond premium	47,927,919	23,085,488	(5,116,818)	65,896,589
Total bond indebtedness	\$ 863,050,468	\$ 173,490,488	\$ (179,653,021)	\$ 856,887,935

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

8. Long-Term Obligations (continued)

Presented below is a summary of general obligation bonds requirements to maturity:

	Principal	Interest	Total
Year ending August 31,			
2016	\$ 65,942,633	\$ 35,992,060	\$ 101,934,693
2017	52,435,285	33,245,948	85,681,233
2018	39,967,633	31,177,974	71,145,607
2019	30,832,633	29,625,071	60,457,704
2020	34,214,556	28,254,544	62,469,100
2021-2025	167,663,606	119,164,954	286,828,560
2026-2030	206,200,000	76,287,843	282,487,843
2031-2035	168,555,000	27,108,076	195,663,076
2036-2040	25,180,000	2,183,972	27,363,972
	\$ 790,991,346	\$ 383,040,442	\$ 1,174,031,788

In fiscal year 2015, the District issued two new series of bonded indebtedness as follows:

- The District entered into a contract, which was approved by the Board on June 22, 2015, to issue \$63,110,000 of Unlimited Tax Refunding Bonds, Series 2015A and delivered such bonds on July 22, 2015. The District used the \$63,110,000 plus premium and accrued commercial paper interest earnings to retire a portion of its outstanding commercial paper balance. There is no economic gain or loss on this refinancing of commercial paper, since commercial paper is a short-term obligation and bonded indebtedness is a long-term obligation.
- The District entered into a contract, which was approved by the Board on June 22, 2015, to issue \$87,295,000 Unlimited Tax Refunding Bonds, Taxable Series 2015B and delivered such bonds on July 22, 2015. The District used the \$87,295,000 plus premium to refund \$93,890,000 of the District's currently outstanding bonds. This refunding transaction resulted in cash flow savings of \$9,281,954 and an economic gain (net present value savings) of \$7,005,680 over the life of the bonds.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

8. Long-Term Obligations (continued)

In the current and prior years, the District legally defeased certain bonds by placing the proceeds of new bond issues in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the legally defeased bonds are no longer reported in the District's financial statements. There are no bonds defeased in-substance as of August 31, 2015.

There are a number of limitations and restrictions contained in the District's general obligation bond indenture. Management of the District believes it is in compliance with all significant limitations and restrictions at August 31, 2015.

The District entered into a loan agreement in March 2012 with the State Energy Conservation Office – General Services Commission. The District will repay the loan amount, plus interest at 2%. The loan will be repaid as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 33,772	\$ 1,993	\$ 35,765
2017	34,453	1,313	35,766
2018	35,147	618	35,765
2019	7,597	44	7,641
	<u>\$ 110,969</u>	<u>\$ 3,968</u>	<u>\$ 114,937</u>

The District entered into a loan agreement in April 2012 with the State Energy Conservation Office – General Services Commission. The District will repay the loan amount, plus interest at 3%. The loan will be repaid as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 353,039	\$ 107,225	\$ 460,264
2017	363,750	96,514	460,264
2018	374,786	85,478	460,264
2019	386,156	74,107	460,263
2020	397,872	62,392	460,264
2021-2015	1,637,779	125,138	1,762,917
	<u>\$ 3,513,382</u>	<u>\$ 550,854</u>	<u>\$ 4,064,236</u>

During fiscal year 2015, interest expense and cash paid for interest totaled \$36,591,381.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

9. Interfund Receivables and Payables

Interfund balances occur when one fund pays or receives resources for another fund. Interfund balances at August 31, 2015 consisted of the following fund receivables and payables:

	Due From	Due To
Major Fund – General:		
Debt Service	\$ 25,000	\$ -
Capital Projects	17,908,148	449
Nonmajor	17,344,788	-
Internal Service	2,843,347	5,498,108
Fiduciary	699,522	-
Total General Fund	38,820,805	5,498,557
Major Fund – Debt Service:		
General	-	25,000
Nonmajor	35	-
Fiduciary	35,385	-
Total Debt Service Fund	35,420	25,000
Major Fund – Capital Projects:		
General	449	17,908,148
Total Capital Projects Fund	449	17,908,148
Nonmajor Funds:		
General	-	17,344,788
Debt Service	-	35
Internal Service	-	18,819
Fiduciary	-	5,909
Total Nonmajor Funds	-	17,369,551
Internal Service Fund:		
General	5,498,108	2,843,347
Nonmajor	18,819	-
Internal Service	68,576	68,576
Fiduciary	1,791	-
Total Internal Service Fund	5,587,294	2,911,923
Fiduciary Funds:		
General	-	699,522
Debt Service	-	35,385
Nonmajor	5,909	-
Internal Service	-	1,791
Total Fiduciary Funds	5,909	736,698
Total all funds	\$ 44,449,877	\$ 44,449,877

During the year, the Debt Service Fund transferred \$70,000,000 to the Capital Projects Fund to retire commercial paper.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

10. Commitments and Contingencies

At August 31, 2015, the District is committed under contracts in the amount of approximately \$30 million. The commitments are for remaining work on various construction projects. These commitments are payable from the Capital Projects Fund.

The District participates in a number of federal financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 and provisions OMB Circular A-133 through August 31, 2015, these programs are still subject to financial and compliance audits and resolution of previously identified questioned costs. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

The District leases certain building facilities and equipment on a year-to-year basis. Total rent expenditures for the year ended August 31, 2015 was \$3,733,994. These leases are considered for accounting purposes to be operating leases.

The District has been named in several civil lawsuits. The outcome of these pending cases cannot presently be determined; however, the District plans to vigorously contest each action. In the opinion of management, disposition of these lawsuits will have no material adverse effect on the financial position of the District.

The Travis County Central Appraisal District is a defendant in various lawsuits involving the property values assigned to property located within the District's boundaries on which the District assesses property taxes. Assessed values of property values under suit are as follows:

<u>Tax Year</u>	<u>Property Value</u>
2004	\$ 1,241,301
2005	161,926
2006	198,258
2007	2,881,175
2008	22,893,664
2009	134,835,783
2010	57,620,021
2011	101,790,119
2012	621,732,418
2013	1,504,388,317
2014	3,564,179,677
2015	3,258,235,804
	<u>\$ 9,270,158,463</u>

The District could be required to refund property taxes paid on values which were greater than the ultimate final assessed valuation assigned by the court. Such lawsuits could continue several years into the future.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

11. Defined Benefit Pension Plan

A. 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's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

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

B. Pension Plan Fiduciary Net Position

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

C. Benefits Provided

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

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

11. Defined Benefit Pension Plan (continued)

D. Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. It also added a 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (“OASDI”) on certain employees effective for fiscal year 2015 as discussed in Note 1 of the TRS 2014 CAFR. The 83rd Texas Legislature, General Appropriations Act (“GAA”) established the employer contribution rates for fiscal years 2014 and 2015.

	2015	2014
Member	6.7%	6.4%
Non-Employer Contributing Entity (State) (“NECE”)	6.8%	6.8%
Employers	6.8%	6.8%
District’s 2014 employer contributions		\$ 9,712,268
District’s 2014 member contributions		\$ 28,131,712
District’s 2014 NECE contributions		\$ 26,589,436

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

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

11. Defined Benefit Pension Plan (continued)

D. Contributions (continued)

Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

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

In addition to the employer contributions listed above, 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.

E. Actuarial Assumptions

The total pension liability in the August 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 years
Asset Valuation Method	5 year Market Value
Discount Rate	8.00%
Long-Term Expected Investment Rate of Return*	8.00%
Salary Increases*	4.25% to 7.25%
Weighted-Average at Valuation Date	5.55%
Payroll Growth Rate	3.50%

*Includes Inflation of 3%

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

11. Defined Benefit Pension Plan (continued)

E. Actuarial Assumptions (continued)

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2010 and adopted on April 8, 2011. With the exception of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the Summer of 2014, the assumptions and methods are the same as used in the prior valuation. When the mortality assumptions were adopted in 2011 they contained a significant margin for possible future mortality improvement. As of the date of the valuation there has been a significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rates for current and future retirees was decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards of Practice No. 35.

F. 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.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

11. Defined Benefit Pension Plan (continued)

F. Discount Rate (continued)

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2014 are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return *
Global Equity			
U.S.	18%	7.00%	1.4%
Non-U.S. Developed	13%	7.30%	1.1%
Emerging Markets	9%	8.10%	0.9%
Directional Hedge Funds	4%	5.40%	0.2%
Private Equity	13%	9.20%	1.4%
Stable Value			
U.S. Treasuries	11%	2.90%	0.3%
Absolute Return	0%	4.00%	0.0%
Stable Value Hedge Funds	4%	5.20%	0.2%
Cash	1%	2.00%	0.0%
Real Return			
Global Inflation Linked Bonds	3%	3.10%	0.0%
Real Assets	16%	7.30%	1.5%
Energy and Natural Resources	3%	8.80%	0.3%
Commodities	0%	3.40%	0.0%
Risk Parity			
Risk Parity	5%	8.90%	0.4%
Alpha	0%	0.00%	1.0%
Total	<u>100%</u>		<u>8.7%</u>

*The expected contribution to returns incorporates the volatility drag resulting from the conversion between arithmetic and geometric mean returns.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

11. Defined Benefit Pension Plan (continued)

G. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2014 Net Pension Liability.

	<u>1% Decrease in Discount Rate (7%)</u>	<u>Discount Rate (8%)</u>	<u>1% Increase in Discount Rate (9%)</u>
District's proportionate share of the net pension liability	\$ 182,852,683	\$ 102,327,301	\$ 42,109,313

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

At August 31, 2014, the District reported a liability of \$102,327,301 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	\$ 102,327,301
State's proportionate share that is associated with the district	<u>280,740,695</u>
Total	<u><u>\$ 383,067,996</u></u>

The net pension liability was measured as of August 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2013 through August 31, 2014.

At August 31, 2014 the employer's proportion of the collective net pension liability was 0.383085% which was an increase of 0.48% from its proportion measured as of August 31, 2013. The change in proportion was immaterial and therefore disregarded this year.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

11. Defined Benefit Pension Plan (continued)

H. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

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

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective September 1, 2014. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

For the year ended August 31, 2014, the District recognized pension expense of \$25,953,955 and revenue of \$25,953,955 for support provided by the State.

At August 31, 2014, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual economic experience	\$ 1,582,525	\$ -
Changes in actuarial assumptions	6,651,388	-
Difference between projected and actual investment earnings	-	31,275,402
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	-	26,823
Contributions paid to TRS subsequent to the measurement date	9,203,518	-
Total	\$ 17,437,431	\$ 31,302,225

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

Year Ended August 31:	Pension Expense Amount
2015	\$ (6,434,317)
2016	(6,434,317)
2017	(6,434,317)
2018	(6,434,317)
2019	1,384,534
2020	1,284,422
Thereafter	-

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

12. Health Care Coverage

A. Health Insurance Plan

During the year ended August 31, 2015, employees of the District were covered by a self-funded health insurance plan. During the 2011 plan year, the District established a self-funded health insurance program utilizing a plan provided by Blue Cross Blue Shield of Texas ("BCBS"). District employees had a choice of three PPO plans, one of which offered a health savings account. As of January 1, 2015 the district switched providers from BCBS to Aetna. Under the Aetna health plan, employees now have a choice of four plans, including two PPO plans and two ACO plans, one of which offers a health savings account.

Claims administration is contracted from a third-party administrator. Health benefit consultant services are contracted from an outside entity. The District maintains individual stop-loss coverage for catastrophic losses exceeding \$350,000 per claim.

Under BCBS, The District contributed \$446 per month, per employee to all plans, with the exception of the PPO2 (employee only) premium of \$408 per month, per employee. Under Aetna, the District contributed \$446 per month, per employee to the plans. All contributions were paid to licensed insurers. The contracts between the District and the licensed insurers provide terms of coverage and contribution costs.

The latest financial statements for the insurance companies, available for the year ended December 31, 2015, are filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

B. Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which became 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 School 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. These on-behalf payments must be recognized as equal revenues and expenditures/expenses by the District. These payments totaled \$2,191,939, \$1,416,537, and \$1,420,965, for fiscal years 2015, 2014, and 2013, respectively.

The Early Retiree Reinsurance Program ("ERRP") is a provision of the Patient Protection and Affordable Care Act ("PPACA") and provides reimbursement to plan sponsors for a portion of the cost of providing health benefits to retirees between the ages of 55-64 and their covered dependents regardless of age. An "early retiree" is defined as a plan participant aged 55-64 who is not eligible for Medicare and is not covered by an active employee of the plan sponsor.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

12. Health Care Coverage (continued)

B. Medicare Part D (continued)

This temporary program is available to help employers continue to provide coverage to early retirees. ERRP reimbursement is available on a first-come, first-served basis for qualified employers that apply and become certified for the program. TRS has been certified for this program and has received funds from the ERRP program. These funds are allocated to reporting agencies using the same basis as the Medicare Part D – On Behalf Payments. The temporary program was not available to TRS for the fiscal years ended August 31, 2014 and 2015; therefore, there was no allocation required.

C. Retiree Health Plan

Plan Description

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

Funding Policy

Contribution requirements are not actuarially determined, but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. Contribution rates and amounts are shown in the table below for fiscal years 2013-2015.

Contribution Rates and Amounts

<u>Year</u>	<u>Active Member</u>		<u>State</u>		<u>School District</u>	
	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>
2015	0.65%	\$ 3,515,795	1.00%	\$ 501,973	0.55%	\$ 2,974,903
2014	0.65%	3,448,239	1.00%	584,030	0.55%	2,917,741
2013	0.65%	3,432,913	0.50%	304,996	0.55%	2,902,064

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

13. Self Insurance

The District participates in the Texas Association of School Boards Modified Self-Funded Program for its vehicle liability insurance. In connection therewith, stop-loss insurance for bodily injury over \$100,000 per person, \$300,000 per occurrence, and \$100,000 for personal property is maintained. The District is responsible for claims up to these amounts.

The District is self-insured for workers' compensation coverage. The District contributes amounts to the Internal Service Fund based on an estimate of the ultimate cost of claims expected to be incurred each year and changes in amounts estimated in prior years. The District's retention under this program is limited to \$500,000 per occurrence (all claims relating to an event are considered an occurrence). Through the Texas Association of School Boards Risk Management Fund, the District has contracted with Safety National Casualty Corporation, a commercial insurer licensed in the state of Texas, to provide the coverage per occurrence in excess of \$500,000 up to the statutory limit, as described by state law.

During the year ended August 31, 2015, employees of the District were covered by a self-funded health insurance plan. During the 2011 plan year, the District established a self-funded health insurance program utilizing a plan provided by Blue Cross Blue Shield of Texas. District employees had a choice of three PPO plans, one of which offered a health savings account. As of January 1, 2015 the District switched providers from BCBS to Aetna. Under the Aetna health plan, employees now have a choice of four plans, including two PPO plans and two ACO plans, one of which offers a health savings account.

Claims administration is contracted from a third-party administrator. Health benefit consultant services are contracted from an outside entity. The District maintains individual stop-loss coverage for catastrophic losses exceeding \$350,000 per claim.

Changes in workers' compensation and health insurance claims liability amounts are as follows:

	2015		2014	
	<u>Workers' Compensation</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Health Insurance</u>
Beginning of the year liability	\$ 6,414,535	\$ 4,932,983	\$ 7,034,158	\$ 5,033,372
Current year claims	2,164,723	74,430,860	1,633,930	68,085,494
Changes in estimates	(23,064)	2,067,017	(619,623)	(100,389)
Claim payments	<u>(2,164,723)</u>	<u>(74,430,860)</u>	<u>(1,633,930)</u>	<u>(68,085,494)</u>
End of the year liability	<u>\$ 6,391,471</u>	<u>\$ 7,000,000</u>	<u>\$ 6,414,535</u>	<u>\$ 4,932,983</u>

The end of the year liability includes claims incurred and reported and estimated claims incurred, but not reported based on historical activity. Due to the types of risk self-insured, the ultimate amount to be paid out may be more or less than the amount accrued at August 31, 2015. The District has a contingent liability in the event the insurer is unable to fulfill its responsibility under the contract or the incurred claims exceed the amounts covered by stop-loss coverage. There have been no claim settlements exceeding the District's retention limits in the last three years.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

14. Deficit Fund Balance

As of August 31, 2015, the Capital Projects Fund had a deficit fund balance of \$37,043,645. The deficit fund balance resulted from capital expenditures incurred in 2013 through 2015, which were being financed by commercial paper and accounts payable on an interim basis. The District is utilizing the commercial paper program, which is more fully described in Note 15, rather than issuing a large amount of bonded indebtedness at the beginning of a construction program. The commercial paper program allows the District to issue smaller increments of short-term debt that more closely matches the size and timing of its construction expenditures and, thus, minimize the total amount of interest cost and bond issuances costs incurred on the construction program. Voters of the District approved the issuance of up to \$519.5 million of bonds in an election in September 2004, the issuance of up to \$343.7 million of bonds in an election in May 2008, and the issuance of up to \$489.7 million of bonds in an election in May 2013. The deficit fund balance will be eliminated by future bond proceeds. As of August 31, 2015, the District has issued \$508.8 million of the original \$519.5 million bond authorization approved by the voters of the District in September 2004, \$300.2 million of the \$343.7 million bond authorization approved by voters in May 2008, and \$75.0 million of the \$489.7 million bond authorization approved by voters in May 2013.

15. Short-Term Debt

In June 2005, the Board approved the issuance of Austin Independent School District Commercial Paper Notes, Series A ("Commercial Paper") in an aggregate principal amount not to exceed \$150,000,000 for the purpose of funding new construction and rehabilitation and renovation of existing facilities. The Commercial Paper notes mature in not more than 270 days from issuance and are supported by revolving credit agreements with Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation. The Commercial Paper is secured by a pledge of the proceeds of future general obligation bonds or loans issued by the District to pay the principal of the Commercial Paper or proceeds from ad valorem property taxes. As of August 31, 2015, the District had a \$20 million outstanding balance of Commercial Paper. Since the beginning of the Commercial Paper Program, the District has issued approximately \$831 million in bonds, using a portion of the proceeds from each of the bond issuances to partially refinance the Commercial Paper. As of August 31, 2015, \$815 million of bond proceeds has been used to refinance the Commercial Paper.

Changes in the Commercial Paper are as follows:

	August 31,	
	2015	2014
Beginning of the year liability	\$ -	\$ 10,000,000
Bonds issued	(70,000,000)	(60,000,000)
Commercial paper issuances	90,000,000	50,000,000
End of the year liability	\$ 20,000,000	\$ -

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

16. Fund Balance

Designations of governmental fund balance as of August 31, 2015 were as follows:

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:					
Nonspendable:					
Inventories	\$ 395,152	\$ -	\$ -	\$ 2,724,358	\$ 3,119,510
Prepays	7,930,082	-	-	480,477	8,410,559
Restricted:					
Retirement of long-term debt	-	48,169,616	-	-	48,169,616
Federal and state funds grants	-	-	-	4,550,895	4,550,895
Assigned:					
Administration	413,901	-	-	-	413,901
Community services	82,924	-	-	-	82,924
Instructional related	9,559,450	-	-	-	9,559,450
Instructional and school leadership related	124,530	-	-	-	124,530
Library science	119,539	-	-	-	119,539
Special projects (energy conservation and E-rate reimbursements)	4,981,757	-	-	-	4,981,757
Strategic compensation	1,000,000	-	-	-	1,000,000
Support services (nonstudent related)	1,767,993	-	-	-	1,767,993
Support services (student related)	379,951	-	-	-	379,951
Unassigned	190,967,649	-	(37,043,645)	-	153,924,004
Total fund balances	\$ 217,722,928	\$ 48,169,616	\$ (37,043,645)	\$ 7,755,730	\$ 236,604,629

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

17. Shared Services Arrangements

The District is the fiscal agent for two shared services arrangements (“SSA”). One SSA provides deaf education services to member districts whose students are enrolled in the Regional Day School Program for the Deaf. In addition to the District, other member districts in this SSA include the Del Valle ISD. The other SSAs provide education services to member districts in the Indian Education Formula Grant Consortium. In addition to the District, other member districts in this SSA include Bastrop ISD, Leander ISD, Liberty Hill ISD, and Round Rock ISD.

The District, acting as the fiscal agent, receives monies from the granting agencies and administers the programs. The fiscal agent is responsible for employment of personnel, budgeting, accounting, and reporting. According to guidance provided in TEA’s FAR, the District has accounted for the activities of the SSA in the appropriate Special Revenue Funds. Additionally, the SSA’s are accounted for using the “Accounting and Reporting Treatment Guidance Section” of FAR.

According to the SSA agreements, costs incurred by the SSA’s shall be divided among the member districts in proportion to the number of students each member district has attending the Regional Day School Program and/or receiving services through the Indian Education Formula Grant Consortium.

Expenditures allocated to the SSA members as of August 31, 2015 are summarized below by program:

Indian Education	<u>All Districts</u>	<u>Austin ISD</u>	<u>Bastrop</u>	<u>Leander</u>	<u>Liberty Hill</u>	<u>Round Rock</u>
Number of Students	<u>139</u>	<u>91</u>	<u>9</u>	<u>20</u>	<u>1</u>	<u>18</u>
Fund Year 285.5	\$ 54,776	\$ 35,861	\$ 3,547	\$ 7,881	\$ 394	\$ 7,093
Number of Students	<u>11</u>	<u>9</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Fund Year 285.6	\$ 126	\$ 103	\$ -	\$ -	\$ -	\$ 23
Total	<u>\$ 54,902</u>	<u>\$ 35,964</u>	<u>\$ 3,547</u>	<u>\$ 7,881</u>	<u>\$ 394</u>	<u>\$ 7,116</u>

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2015

17. Shared Services Arrangements (continued)

	<u>All Districts</u>	<u>Austin ISD</u>	<u>Del Valle ISD</u>
Regional Day School for the Deaf			
Number of Students	<u>86</u>	<u>80</u>	<u>6</u>
Fund Year			
315.5	\$ <u>46,637</u>	\$ <u>43,383</u>	\$ <u>3,254</u>
Discretionary Deaf	<u>46,637</u>	<u>43,383</u>	<u>3,254</u>
316.5	29,994	27,901	2,093
316.6	<u>941</u>	<u>875</u>	<u>66</u>
Formula Deaf	<u>30,935</u>	<u>28,776</u>	<u>2,159</u>
317.5	<u>2,000</u>	<u>1,860</u>	<u>140</u>
Preschool Deaf	<u>2,000</u>	<u>1,860</u>	<u>140</u>
340.4	(214)	(199)	(15)
340.5	<u>2,291</u>	<u>2,131</u>	<u>160</u>
Early Intervention	<u>2,077</u>	<u>1,932</u>	<u>145</u>
435.4	(1,070)	(995)	(75)
435.5	<u>626,343</u>	<u>582,645</u>	<u>43,698</u>
State Deaf	<u>625,273</u>	<u>581,650</u>	<u>43,623</u>
Total	\$ <u>706,922</u>	\$ <u>657,601</u>	\$ <u>49,321</u>

18. Pension Restatement

Effective September 1, 2014, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, An Amendment of GASB Statement No. 68*. Upon adoption, net pension liability, deferred inflows and outflows and pension expense are now reflected on the financial statements in accordance with the guidance provided for within the standards. The implementation resulted in a restatement of the beginning net position in 2015, the year in which the provisions of GASB Statement No. 68 were adopted. The adoption decreased net position by \$115,937,261.

	<u>Total</u>
Net position at end of year – as previously reported	\$ 336,245,158
Implementation of GASB Statement Nos. 68 and 71	<u>(115,937,261)</u>
Net position at beginning of year – as restated	\$ <u>220,307,897</u>

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by GASB but not considered a part of the basic financial statements.

Austin Independent School District

Exhibit G-1 Budgetary Comparison Schedule – General Fund

Year Ended August 31, 2015

Data Control Codes		Budgeted Amounts			Variance With Final Budget Positive (Negative)
		Original	Final	Actual	
Revenues					
5700	Local and intermediate sources	\$ 802,185,672	\$ 820,073,863	\$ 818,924,395	\$ (1,149,468)
5800	State program revenues	57,648,608	64,475,651	62,523,918	(1,951,733)
5900	Federal program revenues	<u>21,929,637</u>	<u>24,679,774</u>	24,204,869	<u>(474,905)</u>
5020	Total revenues	<u>881,763,917</u>	<u>909,229,288</u>	<u>905,653,182</u>	<u>(3,576,106)</u>
Expenditures					
Current:					
0011	Instruction	435,281,112	420,176,606	417,253,355	2,923,251
0012	Instructional resources and media services	10,905,972	11,165,188	10,670,892	494,296
0013	Curriculum and instructional staff development	11,939,131	15,549,978	12,683,581	2,866,397
0021	Instructional leadership	12,215,675	13,938,467	13,513,543	424,924
0023	School leadership	48,306,683	49,997,667	49,868,639	129,028
0031	Guidance, counseling, and evaluation services	19,772,912	23,721,469	23,035,089	686,380
0032	Social work services	4,700,181	4,874,614	4,566,336	308,278
0033	Health services	6,182,904	6,278,330	5,694,259	584,071
0034	Student (pupil) transportation	28,148,642	29,522,000	29,067,082	454,918
0036	Curricular/extracurricular activities	13,499,513	15,825,342	15,751,680	73,662
0041	General administration	17,845,731	18,230,018	17,689,045	540,973
0051	Plant maintenance and operations	77,918,209	86,215,397	85,939,696	275,701
0052	Security and monitoring services	9,835,693	9,850,379	9,770,847	79,532
0053	Data processing services	18,718,224	17,342,068	17,207,584	134,484
0061	Community services	5,639,832	5,195,756	4,973,026	222,730
0071	Principal on long-term debt	883,000	415,954	401,624	14,330
0072	Interest on long-term debt	-	105,461	105,461	-
0081	Capital outlay	1,519,000	2,484,597	2,212,410	272,187
0091	Contracted instructional services between schools	175,539,902	181,425,339	181,118,956	306,383
0093	Payments related to shared services arrangements	2,360,388	2,536,261	2,526,261	10,000
0099	Other intergovernmental charges	<u>5,453,641</u>	<u>5,453,641</u>	<u>5,267,148</u>	<u>186,493</u>
6030	Total expenditures	<u>906,666,345</u>	<u>920,304,532</u>	<u>909,316,514</u>	<u>10,988,018</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>(24,902,428)</u>	<u>(11,075,244)</u>	<u>(3,663,332)</u>	<u>7,411,912</u>
Other Financing Sources (Uses)					
7912	Sale of real or personal property	51,000	51,000	-	(51,000)
7914	Noncurrent loan proceeds	-	425,851	425,852	1
8949	Other uses	<u>(81,000)</u>	<u>(82,500)</u>	-	<u>82,500</u>
7080	Total other financing sources (uses)	<u>(30,000)</u>	<u>394,351</u>	<u>425,852</u>	<u>31,501</u>
1200	Net change in fund balance	(24,932,428)	(10,680,893)	(3,237,480)	7,443,413
0100	Fund balance at beginning of year	<u>220,960,408</u>	<u>220,960,408</u>	<u>220,960,408</u>	<u>-</u>
3000	Fund balance at end of year	<u>\$ 196,027,980</u>	<u>\$ 210,279,515</u>	<u>\$ 217,722,928</u>	<u>\$ 7,443,413</u>

See accompanying independent auditor's report.

Austin Independent School District

Exhibit G-1

Note to the Budgetary Comparison Schedule – General Fund

Year Ended August 31, 2015

Budgetary Data

Formal budgetary accounting is employed for the General Fund, as outlined in TEA's FAR. The budgetary comparison schedule is presented on the modified accrual basis of accounting consistent with GAAP. The budget is prepared and controlled at the function level within each organization to which responsibility for controlling operations is assigned.

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

Annual budgets are adopted on a basis generally consistent with GAAP for the General Fund, Debt Service Fund, and the Food Service Special Revenue Fund. The remaining Special Revenue Funds and the Capital Projects Fund adopt project-length budgets, which do not correspond to the District's fiscal year. Each annual budget for these funds is presented on the modified accrual basis of accounting, which is consistent with GAAP. The Board amended the budget throughout the year. Such amendments are before the fact and are reflected in the official minutes of the Board.

Austin Independent School District

Schedule of the District's Proportionate Share of the Net Pension Liability

Year ended August 31, 2015

	<u>2015</u>
District's proportion of the net pension liability	0.3830850%
District's proportionate share of net pension liability	\$ 102,327,301
State's proportionate share of the net pension liability associated with the district	<u>280,740,695</u>
Total	<u>\$ 383,067,996</u>
District's covered-employee payroll	\$ 530,498,281
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	19.29%
Plan fiduciary net position as a percentage of the total pension liability	83.25%

Only one year of data is presented in accordance with GASB Statement No. 68, Paragraph 138. The information for all periods for the 10-year schedules that are required to be presented as required supplementary information is not available. During this transition period, the information will be presented for as many years as are available.

See accompanying independent auditor's report

Austin Independent School District

Schedule of District Contributions

Year ended August 31, 2015

	<u>2015</u>
Contractually required contribution	\$ 9,712,268
Contribution in relation to the contractually required contribution	<u>(9,712,268)</u>
Contribution deficiency (excess)	\$ <u><u>-</u></u>
District's covered-employee payroll	\$ 540,891,491
Contributions as a percentage of covered-employee payroll	1.80%

Only one year of data is presented in accordance with GASB Statement No. 68, Paragraph 138. The information for all periods for the 10-year schedules that are required to be presented as required supplementary information is not available. During this transition period, the information will be presented for as many years as are available.

Austin Independent School District

Notes to Required Supplementary Information

August 31, 2015

1. Changes to benefit terms

There were no benefit changes during the year.

2. Changes of assumptions

There were no changes of assumptions during the year.

OTHER SUPPLEMENTARY INFORMATION

Combining Schedules

NONMAJOR GOVERNMENTAL FUNDS

The nonmajor governmental funds are made up of Special Revenue Funds.

The Special Revenue Funds account for state and federally financed programs or expenditures legally restricted for specified purposes or where unused balances are returned to the grantor at the close of specified project periods. This fund type also includes child care operations, food concessions, scholarship, and food service operations.

Austin Independent School District

Exhibit H-1 Combining Balance Sheet Nonmajor Governmental Funds

August 31, 2015

**Data
Control
Codes**

	205 Head Start	206 ESEA, Title X, Part C - Education for the Homeless Children	211 ESEA, Title I, Part A - Improving Basic Programs	220 Adult Ed - English Literacy & Civics Awareness	223 Adult Education Federal Grant	224 IDEA - Part B, Formula	225 IDEA - Part B, Preschool
ASSETS							
1110 Cash, cash equivalents and temporary investments	\$ -	-	-	-	-	-	-
1240 Due from other governments	143,359	37,350	5,604,497	5,073	47,788	2,561,191	57,343
1290 Other receivables	-	-	-	-	-	-	-
1300 Inventories	-	-	-	-	-	-	-
1410 Prepays and other assets	25,834	6,836	3,141	4,011	580	236,772	9,610
1000 Total assets	<u>169,193</u>	<u>44,186</u>	<u>5,607,638</u>	<u>9,084</u>	<u>48,368</u>	<u>2,797,963</u>	<u>66,953</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
2110 Accounts payable	17,944	1,614	566,379	-	500	81,491	9,182
2160 Accrued wages payable	-	215	34,516	1,239	607	87,818	2,136
2170 Due to other funds	151,249	42,357	5,006,743	7,845	47,261	2,628,654	55,635
2180 Due to other governments	-	-	-	-	-	-	-
2300 Unearned revenues	-	-	-	-	-	-	-
2000 Total liabilities	<u>169,193</u>	<u>44,186</u>	<u>5,607,638</u>	<u>9,084</u>	<u>48,368</u>	<u>2,797,963</u>	<u>66,953</u>
Fund balances:							
3410 Nonspendable	25,834	6,836	3,141	4,011	580	236,772	9,610
3490 Restricted	(25,834)	(6,836)	(3,141)	(4,011)	(580)	(236,772)	(9,610)
3000 Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total liabilities and fund balances	<u>169,193</u>	<u>44,186</u>	<u>5,607,638</u>	<u>9,084</u>	<u>48,368</u>	<u>2,797,963</u>	<u>66,953</u>

Austin Independent School District

Exhibit H-1
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)

August 31, 2015

**Data
Control
Codes**

	240	242	244	255	258	263	265
	National School Breakfast and Lunch Program	Summer Feeding Program, Texas Department of Agriculture	Career and Technical - Basic Grant	ESEA, Title II, Part A - Teacher and Principal Training	Public Charter Schools	Title III, Part A - English Language Acquisition and Language	Title IV, Part B - 21st Century Community Learning Centers
ASSETS							
1110	Cash, cash equivalents and temporary investments	\$ 4,528,904	-	-	-	-	-
1240	Due from other governments	827,971	-	84,028	894,062	76,457	317,169
1290	Other receivables	168,100	-	-	-	-	-
1300	Inventories	2,724,358	-	-	-	-	-
1410	Other assets	3,692	-	-	-	26,645	13,641
1000	Total assets	<u>8,253,025</u>	<u>-</u>	<u>84,028</u>	<u>894,062</u>	<u>76,457</u>	<u>343,814</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
2110	Accounts payable	601,363	-	31,064	23,515	-	24,709
2160	Accrued wages payable	384,552	-	4,703	34,521	2,637	12,510
2170	Due to other funds	1,037,005	-	48,261	836,026	73,820	306,595
2180	Due to other governments	-	-	-	-	-	-
2300	Unearned revenues	992,160	-	-	-	-	-
2000	Total liabilities	<u>3,015,080</u>	<u>-</u>	<u>84,028</u>	<u>894,062</u>	<u>76,457</u>	<u>343,814</u>
Fund balances:							
3410	Nonspendable	2,728,050	-	-	-	-	26,645
3490	Restricted	2,509,895	-	-	-	-	(26,645)
3000	Total fund balances	<u>5,237,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>8,253,025</u>	<u>-</u>	<u>84,028</u>	<u>894,062</u>	<u>76,457</u>	<u>343,814</u>

Austin Independent School District

Exhibit H-1
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)

August 31, 2015

Data
Control
Codes

	272	276	285	286	289	315	316
	Medicaid	Title I SIP Academy	ESEA, Title I, Part A -	Federally Funded	Federally Funded	Shared Services	Shared Services
	Administrative	Grant	Improving Basic	Special Revenue	Special Revenue	Arrangements - IDEA	Arrangements - IDEA
	Claiming Program		Programs (ARRA)	Funds	Funds	- Part B -	- Part B - Deaf
						Discretionary	
ASSETS							
1110	Cash, cash equivalents and temporary investments	\$ -	-	-	-	58,422	-
1240	Due from other governments	292,872	655,906	2,365	-	1,861,362	11,423
1290	Other receivables	-	-	-	-	773	-
1300	Inventories	-	-	-	-	-	-
1410	Other assets	-	-	738	-	58,314	-
1000	Total assets	292,872	655,906	3,103	-	1,978,871	11,423
LIABILITIES AND FUND BALANCES							
Liabilities:							
2110	Accounts payable	-	74,034	126	-	549,591	6,719
2160	Accrued wages payable	-	94	-	-	38,414	-
2170	Due to other funds	292,872	581,778	2,977	-	1,336,770	4,704
2180	Due to other governments	-	-	-	-	4,955	-
2300	Unearned revenues	-	-	-	-	49,141	-
2000	Total liabilities	292,872	655,906	3,103	-	1,978,871	11,423
Fund balances:							
3410	Nonspendable	-	-	738	-	58,314	-
3490	Restricted	-	-	(738)	-	(58,314)	-
3000	Total fund balances	-	-	-	-	-	-
4000	Total liabilities and fund balances	292,872	655,906	3,103	-	1,978,871	11,423

Austin Independent School District

Exhibit H-1
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)

August 31, 2015

Data
Control
Codes

	317	340	385	392	393	397	410	
	Shared Services Arrangements - IDEA - Part B - Preschool Deaf	Shared Services Arrangements - IDEA - Part C - Early Intervention Deaf	State Supplemental Visually Impaired (SSVI)	Noneducational Community-Based Support	Texas Successful Schools Program	Advanced Placement Incentives	State Textbook Fund	
ASSETS								
1110	Cash, cash equivalents and temporary investments	\$ -	-	-	-	24,846	32,581	-
1240	Due from other governments	726	220	48,124	22,027	-	-	2,381,836
1290	Other receivables	-	-	-	-	-	-	-
1300	Inventories	-	-	-	-	-	-	-
1410	Other assets	-	-	-	-	-	-	-
1000	Total assets	<u>726</u>	<u>220</u>	<u>48,124</u>	<u>22,027</u>	<u>24,846</u>	<u>32,581</u>	<u>2,381,836</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
2110	Accounts payable	-	-	-	4,025	-	-	571,310
2160	Accrued wages payable	-	-	61	206	-	-	-
2170	Due to other funds	726	220	48,063	17,796	-	-	1,793,724
2180	Due to other governments	-	-	-	-	-	32,581	-
2300	Unearned revenues	-	-	-	-	-	-	-
2000	Total liabilities	<u>726</u>	<u>220</u>	<u>48,124</u>	<u>22,027</u>	<u>-</u>	<u>32,581</u>	<u>2,365,034</u>
Fund balances:								
3410	Nonspendable	-	-	-	-	-	-	-
3490	Restricted	-	-	-	-	24,846	-	16,802
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,846</u>	<u>-</u>	<u>16,802</u>
4000	Total liabilities and fund balances	<u>726</u>	<u>220</u>	<u>48,124</u>	<u>22,027</u>	<u>24,846</u>	<u>32,581</u>	<u>2,381,836</u>

Austin Independent School District

Exhibit H-1 Combining Balance Sheet Nonmajor Governmental Funds (Continued)

August 31, 2015

**Data
Control
Codes**

	426	428	429	435	461	479	499	Total	
	Texas Educator Excellence Award Grant Program	High School Allotment	State Funded Special Revenue Funds	Shared Services Arrangements - Regional Day School for the Deaf	Campus Activity Funds	Permanent Fund	Locally Funded Special Revenue Funds		
ASSETS									
1110	Cash, cash equivalents and temporary investments	\$ -	52,027	91,517	-	319,009	630,489	7,311,239	13,049,034
1240	Due from other governments	430,763	-	13,090	247,736	-	-	1,741,651	18,940,969
1290	Other receivables	-	-	-	-	28,360	-	2,052	199,285
1300	Inventories	-	-	-	-	-	-	-	2,724,358
1410	Other assets	-	-	4,189	9,365	-	-	76,539	480,477
1000	Total assets	430,763	52,027	108,796	257,101	347,369	630,489	9,131,481	35,394,123
LIABILITIES AND FUND BALANCES									
Liabilities:									
2110	Accounts payable	-	-	-	413	6,679	-	716,771	3,300,492
2160	Accrued wages payable	15,218	-	1,005	8,260	3,114	-	60,928	739,542
2170	Due to other funds	415,545	-	2,150	248,428	52,688	-	1,800,719	17,369,551
2180	Due to other governments	-	-	105,641	-	-	-	3,771,447	3,914,624
2300	Unearned revenues	-	-	-	-	-	-	1,272,883	2,314,184
2000	Total liabilities	430,763	-	108,796	257,101	62,481	-	7,622,748	27,638,393
Fund balances:									
3410	Nonspendable	-	-	4,189	9,365	-	-	76,539	3,204,835
3490	Restricted	-	52,027	(4,189)	(9,365)	284,888	630,489	1,432,194	4,550,895
3000	Total fund balances	-	52,027	-	-	284,888	630,489	1,508,733	7,755,730
4000	Total liabilities and fund balances	430,763	52,027	108,796	257,101	347,369	630,489	9,131,481	35,394,123

Austin Independent School District

Exhibit H-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Governmental Funds

August 31, 2015

Data Control Codes	205	206	211	220	223	224	225
	Head Start	ESEA, Title X, Part C - Education for the Homeless Children	ESEA, Title I, Part A - Improving Basic Programs	Adult Ed - English Literacy & Civics Awareness	Adult Education Federal Grant	IDEA - Part B, Formula	IDEA - Part B, Preschool
REVENUES							
5700	Local and intermediate sources	\$ -	-	-	-	-	-
5800	State program revenues	-	-	-	-	-	-
5900	Federal program revenues	376,368	132,841	26,917,605	251,458	15,358,970	523,695
5020	Total revenues	376,368	132,841	26,917,605	251,458	15,358,970	523,695
EXPENDITURES							
Current:							
0011	Instruction	370,835	-	15,399,909	-	11,317,802	319,456
0012	Instructional resources and media services	-	-	286,861	-	1,500	-
0013	Curriculum and instructional staff development	5,533	-	5,026,897	6,755	1,718,042	8,294
0021	Instructional leadership	-	-	943,982	-	216,450	-
0023	School leadership	-	-	1,937,240	-	7,926	2,693
0031	Guidance, counseling, and evaluation services	-	-	454,389	-	1,731,927	193,252
0032	Social work services	-	-	272,799	-	-	-
0033	Health services	-	-	72,783	-	84,780	-
0035	Food services	-	-	-	-	-	-
0036	Curricular/extracurricular activities	-	-	195	-	-	-
0041	General administration	-	-	219,215	-	-	-
0051	Plant maintenance and operations	-	-	2,640	-	-	-
0052	Security and monitoring services	-	-	1,424	-	-	-
0053	Data processing services	-	-	528,719	-	58,736	-
0061	Community services	-	132,841	1,770,552	244,703	88,778	221,807
0081	Capital outlay	-	-	-	-	-	-
	Total expenditures	376,368	132,841	26,917,605	251,458	15,358,970	523,695
	Excess (deficiency) of revenues over expenses	-	-	-	-	-	-
	Net change in fund balances	-	-	-	-	-	-
	Fund balances – beginning	-	-	-	-	-	-
	Fund balances – ending	\$ -	-	-	-	-	-

Austin Independent School District

Exhibit H-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Governmental Funds (Continued)

August 31, 2015

Data Control Codes	240	242	244	255	258	263	265
	National School Breakfast and Lunch Program	Summer Feeding Program, Texas Department of Agriculture	Career and Technical - Basic Grant	ESEA, Title II, Part A - Teacher and Principal Training	Public Charter Schools	Title III, Part A - English Language Acquisition and Language	Title IV, Part B - 21st Century Community Learning Centers
REVENUES							
5700	Local and intermediate sources	\$ 6,691,611	6,379	-	-	-	-
5800	State program revenues	1,167,481	-	-	-	-	-
5900	Federal program revenues	29,097,171	333,401	1,166,973	3,029,841	491,199	2,394,241
5020	Total revenues	<u>36,956,263</u>	<u>339,780</u>	<u>1,166,973</u>	<u>3,029,841</u>	<u>491,199</u>	<u>2,394,241</u>
EXPENDITURES							
Current:							
0011	Instruction	-	-	813,341	775	336,466	1,609,211
0012	Instructional resources and media services	-	-	-	-	12,113	-
0013	Curriculum and instructional staff development	-	-	78,190	2,248,164	138,466	616,500
0021	Instructional leadership	-	-	101,531	239,640	-	41,641
0023	School leadership	-	-	-	35,290	1,554	-
0031	Guidance, counseling, and evaluation services	-	-	163,640	100,158	-	32,851
0032	Social work services	-	-	-	51,461	-	92,133
0033	Health services	-	-	-	-	-	-
0035	Food services	38,186,584	339,780	-	-	-	-
0036	Curricular/extracurricular activities	-	-	10,271	-	-	53,672
0041	General administration	-	-	-	264,723	-	-
0051	Plant maintenance and operations	-	-	-	-	-	7,280
0052	Security and monitoring services	-	-	-	-	-	9,639
0053	Data processing services	-	-	-	76,155	-	-
0061	Community services	-	-	-	13,475	2,600	94,038
0081	Capital outlay	-	-	-	-	-	3,833,706
	Total expenditures	<u>38,186,584</u>	<u>339,780</u>	<u>1,166,973</u>	<u>3,029,841</u>	<u>491,199</u>	<u>2,394,241</u>
	Excess (deficiency) of revenues over expenses	<u>(1,230,321)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Net change in fund balances	<u>(1,230,321)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Fund balances – beginning	6,468,266	-	-	-	-	-
	Fund balances – ending	<u>\$ 5,237,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Austin Independent School District

Exhibit H-2

Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Governmental Funds (Continued)

August 31, 2015

Data Control Codes	272 Medicaid Administrative Claiming Program	276 Title I SIP Academy Grant	285 ESEA, Title I, Part A - Improving Basic Programs (ARRA)	286 Education Jobs (Stimulus)	289 Federally Funded Special Revenue Funds	315 Shared Services Arrangements - IDEA - Part B - Discretionary	316 Shared Services Arrangements - IDEA - Part B - Deaf
REVENUES							
5700	Local and intermediate sources	-	-	-	-	-	-
5800	State program revenues	-	-	-	-	-	-
5900	Federal program revenues	581,055	1,256,069	54,902	6,225	15,123,721	46,638
5020	Total revenues	581,055	1,256,069	54,902	6,225	15,123,721	46,638
EXPENDITURES							
Current:							
0011	Instruction	-	921,373	-	5,962	7,172,517	37,952
0012	Instructional resources and media services	-	32,335	-	262	49,853	-
0013	Curriculum and instructional staff development	-	108,570	-	39	5,706,018	3,580
0021	Instructional leadership	-	-	52,902	-	1,207,915	2,464
0023	School leadership	-	91,050	-	(62)	289,397	17
0031	Guidance, counseling, and evaluation services	-	20,436	-	24	287,090	1,407
0032	Social work services	-	21,886	-	-	-	-
0033	Health services	581,055	-	-	-	-	1,218
0035	Food services	-	19,256	-	-	-	-
0036	Curricular/extracurricular activities	-	974	2,000	-	701	-
0041	General administration	-	-	-	-	-	-
0051	Plant maintenance and operations	-	29,306	-	-	-	-
0052	Security and monitoring services	-	2,902	-	-	-	-
0053	Data processing services	-	2,979	-	-	63,225	-
0061	Community services	-	5,002	-	-	347,005	-
0081	Capital outlay	-	-	-	-	-	-
	Total expenditures	581,055	1,256,069	54,902	6,225	15,123,721	46,638
	Excess (deficiency) of revenues over expenses	-	-	-	-	-	-
	Net change in fund balances	-	-	-	-	-	-
	Fund balances – beginning	-	-	-	-	-	-
	Fund balances – ending	-	-	-	-	-	-

Austin Independent School District

Exhibit H-2

Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Governmental Funds (Continued)

August 31, 2015

Data Control Codes	317 Shared Services Arrangements - IDEA - Part B - Preschool Deaf	340 Shared Services Arrangements - IDEA - Part C, Early Intervention Deaf	385 State Supplemental Visually Impaired (SSVI)	392 Noneducational Community-Based Support	393 Texas Successful Schools Program	397 Advanced Placement Incentives	410 State Textbook Fund
REVENUES							
5700	Local and intermediate sources	-	-	-	-	-	-
5800	State program revenues	-	48,124	21,996	-	9,745	4,086,332
5900	Federal program revenues	1,928	2,076	-	-	-	-
5020	Total revenues	1,928	2,076	48,124	21,996	9,745	4,086,332
EXPENDITURES							
Current:							
0011	Instruction	1,340	2,076	42,680	-	9,745	4,086,332
0012	Instructional resources and media services	-	-	-	-	-	-
0013	Curriculum and instructional staff development	330	-	2,843	-	-	-
0021	Instructional leadership	224	-	601	-	-	-
0023	School leadership	-	-	-	-	-	-
0031	Guidance, counseling, and evaluation services	34	-	2,000	-	-	-
0032	Social work services	-	-	-	-	-	-
0033	Health services	-	-	-	-	-	-
0035	Food services	-	-	-	-	-	-
0036	Curricular/extracurricular activities	-	-	-	1,500	-	-
0041	General administration	-	-	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-	-	-
0052	Security and monitoring services	-	-	-	-	-	-
0053	Data processing services	-	-	-	-	-	-
0061	Community services	-	-	-	20,496	-	-
0081	Capital outlay	-	-	-	-	-	-
	Total expenditures	1,928	2,076	48,124	21,996	9,745	4,086,332
	Excess (deficiency) of revenues over expenses	-	-	-	-	-	-
	Net change in fund balances	-	-	-	-	-	-
	Fund balances – beginning	-	-	-	24,846	-	16,802
	Fund balances – ending	-	-	-	24,846	-	16,802

Austin Independent School District

Exhibit H-2

Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Governmental Funds (Continued)

August 31, 2015

Data Control Codes	426	428	429	435	461	479	499	Total
	Texas Educator Excellence Award Grant Program	High School Allotment	State Funded Special Revenue Funds	Shared Services Arrangements - Regional Day School for the Deaf	Campus Activity Funds	Permanent Fund	Locally Funded Special Revenue Funds	
REVENUES								
5700	Local and intermediate sources	-	-	-	152,206	321	11,520,740	18,371,257
5800	State program revenues	956,538	-	241,826	605,148	-	-	7,137,190
5900	Federal program revenues	-	-	-	-	-	-	101,330,541
5020	Total revenues	956,538	-	241,826	605,148	321	11,520,740	126,838,988
EXPENDITURES								
Current:								
0011	Instruction	-	-	7,086	472,973	-	1,681,744	44,637,217
0012	Instructional resources and media services	-	-	300	-	28,532	5,576	417,332
0013	Curriculum and instructional staff development	936,880	4,197	-	17,164	54,653	803,217	17,555,646
0021	Instructional leadership	-	-	39,612	1,904	78,839	-	3,135,581
0023	School leadership	-	-	-	-	-	96,389	2,461,494
0031	Guidance, counseling, and evaluation services	19,658	-	-	35,385	74,953	-	3,306,226
0032	Social work services	-	2,352	-	-	-	66,080	414,578
0033	Health services	-	-	-	77,614	-	-	827,807
0035	Food services	-	-	-	5,018	-	-	38,550,638
0036	Curricular/extracurricular activities	-	-	374	24,409	-	113,880	207,976
0041	General administration	-	-	-	7,427	-	45,637	537,002
0051	Plant maintenance and operations	-	-	-	4,930	-	229,075	273,231
0052	Security and monitoring services	-	-	-	4,456	-	726	19,147
0053	Data processing services	-	-	-	-	-	6,300	736,114
0061	Community services	-	-	194,454	108	12,594	5,530,194	12,512,353
0081	Capital outlay	-	-	-	-	-	2,413,338	2,413,338
	Total expenditures	956,538	6,549	241,826	605,148	295,811	11,307,278	128,005,680
	Excess (deficiency) of revenues over expenses	-	(6,549)	-	-	(143,605)	321	(1,166,692)
	Net change in fund balances	-	(6,549)	-	-	(143,605)	321	(1,166,692)
	Fund balances – beginning	-	58,576	-	-	428,493	630,168	8,922,422
	Fund balances – ending	-	52,027	-	-	284,888	630,489	7,755,730

NONMAJOR PROPRIETARY FUNDS

The Internal Service Fund accounts for the District's self-funding of workers' compensation claims, Campus Police, Print Shop, and Health Services. Internal Service Funds inherently create redundancy because their expenses are recorded a second time in the funds that are billed for the services they provide. Therefore, on the government-wide financial statements, the operations of the Internal Service Funds are consolidated and interfund transactions are eliminated.

Austin Independent School District
Exhibit H-3
Combining Statement of Net Position
Proprietary Funds

August 31, 2015

	752	753	753	753	771	772	
	Print Shop	Worker's	Health	Dental	District	Laundry	
Assets	Reproduction	Compensation	Insurance	Insurance	Police	Service	Total
Current assets:							
Cash and cash equivalents	\$ (169,382)	\$ 206,339	\$ 532,060	\$ 121,235	\$ (164,750)	\$ 1,453	\$ 526,955
Temporary investments	-	16,870,810	5,091,473	257,461	-	695,842	22,915,586
Due from other funds	34,866	70,367	4,939,499	349,135	183,079	10,348	5,587,294
Other receivable	-	-	-	-	120	-	120
Inventories	-	-	-	-	-	87,965	87,965
Other assets	-	209,945	-	-	-	2,975	212,920
Total current assets	<u>(134,516)</u>	<u>17,357,461</u>	<u>10,563,032</u>	<u>727,831</u>	<u>18,449</u>	<u>798,583</u>	<u>29,330,840</u>
Total assets	<u>\$ (134,516)</u>	<u>\$ 17,357,461</u>	<u>\$ 10,563,032</u>	<u>\$ 727,831</u>	<u>\$ 18,449</u>	<u>\$ 798,583</u>	<u>\$ 29,330,840</u>
Liabilities							
Current liabilities:							
Accounts payable	\$ 102,583	\$ 160	\$ 497,111	\$ 12,558	\$ 2,869	\$ 4	\$ 615,285
Accrued expenditures	3,106	928	5,731	-	19,777	1,542	31,084
Due to other funds	-	5,763	2,906,160	-	-	-	2,911,923
Claims payable – due within one year	-	3,000,000	6,300,000	-	-	-	9,300,000
Total current liabilities	<u>\$ 105,689</u>	<u>3,006,851</u>	<u>9,709,002</u>	<u>12,558</u>	<u>22,646</u>	<u>1,546</u>	<u>12,858,292</u>
Noncurrent liabilities:							
Claims payable – due in more than one year	-	3,391,471	700,000	-	-	-	4,091,471
Total liabilities	<u>105,689</u>	<u>6,398,322</u>	<u>10,409,002</u>	<u>12,558</u>	<u>22,646</u>	<u>1,546</u>	<u>16,949,763</u>
Unrestricted Net Position	<u>(240,205)</u>	<u>10,959,139</u>	<u>154,030</u>	<u>715,273</u>	<u>(4,197)</u>	<u>797,037</u>	<u>12,381,077</u>
Total net position	<u>\$ (240,205)</u>	<u>\$ 10,959,139</u>	<u>\$ 154,030</u>	<u>\$ 715,273</u>	<u>\$ (4,197)</u>	<u>\$ 797,037</u>	<u>\$ 12,381,077</u>

Austin Independent School District
 Exhibit H-4
 Combining Statement of Revenues,
 Expenses and Changes in Fund Net Position
 Proprietary Funds

Year Ended August 31, 2015

	752	753	753	753	771	772	Total
	Print Shop	Worker's	Health	Dental	District	Laundry	
	Reproduction	Compensation	Insurance	Insurance	Police	Service	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Operating Revenues							
Local and intermediate sources	\$ 345,412	\$ -	\$ 72,840,130	\$ 2,438,006	\$ 465,738	\$ 263,225	\$ 76,352,511
Total Revenues	<u>345,412</u>	<u>-</u>	<u>72,840,130</u>	<u>2,438,006</u>	<u>465,738</u>	<u>263,225</u>	<u>76,352,511</u>
Operating Expenses							
Other operating expenses	461,092	2,699,899	79,916,113	1,722,836	472,688	204,005	85,476,633
Total Expenses	<u>461,092</u>	<u>2,699,899</u>	<u>79,916,113</u>	<u>1,722,836</u>	<u>472,688</u>	<u>204,005</u>	<u>85,476,633</u>
Operating income (loss)	(115,680)	(2,699,899)	(7,075,983)	715,170	(6,950)	59,220	(9,124,122)
Nonoperating Revenues							
Investment earnings	-	8,525	4,924	103	-	407	13,959
Total nonoperating revenues	<u>-</u>	<u>8,525</u>	<u>4,924</u>	<u>103</u>	<u>-</u>	<u>407</u>	<u>13,959</u>
Change in net position	<u>(115,680)</u>	<u>(2,691,374)</u>	<u>(7,071,059)</u>	<u>715,273</u>	<u>(6,950)</u>	<u>59,627</u>	<u>(9,110,163)</u>
Net position at beginning of year	<u>(124,525)</u>	<u>13,650,513</u>	<u>7,225,089</u>	<u>-</u>	<u>2,753</u>	<u>737,410</u>	<u>21,491,240</u>
Net position at end of year	<u>\$ (240,205)</u>	<u>\$ 10,959,139</u>	<u>\$ 154,030</u>	<u>\$ 715,273</u>	<u>\$ (4,197)</u>	<u>\$ 797,037</u>	<u>\$ 12,381,077</u>

Austin Independent School District

Exhibit H-5

Combining Statement of Cash Flows
Proprietary Funds

Year Ended August 31, 2015

	752 Print Shop Reproduction	753 Worker's Compensation Fund	753 Health Insurance Fund	753 Dental Insurance Fund	771 District Police	772 Laundry Service	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments to suppliers	\$ (165,490)	\$ (406,515)	\$ (6,311,608)	\$ (1,710,278)	\$ 946	\$ (44,203)	\$ (8,637,148)
Payments for employee salaries and benefits	(200,921)	(138,536)	(370,564)	-	(464,848)	(158,729)	(1,333,598)
Payments from (to) other funds	324,926	(74,706)	70,027,597	2,088,871	446,998	275,740	73,089,426
Claims paid	-	(2,187,786)	(70,761,207)	-	-	-	(72,948,993)
Net cash provided by (used in) operating activities	<u>(41,485)</u>	<u>(2,807,543)</u>	<u>(7,415,782)</u>	<u>378,593</u>	<u>(16,904)</u>	<u>72,808</u>	<u>(9,830,313)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from sales and maturities of investments	317,426	8,154,020	53,000,660	592,642	1,003,225	186,336	63,254,309
Outlays for purchase of investments	(361,294)	(5,244,791)	(45,593,342)	(850,103)	(705,936)	(259,144)	(53,014,610)
Interest income	-	8,525	4,924	103	-	407	13,959
Net cash provided by (used in) investing activities	<u>(43,868)</u>	<u>2,917,754</u>	<u>7,412,242</u>	<u>(257,358)</u>	<u>297,289</u>	<u>(72,401)</u>	<u>10,253,658</u>
Net increase (decrease) in cash and cash equivalents	(85,353)	110,211	(3,540)	121,235	280,385	407	423,345
Cash and cash equivalents at beginning of year	<u>(84,029)</u>	<u>96,128</u>	<u>535,600</u>	<u>-</u>	<u>(445,135)</u>	<u>1,046</u>	<u>103,610</u>
Cash and cash equivalents at end of year	<u><u>\$ (169,382)</u></u>	<u><u>\$ 206,339</u></u>	<u><u>\$ 532,060</u></u>	<u><u>\$ 121,235</u></u>	<u><u>\$ (164,750)</u></u>	<u><u>\$ 1,453</u></u>	<u><u>\$ 526,955</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities							
Operating income (loss)	\$ (115,680)	\$ (2,699,899)	\$ (7,075,983)	\$ 715,170	\$ (6,950)	\$ 59,220	\$ (9,124,122)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
(Increase) decrease in due from other funds	(20,486)	(70,367)	(4,939,499)	(349,135)	(18,620)	12,516	(5,385,591)
Decrease in receivables	-	-	-	-	(120)	-	(120)
Increase in inventory	-	-	-	-	-	1,636	1,636
Decrease (increase in other assets)	-	(10,238)	148	-	-	(891)	(10,981)
Increase (decrease) in accounts payable and accrued expenditures	94,681	364	405,570	12,558	8,786	327	522,286
Increase (decrease) in due to other funds	-	(4,339)	2,126,965	-	-	-	2,122,626
Decrease in claims payable	-	(23,064)	2,067,017	-	-	-	2,043,953
Net cash provided by (used in) operating activities	<u><u>\$ (41,485)</u></u>	<u><u>\$ (2,807,543)</u></u>	<u><u>\$ (7,415,782)</u></u>	<u><u>\$ 378,593</u></u>	<u><u>\$ (16,904)</u></u>	<u><u>\$ 72,808</u></u>	<u><u>\$ (9,830,313)</u></u>

NONMAJOR FIDUCIARY FUNDS

Agency Funds account for activities of student groups and other types of activities requiring clearing accounts. An Agency Fund is also used to account for the District's activities as successor-in-interest of the Travis County Education District.

Austin Independent School District

Exhibit H-6

Combining Statement of Changes in Assets and Liabilities
Fiduciary Funds

Year Ended August 31, 2015

	<u>Balance at</u> <u>September 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>August 31, 2015</u>
Assets	\$ <u>12,222,988</u>	\$ <u>20,727,429</u>	\$ <u>(19,629,346)</u>	\$ <u>13,321,071</u>
Liabilities	\$ <u>12,222,988</u>	\$ <u>20,727,429</u>	\$ <u>(19,629,346)</u>	\$ <u>13,321,071</u>

OTHER SUPPLEMENTARY INFORMATION

Exhibits J-1 through J-5

The schedules within this subsection are presented as supplementary information to expand upon the data presented in the other subsections of the Financial Section.

Austin Independent School District

Exhibit J-1

Schedule of Delinquent Taxes Receivable

Year Ended August 31, 2015

Year Ended August 31,	1		2	3	10	20	30	30a	40	50
	Tax Rates		Assessed/ Appraised Value for School Tax Purposes	Beginning Balance at September 1, 2014	Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance at August 31, 2015	
	Maintenance	Debt Service								
2005 and prior years	Various	Various	\$ Various	\$ 14,781,969	\$ -	\$ 155,339	\$ 17,337	\$ (4,385)	\$ 14,604,908	
2006	1.5000	0.1230	40,506,607,208	1,467,170	-	21,967	1,801	(15,159)	1,428,243	
2007	1.3700	0.1230	46,891,428,945	1,319,801	-	47,137	4,232	(4,143)	1,264,289	
2008	1.0400	0.1230	52,962,285,527	1,097,268	-	44,799	5,298	1,409	1,048,580	
2009	1.0790	0.1230	58,836,304,076	1,531,405	-	35,170	4,009	(69,535)	1,422,691	
2010	1.0790	0.1230	61,630,025,136	1,622,537	-	(109,285)	(12,458)	(273,654)	1,470,626	
2011	1.0790	0.1480	59,795,510,706	1,781,823	-	159,530	21,882	(47,049)	1,553,362	
2012	1.0790	0.1630	60,510,010,799	1,524,583	-	221,675	33,487	(110,970)	1,158,451	
2013	1.0790	0.1630	62,672,946,147	2,676,467	-	467,391	70,607	(224,749)	1,913,720	
2014	1.0790	0.1630	67,349,173,527	6,010,474	-	1,784,533	269,582	(1,071,536)	2,884,823	
2015 (school year under audit)	1.0790	0.1430	75,479,270,096	-	922,356,681	806,437,822	106,877,302	(2,808,364)	6,233,193	
1000 Totals				\$ 33,813,497	\$ 922,356,681	\$ 809,266,078	\$ 107,293,079	\$ (4,628,135)	\$ 34,982,886	

Austin Independent School District

Exhibit J-4

Budgetary Comparison Schedule Required by the Texas
Education Agency – National School Breakfast and Lunch Programs

Year Ended August 31, 2015

Data Control Codes		1	2	3	Variance With Final Budget Positive (Negative)
		Budgeted Amounts			
		Original	Final	Actual	
	Revenues				
5700	Local and intermediate sources	\$ 8,361,201	\$ 8,048,850	\$ 6,691,611	\$ (1,357,239)
5800	State program revenues	1,146,327	1,189,336	1,167,481	(21,855)
5900	Federal program revenues	<u>31,384,025</u>	<u>30,467,454</u>	<u>29,097,171</u>	<u>(1,370,283)</u>
5020	Total revenues	<u>40,891,553</u>	<u>39,705,640</u>	<u>36,956,263</u>	<u>(2,749,377)</u>
	Expenditures				
	Current:				
0035	Food service	<u>40,262,631</u>	<u>39,705,640</u>	<u>38,186,584</u>	<u>1,519,056</u>
6030	Total expenditures	<u>40,262,631</u>	<u>39,705,640</u>	<u>38,186,584</u>	<u>1,519,056</u>
1100	Excess (deficiency) of revenues over expenditures	<u>628,922</u>	<u>-</u>	<u>(1,230,321)</u>	<u>(1,230,321)</u>
1200	Net change in fund balance	628,922	-	(1,230,321)	(1,230,321)
0100	Fund balance at beginning of year	<u>6,468,249</u>	<u>6,468,249</u>	<u>6,468,249</u>	<u>-</u>
3000	Fund balance at end of year	<u>\$ 7,097,171</u>	<u>\$ 6,468,249</u>	<u>\$ 5,237,928</u>	<u>\$ (1,230,321)</u>

Austin Independent School District

Exhibit J-5

Budgetary Comparison Schedule Required by the Texas
Education Agency - Debt Service Fund

Year Ended August 31, 2015

<u>Data Control Codes</u>		<u>Budgeted Amounts</u>			<u>Variance With Final Budget Positive (Negative)</u>
		<u>1</u>	<u>2</u>	<u>3</u>	
		<u>Original</u>	<u>Final</u>	<u>Actual</u>	
	Revenues				
5700	Local and intermediate sources	\$ 105,547,716	\$ 107,914,955	\$ 108,192,795	\$ 277,840
5900	Federal program revenues	<u>900,083</u>	<u>912,601</u>	<u>912,600</u>	<u>(1)</u>
5020	Total revenues	<u>106,447,799</u>	<u>108,827,556</u>	<u>109,105,395</u>	<u>277,839</u>
	Expenditures				
0071	Principal and interest on long-term debt	<u>105,615,701</u>	<u>105,615,701</u>	<u>105,377,100</u>	<u>238,601</u>
6030	Total expenditures	<u>105,615,701</u>	<u>105,615,701</u>	<u>105,377,100</u>	<u>238,601</u>
1100	Excess of revenues over expenditures	<u>832,098</u>	<u>3,211,855</u>	<u>3,728,295</u>	<u>516,440</u>
	Other Financing Sources (Uses)				
7911	Refunding bonds issued	-	-	150,405,000	150,405,000
7916	Premium or discount on issuance of bonds	-	-	23,085,488	23,085,488
8940	Payment to bond refunding escrow agent	<u>-</u>	<u>-</u>	<u>(102,745,079)</u>	<u>(102,745,079)</u>
7080	Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>745,409</u>	<u>745,409</u>
1200	Net change in fund balance	832,098	3,211,855	4,473,704	1,261,849
0100	Fund balance at beginning of year	<u>43,695,912</u>	<u>43,695,912</u>	<u>43,695,912</u>	<u>-</u>
3000	Fund balance at end of year	<u>\$ 44,528,010</u>	<u>\$ 46,907,767</u>	<u>\$ 48,169,616</u>	<u>\$ 1,261,849</u>

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STATISTICAL SECTION

The goal of the statistical section is to provide a chief source of information regarding a government's economic condition. All of the information presented in the statistical section is organized around five specific objectives:

Financial Trends data is provided to help users understand and assess how a government's financial position may have changed over a period of time.

Revenue Capacity data is provided to help users understand and assess a government's ability to generate own-source revenues.

Debt Capacity data is provided to help users understand and assess a government's burden and its ability to issue additional debt.

Demographic and Economic data is needed to help users understand the government's socioeconomic environment and to facilitate comparisons of financial statement information over time and among governments.

Operating data is needed to help users understand a government's operations and resources as well as to provide a context for understanding and assessing its economic condition.

Financial Trends

Austin Independent School District

Table 1 – Government-Wide Net Position
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ending Aug 31:	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net Investment in Capital Assets	\$ 72,686,513	104,178,059	107,291,931	108,834,949	96,281,802	104,323,471	90,856,136	93,937,784	94,922,777	141,515,416
Restricted	21,533,945	29,972,400	32,413,764	35,894,114	30,443,448	30,938,057	37,960,422	43,182,004	48,821,170	52,720,511
Unrestricted	79,238,560	115,657,259	129,848,128	121,280,373	167,063,507	196,755,631	248,179,414	234,650,112	192,501,211	43,264,886
	<u>\$ 173,459,018</u>	<u>249,807,718</u>	<u>269,553,823</u>	<u>266,009,436</u>	<u>293,788,757</u>	<u>332,017,159</u>	<u>376,995,972</u>	<u>371,769,900</u>	<u>336,245,158</u>	<u>237,500,813</u>

Source: Statement of Net Position - Exhibit A-1 -- audited financial reports

Austin Independent School District

Table 2 – Government-Wide Expenses,
Program Revenues, and Net Revenue (Expense)
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended August 31:	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Expenses by Function											
11	Instruction	\$ 381,751,037	391,709,253	434,868,246	465,894,670	481,430,169	489,129,165	466,463,321	497,545,734	507,216,594	505,494,951
12	Instructional resources and media services	12,100,555	13,159,446	14,262,813	16,606,490	14,914,835	15,053,077	14,303,627	13,251,599	13,501,258	13,797,834
13	Curriculum and staff development	18,382,963	22,108,449	26,558,081	27,141,603	28,983,629	28,862,756	27,787,338	29,248,419	29,477,925	30,406,021
21	Instructional leadership	12,331,130	14,308,625	16,444,292	17,582,040	16,571,099	14,666,483	15,348,918	18,089,591	16,351,124	16,763,657
23	School leadership	39,792,111	44,155,067	46,797,535	49,703,279	51,216,809	52,262,596	51,421,651	50,724,416	55,512,473	55,575,630
31	Guidance, counseling, and evaluation services	22,013,140	22,101,619	24,227,534	25,774,799	26,373,364	26,390,649	23,807,482	26,410,732	26,442,277	26,888,141
32	Social work services	2,835,295	2,853,628	3,884,796	4,926,434	5,456,538	5,761,323	5,227,455	5,306,860	5,264,695	5,038,697
33	Health services	5,493,042	5,635,185	6,355,962	6,415,465	6,519,354	6,714,044	6,741,934	6,821,837	6,460,693	6,853,096
34	Student transportation	21,745,458	22,759,502	26,711,039	28,370,902	28,521,495	28,596,866	30,169,710	31,301,659	33,090,853	33,617,548
35	Food Service	31,387,358	32,570,242	34,716,716	36,885,492	37,857,928	39,704,475	38,955,039	40,589,515	41,989,670	42,557,473
36	Extracurricular activities	12,599,867	13,572,415	14,532,132	14,359,646	15,781,479	15,956,946	15,640,456	16,076,186	17,106,336	17,872,326
41	General administration	20,375,182	22,314,181	18,630,349	21,302,021	20,366,983	17,352,291	16,917,855	19,465,730	18,779,874	19,070,099
51	Plant maintenance and operations	70,635,701	71,677,971	80,418,130	83,681,301	83,162,032	82,767,535	81,436,686	87,111,805	88,188,184	93,176,143
52	Security and monitoring services	8,394,095	9,121,496	9,698,860	10,425,890	9,770,684	9,440,801	9,580,035	9,992,118	9,650,918	9,961,903
53	Data processing services	18,374,911	16,563,929	20,307,456	27,320,418	24,864,033	41,721,143	27,068,051	20,752,306	25,589,052	19,931,330
61	Community services	11,020,723	16,255,413	16,371,925	15,899,774	16,131,915	15,968,691	14,865,458	15,306,500	17,032,400	17,648,983
71	Principal and interest on long-term debt	24,314,190	29,806,814	31,550,864	34,512,172	37,116,181	38,067,146	39,761,513	39,691,761	61,744,381	25,010,656
91	Contracted instructional services between schools	130,735,634	131,870,422	117,425,738	177,664,513	111,937,679	123,774,675	124,582,632	120,069,626	123,694,773	181,118,956
93	Payments related to shared services arrangements	975,028	1,054,920	1,475,846	1,244,061	1,700,441	1,658,106	1,641,539	2,028,668	2,246,712	2,526,261
99	Other intergovernmental charges	-	-	-	-	-	-	3,539,138	4,239,735	4,230,810	5,267,148
99	Depreciation-unallocated and other charges	247,906	270,492	3,875,959	4,276,081	4,390,289	4,649,159	898,475	898,476	941,985	1,237,813
	Total Expenses	\$ 845,505,326	883,869,069	949,114,273	1,069,987,051	1,023,066,936	1,058,497,927	1,016,158,313	1,054,923,273	1,104,512,987	1,129,814,666
Program Revenues											
Governmental activities											
Charges for Services:											
11	Instruction	\$ 1,304,073	1,176,795	993,123	800,677	658,611	692,699	1,381,561	854,498	1,014,693	1,242,470
35	Food Services	7,950,289	7,717,604	8,263,453	8,283,065	6,841	-	-	-	-	-
36	Cocurricular/Extracurricular Activities	744,918	765,481	784,666	758,806	844,943	729,294	648,972	671,463	645,343	760,197
41	General Admission	530,402	587,293	711,648	660,055	772,181	1,157,557	1,484,579	1,506,140	1,646,456	1,623,120
61	Community Services	1,410,473	1,452,803	1,950,907	1,816,790	1,531,995	1,631,811	1,652,267	2,436,728	2,433,108	2,584,159
	Operation Grants and Contributions	125,851,932	120,946,060	131,394,546	140,271,594	200,259,794	208,784,521	167,074,821	181,834,336	178,677,908	167,020,612
	Total Primary Government Program Revenues	\$ 137,792,087	132,646,036	144,098,343	152,590,987	204,074,365	212,995,882	172,242,200	187,303,165	184,417,508	173,230,558
Net(Expense)/Revenue											
	Total primary government expenses	\$ (707,713,239)	(751,223,033)	(805,015,930)	(917,396,064)	(818,992,571)	(845,502,045)	(843,916,113)	(867,620,108)	(920,095,479)	(956,584,108)

Source: Statement of Activities - Exhibit B-1 -- audited financial reports

Austin Independent School District

Table 3 – Government-Wide General Revenues and Total Change in Net Position

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended August 31:	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense) Revenue										
Total Governmental Activities	\$ (707,713,239)	(751,223,033)	(805,015,930)	(917,396,064)	(818,992,571)	(845,502,045)	(843,916,113)	(867,620,108)	(920,095,479)	(956,584,108)
General Revenues										
Governmental Activities										
Taxes										
Property taxes levied for general purposes	\$ 609,450,488	644,002,130	549,155,773	632,956,498	660,555,781	644,020,548	648,061,514	673,588,859	727,019,437	813,457,542
Property taxes levied for debt services	50,022,879	57,832,075	64,944,504	72,182,316	75,284,195	88,290,810	97,940,765	101,751,860	109,742,422	107,788,597
State Aid Formula Grants	35,227,084	99,306,251	182,158,281	192,907,433	99,098,396	135,381,836	129,038,085	78,174,157	35,290,936	34,132,093
Grants and Contributions	3,466,782	4,169,148	4,771,104	3,807,348	3,801,344	3,965,917	3,340,958	1,774,005	1,496,642	4,605,140
Investment earnings	13,327,537	17,310,575	14,957,176	4,162,223	955,337	774,645	859,641	1,178,780	765,185	778,009
Gain(loss) on Sale of Equipment or Land	(38,669)	88,449	(61,099)	(27,804)	(183,293)	80,021	-	-	-	-
Gain(loss) on Insurance	2,316,327	450	315,489	1,255,394	16,333	2,328,741	-	-	-	-
Miscellaneous	4,262,186	4,862,655	8,520,807	6,608,269	7,243,799	8,887,929	9,653,963	10,530,686	10,256,115	13,015,643
Total primary government	\$ 718,034,614	827,571,733	824,762,035	913,851,677	846,771,892	883,730,447	888,894,926	866,998,347	884,570,737	973,777,024
Change in Net Position										
Total primary government	\$ 10,321,375	76,348,700	19,746,105	(3,544,387)	27,779,321	38,228,402	44,978,813	(621,761)	(35,524,742)	17,192,916

Source: Statement of Activities - Exhibit B-1 -- Audited Financial Statements

Austin Independent School District

Table 4 – All Governmental Funds
Revenues by Source

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended August 31:		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
5700	Local Sources	\$ 693,915,900	738,759,610	652,800,350	730,097,695	755,874,462	757,344,604	769,930,830	797,094,199	856,433,297	945,497,300
5800	State Sources	73,843,742	135,641,657	226,957,936	239,548,887	146,867,873	180,987,762	159,119,315	106,915,944	72,759,189	69,661,108
5900	Federal Sources	85,484,645	82,889,241	86,671,649	93,706,538	144,880,806	156,622,560	130,933,457	147,699,119	135,973,981	126,448,010
	Total	\$ 853,244,287	957,290,508	966,429,935	1,063,353,120	1,047,623,141	1,094,954,926	1,059,983,602	1,051,709,262	1,065,166,467	1,141,606,418

Source: Exhibit C-2 or Exhibit C-3 Statement of Revenues, Expenditures and Changes in Fund Balances - Audited Financial Statements

Austin Independent School District

Table 5 – All Governmental Funds Expenditures by Function

Last Ten Fiscal Years

(Unaudited)

Expenditures by Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
0011 Instruction	\$ 368,971,256	372,656,739	412,228,666	437,315,201	457,770,946	459,864,677	432,668,113	465,331,268	467,518,732	461,890,572
0012 Instructional resources and media services	11,089,407	11,966,280	12,800,847	15,107,986	13,226,147	13,221,461	12,190,650	11,103,721	11,127,735	11,088,224
0013 Curriculum and staff development	18,604,993	22,157,926	26,650,441	27,236,496	29,140,852	28,874,670	27,790,113	29,284,463	29,413,454	30,239,227
0021 Instructional leadership	12,359,005	14,362,501	16,536,882	17,689,432	16,693,046	14,758,054	15,303,725	15,703,509	16,249,907	16,649,124
0023 School leadership	38,988,449	43,377,416	45,651,208	48,393,819	49,438,215	50,207,799	48,968,254	50,798,976	52,591,712	52,330,133
0031 Guidance, counseling, and evaluation services	21,903,029	22,010,062	24,108,431	25,679,138	26,389,069	26,174,697	23,500,422	26,200,436	25,987,260	26,341,315
0032 Social work services	2,837,769	2,857,524	3,899,294	4,943,527	5,508,813	5,759,976	5,212,768	5,311,170	5,219,106	4,980,914
0033 Health services	5,447,522	5,586,398	6,303,537	6,351,672	6,463,349	6,643,915	6,634,745	6,449,637	5,987,372	6,522,066
0034 Student transportation	22,820,518	24,091,522	28,400,348	31,263,941	28,779,239	30,347,347	26,911,662	28,032,330	31,821,262	35,017,671
0035 Food service	30,164,092	31,236,349	33,156,959	35,950,388	36,121,224	37,668,201	37,099,886	39,653,815	38,637,553	38,550,638
0036 Extracurricular activities	12,139,113	13,024,836	14,372,393	13,847,343	14,752,799	14,710,271	14,188,761	14,655,440	15,589,719	15,959,656
0041 General administration	17,919,915	18,812,573	16,558,589	18,520,451	17,352,914	16,789,544	16,259,143	18,667,961	17,793,439	18,226,047
0051 Plant maintenance and operations	76,275,990	73,961,588	81,709,863	83,965,518	83,183,331	80,455,392	79,686,268	83,180,502	86,181,419	90,321,054
0052 Security and monitoring services	8,263,337	8,683,162	9,553,461	9,993,771	9,598,084	9,122,658	9,210,719	9,998,959	9,877,073	9,789,994
0053 Data processing services	18,425,252	15,424,954	19,866,484	26,599,799	20,162,523	21,544,403	18,311,128	20,126,128	18,678,770	21,839,370
0061 Community services	11,038,613	16,284,281	16,428,050	15,960,712	16,266,938	15,959,197	14,825,086	15,224,838	17,021,569	17,485,379
0071 Principal on long-term debt	25,241,669	27,298,248	34,691,917	39,652,730	46,122,551	53,662,273	58,603,657	60,902,790	50,481,116	67,579,257
0072 Interest on long-term debt	21,418,688	24,888,019	29,646,458	32,078,354	34,790,640	35,207,686	36,942,228	34,710,203	49,760,447	36,591,381
0073 Bond issuance costs and fees	881,250	1,146,699	1,203,718	922,571	1,172,572	1,701,185	790,170	1,471,080	1,352,737	1,713,546
0081 Capital outlay	114,192,209	126,122,856	83,637,288	85,641,669	102,954,774	68,009,441	51,627,136	50,965,137	61,433,216	86,251,386
0091 Contracted instructional services between schools	130,735,634	131,870,422	117,425,738	177,664,513	111,937,679	123,774,675	124,582,632	120,069,626	123,694,773	181,118,956
0093 Payments related to shared services arrangements	975,028	1,054,920	1,475,846	1,244,061	1,700,441	1,658,106	1,641,539	2,028,668	2,246,712	2,526,261
0099 Other intergovernmental charges	-	-	3,531,624	3,843,994	3,953,241	4,150,819	3,539,138	4,239,735	4,230,810	5,267,148
Total Expenditures	\$ 970,692,738	1,008,875,275	1,039,838,042	1,159,867,086	1,133,479,387	1,120,266,447	1,066,487,943	1,114,110,392	1,142,895,893	1,238,279,319
Debt Service as a percentage of non-capital expenditures ¹	5.56%	5.96%	6.79%	6.71%	7.85%	8.35%	9.39%	9.02%	9.27%	9.11%

Source: Exhibit C-2 or Exhibit C-3 Statement of Revenues, Expenditures and Changes in Fund Balances - Audited Financial Statements

Note ¹ In calculating the ratio of total debt service expenditures to noncapital expenditures, governmental fund expenditures for the facilities acquisition and construction of assets that are classified as capital assets for reporting in the government-wide financial statements are subtracted from the total governmental fund expenditures (Exhibit C-2 for years 2006 to 2010 and Exhibit C-3 for years 2011 to 2015)

Austin Independent School District

**Table 6 – All Governmental Funds
Other Financing Sources and Uses and
Net Change in Fund Balance**

Last Ten Fiscal Years

(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1100 Excess (deficiency) of revenues over expenditures	\$ (117,448,451)	(51,584,767)	(73,408,107)	(96,513,966)	(85,856,246)	(25,366,417)	(6,504,341)	(62,401,130)	(77,729,426)	(96,672,902)
Other Financing Sources (Uses)										
7911 Capital-related debt issued (regular bonds)	\$ 96,408,071	166,460,000	102,442,131	99,495,000	83,480,000	91,625,000	-	109,655,000	144,410,000	150,405,000
7912 Sale of real or personal property	10,587	91,175	135,794	-	196,725	80,025	12,651	59,105	34,946	-
7913 Proceeds from capital leases	4,410,000	-	-	-	-	-	-	1,652,820	-	-
7914 Non-current loan proceeds	-	163,800	50,833	64,129	-	-	979,590	100,000,000	1,040,022	425,852
7915 Transfers in	3,331,713	2,475,765	3,073,051	3,659,553	-	-	-	6,837,130	60,000,555	70,000,000
7916 Premium or discount on issuance of bonds	2,120,989	2,612,010	824,353	1,278,390	2,977,279	9,182,638	-	-	24,607,860	23,085,488
8911 Transfers out	(3,091,713)	(2,475,765)	(3,073,051)	(3,659,553)	-	(48,182)	(7,000,000)	(100,000,000)	(60,000,555)	(70,000,000)
8913 Extraordinary items	-	-	-	-	(109,050)	-	-	-	-	-
8940 Payments to refunded bond escrow agent	-	(33,692,671)	-	-	(10,611,457)	-	-	-	(108,393,049)	(102,745,079)
8941 Litigation Settlements	(44,914)	(99,464)	(6,871)	(217,284)	-	-	-	-	-	-
8949 Other uses	-	-	-	-	-	-	(44,255)	(15,891,872)	-	-
Total Other Financing sources and (uses)	\$ 103,144,733	135,534,850	103,446,240	100,620,235	75,933,497	100,839,481	(6,052,014)	102,312,183	61,699,779	71,171,261
Net Change in Fund Balances	\$ (14,303,718)	83,950,083	30,038,133	4,106,269	(9,922,749)	75,473,064	(12,556,355)	39,911,053	(16,029,647)	(25,501,641)

Source: Exhibit C-2 or Exhibit C-3 Statement of Revenues, Expenditures and Changes in Fund Balances - Audited Financial Statements

Austin Independent School District

**Table 7 – All Governmental Funds
Fund Balance**

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended August 31:	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
3410 Inventories	\$ 1,055,121	976,492	1,320,313	1,489,365	841,254	1,091,747	687,355	562,593	549,259	395,152
3430 Prepaid Items	575,953	775,682	783,420	479,683	206,620	-	7,689,398	8,516,025	9,484,364	7,930,082
3440 Encumbrances	10,552,937	13,140,457	8,617,162	10,490,560	11,884,979	-	-	-	-	-
3490 Other purposes	11,676,962	9,892,118	11,115,799	12,820,211	10,875,720	-	-	-	-	-
3550 Construction - Assigned Fund Balance	-	-	-	-	-	6,152,712	8,404,228	242,993	-	-
3580 Self-insurance - Assigned Fund Balance	-	-	-	-	-	7,000,000	-	-	-	-
3590 Other designated -- Assigned Fund Balance	-	-	-	-	-	24,793,788	37,453,856	34,309,630	26,606,228	18,430,045
3600 Unreserved	57,882,193	120,566,172	129,902,789	120,955,478	148,326,523	179,627,495	198,101,236	196,599,569	184,320,557	190,967,649
Total Reserved/Unreserved General Fund	\$ 81,743,166	145,350,921	151,739,483	146,235,297	172,135,096	218,665,742	252,336,073	240,230,810	220,960,408	217,722,928
All Other Governmental Funds:										
Debt Service	\$ 9,949,367	18,435,234	22,276,667	25,271,334	20,605,124	21,399,082	25,455,480	33,296,893	43,695,912	48,169,616
Capital Projects	(34,121,803)	(24,091,185)	(5,374,729)	498,454	(30,272,995)	(1,874,209)	(52,071,631)	(5,276,897)	(11,472,472)	(37,043,645)
Food Service	7,035,962	7,045,955	7,926,598	8,662,782	9,550,868	9,405,894	9,508,547	7,676,373	6,468,266	5,237,945
Other Purpose	301,383	-	-	-	-	-	-	-	-	-
Prepaid-Special Revenue Funds	-	-	104,306	-	-	-	-	-	-	-
Unreserved Special Revenue Funds	2,228,344	4,345,577	4,452,310	4,563,037	3,290,062	3,184,710	2,996,395	2,208,738	2,454,155	2,517,785
Total Other Governmental Funds	\$ (14,606,747)	5,735,581	29,385,152	38,995,607	3,173,059	32,115,477	(14,111,209)	37,905,107	41,145,861	18,881,701
Total All fund balances	\$ 67,136,419	151,086,502	181,124,635	185,230,904	175,308,155	250,781,219	238,224,864	278,135,917	262,106,269	236,604,629

Source: Fiscal Year Ends 2006 - 2010 -- Exhibit C-1 Balance Sheet - Governmental Funds - Audited Financial Statements
Fiscal Year Ends 2011 - 2015 -- Footnote 16 - Audited Financial Statements

Austin Independent School District

Table 7 – All Governmental Funds

Fund Balance

Last Ten Fiscal Years

(Unaudited)

Fund Balance Categories as Required by GASB Statement No. 54 beginning in fiscal year 2011

	2011	2012	2013	2014	2015
General Fund					
Non-Spendable	\$ 1,091,747	8,376,753	9,078,618	10,033,623	8,325,234
Assigned	37,946,500	45,858,084	34,552,623	26,606,228	18,430,045
Unassigned	179,627,495	198,101,236	196,599,569	184,320,557	190,967,649
Total General Fund	218,665,742	252,336,073	240,230,810	220,960,408	217,722,928
Non-Spendable					
Food Service -- Non-major	2,688,603	3,433,800	2,923,876	2,939,200	2,724,358
Special Revenue -- Non-major	-	562,444	617,595	857,963	480,477
Restricted					
Debt Service -- Non-major	21,399,082	25,455,480	33,296,893	43,695,912	48,169,616
Food Service -- Non-major	6,717,303	6,074,747	4,752,497	3,529,066	2,513,587
Special Revenue -- Non-major	3,184,698	2,433,951	1,591,143	1,596,192	2,037,308
Unassigned					
Capital Projects	(1,874,209)	(52,071,631)	(5,276,897)	(11,472,472)	(37,043,645)
Total All Governmental Funds	\$ 250,781,219	238,224,864	278,135,917	262,106,269	236,604,629

Source: Exhibit C-1 Balance Sheet - Governmental Funds - Audited Financial Statements

Revenue Capacity

Austin Independent School District

Table 8 – Property Tax Levies and Collections

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended	Tax Roll			Percent of Levy	Delinquent Taxes	Total Taxes	Total Collected as a Percent of Current	Current and Prior Years Outstanding Delinquent	Outstanding Delinquent Taxes as a Percent of
August 31:	Year	Net Tax Levy ^A	Collections	Collected	Collected	Collected	Tax Levy	Taxes	Tax Levy
2006	2005	660,847,939	650,259,018	98.40%	5,492,190	655,751,208	99.23%	26,416,747	4.00%
2007	2006	703,429,341	693,467,963	98.58%	4,908,044	698,376,008	99.28%	26,895,069	3.82%
2008	2007	615,951,381	607,501,666	98.63%	3,420,884	610,922,550	99.18%	28,104,970	4.56%
2009	2008	707,212,375	697,204,001	98.58%	3,449,996	700,653,997	99.07%	30,271,191	4.28%
2010	2009	740,792,902	727,171,963	98.16%	3,712,168	730,884,132	98.66%	33,405,180	4.51%
2011	2010	733,690,916	729,297,756	99.40%	5,648,087	734,945,843	100.17%	34,064,768	4.64%
2012	2011	751,534,334	743,801,556	98.97%	2,343,160	746,144,716	99.28%	32,778,619	4.36%
2013	2012	778,397,991	772,707,013	99.27%	2,729,878	775,436,891	99.62%	32,751,487	4.21%
2014	2013	836,476,735	832,627,552	99.54%	3,972,789	836,600,341	100.01%	33,813,497	4.04%
2015	2014	922,356,681	916,559,157	99.37%	3,244,033	919,803,190	99.72%	34,982,886	3.79%

Source: Schedule of Delinquent Taxes Receivable - Audited Financial Statements

Note ^A Percentages include both current year collections and delinquencies collected in the current year.

Austin Independent School District

Table 9 – Assessed and Estimated Actual
Value of Taxable Property

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended August 31:	Assessed Value for School Real Property	Assessed Value for School Personal Property	Assessed Value for School Total Value ^A	Change Over Previous Years in Dollars	Change Over Previous Year	Total Tax Rate
2006	34,810,728,029	4,500,233,491	39,310,961,520	(880,790,460)	97.81%	1.6230
2007	40,998,488,977	4,742,984,565	45,741,473,542	6,430,512,022	116.36%	1.4930
2008	46,543,938,715	4,926,613,226	51,470,551,941	5,729,078,399	112.52%	1.1630
2009	51,860,519,398	5,161,129,335	57,021,648,733	5,551,096,792	110.78%	1.2020
2010	54,483,280,231	5,023,319,225	59,506,599,456	2,484,950,723	104.36%	1.2020
2011	52,385,469,445	4,472,462,897	56,857,932,342	(2,648,667,114)	95.55%	1.2270
2012	52,479,885,144	4,570,090,653	57,049,975,797	192,043,455	100.34%	1.2420
2013	54,260,040,368	4,715,779,268	58,975,819,636	1,925,843,839	103.38%	1.2420
2014	58,146,390,574	5,129,488,109	63,275,878,683	4,300,059,047	107.29%	1.2420
2015	65,532,224,189	5,228,742,840	70,760,967,029	7,485,088,346	111.83%	1.2220

Source: Travis County Appraisal District

Note ^A Assessed Value is 100% of estimated actual value.

The 2014 tax year appraised value is used for year 2015 tax purposes.

Austin Independent School District

Table 10 – Schedule of Tax Rate
Distribution per \$100 Valuation

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended August 31:	Maintenance	Debt Service	Total Tax Rate
2006	1.5000	0.1230	1.6230
2007	1.3700	0.1230	1.4930
2008	1.0400	0.1230	1.1630
2009	1.0790	0.1230	1.2020
2010	1.0790	0.1230	1.2020
2011	1.0790	0.1480	1.2270
2012	1.0790	0.1630	1.2420
2013	1.0790	0.1630	1.2420
2014	1.0790	0.1630	1.2420
2015	1.0790	0.1430	1.2220

Source: Exhibit J-1 Schedule of Delinquent Taxes Receivable - Audited Financial Statements

Austin Independent School District
Table 11 – Ratio of Net Bonded Debt to Taxable
Assessed Valuation and Net Bonded Debt Per Capita
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended	Assessed Value for School Tax Purposes	Assessment Ratio	Gross Bonded Debt Outstanding at Year End	Amounts Available for Retirement of Bonds	Net Bonded Debt Outstanding at Year End	Ratio Net Bonded Debt to Taxable		Per Capita Income	Personal Income ¹	Debt as a Percentage of Personal Income	Net Bonded Debt Per Capita	Taxable Assessed Valuation Per Capita
						Assessed Valuation	Estimated Population ¹					
2006	39,310,961,520	100%	540,178,868	9,949,367	530,229,501	1.35%	901,701	38,457	34,676,637,000	1.53%	588.0325086	43,596
2007	45,741,473,542	100%	651,070,122	18,435,234	632,634,888	1.38%	937,541	40,039	37,538,232,000	1.69%	674.7810368	48,789
2008	51,470,551,941	100%	721,549,977	22,276,667	699,273,310	1.36%	969,892	40,430	39,212,702,000	1.78%	720.9805937	53,068
2009	57,021,648,733	100%	784,736,958	25,271,334	759,465,624	1.33%	998,561	40,143	40,085,585,000	1.89%	760.5600699	57,104
2010	59,506,599,456	100%	815,859,384	20,605,125	795,254,259	1.34%	1,026,158	42,156	43,258,751,000	1.84%	774.9822727	57,990
2011	56,857,932,342	100%	863,364,919	21,399,083	841,965,836	1.48%	1,049,873	43,744	45,925,294,000	1.83%	801.9692248	54,157
2012	57,049,975,797	100%	804,685,760	25,455,483	779,230,277	1.37%	1,095,805	46,298	50,733,585,000	1.54%	711.1030494	52,062
2013	58,975,819,636	100%	845,433,794	33,296,893	812,136,901	1.38%	1,120,954	48,562	54,435,509,000	1.49%	724.5051099	52,612
2014	63,275,878,683	100%	863,050,468	43,695,912	819,354,556	1.29%	1,141,655	54,596	62,329,270,000	1.31%	717.6901568	55,425
2015	70,760,967,029	100%	856,887,935	48,169,616	808,718,319	1.14%	1,173,051	-	-	-	689.4144577	60,322

Sources: Travis County Appraisal District
Audited financial reports, Notes to the Financial Statements; Exhibit J-5
Estimated Population and Personal Income: Travis County
U.S. Bureau of Economic Analysis

Note ¹ Information is based on data for Travis County, data specific to District boundaries is not available.

Austin Independent School District

Table 12 – Property Tax Rates per \$100 Valuation
Direct and Overlapping Governments

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended August 31:	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Taxing Jurisdiction										
Austin CCD	\$ 0.09910	0.09650	0.09580	0.09540	0.09460	0.09510	0.09510	0.09490	0.09420	0.10050
Austin, City of	0.44300	0.41260	0.40340	0.40120	0.42090	0.45710	0.50290	0.50270	0.48090	0.45890
NW Travis Rd Dist # 3	0.16500	0.13000	0.11000	0.11000	0.12500	0.14500	0.13000	0.12230	-	-
Shady Hollow MUD	0.15000	0.15000	0.14910	0.14690	0.05000	0.05000	0.05000	0.05000	0.04930	0.04890
Sunfield MUD #1	-	0.90000	0.90000	0.90000	0.90000	0.90000	0.90000	0.90000	0.90000	0.90000
Travis Co	0.49930	0.44990	0.42160	0.41220	0.42150	0.46580	0.50010	0.49460	0.45630	0.41690
Travis Co ESD # 3	0.09940	0.10000	0.10000	0.10000	0.10000	0.10000	0.09890	0.09640	0.09080	0.09000
Travis Co Healthcare District	0.07340	0.06930	0.06790	0.06740	0.07190	0.07890	0.07890	0.12900	0.12640	0.11778
Travis Co MUD # 3	0.56920	0.54250	0.52320	0.49500	0.49500	0.50000	0.52000	0.50000	0.48410	0.48250
Travis Co MUD # 4	0.72640	0.69270	0.69270	0.67150	0.72960	0.72960	0.72960	0.72960	0.72960	0.72960
Travis Co MUD # 5	0.90890	0.90890	0.90890	0.90890	0.85710	0.85710	0.81200	0.81200	0.76930	0.74280
Travis Co MUD # 6	0.58610	0.51820	0.48310	0.45310	0.46650	0.47500	0.47500	0.47100	0.46000	0.46000
Travis Co MUD # 8	0.84890	0.77960	0.72130	0.72130	0.72130	0.72130	0.72130	0.72130	0.72130	0.71450
Total	\$ 5.16870	5.75020	5.57700	5.48290	5.45340	5.57490	5.61380	5.62380	5.36220	5.26238

Source: Travis County Appraisal District

Note: The NW Travis County Rd Dist. #3 was abolished in 2014.

Debt Capacity

Austin Independent School District

Table 13 – Direct and Overlapping Debt
General Obligation Bonds

August 31, 2015

(Unaudited)

Taxing Body	Net Debt Amount	As of	Percent Overlapping¹	Amount Overlapping
Austin CCD	\$ 245,488,659	11/30/15	51.29%	\$ 125,911,133
Austin, City of	1,165,420,885	09/30/15	76.02%	885,952,957
Shady Hollow MUD	2,288,880	09/30/14	100.00%	2,288,880
Sunfield MUD #1	16,710,980	08/04/15	0.03%	5,013
Travis Co	666,715,191	06/12/15	59.28%	395,228,765
Travis Co ESD # 3	2,585,000	11/30/15	100.00%	2,585,000
Travis Co Healthcare Dist	12,305,000	11/30/15	59.28%	7,294,404
Travis Co MUD # 3	33,902,188	01/26/15	100.00%	33,902,188
Travis Co MUD # 4	2,294,552	09/30/14	100.00%	2,294,552
Travis Co MUD # 5	11,162,881	05/14/15	100.00%	11,162,881
Travis Co MUD # 6	9,049,458	01/26/15	100.00%	9,049,458
Travis Co MUD # 8	5,276,480	01/28/15	100.00%	5,276,480
Total Estimated Overlapping Debt				\$ 1,480,951,711
Austin ISD		08/31/15		\$ 856,887,935
Total Direct and Overlapping Net Debt:				\$ 2,337,839,646

Source: Municipal Advisory Council of Texas

Note¹ The percentage of overlapping debt is estimated using taxable assessed property values. Percentages were estimated by determining portion of the overlapping taxing authority's taxable assessed value that is within the District's boundaries, and dividing it by the overlapping taxing authority's total taxable assessed value.

Austin Independent School District
Table 14 – Computation of Legal Debt Margin
August 31, 2015
(Unaudited)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Market Value ^A	\$ 92,428,636,993	80,856,299,504	75,011,895,807	72,636,010,994	71,066,925,624	74,590,026,479	71,280,985,943	63,969,647,133	57,250,463,072	49,288,099,451
Less: Exemptions and Reductions in Value ^B	12,239,562,113	10,526,914,490	(10,319,575,610)	(10,101,422,439)	(8,860,630,978)	(9,911,649,945)	(9,734,681,005)	(8,666,611,509)	(8,081,153,840)	(6,777,935,628)
Less: Freeze Taxable and Transfer Adjustments	7,058,224,766	(6,221,408,506)	(5,716,500,561)	(5,484,612,868)	(5,348,362,304)	(5,171,777,078)	(4,524,656,205)	(3,832,483,683)	(3,427,835,690)	(3,199,202,303)
Total Appraised Value for School Tax Purposes	\$ 111,726,423,872	85,161,805,488	58,975,819,636	57,049,975,687	56,857,932,342	59,506,599,456	57,021,648,733	51,470,551,941	45,741,473,542	39,310,961,520
Debt Limit Percentage	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Legal Debt Limit	\$ 11,172,642,387	8,516,180,549	5,897,581,964	5,704,997,569	5,685,793,234	5,950,659,946	5,702,164,873	5,147,055,194	4,574,147,354	3,931,096,152
Total Bonded Debt	856,887,935	863,050,468	845,433,794	804,685,760	863,364,919	815,859,384	784,736,958	721,549,977	651,070,122	540,178,868
Less: Reserve for Retirement of Bonded Debt	(48,169,616)	(43,695,912)	(33,296,893)	(25,455,483)	(21,399,083)	(20,605,125)	(25,271,334)	(22,276,667)	(18,435,234)	(9,949,367)
Net Bonded Debt Applicable to Debt Limit	\$ 808,718,319	819,354,556	812,136,901	779,230,277	841,965,836	795,254,259	759,465,624	699,273,310	632,634,888	530,229,501
Legal Debt Margin	\$ 10,363,924,068	7,696,825,993	5,085,445,063	4,925,767,292	4,843,827,398	5,155,405,687	4,942,699,249	4,447,781,884	3,941,512,466	3,400,866,651
Legal Debt Margin to the Legal Debt Limit	92.76%	90.38%	86.23%	86.34%	85.19%	86.64%	86.68%	86.41%	86.17%	86.51%
Total Net Bonded Debt Applicable to Debt Limit as a Percentage of Debt Limit	7.24%	9.62%	13.77%	13.66%	14.81%	13.36%	13.32%	13.59%	13.83%	13.49%

Sources: Travis County Appraisal District

Note ^A: The 2014 tax year appraised value is used for year 2015 tax purposes.

Note ^B: Taxable value is adjusted by the following exemptions and reductions:

State-mandated \$15,000 homestead exemption; state-mandated \$10,000 homestead exemption persons 65 years of age or older or disabled; historical exemption; disabled veterans or deceased veterans' survivor(s) exemption; reduction of value due to agricultural valuation under Article VIII and the open space valuation under Article VIII 1-3-1 of the Texas Constitution; freeport exemption abatements; pollution control; prorated exempt property.

Austin Independent School District

Table 15 – Ratio of Annual Debt Service Expenditures
for General Bonded Debt to Total Expenditures

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended August 31:	Principal	Interest	Total Bonded Debt Expenditures	Governmental Fund Expenditures	Ratio of Total Bonded Debt Expenditures to General Fund Expenditures
2006	24,145,000	21,390,983	45,535,983	689,372,812	6.61%
2007	25,715,000	25,666,383	51,381,383	716,751,599	7.17%
2008	32,795,000	29,908,350	62,703,350	767,883,980	8.17%
2009	37,452,633	32,352,780	69,805,414	862,068,746	8.10%
2010	45,112,633	34,671,258	79,783,891	781,449,579	10.21%
2011	52,617,633	35,122,926	87,740,559	787,388,541	11.14%
2012	57,607,633	36,891,348	94,498,981	790,197,800	11.96%
2013	60,117,095	34,683,333	94,800,428	1,114,110,392	8.51%
2014	50,154,063	49,754,242	99,908,305	1,142,895,893	8.74%
2015	67,177,633	36,485,920	103,663,553	1,238,279,319	8.37%

Source: Exhibit C-2 or Exhibit C-3 Statement of Revenues, Expenditures and Changes in Fund Balances - Audited Financial Statements

Austin Independent School District

Table 16 – Classification of Total Assessed Value

Last Three Fiscal Years

(Unaudited)

Fiscal Year Ended August 31:	Market Value Fiscal Year 2015	Percent to Total	Market Value Fiscal Year 2014	Percent to Total	Market Value Fiscal Year 2013	Percent to Total
Real Residential - Single Family	\$ 45,621,996,704	49.36%	\$ 39,833,583,879	49.26%	\$ 37,318,390,026	49.75%
Real Residential - Multi Family	12,364,853,328	13.38%	10,269,099,469	12.70%	8,955,429,811	11.94%
Real Vacant Platted Lots/Tracts	956,767,663	1.04%	815,808,908	1.01%	812,513,136	1.08%
Real Acreage (Land Only)	249,274,729	0.27%	247,704,770	0.31%	359,592,475	0.48%
Real, Farm & Ranch Improvements	185,423,577	0.20%	183,999,823	0.23%	47,439,739	0.06%
Real Commercial Industrial	18,608,304,279	20.13%	16,684,401,030	20.63%	15,706,964,842	20.94%
Real & Intangible Personal - Utilities	551,032,125	0.60%	578,132,518	0.72%	506,094,796	0.67%
Tangible Personal Business	4,454,068,771	4.82%	4,344,226,274	5.37%	4,036,125,210	5.38%
Tangible Personal Other	53,292,102	0.06%	52,439,863	0.06%	54,276,624	0.07%
Inventory	350,497,563	0.38%	427,885,770	0.53%	472,845,006	0.63%
Other (Exempt)	9,033,126,152	9.77%	7,419,017,200	9.18%	6,742,224,142	8.99%
Total Market Value	\$ 92,428,636,993	100.00%	\$ 80,856,299,504	100.00%	\$ 75,011,895,807	100.00%
Less Exemptions:						
Agricultural Valuation	\$ 235,114,299		\$ 237,345,415		\$ 216,003,582	
Homestead Cap	2,134,428,737		594,241,573		269,907,238	
Homestead	1,712,475,767		1,700,780,396		1,702,331,868	
Over 65	1,036,851,013		998,685,615		964,472,480	
Disabled Persons & Veterans	244,568,640		221,370,120		207,057,510	
Exempt Property	8,980,113,339		7,350,940,635		6,741,661,181	
Prorated Exempt Property	33,347,088		34,728,724		27,733,412	
Historical	165,589,635		150,181,749		142,849,964	
Low Income Housing	19,670,719		14,281,080		12,144,242	
Pollution Control	28,000,276		29,163,607		30,913,877	
Community Land Trust	732,984		-		-	
Energy	46,625		9,669,807		-	
Freeport	1,147,598		-		-	
Solar	17,018,429		17,112,757		4,500,256	
Total Exemptions	\$ 14,609,105,149		\$ 11,358,501,478		\$ 10,319,575,610	
Less:						
Freeze Taxable Adjustment	\$ 7,058,224,766		\$ 6,221,408,506		\$ 5,716,500,561	
Transfer Adjustment	340,049		-		-	
Total Freeze and Transfer Adjustment	\$ 7,058,564,815		\$ 6,221,408,506		\$ 5,716,500,561	
Appraised Value for School Tax Purpose	\$ 70,760,967,029		\$ 63,276,389,520		\$ 58,975,819,636	

Source: Travis County Appraisal District (2014 Certified Totals, Supplement 19, Dated 01/26/15)

Austin Independent School District

Table 17 – Ten Largest Taxpayers

Current Fiscal Year with Nine Years Ago Comparison

(Unaudited)

Fiscal Year Ending August 31, 2015

Principal Taxpayers	Type of Property	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation to Total Assessed Taxable Valuation
Columbia/St. David's Health Care	Healthcare	\$ 503,060,173	0.666%
PKY-San Jacinto Center	Real Estate	307,829,941	0.408%
Freescale Semiconductor	Manufacturing	307,678,698	0.408%
IBM Corporation	Computers	252,365,609	0.334%
CSHV-401 Congress LLC	Real Estate	251,256,450	0.333%
Finley Company	Real Estate	242,917,079	0.322%
CSHV-300 West 6th Street LLC	Real Estate	206,800,000	0.274%
7171 Southwest Parkway Holdings LLF	Real Estate	195,213,954	0.259%
HEB Grocery Company Ltd	Grocery Retail/Distro	189,634,859	0.251%
Domain Mall LLC	Real Estate	172,040,597	0.228%
Total Ten Principal Taxpayers		\$ 2,628,797,360	3.483%
Total Taxable Assessed Valuation Austin ISD		\$ 75,479,270,096	

Fiscal Year Ending August 31, 2006

Principal Taxpayers	Type of Property	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation to Total Assessed Taxable Valuation
Freescale Semiconductor	Manufacturing	503,116,077	1.242%
IBM Corporation	Manufacturing	261,627,563	0.646%
AT&T	Telephone Utility	210,312,480	0.519%
Cousins Properties Texas LP	Real Estate	147,389,000	0.364%
TX-Sixth Street LP	Real Estate	126,685,780	0.313%
National Instruments Corp.	Manufacturing	122,972,511	0.304%
EOP Franklin Plaza Limited	Real Estate	101,833,276	0.251%
Time Warner Entertainment	Entertainment	96,733,740	0.239%
Crescent Real Estate	Real Estate	95,009,405	0.235%
ZML-One American Center Limited	Real Estate	91,954,930	0.227%
Total Ten Principal Taxpayers		\$ 1,757,634,762	4.339%
Total Taxable Assessed Valuation Austin ISD		\$ 40,506,607,208	

Source: Travis County Central Appraisal District

Austin Independent School District

Table 18 – Property Value and Construction Within District

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended August 31:	Commercial	Non-Commercial	Total Estimated Market Value	New Construction
2006	10,580,352,178	38,707,747,273	49,288,099,451	898,684,186
2007	13,033,676,095	44,216,786,977	57,250,463,072	1,175,331,103
2008	14,840,519,776	49,129,127,357	63,969,647,133	1,595,769,415
2009	16,240,275,661	55,040,710,282	71,280,985,943	1,616,472,896
2010	15,184,692,106	51,955,386,224	67,140,078,330	1,616,472,896
2011	15,208,008,021	55,858,917,603	71,066,925,624	1,102,739,992
2012	15,353,641,224	57,282,369,770	72,636,010,994	956,994,411
2013	16,213,059,638	58,798,836,169	75,011,895,807	785,606,468
2014	17,262,533,548	63,593,765,956	80,856,299,504	1,268,633,343
2015	19,159,336,404	73,269,300,589	92,428,636,993	1,458,288,800

Source: Travis County Appraisal District

Austin Independent School District

Table 19 – Per Student Calculations (General Fund Only)

Based on Revenues and Expenditures

Last Three Fiscal Years

(Unaudited)

	Fiscal Year Ended August 31:		
	2013	2014	2015
Beginning Fund Equity (9/1)	\$ 252,336,073	\$ 240,230,810	\$ 220,960,408
Revenues			
From Ad Valorem Taxes	681,210,937	733,130,919	818,924,395
% of Total Revenue	84.70%	89.64%	90.42%
From State and Federal Funds	101,842,960	62,544,644	62,523,918
% of Total Revenue	12.66%	7.65%	6.90%
From Other Local Sources	21,198,081	22,198,036	24,204,869
% of Total Revenue	2.64%	2.71%	2.67%
	<u>804,251,978</u>	<u>817,873,599</u>	<u>905,653,182</u>
Total Expenditures	818,019,246	838,219,524	909,316,514
Net Transfers and Other Increases (Decreases) to Fund Equity	1,662,005	1,075,523	425,852
Ending Fund Equity (8/31)	<u>\$ 240,230,810</u>	<u>\$ 220,960,408</u>	<u>\$ 217,722,928</u>
Per Student Calculations:			
Assessed Valuation Per Student	\$ 754,859	\$ 745,746	\$ 914,709
Ad Valorem Tax Revenues Per Student	\$ 8,626	\$ 9,402	\$ 10,586
State and Federal Funds Per Student	1,290	802	808
Other Local Sources Per Student	268	285	313
Total Revenue Per Student	<u>\$ 10,184</u>	<u>\$ 10,488</u>	<u>\$ 11,707</u>
Total Expenditures Per Student	<u>\$ 10,358</u>	<u>\$ 10,749</u>	<u>\$ 11,755</u>
Average Daily Attendance	78,972	77,980	77,359

Sources: Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund only - Audited Financial Statements
Management's Discussion and Analysis (Economic Factors)

Demographic and Economic

Austin Independent School District

Table 20 – Demographic Data

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended August 31	Estimated Population ¹	Per Capita Income	Personal Income	Peak Enrollment	Average Daily Attendance	District Employees
2006	901,701	38,457	34,676,637,000	81,003	73,441	10,610
2007	937,541	40,039	37,538,232,000	81,917	74,362	10,831
2008	969,892	40,430	39,212,702,000	82,181	74,595	11,100
2009	998,561	40,143	40,085,585,000	83,033	75,606	11,322
2010	1,026,158	42,156	43,258,751,000	84,245	76,727	11,570
2011	1,049,873	43,744	45,925,294,000	85,273	77,982	11,736
2012	1,095,805	46,298	50,733,585,000	86,124	78,914	11,468
2013	1,120,954	48,562	54,435,509,000	86,233	78,972	11,465
2014	1,141,655	54,596	62,329,270,000	85,014	77,980	11,538
2015	1,173,051	-	-	84,191	77,359	11,478

Sources: Peak Enrollment and District Employees: TEA TAPR

Average Daily Attendance: PEIMS

Estimated Population and Personal Income: Bureau of Economic Analysis, Department of Commerce, and Texas Workforce Commission

2015 Estimated Population: City of Austin

Note ¹ Information is based on data for Travis County, data specific to District boundaries is not available.

Austin Independent School District

Table 21 – Ten Principal Employers

Current and Nine Years Ago

(Unaudited)

Company Name	Product or Service	Rank	2015	Percent of	Rank	2006	Percent of
			Number of Employees (1)	MSA Total (3)		Number of Employees (2)	MSA Total (2)
				%			%
State Government	Government	1	63,511	5.41%	1	36,216	4.02%
The University of Texas Austin	Government	2	14,079	1.20%	2	22,450	2.49%
Dell Computer Corporation	Computers	3	13,000	1.11%	3	17,000	1.89%
City of Austin	Government	4	12,580	1.07%	4	10,999	1.22%
Federal Government	Government	5	12,482	1.06%	7	10,624	1.18%
Austin Independent School District	Education	6	12,053	1.03%	5	10,617	1.18%
Seton Healthcare Network	Healthcare	7	10,945	0.93%	6	7,538	0.84%
St. David's Healthcare Partnership	Healthcare	8	8,369	0.71%	8	5,712	0.63%
IBM Corporation	Computers	9	6,000	0.51%	9	6,200	0.69%
Internal Revenue Service	Government	10	5,911	0.50%	10	4,500	0.50%
			<u>158,930</u>	<u>13.55%</u>		<u>131,856</u>	<u>14.62%</u>

²Metropolitan Statistical Area (MSA) 2006 901,701

³Metropolitan Statistical Area (MSA) 2015 1,173,051

(1) Source: Austin Chamber of Commerce, City of Austin

(2) Source: Texas Municipal Advisory Council

(3) Source: City of Austin

Operating

Austin Independent School District

Table 22 – Expenditures, Average Daily Attendance
and Per Pupil Costs

Last Ten Years

(Unaudited)

Fiscal Year Ended August 31:	Total General Fund Expenditures ¹	Average Daily Attendance ²	Per Pupil Costs
2006	689,372,812	73,441	9,387
2007	716,751,599	74,362	9,639
2008	767,883,980	74,595	10,294
2009	862,068,746	75,606	11,402
2010	781,449,579	76,727	10,185
2011	787,388,541	77,982	10,097
2012	790,197,800	78,914	10,013
2013	818,019,246	78,972	10,358
2014	838,219,524	77,980	10,749
2015	909,316,514	77,359	11,755

Fiscal Year Ended August 31:	Total Governmental Funds Expenditures ¹	Average Daily Attendance ²	Per Pupil Costs
2006	970,692,738	73,441	13,217
2007	1,008,875,275	74,362	13,567
2008	1,039,838,042	74,595	13,940
2009	1,159,867,086	75,606	15,341
2010	1,133,479,387	76,727	14,773
2011	1,120,266,447	77,982	14,366
2012	1,066,487,943	78,914	13,515
2013	1,114,110,392	78,972	14,108
2014	1,142,895,893	77,980	14,656
2015	1,238,279,319	77,359	16,007

Source: ¹ Statement of Revenues, Expenditures and Changes in
Fund Balances -- Audited Financial Reports

² School District and Education Service Center (ESC)
Average Daily Attendance (ADA) Reports
from TEA web site

Austin Independent School District
Table 23 – Schedule of Insurance and
Surety Bonds in Force
August 31, 2015
(Unaudited)

	COMPANY	AGENCY	POLICY #	COVERAGE TYPE	POLICY LIMITS	DEDUCTIBLE	POLICY PERIOD	PREMIUM
1	Great American Ins. Co.	Wm. Gammon	IMP 1743098	AISD Video Equipment Van	\$249,646	\$1,000	1/15/15 to 1/15/16	\$2,821
2	Affiliated FM Global	Wm Gammon	GQ633 Acct. #1-52560	Building & Contents	\$2,012,980,048 cov.limit-\$750,000,000 per Occurrence	\$100,000 (flood/quake/theft)	9/1/14 to 9/1/15	\$954,120 (limited flood 31728)
3	Scottsdale Indemnity Co.	Wm. Gammon	EK13125398	Charitable Fund, Inc. Board of Director's Insurance	\$1,000,000/\$1,000,000 Per Claim/Aggregate	\$1,000	7/18/14 to 7/18/15	\$510 (premium & \$100 policy fee)
4	Columbian Life Insurance & Zurich	The Brokerage Store	42-24-4727- 800-042-2	UIL Student Athletic-underlying UIL Student Athletic-catastrophic	\$25,000	None	8/1/15 to 7/31/17 8/1/15 to 7/31/17	\$143,500 \$19,920
5a	ATTAIN SPECIALTY INS. CO.	Wm. Gammon	CIP237583	General Liability - Various Properties, Owned & Rental, (6 total) including Ag Farm	\$1,000,000/\$2,000,000	None	1/15/15 to 1/15/16	\$8,993.94
5b	MARKEL Evanston Ins Co	Wm. Gammon	XOBW4946014	Excess Liability for Properties & Rental Property	\$4,000,000/\$2,000,000	None	1/15/15 to 1/15/16	\$4,500
6	SureTec Insurance Co.	Wm. Gammon	POA-5154308	Tax Collectors Bond Travis County	\$100,000 \$1,000,000/\$2,000,000	None	1/1/13 to 12/31/16	\$1,243 for 4 years
7	Texas Association of School Boards	TASB	227901-090901	TASB Modified Self Ins. Plan Automobile - BI/PD General Liability School Prof. Legal Liability	Liability Coverages \$100K/\$300K/\$100K \$1,000,000 \$1,000,000	\$100,000 \$50,000 \$50,000	9/1/14 to 9/1/15 9/1/14 to 9/1/15 9/1/14 to 9/1/15	\$55,271 \$294,058

Austin Independent School District
Table 23 – Schedule of Insurance and
Surety Bonds in Force
August 31, 2015
(Unaudited)

	COMPANY	AGENCY	POLICY #	COVERAGE TYPE	POLICY LIMITS	DEDUCTIBLE	POLICY PERIOD	PREMIUM
8	Max America Ins. Co.	Alamo Ins.	MAXA5IM0011444	Telecommunication Equip. GAATN Fiber Optic Cable Network	\$4.5 Million/occurrence TIV \$22,083.948 \$1 mil. flood/quake	\$50,000 \$25,000 flood/quake	11/1/14 to 11/1/15	\$84,919
9	Diamond State	Alamo Ins.	#OP000015	Portable Classrooms & Contents	\$54,190,800 \$110,000/\$2,000,000	\$10,000 per occur. \$25,000/quake 5% TIV/flood	12/1/2014 to 9/01/2015	\$90,620
10	Texas Association of School Boards	TASB	B-255	Worker's Compensation Midwest Employers	Statutory Stop Loss Limits Specific Retention \$400,000	Stat. Limits - \$400K	9/1/14 to 9/1/15	Self-Insured
11	American Casualty Co. of Reading PA	Bill Beatty	127307644	Student Medical Prof. Ins.	\$1,000,000/\$5,000,000	None	12/11/14 to 12/1/15	\$3,328
12	Insurers Indemnity Bond Co.	Wm. Gammon	Various	Peace Officers Bonding 74 Officers as of August 2015	\$1,000	None	Annually Renewed Each Officer	\$50 x 74
13	Hartford Steam Boiler	Wm. Gammon	2091655209	Boiler & Machinery	\$25,000,000	\$5,000	09/01/14 to 09/01/15	\$38,157
14	National Union Fire Ins. Co	Wm. Gammon	18179247	Employee Fidelity- Crime	\$1,000,000	\$10,000	11/11/14 to 11/11/15	\$13,364

Austin Independent School District

Table 24 – Miscellaneous Statistical Data

August 31, 2015

(Unaudited)

School	Year Main Building Erected	Grades	Architectural Design Capacity	Student Enrollment	Total Portables per Campus	Campus Gross	Campus Size (acreage)
High Schools:							
Austin High	1975	9-12	2,226	2,076	5	309,499	44.3
Lanier High	1966	9-12	1,627	1,614	15	243,178	28.5
McCallum High	1900	9-12	1,596	1,640	9	226,267	31.1
Reagan High	1965	9-12	1,588	1,227	2	252,363	31.8
Travis High	1953	9-12	1,862	1,306	4	275,890	34.8
Crockett High	1969	9-12	2,163	1,491	5	327,831	39.5
Anderson High	1973	9-12	2,373	2,211	5	309,077	38.8
Secondary Alternative Learning Center	1953	6-12	462	166	8	86,585	19.8
Bowie High	1988	9-12	2,463	2,864	11	411,351	66.0
LBJ High	1974	9-12	902	840	11	293,046	41.4
Garza Independence High	1939	11-12	321	166	4	44,754	3.1
Akins High	2000	9-12	2,394	2,661	20	345,493	57.7
LASA	1974	9-12	940	1,002	9	291,406	41.4
Eastside Memorial High	1960	9-12	1,156	620	2	253,815	27.6
Richards SYWL	1958	6-12	924	764	4	121,346	15.3
International H.S.	1960	9-12	392	368	0	253,815	27.6
Middle Schools:							
Fulmore Middle	1911	6-8	1,078	952	6	156,804	9.8
Kealing Middle	1986	6-8	1,333	1,188	0	192,552	13.2
Lamar Middle	1955	6-8	1,008	895	5	130,714	14.3
Burnet Middle	1961	6-8	1,039	1,138	15	136,563	23.7
O. Henry Middle	1953	6-8	945	891	7	141,413	13.8
Martin Middle	1966	6-8	804	555	4	107,342	9.9
Murchison Middle	1967	6-8	1,113	1,363	16	122,677	26.2
Webb Middle (Inc Primary Center)	1961	6-8	804	939	20	120,985	15.6
Bedichek Middle	1972	6-8	941	969	14	132,284	23.3
Dobie Middle (Inc Pre-K)	1973	PK, 6-8	902	947	20	133,675	20.2
Garcia YMLA	2007	6-8	1,215	391	0	161,147	41.3
Covington Middle	1986	6-8	1,125	634	0	172,364	21.3
Mendez Middle	1987	6-8	1,215	842	3	173,382	20.7
Bailey Middle	1993	6-8	1,176	917	4	147,444	41.3
Small Middle	1999	6-8	1,239	1,003	1	160,608	36.5
Paredes Middle	2000	6-8	1,156	1,032	4	143,037	78.2
Gorzycki Middle	2009	6-8	1,323	1,330	5	169,045	14.2
Sadler Means YWLA	1958	6-8	1,078	341	1	132,596	14.8

Austin Independent School District

Table 24 – Miscellaneous Statistical Data

August 31, 2015

(Unaudited)

School	Year Main Building Erected	Grades	Architectural Design Capacity	Student Enrollment	Total Portables per Campus	Campus Gross	Campus Size (acreage)
Elementary Schools:							
Allison Elementary	1955	PK-5	486	486	5	61,426	10.7
Andrews Elementary	1962	EC, PK-5	636	656	9	60,032	7.7
Baranoff Elementary	1999	EC, K-5	794	992	8	80,088	15.6
Barbara Jordan Elementary	1992	PK-6	655	760	5	73,893	11.5
Barrington Elementary	1969	EC, PK-6	556	586	3	75,385	12.1
Barton Hills Elementary	1964	EC, K-6	418	419	7	38,290	9.9
Becker Elementary	1936	EC, PK-5	449	353	2	59,296	3.7
Blackshear Elementary	1903	PK-5	561	276	0	70,071	5.3
Blanton Elementary	1964	PK-5	711	539	3	71,609	8.0
Blazier Elementary	2007	EC, PK-5	598	964	15	82,897	15.4
Boone Elementary	1986	EC, PK-5	752	497	0	72,858	12.5
Brentwood Elementary	1951	EC, PK-5	585	580	5	62,890	16.7
Brooke Elementary	1954	EC, PK-5	393	346	3	51,588	5.9
Brown Elementary	1957	EC, PK-6	449	407	4	49,307	10.1
Bryker Woods Elementary	1939	EC, K-6	418	391	6	37,499	6.3
Campbell Elementary	1992	EC, PK-5	524	253	0	61,322	9.7
Casey Elementary	1998	EC, PK-5	692	663	1	81,506	17.9
Casis Elementary	1951	EC, PK-5	669	803	9	77,061	14.2
Clayton Elementary	2006	EC, K-5	815	879	4	99,883	16.8
Cook Elementary	1974	EC, K-5	542	642	7	67,355	12.7
Cowan Elementary	1999	EC, PK-5	648	798	7	70,234	22.5
Cunningham Elementary	1963	EC, PK-5	606	405	2	71,191	8.8
Davis Elementary	1993	EC, PK-5	731	737	4	71,734	13.2
Dawson Elementary	1954	EC, PK-5	524	334	4	55,301	8.7
Doss Elementary	1970	EC, PK-5	543	917	15	60,521	9.7
Galindo Elementary	1989	EC, PK-5	711	591	4	85,513	10.8
Govalle Elementary	1940	EC, PK-5	598	545	3	75,468	8.4
Graham Elementary	1972	EC, PK-5	580	767	6	70,590	9.9
Guerrero-Thompson Elementary	2013	EC, PK-5	748	688	1	98,000	18.7
Gullett Elementary	1956	EC, PK-5	418	556	9	39,826	17.9
Harris Elementary	1955	EC, PK-5	692	666	9	55,794	7.3
Hart Elementary	1998	EC, PK-5	711	715	7	81,042	15.7
Highland Park Elementary	1952	EC, PK-5	585	638	6	58,557	6.3
Hill Elementary	1970	EC, PK-5	690	887	9	69,626	8.9
Houston Elementary	1976	EC, PK-5	692	764	9	80,229	13.8
Joslin Elementary	1954	EC, PK-5	374	289	4	44,829	5.1
Kiker Elementary	1992	EC, PK-5	731	1,019	11	74,156	12.4
Kocurek Elementary	1986	EC, PK-5	673	536	1	76,346	12.3
Langford Elementary	1980	PK-5	692	738	9	77,748	10.7
Lee Elementary	1939	EC, K-6	418	388	1	45,098	4.8
Linder Elementary	1972	EC, PK-5	588	412	4	69,544	9.1
Lucy Read Pre-K	1961	EC, PK	352	312	9	37,188	9.9
Maplewood Elementary	1951	EC, PK-6	355	412	6	45,389	6.4
Mathews Elementary	1916	PK-6	397	409	3	42,124	2.3
McBee Elementary	1999	EC, K-5	580	527	2	69,716	10.9
Menchaca Elementary	1975	EC, PK-5	585	712	8	59,994	19.8

Austin Independent School District

Table 24 – Miscellaneous Statistical Data

August 31, 2015

(Unaudited)

School	Year Main Building Erected	Grades	Architectural Design Capacity	Student Enrollment	Total Portables per Campus	Campus Gross	Campus Size (acreage)
Metz Elementary	1993	PK-5	524	358	2	61,356	6.4
Mills Elementary	1998	EC, PK-5	794	800	6	81,368	10.7
Norman Elementary	1970	PK-6	486	299	1	58,519	10.2
Oak Hill Elementary	1974	EC, PK-5	773	799	5	75,143	13.7
Oak Springs Elementary	1958	EC, PK-5	411	306	3	47,102	8.6
Odom Elementary	1970	EC, PK-5	542	544	5	61,009	8.6
Ortega Elementary	1959	EC, PK-5	355	325	5	47,301	7.4
Overton Elementary	2007	EC, PK-6	598	650	7	83,405	70.4
Padron Elementary	2014	PK-5	880	691	0	143,142	6.7
Palm Elementary	1987	EC, PK-5	636	516	0	78,101	13.2
Patton Elementary	1986	EC, PK-5	940	941	10	76,213	24.1
Pease Elementary	1876	K-6	293	256	0	35,623	2.8
Pecan Springs Elementary	1957	EC, PK-5	524	451	3	56,992	7.6
Perez Elementary	2006	EC, PK-5	617	803	10	82,223	28.0
Pickle Elementary	2001	EC, PK-5	561	744	5	116,427	17.5
Pillow Elementary	1969	EC, PK-5	502	582	8	54,247	10.0
Pleasant Hill Elementary	1985	EC, PK-5	505	527	5	65,825	10.1
Reilly Elementary	1954	EC, PK-5	318	276	5	41,646	10.8
Ridgetop Elementary	1939	EC, PK-5	224	302	4	34,617	5.0
Rodriguez Elementary	1999	EC, PK-5	711	793	11	79,918	15.0
Baldwin Elementary	2010	PK-5	669	739	4	86,896	14.2
Sanchez Elementary	1976	EC, PK-5	580	434	2	78,951	9.2
Sims Elementary	1956	PK-6	355	228	6	44,337	8.4
St. Elmo Elementary	1960	EC, PK-5	411	292	1	48,922	9.4
Summitt Elementary	1986	EC, PK-5	731	774	8	75,903	14.5
Sunset Valley Elementary	1971	EC, PK-5	561	517	2	66,467	10.4
Travis Heights Elementary	1938	EC, PK-5	524	496	3	59,330	3.2
Uphaus Early Childhood Center	2012	PK	367	235	0	72,206	7.4
Walnut Creek Elementary	1961	EC, PK-6	655	660	8	79,535	11.5
Widen Elementary	1986	EC, PK-5	655	588	4	74,523	10.7
Williams Elementary	1976	EC, PK-5	561	512	5	64,436	14.0
Winn Elementary	1970	EC, PK-5	524	336	3	60,758	10.0
Wooldridge Elementary	1969	EC, K-5	655	570	7	70,474	11.6
Wooten Elementary	1955	EC, PK-5	468	723	12	53,689	6.7
Zavala Elementary	1937	EC, PK-6	561	399	0	69,142	3.4
Zilker Elementary	1950	EC, PK-5	460	565	7	50,176	11.8

Source: Austin ISD Construction Management

Federal Awards Section



Padgett Stratemann

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*

To the Board of Trustees
Austin Independent School District
Austin, 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 Austin Independent School District (the "District") as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 19, 2016. Our report was modified to include a reference to the restatement of beginning net position due to the adoption of Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, An Amendment of GASB Statement No. 68*.

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.

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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* or the Public Funds Investment Act.

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.

Padgett, Statemann + Co., L.L.P.

Austin, Texas
January 19, 2016



Padgett Stratemann

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance as Required by OMB Circular A-133

To the Board of Trustees
Austin Independent School District
Austin, Texas

Report on Compliance for Each Major Federal Program

We have audited Austin Independent School District's (the "District") compliance with the types of compliance requirements described in *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2015. 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 the requirements of laws, regulations, contracts, and grant agreements 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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.

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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 its major federal programs for the year ended August 31, 2015.

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 OMB Circular A-133, 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.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Padgett, Stratemann + Co., L.L.P.

Austin, Texas
January 19, 2016

Austin Independent School District

Schedule of Findings and Questioned Costs

Year Ended August 31, 2015

(Continued)

Section I – Summary of Auditor’s Results

1. Financial Statements

Type of auditor’s report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No	
Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None Reported	
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No	

2. Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No	
Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None Reported	
Type of auditor’s report issued on compliance for major programs:	<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	<u> </u> Yes	<u> X </u> No	

Austin Independent School District

Schedule of Findings and Questioned Costs

Year Ended August 31, 2015

(Continued)

Section I – Summary of Auditor’s Results (continued)

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	Nutrition Cluster:
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	Commodities Supplemental Food Program
10.555	After-School Snack Program
10.555	Seamless Summer Feeding Option
84.374A	REACH: Supporting and Rewarding Success in the Classroom

Dollar threshold used to distinguish between type A and type B programs: \$ 3,000,000

Auditee qualified as low-risk auditee? X Yes No

Section II – General Purpose Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

Austin Independent School District

Exhibit K-1 Schedule of Expenditures of Federal Awards

Year Ended August 31, 2015

(1)			(2)	(3)
Project Number	Data Control Codes	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Expenditures Indirect Costs and Refunds
<u>United States Department of Education:</u>				
Direct Programs:				
S060A140771	379	Indian Education Formula Grants to LEAs	84.060A	\$ 54,776
S060A150771	379	Indian Education Formula Grants to LEAs*	84.060A	126
				<u>54,902</u>
Subtotal, Indian Education Formula Grants to LEAs				
U363A080139-11	289	Legacy Leadership: A Model for District Succession Planning	84.363A	15,220
U363A080139-12	289	Legacy Leadership: A Model for District Succession Planning	84.363A	4,716
				<u>19,936</u>
Subtotal, Legacy Leadership: A Model for District Succession Planning				
U351C140069	289	Project Creative Learning	84.351C	136,845
S374A100010	289	REACH: Supporting and Rewarding Success in the Classroom	84.374A	7,563,440
				<u>7,775,123</u>
Passed Through The University of Texas at Austin:				
N/A	199	Federal Work-Study Program	84.033	38,245
				<u>38,245</u>
Total Passed Through The University of Texas at Austin				
Passed Through the Texas Education Agency:				
14610101227901	211	ESEA, Title I, Part A – Improving Basic Programs	84.010A	3,848
15610101227901	211	ESEA, Title I, Part A – Improving Basic Programs	84.010A	25,414,123
16610101227901	211	ESEA, Title I, Part A – Improving Basic Programs*	84.010A	1,781,051
				<u>27,199,022</u>
Subtotal, ESEA Title I Part A – Improving Basic Programs				
15610103227901	211	ESEA Title I Part D, Subpart 2 – Delinquent Programs	84.010A	378,951
16610103227901	211	ESEA Title I Part D, Subpart 2 – Delinquent Programs*	84.010A	23,433
				<u>402,384</u>
Subtotal, ESEA Title I Part D, Subpart 2 – Delinquent Programs				

* Grants awarded after December 26, 2014 and subject to Uniform Grant Guidance

Austin Independent School District

Exhibit K-1 Schedule of Expenditures of Federal Awards

Year Ended August 31, 2015

(Continued)

(1)			(2)	(3)
Project Number	Data Control Codes	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Expenditures Indirect Costs and Refunds
14610112227901007	211	Title I 1003(A) Priority and Focus School Grants – Travis	84.010A	\$ 1,156
14610112227901019	211	Title I 1003(A) Priority and Focus School Grants – Eastside	84.010A	1,597
14610112227901048	211	Title I 1003(A) Priority and Focus School Grants – Pearce	84.010A	13,670
14610112227901055	211	Title I 1003(A) Priority and Focus School Grants – Dobie	84.010A	316
14610112227901058	211	Title I 1003(A) Priority and Focus School Grants – Mendez	84.010A	(8)
14610112227901109	211	Title I 1003(A) Priority and Focus School Grants – Brown	84.010A	82
15610112227901006	211	Title I 1003(A) Priority and Focus School Grants – Reagan	84.010A	50,996
15610112227901007	211	Title I 1003(A) Priority and Focus School Grants – Travis	84.010A	19,643
15610112227901014	211	Title I 1003(A) Priority and Focus School Grants – LBJ	84.010A	10,654
15610112227901019	211	Title I 1003(A) Priority and Focus School Grants – Eastside	84.010A	9,802
15610112227901055	211	Title I 1003(A) Priority and Focus School Grants – Dobie	84.010A	23,059
15610112227901058	211	Title I 1003(A) Priority and Focus School Grants – Mendez	84.010A	1,031
15610112227901109	211	Title I 1003(A) Priority and Focus School Grants – Brown	84.010A	12,127
		Subtotal, ESEA Title I – School Improvement Program		144,125
1466000122279016600	224	IDEA – Part B, Formula	84.027A	(2,339)
1566000122279016600	224	IDEA – Part B, Formula	84.027A	14,629,844
1666000122279016600	224	IDEA – Part B, Formula*	84.027A	1,200,915
		Subtotal, IDEA – Part B, Formula		15,828,420
1566001122279016673	315	IDEA – Part B, Discretionary (Deaf)	84.027A	46,637
1566000122279016601	316	IDEA – Part B, Formula (Deaf)	84.027A	29,994
1666000122279016601	316	IDEA – Part B, Formula (Deaf)*	84.027A	941
		Subtotal, IDEA – Part B, Formula (Deaf)		30,935
15420006227901	244	Carl D. Perkins Basic Grant Formula for CATE	84.048A	1,129,874
16420006227901	244	Carl D. Perkins Basic Grant Formula for CATE*	84.048A	73,203
		Subtotal, Carl D. Perkins Basic Grant Formula for CATE		1,203,077
1466100122279016610	225	IDEA – Part B, Preschool	84.173A	2,743
1566100122279016610	225	IDEA – Part B, Preschool	84.173A	501,888
1666100122279016610	225	IDEA – Part B, Preschool*	84.173A	35,803
		Subtotal, IDEA – Part B, Preschool		540,434

* Grants awarded after December 26, 2014 and subject to Uniform Grant Guidance

Austin Independent School District

Exhibit K-1 Schedule of Expenditures of Federal Awards

Year Ended August 31, 2015

(Continued)

(1)			(2)	(3)
Project Number	Data Control Codes	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Expenditures Indirect Costs and Refunds
156610012279016611	317	IDEA – Part B, Preschool (Deaf)	84.173A	\$ 2,000
143911012279013911	340	IDEA – Part C, Early Childhood Intervention (Deaf)	84.181A	(214)
153911012279013911	340	IDEA – Part C, Early Childhood Intervention (Deaf)	84.181A	2,291
		Subtotal, IDEA – Part C, Early Childhood Intervention (Deaf)		<u>2,077</u>
145900187110001	258	2014-2015 PCSP Start-Up Grants	84.282A	<u>491,199</u>
146950167110003	265	21st Century Community Learning Centers CY 7 Yr 3	84.287C	1,186
156950167110003	265	21st Century Community Learning Centers CY 7 Yr 4	84.287C	1,835,180
156950197110003	265	21st Century Community Learning Centers CY 8 Yr 2	84.287C	2,098,519
166950167110003	265	21st Century Community Learning Centers	84.287C	79,889
166950197110003	265	21st Century Community Learning Centers	84.287C	<u>94,411</u>
		Subtotal, Texas 21st Century Community Learning Centers		<u>4,109,185</u>
14671001227901	263	Title III, Part A – LEP	84.365A	20,174
15671001227901	263	Title III, Part A – LEP	84.365A	2,253,405
16671001227901	263	Title III, Part A – LEP*	84.365A	<u>131,069</u>
		Subtotal, Title III, Part A – LEP		<u>2,404,648</u>
14694501227901	255	ESEA Title II, Part A Teacher and Principal Training and Recruiting	84.367A	5,945
15694501227901	255	ESEA Title II, Part A Teacher and Principal Training and Recruiting	84.367A	2,742,716
16694501227901	255	ESEA Title II, Part A Teacher and Principal Training and Recruiting*	84.367A	<u>379,129</u>
		Subtotal, ESEA Title II, Part A		<u>3,127,790</u>
69551302	289	Summer School LEP	84.369A	61,822
69551402	289	Summer School LEP	84.369A	<u>142,663</u>
		Subtotal, Summer School LEP		<u>204,485</u>
136460037110003	289	Texas Literacy Initiative	84.371C	2,576,277
146460037110003	289	Texas Literacy Initiative	84.371C	4,096,342
156460037110003	289	Texas Literacy Initiative*	84.371C	<u>199,327</u>
		Subtotal, Texas Literacy Initiative		<u>6,871,946</u>

* Grants awarded after December 26, 2014 and subject to Uniform Grant Guidance

Austin Independent School District

Exhibit K-1 Schedule of Expenditures of Federal Awards

Year Ended August 31, 2015

(Continued)

(1)	(2)	(3)	
Project Number	Data Control Codes	Federal Grantor/ Pass-Through Grantor/ Program Title	
Federal CFDA Number	Expenditures Indirect Costs and Refunds		
136107047110002	276	Texas Title I Priority School Grants – Burnet	84.377A \$ 263
116107117110001	276	Texas Title I Priority School Grants – Burnet	84.377A 342,200
		Subtotal, Texas Title I Priority School Grants – Burnet	<u>342,463</u>
116107117110002	276	Texas Title I Priority School Grants – Lanier	84.377A 660,030
116107117110003	276	Texas Title I Priority School Grants – Martin	84.377A 282,295
105520067110001	286	Texas Title I Priority School Grants – ARRA – Lanier	84.388A 5,943
105520067110002	286	Texas Title I Priority School Grants – ARRA – Martin	84.388A 6,210
		Subtotal, Texas Title I Priority School Grants – ARRA	<u>12,153</u>
		Total Passed Through the Texas Education Agency	<u>63,905,305</u>
		Passed Through Austin Community College:	
1414ABE000	223	Adult Education/TANF Grant	84.002A (1,516)
1414AEL000	223	Adult Education/TANF Grant	84.002A 91,925
		Subtotal, Adult Education/TANF Grant	<u>90,409</u>
1414AEL000	220	Adult Ed. – English Literacy & Civics Education, Section 231	84.002A 249,406
1414AEL000	220	Adult Ed. – English Literacy & Civics Education, Section 231*	84.002A 1,907
		Subtotal, Adult Education/TANF Grant	<u>251,313</u>
		Total Passed Through the Austin Community College	<u>341,722</u>
		Passed Through Texas Workforce Commission	
1414ELC003	220	Adult Ed. – English Literacy & Civics Education, Section 231	84.002A 145
		Total Passed Through the Texas Workforce Commission	<u>145</u>
		Passed Through the Education Service Center, Region 10:	
14-023	206	McKinney-Vento Homeless Education	84.196A (1,033)
15-020	206	McKinney-Vento Homeless Education	84.196A 138,165
		Total Passed Through the Education Service Center, Region 10	<u>137,132</u>
		Total United States Department of Education	<u>72,197,672</u>

* Grants awarded after December 26, 2014 and subject to Uniform Grant Guidance

Austin Independent School District

Exhibit K-1 Schedule of Expenditures of Federal Awards

Year Ended August 31, 2015

(Continued)

(1)			(2)	(3)
Project Number	Data Control Codes	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Expenditures Indirect Costs and Refunds
		<u>United States Department of Agriculture:</u>		
		Passed Through the Texas Department of Agriculture:		
71400701	240	School Breakfast Program	10.553	\$ 6,506,014
71300701	240	National School Lunch Program	10.555	21,100,040
71300701	240	Commodities Supplemental Food Program	10.555	1,207,460
71300701	240	After-School Snack Program	10.555	254,709
71300701	240	Seamless Summer Feeding Option	10.555	333,401
N/A	240	Child and Adult Care Food Program	10.558	768,108
		Total United States Department of Agriculture		<u>30,169,732</u>
		<u>National Endowment for the Arts:</u>		
15-5100-7073	276	National Endowment of the Arts*	45.024	7,017
		Total National Endowment for the Arts		<u>7,017</u>
		<u>United States Department of Defense:</u>		
N/A	199	R.O.T.C.	12.000	213,662
		Total United States Department of Defense		<u>213,662</u>
		<u>Department of Housing and Urban Development:</u>		
		Passed Through the City of Austin:		
NI130000010 Amendment 1	289	CDBG Teen Parent Child Care	14.218	20,309
NI130000010 Amendment 2	289	CDBG Teen Parent Child Care	14.218	158,742
		Total Department of Housing and Urban Development		<u>179,051</u>
		<u>U.S. Department of Transportation:</u>		
		Passed Through the Texas Department of Transportation:		
584EGF6045	289	AISD Afterschool Driver Education Program	20.600	1,454
585EGF6012	289	AISD Afterschool Driver Education Program	20.600	23,210
		Total U.S. Department of Transportation		<u>24,664</u>

* Grants awarded after December 26, 2014 and subject to Uniform Grant Guidance

Austin Independent School District

Exhibit K-1 Schedule of Expenditures of Federal Awards

Year Ended August 31, 2015

(Continued)

(1)			(2)	(3)
Project Number	Data Control Codes	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Expenditures Indirect Costs and Refunds
		<u>Institute of Museum and Library Services</u>		
		Passed Through Central Texas Library System		
LS-00-14-0044-14	289	Library Cooperation Grant Program	45.310	\$ <u>9,631</u>
		Total Institute of Museum and Library Services		<u>9,631</u>
		<u>United States Department of Health and Human Services:</u>		
		Passed Through Child, Inc.:		
N/A	205	Head Start Collaboration	93.600	(76)
N/A	205	Head Start Collaboration	93.600	122,119
N/A	205	Head Start Collaboration*	93.600	<u>254,325</u>
		Subtotal, Head Start Collaboration		<u>376,368</u>
		Passed Through the Texas Health and Human Services Commission:		
529-13-0063-00006	289	Refugee School Impact Discretionary Grant	93.576	133,359
529-13-0063-00006A	289	Refugee School Impact Discretionary Grant	93.576	<u>1,898</u>
		Subtotal, Refugee School Impact Discretionary Grant		<u>135,257</u>
		Passed Through the Texas Department of State Health Services:		
529-07-0157-00112	272	Medicaid Administration	93.778	<u>581,055</u>
		Total U.S Department of Health and Human Services		<u>1,092,680</u>
		<u>Corporation for National & Community Service:</u>		
		Passed Through OneStar National Service Commission:		
13WCHTX0010001	289	AISD School Turnaround AmeriCorps Initiative	94.006	234,895
13WCHTX0010001	289	AISD School Turnaround AmeriCorps Initiative*	94.006	<u>5,608</u>
		Subtotal, AISD School Turnaround AmeriCorps Initiative		<u>240,503</u>
		Total Federal Assistance		\$ <u><u>104,134,612</u></u>

* Grants awarded after December 26, 2014 and subject to Uniform Grant Guidance

Austin Independent School District

Notes to the Schedule of Expenditures of Federal Awards

Year Ended August 31, 2015

1. General

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the modified accrual basis of accounting.

Special Revenue Funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

2. Basis of Accounting

The accounting and financial reporting treatment applied to Special Revenue Funds is the current financial resources measurement focus. All federal grant funds were accounted for in the Special Revenue Fund, except for indirect cost reimbursement, ROTC, and the Federal Work/Study Program, which are in the General Fund. With this measurement focus, only current assets and current liabilities generally 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 Special Revenue Fund. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual (i.e., both measurable and available) and expenditures in the accounting period in which the fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when matured, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financing resources. Federal grant funds are considered to be earned as soon as all eligibility requirements imposed by the provider are met and expenditures have been incurred and, accordingly, when such funds are received in advance, they are recorded as unearned revenues until earned.

The expenditures in the accompanying Schedule of Expenditures of Federal Awards are presented using the modified accrual basis of accounting, with the exception of the Nutrition Program. Expenditures in this program are shown in the accompanying Schedule of Expenditures of Federal Awards in an amount equal to revenue for balancing purposes only. All other expenditures are recognized following, as applicable, either the cost principles in the *OMB Compliance Supplement*, or the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. General Fund Reimbursements

The General Fund receives reimbursement from the federal government for the following activities, which are not required to be presented on the Schedule of Expenditures of Federal Awards: Medicaid reimbursement and school health and related services.

4. Noncash Federal Awards

The District received noncash awards in the form of food commodities totaling \$1,207,460 for the year ended August 31, 2015.