



AUSTIN Independent School District
Austin, TX – Travis County

2013-14 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED AUGUST 31, 2014

1111 West Sixth Street
Austin, TX 78703

www.austinisd.org
512.414.1700

AUSTIN INDEPENDENT SCHOOL DISTRICT
Austin, Texas

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED
AUGUST 31, 2014**

**Prepared by:
Financial Services Department**

Austin Independent School District

Year Ended August 31, 2014

Table of Contents

<u>Exhibit Number</u>		<u>Page</u>
INTRODUCTORY SECTION		
	Transmittal Letter	ii
	GFOA Certificate of Achievement	xi
	ASBO Certificate of Achievement	xii
	Principal Officials and Advisors	xiii
	Organizational Chart	xiv
FINANCIAL SECTION		
	Independent Auditor's Report	2-4
	Management's Discussion and Analysis	5-15
Basic Financial Statements		
Government-Wide Financial Statements:		
A-1	Statement of Net Position	17
B-1	Statement of Activities	18
Governmental Fund Financial Statements		
C-1	Balance Sheet – Governmental Funds	19
C-2	Reconciliation of Government Funds to the Statement of Net Position	20
C-3	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	21
C-4	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities	22
Proprietary Fund Financial Statements:		
D-1	Statement of Net Position – Proprietary Funds	23
D-2	Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	24
D-3	Statement of Cash Flows – Proprietary Funds	25
Fiduciary Fund Financial Statements:		
E-1	Statement of Fiduciary Assets and Liabilities	26
	Notes to the Basic Financial Statements	27-57
Required Supplementary Information		
G-1	Budgetary Comparison Schedule – General Fund	59
	Note to the Budgetary Comparison Schedule	60

<u>Exhibit Number</u>		<u>Page</u>
Other Supplementary Information - Combining Schedules		
Nonmajor Governmental Funds		
H-1	Combining Balance Sheet – Nonmajor Governmental Funds	63-67
H-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	68-72
Nonmajor Proprietary Funds		
H-3	Combining Statement of Net Position – Proprietary Funds	74
H-4	Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	75
H-5	Combining Statement of Cash Flows – Proprietary Funds	76
Nonmajor Fiduciary Funds		
H-6	Combining Statement of Changes in Assets and Liabilities	78
Other Supplementary Information - Exhibits J-1 through J-5		
J-1	Schedule of Delinquent Taxes Receivable	80
J-4	Budgetary Comparison Schedule Required by the Texas Education Agency – National School Breakfast and Lunch Programs	81
J-5	Budgetary Comparison Schedule Required by the Texas Education Agency – Debt Service Fund	82

Exhibit Number		Page
STATISTICAL SECTION (Unaudited)		
Table 1	Government-wide Net Position	85
Table 2	Government-wide Expenses, Program Revenues, and Net Revenue (Expense)	86
Table 3	Government-wide General Revenues and Total Change in Net Position	87
Table 4	All Governmental Funds Revenues by Source	88
Table 5	All Governmental Funds Expenditures by Function	89
Table 6	All Governmental Funds Other Financing Sources and Uses and Net Change in Fund Balance	90
Table 7	All Governmental Funds Fund Balance	91-92
Table 8	Property Tax Levies and Collections	94
Table 9	Assessed and Estimated Actual Value of Taxable Property	95
Table 10	Schedule of Tax Rate Distribution per \$100 Valuation	96
Table 11	Ratio of Net Bonded Debt to Taxable Assessed Valuation and Net Bonded Debt Per Capita	97
Table 12	Property Tax Rates per \$100 Valuation Direct and Overlapping Governments	98
Table 13	Direct and Overlapping Debt General Obligation Bonds	100
Table 14	Computation of Legal Debt Margin	101
Table 15	Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total Expenditures	102
Table 16	Classification of Total Assessed Value	103
Table 17	Ten Largest Taxpayers	104
Table 18	Property Value and Construction within District	105
Table 19	Per Student Calculations (General Fund Only) Based on Revenues and Expenditures	106
Table 20	Demographic Data	108
Table 21	Ten Principal Employers	110
Table 22	Expenditures, Average Daily Attendance and Per Pupil Costs	111
Table 23	Schedule of Insurance and Surety Bonds in Force	112-113
Table 24	Miscellaneous Statistical Data	114-116
FEDERAL AWARDS SECTION		
	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	118-119
	Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133	120-121
	Schedule of Findings and Questioned Costs	122-123
K-1	Schedule of Expenditures of Federal Awards	124-129
	Notes to the Schedule of Expenditures of Federal Awards	130

Introductory Section

Austin Independent School District

1111 West 6th Street
Austin, Texas 78703



February 2, 2015

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, 2014. 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 129 instructional campuses – 84 elementary schools, 18 middle schools, 16 high schools and 11 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 85,372 in fiscal year 2014. The District’s student enrollment has increased by nearly three percent in the last five years. This annual growth trend is not expected to continue with 2015’s enrollment projected to be 84,591. The District continues to be ethnically diverse. Recent statistics indicate a student population that is approximately 59.5 percent Hispanic, 25.9 percent Caucasian, 8.0 percent African-American and 6.6 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 8th on the list of *America’s Best Cities for Young Professionals*, 1st on its list of *America’s Fastest Growing Cities in 2014*, and 3rd on its list of *Best Big Cities for Jobs 2014*.

In 2010, the U.S. Census Bureau reported Austin with a population of 790,390 and the population of the Austin-San Marcos Metropolitan Statistical Area (MS) – which includes Bastrop, Hays, Caldwell, Travis, and Williamson counties – was estimated at 1,716,289. As of 2015, the population was estimated at 1,960,674. This number is projected to increase by 16.9 percent to 2,292,737 by 2020. In 2011, the estimated median household income and per capita income for the City was \$49,987 and \$30,324, 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, 44.5% of residents in Austin ages 25 and up have attained a bachelor’s degree or higher in comparison to 26.1% in Texas and 28.2% 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 2013, and again in August 2014, 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.

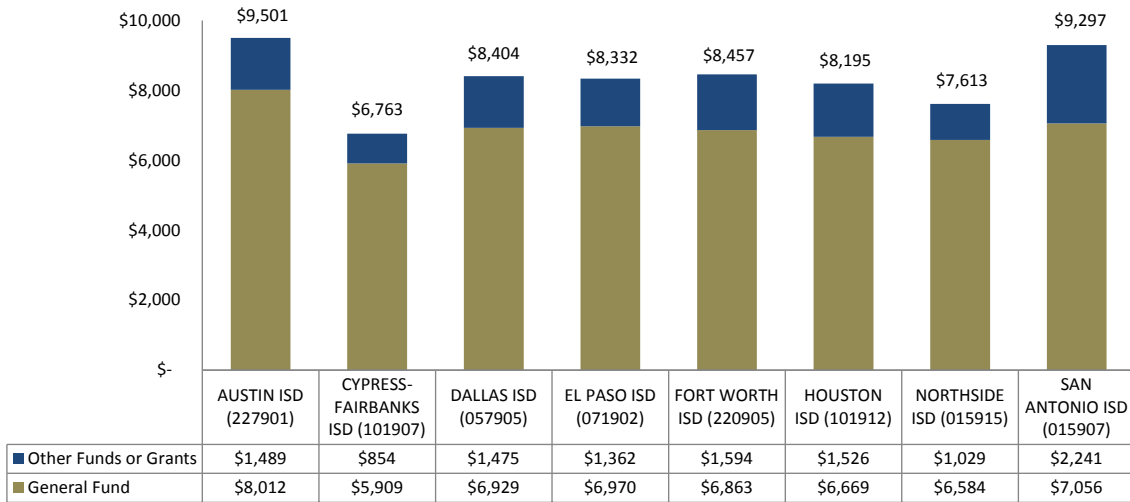
It is the intent of the District that the budgetary process results in the most effective mix of the educational and financial resources available while attaining the goals and objectives of the District's strategic plan. The ultimate decision of the level of funding and the programs to be funded rests 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.

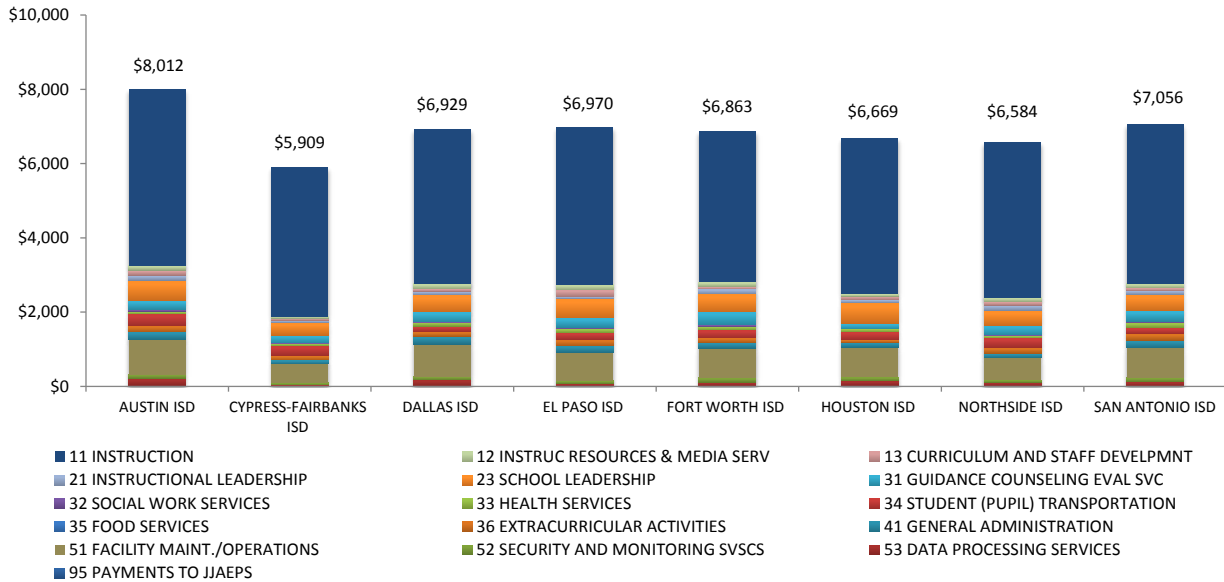
OUR STUDENT INVESTMENT WHEN COMPARED TO OUR TEXAS PEERS

In FY2013, the most recent year for which comparable data are available, Austin ISD spent \$9,501 per pupil, which ranks the highest among urban school districts in Texas. The district had higher than average spending in student instruction, transportation, services to students with disabilities, accelerated education, employee healthcare and utilities. Also, AISD is one of the few school districts that contribute to Social Security at a cost of \$33 million annually or \$377 per pupil in FY2013.

Austin Independent School District
Operating Expenditures per Pupil FY2013 – Urban Peers



Austin Independent School District
FY2013 General Fund per Pupil Operating Expenditures by Function



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 second lowest overall property tax rates in Central Texas for school districts.
- 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 2014 School FIRST (*Financial Integrity Rating System of Texas*) rating of *Superior Achievement*, for the 11th consecutive year.
- The Texas Comptroller of Public Accounts awarded AISD with a *Platinum Leadership Circle Award* for budget transparency, the fifth 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 11 years in a row.
- The GFOA Certificate of Achievement for Excellence in Financial Reporting for the fifth year 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 2014

Board of Trustees approved four AAFRs presented by the Superintendent.

1. Dual Language Program Expansion and Extension

Two-way Spanish/English dual language program, at nine elementary schools will expand to areas of the district that demonstrate high need and readiness for implementation. The one-way model in Vietnamese will expand to include additional grade levels at Summitt Elementary School.

Implementation of a one-way Mandarin dual language immersion program for non-native speakers at Doss Elementary School will be scheduled for implementation during the fall of 2013.

The dual language program (both one-way and two-way) will extend to middle schools throughout the district based on need.

2. Responsive Education Solutions Partnership Continued at Lanier and Travis High Schools

Responsive Education Solutions fulfills the mission of the Graduation Pathways program by delivering individual students a prescribed course of study. Using both direct teach and computer-based instruction, students recover credits, accelerate credit accrual and receive high dosage tutoring in math and other areas of need.

3. Campus-Initiated In-District Charter at Travis Heights Elementary School

Travis Heights Elementary School will transition to an in-district charter school during 2013-14, essentially becoming an autonomous school model with flexibility in such areas like program design, innovation, budget allocation, scheduling, professional development and curriculum.

The recommended educational model will be a student-centered learning community with a standards-based, rigorous core instructional program applying three interwoven, research-based models including, dual language enrichment, service learning and blended learning.

4. Fine Arts Program – Any Given Child Creative Learning Initiative

The Any Given Child Creative Learning Initiative will bring access and balance to each child's education using a learning model that combines the resources of the school district, the City of Austin, local artists, businesses and philanthropic organizations.

This partnership model will affect student achievement by aligning the experiences students receive in and out of school and working with teachers in schools and artists in the community.

5. Single-Sex Middle Schools at Garcia and Pearce

The attendance area for Garcia and Pearce Middle Schools will be combined to facilitate the design of two, single-sex middle schools. The academic design includes a college preparatory culture and curriculum with pre-advanced placement core classes, College Board curriculum, and vertically aligned elective pathways.

These features are an important element of the academic design to ensure a seamless transition for middle school students preparing to enter the Early College High School programs at LBJ and Reagan high schools. Students in the Garcia and Pearce attendance areas, who chose not to attend one of the single-sex middle schools, would have an alternate assignment middle school.

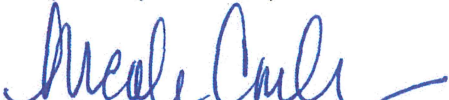
INDEPENDENT AUDIT

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.

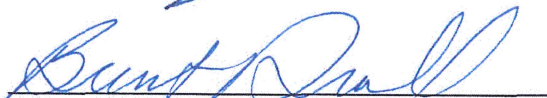
Respectfully submitted,



Nicole Conley, Chief Financial Officer



Leo Lopez, Executive Director of Finance



Brent Droll, Comptroller



**The Government Finance Officers Association
of the United States and Canada**

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Financial Services Department
Austin Independent School District, Texas

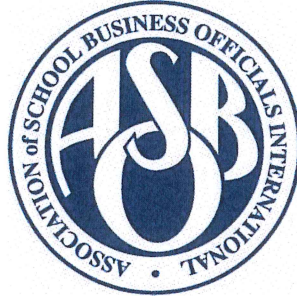


The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Date August 26, 2014

Association of School Business Officials International

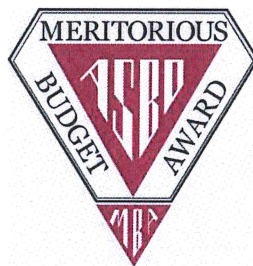


This Meritorious Budget Award is presented to

AUSTIN INDEPENDENT SCHOOL DISTRICT

*For excellence in the preparation and issuance of its school entity's budget
for the Fiscal Year 2013-2014.*

The budget adheres to the principles and standards
of ASBO International's Meritorious Budget Award criteria.



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

Ron McCulley, CPPB, RSBO
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, 2014

PRINCIPAL OFFICIALS AND ADVISORS

BOARD OF TRUSTEES

Vincent Torres.....	President
District 4	
Gina Hinojosa.....	Vice President
At Large, Position 8	
Jayne Mathias.....	Secretary
District 2	
Cheryl Bradley.....	Member
District 1	
Ann Teich.....	Member
District 3	
Amber Elenz.....	Member
District 5	
Lori Moya.....	Member
District 6	
Robert Schneider.....	Member,
District 7	
Tamala Barksdale.....	Member
At Large, Position 9	

ADMINISTRATIVE STAFF

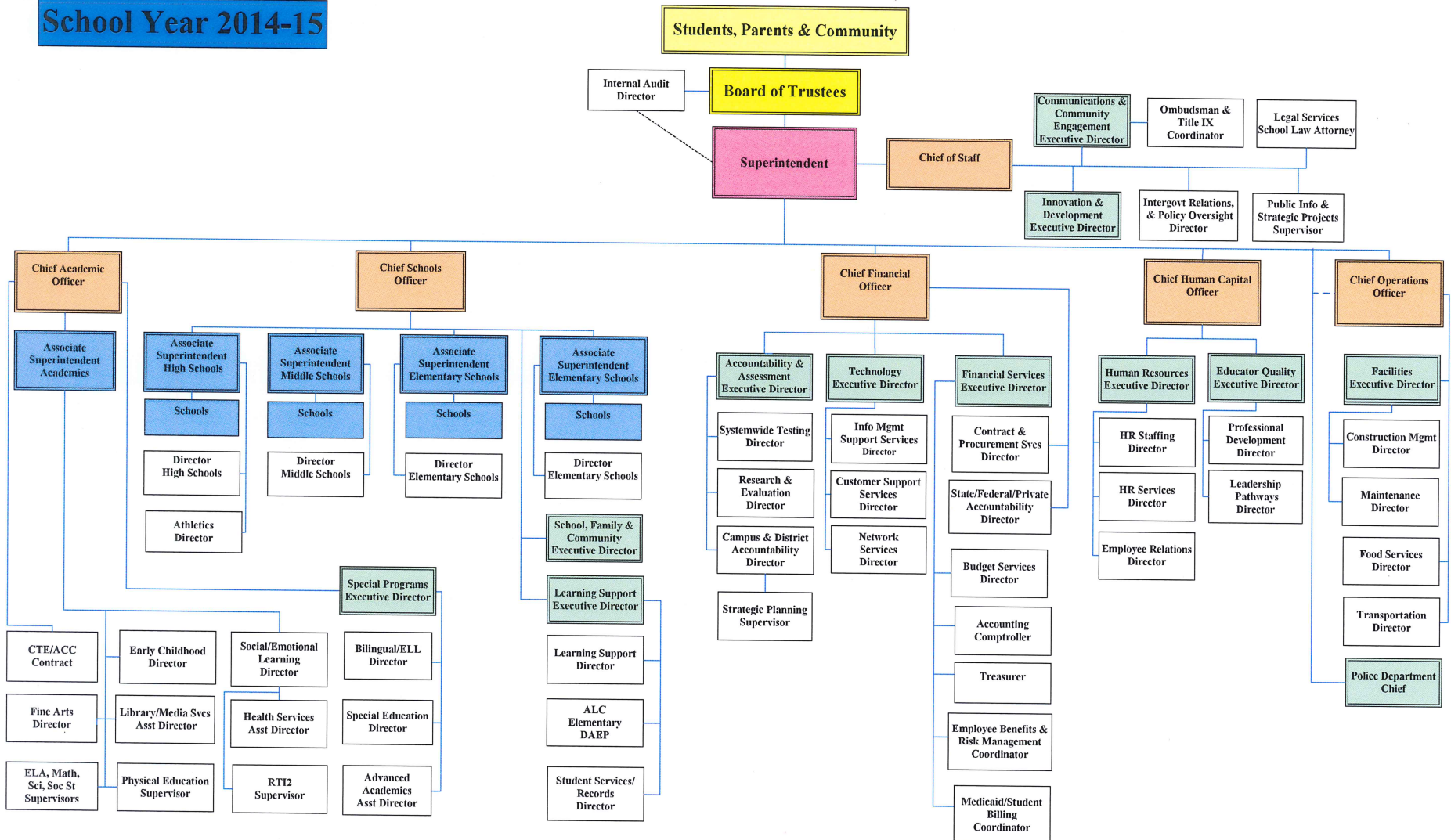
Paul Cruz, Ph.D., Interim Superintendent

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 2014-15



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, 2014, 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

811 BARTON SPRINGS ROAD, SUITE 550
AUSTIN, TEXAS 78704
512 476 0717

HOUSTON

1980 POST OAK BOULEVARD, SUITE 1500
HOUSTON, TEXAS 77056
800 879 4966

SAN ANTONIO

100 N.E. LOOP 410, SUITE 1100
SAN ANTONIO, TEXAS 78216
210 828 6281

TOLL FREE: 800 879 4966
WEB: PADGETT-CPA.COM

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, 2014, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Schedule – General Fund, 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 information is 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, 2015 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, Stratemann + Co., L.L.P.

Austin, Texas

January 19, 2015

Austin Independent School District

Management's Discussion and Analysis

August 31, 2014

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, 2014. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

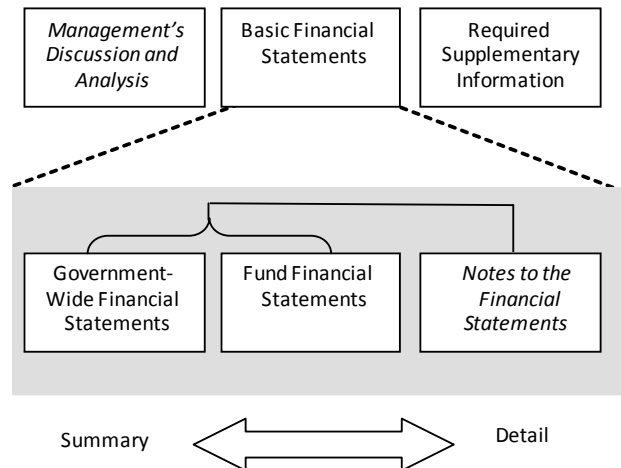
- The assets of the District exceeded its liabilities at the close of the fiscal year ended August 31, 2014. Net position was \$336.2 million. Net investment in capital assets was \$94.9 million. The District's restricted net position was \$48.8 million. Unrestricted net position was \$192.5 million.
- During the year, the District's expenses were \$35.5 million more than the \$1,069.0 million generated in taxes and other revenues for governmental activities. Expenditures totaled \$920.1 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 \$884.6 million.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$184.3 million, or 22% of the total general fund expenditures.
- The District issued \$144.4 million in bonds during fiscal year 2013-2014, and ended the year with no outstanding commercial paper.

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.

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



Austin Independent School District

Management's Discussion and Analysis

August 31, 2014

- 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 (on the previous page) shows how the required parts of this annual report are arranged and related to one another.

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, 2014

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, 2014

- *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.

Financial Analysis of the District as a Whole

Net Position – The District's combined net position was approximately \$336.2 million at August 31, 2014. 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>2014</u>	<u>2013</u>	
Current and other assets	\$ 395.2	\$ 411.9	(4%)
Capital assets	915.6	908.9	1%
Total assets	<u>1,310.8</u>	<u>1,320.8</u>	(1%)
Current liabilities	185.1	147.1	26%
Long-term liabilities	789.4	801.9	(2%)
Total liabilities	<u>974.5</u>	<u>949.0</u>	3%
Net position:			
Net investment in capital assets	94.9	93.9	1%
Restricted	48.8	43.2	13%
Unrestricted	192.5	234.7	(18%)
Total net position	<u>\$ 336.2</u>	<u>\$ 371.8</u>	(10%)

Austin Independent School District

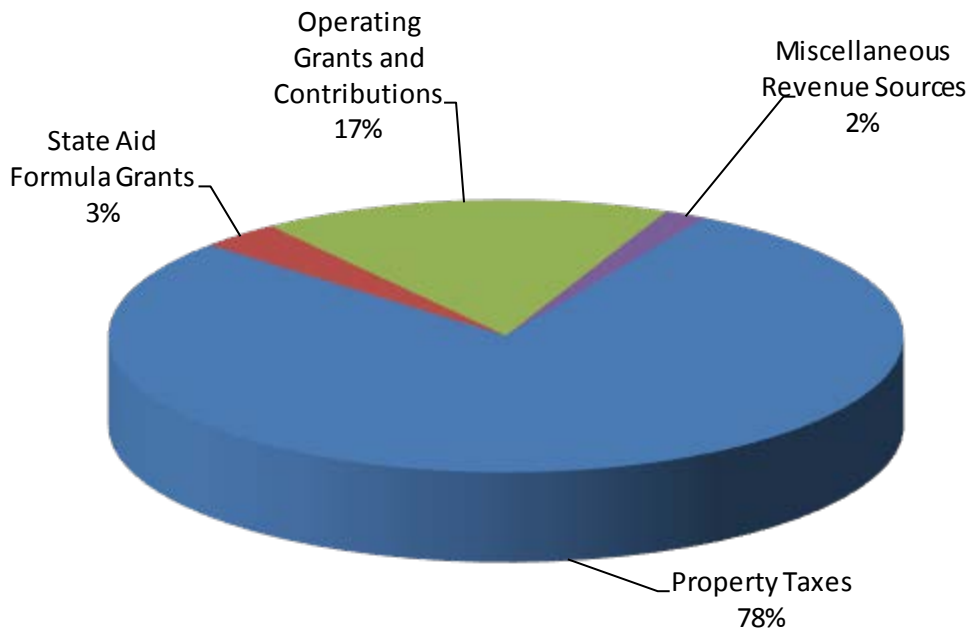
Management's Discussion and Analysis

August 31, 2014

Changes in Net Position

The District's total revenues were \$1,069.0 million. A significant portion, 78%, of the District's revenue comes from taxes; 3% comes from state aid formula grants, while 17% 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 2014**



The total cost of all programs was \$1,104.5 million and \$1,054.9 million for the years ended August 31, 2014 and 2013, respectively. When adjusted for the \$125.9 million in expenses in 2014 and \$122.1 million in expenses in 2013 related to Chapter 41 and other pass-through costs, 69.5% and 71.5%, respectively, of these costs are for instructional and student services.

The total of all program and service costs for school leadership was 6.5% in 2014 and 2013, and 8.9% and 9.2% in 2014 and 2013, respectively, for plant maintenance and operations (including security services).

Austin Independent School District

Management's Discussion and Analysis

August 31, 2014

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

	<u>Governmental Activities</u>		<u>Percentage Change</u>
	<u>2014</u>	<u>2013</u>	
Revenues			
Program revenues:			
Charges for services	\$ 5.7	\$ 5.5	4%
Operating grants and contributions	178.7	181.8	(2%)
General revenues:			
Property taxes	836.8	775.3	8%
State aid – formula	35.3	78.2	(55%)
Investment earnings	0.8	1.2	(36%)
Other	11.8	12.3	(4%)
Total revenues	<u>1,069.0</u>	<u>1,054.3</u>	1%
Expenses			
Instruction and instructional related	507.2	497.5	2%
Instructional resources and media related	13.5	13.3	2%
Curriculum and staff development	29.5	29.2	1%
Instructional leadership	16.4	18.1	(10%)
School leadership	55.5	50.7	9%
Guidance, counseling, and evaluation services	26.4	26.4	0%
Social work services	5.3	5.3	(1%)
Health services	6.5	6.8	(5%)
Student transportation	33.1	31.3	6%
Food services	42.0	40.6	3%
Extracurricular activities	17.1	16.1	6%
General administration	18.8	19.5	(4%)
Plant maintenance and operations	88.2	87.1	1%
Security and monitoring services	9.7	10.0	(3%)
Data processing services	25.6	20.8	23%
Community services	17.0	15.3	11%
Debt service	61.7	39.7	56%
Payments to fiscal agent/member districts – shared service	125.9	122.1	3%
Other governmental charges	4.2	4.2	1%
Depreciation – exclusive of functional amounts	0.9	0.9	5%
Total expenses	<u>1,104.5</u>	<u>1,054.9</u>	5%
Decrease in net position	(35.5)	(0.6)	5821%
Net position at beginning of year	<u>371.8</u>	<u>372.4</u>	(0%)
Net position at end of year	<u>\$ 336.3</u>	<u>\$ 371.8</u>	(10%)

Austin Independent School District

Management's Discussion and Analysis

August 31, 2014

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 2014 was \$1,104.5 million and, in 2013, was \$1,054.9 million.
- However, the amount the District's taxpayers paid for these activities through property taxes was only \$836.8 million in 2014 and \$775.3 million in 2013.
- Those who directly benefited paid some costs of the programs (\$5.7 million in 2014 and \$5.5 million in 2013), with grants and contributions (\$178.7 million in 2014 and \$181.8 million in 2013) 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>Percentage Change</u>
	<u>2014</u>	<u>2013</u>			<u>2014</u>	<u>2013</u>	
Instruction	\$ 550.2	\$ 540.0	2%	\$ 458.8	\$ 444.1	3%	
School leadership	71.9	68.8	4%	63.1	58.8	7%	
Plant maintenance and operations	88.2	87.1	1%	86.3	85.5	1%	

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 \$262.1 million. Approximately 70% percent of this total amount (\$184.3 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, 2014

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 \$221.0 million. Of this amount, \$26.6 million is assigned for various projects, and \$10.0 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 26% of total fund expenditures. The fund balance decreased by \$19.3 million during the current fiscal year period.

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 \$11.5 million, due to outstanding payables related to construction costs of \$14.6 million at August 31, 2014. 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 \$0.11 million, or less than a tenth of a percent lower than anticipated. The Federal Indirect Costs revenue was \$0.27 million less than budgeted.
- A favorable variance in federal sources was due to the following adjustment:
 - The State Foundation School Program revenue was \$0.29 million more than anticipated.

Expenditures

- A net favorable variance of \$11.5 million in expenditures was due to the following favorable variances:
 - Employee payroll, payroll taxes, and benefits, including the related TRS on behalf payment, were \$3.3 million less than budgeted.
 - Professional and contracted services were \$3.9 million less than estimated.
 - The District spent \$3.9 million less on supplies and materials than budgeted. This includes software, equipment, and general supplies.
 - The District spent \$0.74 million less on other operating costs. This includes employee travel and insurance and bonding costs.
 - The District spent \$0.44 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 \$0.16 million less.

Austin Independent School District

Management's Discussion and Analysis

August 31, 2014

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At August 31, 2014, the District had invested \$915.6 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>2014</u>	<u>2013</u>	
Land	\$ 67.4	\$ 67.3	0%
Buildings and improvements	826.0	816.8	1%
Furniture fixtures and equipment	<u>22.2</u>	<u>24.8</u>	(11%)
	<u>\$ 915.6</u>	<u>\$ 908.9</u>	1%

During the District's fiscal year 2013-2014, capital spending totaled \$61.3 million in building and improvements and capital equipment. At August 31, 2014, the District is committed under contracts in the amount of approximately \$31.0 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, 2014, the District had \$866.7 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 with Bank of America. 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 no Commercial Paper outstanding in the Capital Projects Fund as of August 31, 2014.

Austin Independent School District

Management's Discussion and Analysis

August 31, 2014

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

	<u>Governmental Activities</u>		<u>Percentage</u>
	<u>2014</u>	<u>2013</u>	<u>Change</u>
Bonds payable	\$ 863.1	\$ 845.4	2%
Notes and leases payable	<u>3.6</u>	<u>2.9</u>	24%
	<u>\$ 866.7</u>	<u>\$ 848.3</u>	2%

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 2013-2014 school year were \$67.3 billion, an increase of 7.5% from the previous year. The values for the 2014-2015 school year, as of July 17, 2014, were at \$70.0 billion, an increase of 4.0% from 2013-2014. The first six week's enrollment for 2014-2015 was 84,849, a decrease of 0.76% from 2013-2014. Funding from the state is based on Average Daily Attendance ("ADA"). ADA for 2013-2014 was 77,980, a decrease of 995, or 1.3% from the prior year. For 2014-2015, the District projects an estimated ADA of 77,266, which represents a 0.9% decrease from the 2013-2014 school year.

The actual cost per student for 2013-2014 was \$8,371, and the projected estimated cost per student for 2014-2015 is \$8,592. The cost per student for 2013-2014 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 2014-2015 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 2013-2014 to 2014-2015 is attributed to a combination of increases in the General Fund budget (driven largely by increases in Chapter 41 recapture) combined with decreases in student enrollment.

Increases

- The equivalent of a 2% pensionable increase over the District's fiscal year 2013-14 annualized salary for fiscal year 2014-15. This will be over and above the pre-existing 1.5%, one-time salary adjustment delivered in fiscal year 2013-14 (\$2.7 million).
- Increase to meet statutorily required or contractually obligated programs (\$2.7 million).
- Baseline increases, including new school operating impact costs, gasoline/fuel, utilities, insurance and bonding costs, and tax collection and appraisal fees (\$2.9 million). Increase in Chapter 41 payment estimate (\$58.5 million).

Austin Independent School District

Management's Discussion and Analysis

August 31, 2014

- Implement the Annual Academic and Facilities Recommendations (\$1.2 million).
- School safety related (\$515,233).
- Sustain current programming (\$621,710).

Decreases

- Budget reductions including 5% from departmental nonstaff allocations (\$5.8 million).
- TRS on behalf state matching to realign with historical underspending (\$5.3 million).
- Health insurance costs (\$1.7 million).
- Teacher reserve units (\$1 million).

At the end of the 2013-2014 school year, the District had a decrease of \$19.3 million in the General Fund balance, bringing the District's fund balance from \$240.2 million to \$221.0 million as of August 31, 2014. Of this amount, \$10.0 million is nonspendable, \$26.6 million is assigned, and \$184.3 million is unassigned. For the 2014-2015 school year, General Fund revenues are projected to increase approximately 7.8% and expenditures are projected to increase 8.2%. The District anticipates having a deficit of revenues over expenditures by \$24.9 million at the end of the 2014-2015 school year. For the 2013-2014 and 2014-2015 school years, recapture payments totaled \$123.7 million and estimated at \$175.5 million, respectively. The District's maintenance and operation tax rate is \$1.079 per hundred dollars of assessed value for 2013-2014 and remained the same for the 2014-2015 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, 2014

1

<u>Data Control Codes</u>		<u>Governmental Activities</u>
	Assets	
1110	Cash, cash equivalents, and temporary investments	\$ 358,351,494
1225	Property taxes receivable – net	7,675,857
1240	Due from other governments	13,584,119
1260	Receivables from external parties	79,659
1290	Other receivables – net	1,364,818
1310	Inventories	3,575,891
1410	Prepays and other assets	10,546,436
	Capital assets:	
1510	Land	67,390,803
1520	Buildings and improvements – net	755,052,027
1530	Furniture and equipment – net	22,164,821
1580	Construction in progress	<u>70,975,302</u>
1000	Total assets	\$ <u>1,310,761,227</u>
	Liabilities	
2110	Accounts payable	\$ 32,873,743
2150	Payroll deductions and withholdings	2,155,067
2160	Accrued wages payable	4,439,691
2180	Due to other governments	51,494,781
2200	Accrued expenses	3,004,112
2300	Unearned revenues	2,550,565
	Noncurrent liabilities:	
2400	Due within one year	88,612,291
2500	Due in more than one year	<u>789,385,819</u>
2000	Total liabilities	<u>974,516,069</u>
	Net Position	
3200	Net investment in capital assets	94,922,777
3800	Restricted for:	
	Retirement of long-term debt	43,695,912
	Federal and state funds grants	5,125,258
3900	Unrestricted	<u>192,501,211</u>
3000	Total net position	\$ <u><u>336,245,158</u></u>

The accompanying notes are an integral part of this statement.

Austin Independent School District

Exhibit B-1 Statement of Activities

Year Ended August 31, 2014

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues		4 Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants and Contributions	
					Governmental Activities
	Government activities:				
11	Instruction	\$ 507,216,594	\$ 1,014,693	\$ 72,673,217	\$ (433,528,684)
12	Instructional resources and media services	13,501,258	-	937,113	(12,564,145)
13	Curriculum and instructional staff development	29,477,925	-	16,786,401	(12,691,524)
21	Instructional leadership	16,351,124	-	3,532,455	(12,818,669)
23	School leadership	55,512,473	-	5,185,016	(50,327,457)
31	Guidance, counseling, and evaluation services	26,442,277	-	5,996,241	(20,446,036)
32	Social work services	5,264,695	-	617,605	(4,647,090)
33	Health services	6,460,693	-	19,867,712	13,407,019
34	Student (pupil) transportation	33,090,853	-	1,115,324	(31,975,529)
35	Food services	41,989,670	-	37,899,588	(4,090,082)
36	Curricular/extracurricular activities	17,106,336	645,343	641,815	(15,819,178)
41	General administration	18,779,874	1,646,456	1,154,158	(15,979,260)
51	Plant maintenance and operations	88,188,184	-	1,873,414	(86,314,770)
52	Security and monitoring services	9,650,918	-	458,111	(9,192,807)
53	Data processing services	25,589,052	-	1,268,212	(24,320,840)
61	Community services	17,032,400	2,433,108	8,671,526	(5,927,766)
71	Interest on long-term debt	61,744,381	-	-	(61,744,381)
91	Contracted instructional services between schools	123,694,773	-	-	(123,694,773)
93	Payments related to shared services arrangements	2,246,712	-	-	(2,246,712)
99	Other intergovernmental charges	4,230,810	-	-	(4,230,810)
99	Depreciation – exclusive of functional amounts	941,985	-	-	(941,985)
TG	Total governmental activities	<u>1,104,512,987</u>	<u>5,739,600</u>	<u>178,677,908</u>	<u>(920,095,479)</u>
TP	Total primary government	<u>\$ 1,104,512,987</u>	<u>\$ 5,739,600</u>	<u>\$ 178,677,908</u>	<u>(920,095,479)</u>
	General revenues:				
MT	Property taxes – levied for general purposes				727,019,437
DT	Property taxes – levied for debt service				109,742,422
SF	State aid – formula grants				35,290,936
GC	Grants and contributions not restricted to specific programs				1,496,642
IE	Investment earnings				765,185
MI	Miscellaneous				<u>10,256,115</u>
TG	Total general revenues				<u>884,570,737</u>
CN	Change in net position				(35,524,742)
NB	Net position at beginning of year				<u>371,769,900</u>
NE	Net position at end of year				<u>\$ 336,245,158</u>

The accompanying notes are an integral part of this statement.

Austin Independent School District

Exhibit C-1 Balance Sheet – Governmental Funds

August 31, 2014

<u>Data Control Codes</u>		<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
1110	Cash and cash equivalents	\$ 262,186,665	\$ 43,672,976	\$ 7,976,451	\$ 11,256,507	\$ 325,092,599
1210	Property taxes – current	109,347	16,402	-	-	125,749
1220	Property taxes – delinquent	29,579,926	4,233,571	-	-	33,813,497
1230	Allowance for uncollectible taxes	(23,016,909)	(3,246,480)	-	-	(26,263,389)
1240	Due from other governments	1,445,713	-	-	12,138,406	13,584,119
1260	Due from other funds	16,834,872	-	17,953	2,707	16,855,532
1290	Other receivables	504,558	6,614	-	853,646	1,364,818
1300	Inventories	549,259	-	-	2,937,031	3,486,290
1410	Prepays and other assets	9,484,364	-	-	860,133	10,344,497
1000	Total assets	<u>\$ 297,677,795</u>	<u>\$ 44,683,083</u>	<u>\$ 7,994,404</u>	<u>\$ 28,048,430</u>	<u>\$ 378,403,712</u>
Liabilities						
2110	Accounts payable	\$ 15,722,784	\$ -	\$ 14,618,679	\$ 2,402,979	\$ 32,744,442
2150	Payroll deductions and withholdings	2,155,067	-	-	-	2,155,067
2160	Accrued wages payable	2,644,674	-	25,009	818,767	3,488,450
2170	Due to other funds	37,725	-	4,823,188	11,327,367	16,188,280
2180	Due to other governments	49,533,640	-	-	1,961,141	51,494,781
2300	Unearned revenues	60,480	80	-	2,615,754	2,676,314
2000	Total liabilities	<u>70,154,370</u>	<u>80</u>	<u>19,466,876</u>	<u>19,126,008</u>	<u>108,747,334</u>
Deferred inflows of resources						
2600	Unavailable revenue - property taxes	6,563,017	987,091	-	-	7,550,108
	Total deferred inflows of resources	<u>6,563,017</u>	<u>987,091</u>	<u>-</u>	<u>-</u>	<u>7,550,108</u>
Fund Balances						
3410	Nonspendable	10,033,623	-	-	3,797,164	13,830,787
3490	Restricted	-	43,695,912	-	5,125,258	48,821,170
3500	Assigned	26,606,228	-	-	-	26,606,228
3600	Unassigned	184,320,557	-	(11,472,472)	-	172,848,085
3000	Total fund balances	<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>
4000	Total liabilities, deferred inflows of resources and fund balances	<u>\$ 297,677,795</u>	<u>\$ 44,683,083</u>	<u>\$ 7,994,404</u>	<u>\$ 28,048,430</u>	<u>\$ 378,403,712</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, 2014

Total fund balances – Governmental Funds balance sheet		\$ 262,106,270
Amounts reported for governmental activities in the statement of net position (Exhibit A-1) are different because:		
Data Control Codes		
1	Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	915,582,953
2	Amount of interest on debt payable in August is required to be recognized in the statement of net position.	(3,004,112)
3	Revenue in governmental activities is recognized in the period earned.	7,675,857
4	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.	21,491,240
5	Bonds and loans payable are not due and payable in the current period and, therefore, are not reported in the funds.	(866,650,592)
6	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.	<u>(956,458)</u>
19	Net position of governmental activities	<u>\$ 336,245,158</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, 2014

Data Control Codes	General Fund	Debt Service Fund	Capital Projects Funds	Nonmajor Governmental Funds	Total Governmental Funds	
Revenues						
5700	Local and intermediate sources	\$ 733,130,919	\$ 110,121,315	\$ 5,720	\$ 13,175,343	\$ 856,433,297
5800	State program revenues	62,544,644	-	-	10,214,545	72,759,189
5900	Federal program revenues	22,198,036	913,585	-	112,862,360	135,973,981
5020	Total revenues	<u>817,873,599</u>	<u>111,034,900</u>	<u>5,720</u>	<u>136,252,248</u>	<u>1,065,166,467</u>
Expenditures						
Current:						
0011	Instruction	413,246,668	-	-	54,272,064	467,518,732
0012	Instructional resources and media services	10,627,806	-	-	499,929	11,127,735
0013	Curriculum and instructional staff development	12,920,457	-	-	16,492,997	29,413,454
0021	Instructional leadership	12,934,881	-	-	3,315,026	16,249,907
0023	School leadership	49,422,884	-	-	3,168,828	52,591,712
0031	Guidance, counseling, and evaluation services	20,799,962	-	-	5,187,298	25,987,260
0032	Social work services	4,734,718	-	-	484,388	5,219,106
0033	Health services	5,297,262	-	-	690,110	5,987,372
0034	Student (pupil) transportation	29,076,177	-	2,275,776	469,309	31,821,262
0035	Food services	-	-	-	38,637,553	38,637,553
0036	Curricular/extracurricular activities	15,381,387	-	-	208,332	15,589,719
0041	General administration	17,279,030	-	-	514,409	17,793,439
0051	Plant maintenance and operations	82,425,257	-	3,644,211	111,951	86,181,419
0052	Security and monitoring services	9,834,643	-	-	42,430	9,877,073
0053	Data processing services	17,989,145	-	124,131	565,494	18,678,770
0061	Community services	4,641,614	-	-	12,379,955	17,021,569
0071	Principal on long-term debt	327,053	50,154,063	-	-	50,481,116
0072	Interest on long-term debt	6,205	49,754,242	-	-	49,760,447
0073	Bond issuance costs and fees	350	1,352,387	-	-	1,352,737
0081	Capital outlay	1,101,730	-	60,156,622	174,864	61,433,216
0091	Contracted instructional services between schools	123,694,773	-	-	-	123,694,773
0093	Payments related to shared services arrangements	2,246,712	-	-	-	2,246,712
0099	Other intergovernmental charges	4,230,810	-	-	-	4,230,810
6030	Total expenditures	<u>838,219,524</u>	<u>101,260,692</u>	<u>66,200,740</u>	<u>137,214,937</u>	<u>1,142,895,893</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>(20,345,925)</u>	<u>9,774,208</u>	<u>(66,195,020)</u>	<u>(962,689)</u>	<u>(77,729,426)</u>
Other Financing Sources and (Uses)						
7911	Refunding bonds issued	-	144,410,000	-	-	144,410,000
7912	Sale of real or personal property	34,946	-	-	-	34,946
7914	Noncurrent loan proceeds	1,040,022	-	-	-	1,040,022
7915	Transfers in	555	-	60,000,000	-	60,000,555
7916	Premium or discount on issuance of bonds	-	24,607,860	-	-	24,607,860
8911	Transfers out	-	(60,000,000)	(555)	-	(60,000,555)
8940	Payment to bond refunding escrow agent	-	(108,393,049)	-	-	(108,393,049)
7080	Total other financing sources and (uses)	<u>1,075,523</u>	<u>624,811</u>	<u>59,999,445</u>	<u>-</u>	<u>61,699,779</u>
1200	Net change in fund balances	<u>(19,270,402)</u>	<u>10,399,019</u>	<u>(6,195,575)</u>	<u>(962,689)</u>	<u>(16,029,647)</u>
0100	Fund balances at beginning of year	<u>240,230,810</u>	<u>33,296,893</u>	<u>(5,276,897)</u>	<u>9,885,111</u>	<u>278,135,917</u>
3000	Fund balances at end 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>

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, 2014

Net change in fund balances – total Governmental Funds	\$ (16,029,647)
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 depreciation (\$54,625,915) and net asset removal (\$0) was less than capital outlay (\$61,316,314) in the current period.	6,690,399
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 (\$149,071,115) exceeded debt and loan proceeds (\$145,450,022).	3,621,093
Premium received on bonds is amortized over the life of the bond. This is the amount by which the current year bond premium (\$24,607,860) exceeded amortization (\$3,491,332).	(21,116,528)
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 and other liabilities at August 31, 2014, as compared to 2013 (\$6,062), and the change in accretion of capital appreciation bonds (\$834,209).	(828,147)
Unearned revenue is recognized in the governmental funds. This is the net change between 2014 and 2013.	282,976
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.	(8,083,021)
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 2014 and 2013.	<u>(61,867)</u>
Change in net position of governmental activities – statement of activities	<u>\$ (35,524,742)</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, 2014

<u>Data Control Codes</u>	<u>Governmental Activities – Internal Service Fund</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 103,610
Temporary investments	33,155,285
Due from other funds	201,703
Inventories	89,601
Other assets	<u>201,939</u>
Total current assets	<u>33,752,138</u>
Total assets	\$ <u>33,752,138</u>
Liabilities	
Current liabilities:	
Accounts payable	\$ 105,601
Accrued expenditures	18,483
Due to other funds	789,296
Claims payable – due within one year	<u>7,932,983</u>
Total current liabilities	<u>8,846,363</u>
Noncurrent liabilities:	
Claims payable – due in more than one year	<u>3,414,535</u>
Total liabilities	<u>12,260,898</u>
Unrestricted Net Position	
Total net position	\$ <u><u>21,491,240</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, 2014

<u>Data Control Codes</u>		<u>Governmental Activities – Internal Service Fund</u>
	Operating Revenues	
5700	Local and intermediate sources	\$ <u>71,927,907</u>
	Total revenues	<u>71,927,907</u>
	Operating Expenses	
6400	Other operating expenses	<u>80,023,455</u>
6030	Total expenses	<u>80,023,455</u>
	Operating loss	(8,095,548)
	Nonoperating Revenues	
	Investment earnings	<u>12,527</u>
	Total nonoperating revenues	<u>12,527</u>
	Loss before transfers	(8,083,021)
	Transfers in	943,170
	Transfers out	<u>(943,170)</u>
	Change in net position	(8,083,021)
0100	Net position at beginning of year	<u>29,574,261</u>
3300	Net position at end of year	<u><u>\$ 21,491,240</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, 2014

	<u>Governmental Activities – Internal Service Fund</u>
Cash Flows From Operating Activities	
Payments to suppliers	\$ (9,286,390)
Payments to employee salaries and benefits	(1,366,121)
Payments from other funds	73,477,799
Claims paid	<u>(71,366,564)</u>
Net cash used in operating activities	<u>(8,541,276)</u>
Cash Flows From Investing Activities	
Proceeds from sales and maturities of investments	61,996,495
Outlays for purchase of investments	(55,965,436)
Interest income	<u>12,527</u>
Net cash provided by investing activities	<u>6,043,586</u>
Net decrease in cash and cash equivalents	(2,497,690)
Cash and cash equivalents at beginning of year	<u>2,601,300</u>
Cash and cash equivalents at end of year	<u><u>\$ 103,610</u></u>
Reconciliation of Operating Loss to Net Cash Used In Operating Activities	
Operating loss	\$ (8,095,548)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Changes in:	
Decrease in due from other funds	679,289
Decrease in receivables	102,203
Increase in inventory	(5,727)
Increase in other assets	(198,747)
Decrease in accounts payable and accrued expenditures	(1,071,134)
Increase in due to other funds	768,400
Decrease in claims payable	<u>(720,012)</u>
Net cash used in operating activities	<u><u>\$ (8,541,276)</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, 2014

<u>Data Control Codes</u>		<u>Agency Fund</u>
	Assets	
1110	Cash and cash equivalents	\$ 6,786,459
	Temporary investments	5,392,750
	Other receivables	24,047
	Other assets	<u>19,732</u>
1000	Total assets	<u><u>\$ 12,222,988</u></u>
	Liabilities	
	Accounts payable	\$ 389,292
	Due to other governments	3,273,540
	Due to other funds	79,659
2190	Due to student groups	<u>8,480,497</u>
2000	Total liabilities	<u><u>\$ 12,222,988</u></u>

The accompanying notes are an integral part of this statement.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2014

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, 2014

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, 2014

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 child care operations, food concessions, scholarships, and food service operations, which are allowed to maintain a fund balance; such balances are to be used exclusively for allowable child nutrition program purposes. The Food Service Fund is the only Special Revenue Fund that is required to be budgeted. 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, 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, 2014

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 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 designee's, the Superintendent, or the Chief Financial Officer.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2014

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 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, 2014

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. 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, 2014

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, 2014 totaled \$986,800.

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, 2014

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, 2014. 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, 2011, the District established a self-funded health insurance program utilizing a plan provided by Blue Cross Blue Shield of Texas. District employees have a choice of three PPO 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 both aggregate and individual stop-loss coverage for catastrophic losses exceeding \$350,000 per claim.

The District is self-insured up to \$400,000 per occurrence for losses related to workers' compensation. The District has purchased excess coverage through a commercial insurer licensed in the state of Texas.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2014

3. Summary of Significant Accounting Policies (continued)

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, 2014 that were subsequently provided for in the 2015 budget as September and October amendments for Board approval totaled \$8,994,763 in the General Fund, \$46,808,813 in the Capital Projects Fund, and \$10,437,466 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 uncollected property taxes, less the allowance for doubtful accounts. The remainder in the nonmajor governmental funds relates to donated commodity inventory, pre-payments for school lunch tickets in the child nutrition program special revenue fund, and unearned grant revenues.

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.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2014

3. Summary of Significant Accounting Policies (continued)

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.

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, 2014, 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, 2014, the District had a general ledger balance of \$20,138,284 (excluding student activity fund balances of approximately \$6,786,000), while the total of bank balances equaled \$37,250,290. Of the bank balances, \$500,000 is covered by federal depository insurance, and the remainder was covered by \$36,250,290 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 \$64,917,737.
3. The largest deposit combined account balance amounted to \$65,417,737 and occurred during the month of January 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, 2014

4. Deposits and Investments (continued)

Investments

The District's temporary investments, including restricted assets, at August 31, 2014 are as follows:

	Carrying Value	Fair Value
Governmental activities:		
Frost Bank – U.S. Government Treasury Bills	\$ 184,893,362	\$ 184,982,400
Invesco Short-Term Treasury Portfolio	320,512	320,512
Bank of America – repurchase agreement	3,869,875	4,266,478
U.S. Government agency securities	5,035,520	5,138,743
JPMorgan Money Market Fund	19,142	19,142
Wells Fargo Money Market Fund	3,281,176	3,281,176
Lone Star Investment Pool	37,804,041	37,737,650
Texas Daily Investment Pool	94,753	94,753
Texas Local Government Investment Pool (“TexPool”)	80,193,728	80,193,728
TexStar Investment Pool	20,023,198	20,023,198
U.S. Bank – U.S. Treasury and agency	3,048,204	3,093,585
	338,583,511	339,151,365
Fiduciary fund:		
TexPool	3,685,956	3,685,956
Bank of America Money Market Fund	523,923	523,923
Savings accounts	1,182,871	1,182,871
	5,392,750	5,392,750
	343,976,261	344,544,115

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, 2014

4. Deposits and Investments (continued)

Credit Risk

As of August 31, 2014, 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 holds \$184,893,362 of U.S. Government Treasury Bills at August 31, 2014, all of which mature in one year or less. The District's Debt Service Fund holds \$8,083,724 in U.S. Government Treasury and agency securities at August 31, 2014, all of which mature in one year or less.

TexPool

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

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, 2014

4. Deposits and Investments (continued)

Lone Star (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)

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

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, 2014

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, 2013, upon which the October 2013 levy was based, was \$67,349,173,527.

The tax rates assessed for the year ended August 31, 2014 to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.079 and \$0.163 per \$100 valuation, respectively, for a total of \$1.242 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, 2014, property taxes receivable, net of estimated uncollectible taxes, totaled \$6,563,017 and \$987,091 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, 2014 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.

<u>Fund</u>	<u>Local Entities</u>	<u>State Grants and Other</u>	<u>Federal Grants</u>	<u>Total</u>
General Fund	\$ -	\$ 233,434	\$ 1,212,279	\$ 1,445,713
Nonmajor fund	<u>827,860</u>	<u>10,764,993</u>	<u>545,553</u>	<u>12,138,406</u>
	<u>\$ 827,860</u>	<u>\$ 10,998,427</u>	<u>\$ 1,757,832</u>	<u>\$ 13,584,119</u>

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2014

7. Changes in Capital Assets

The following summarizes the change in capital assets for the year ended August 31, 2014:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 67,327,256	\$ 63,547	\$ -	\$ 67,390,803
Construction in progress	32,487,229	56,938,017	(18,449,944)	70,975,302
Total capital assets not being depreciated	99,814,485	57,001,564	(18,449,944)	138,366,105
Capital assets being depreciated:				
Property under capital leases	15,759,460	-	-	15,759,460
Buildings and improvements	1,373,838,492	18,449,944	-	1,392,288,436
Furniture and equipment	85,208,011	4,314,750	-	89,522,761
Total capital assets being depreciated	1,474,805,963	22,764,694	-	1,497,570,657
Less accumulated depreciation for:				
Property under capital leases	(15,759,460)	-	-	(15,759,460)
Buildings and improvements	(589,538,139)	(47,698,270)	-	(637,236,409)
Furniture and equipment	(60,430,295)	(6,927,645)	-	(67,357,940)
Total accumulated depreciation	(665,727,894)	(54,625,915)	-	(720,353,809)
Total capital assets being depreciated – net	809,078,069	(31,861,221)	-	777,216,848
Governmental activities capital assets – net	\$ 908,892,554	\$ 25,140,343	\$ (18,449,944)	\$ 915,582,953

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2014

7. Changes in Capital Assets (continued)

Depreciation expense for the year ended August 31, 2014 was charged to functions/programs of primary government activities as follows:

Instruction	\$ 35,823,484
Instructional resources and media services	2,416,613
Curriculum and staff development	733
Instructional leadership	14,762
School leadership	2,491,213
Guidance, counseling, and evaluation services	264,539
Health services	87,373
Student (pupil) transportation	2,964,690
Food services	3,379,790
Curricular/extracurricular activities	1,799,253
General administration	22,549
Plant maintenance and operations	3,228,638
Security and monitoring services	179,704
Data processing services	1,003,830
Community services	6,759
Depreciation – exclusive of functional amounts	<u>941,985</u>
	<u>\$ 54,625,915</u>

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2014

8. Long-Term Obligations

Long-term obligations include par bonds; capital appreciation (deep discount) serial bonds; and loans, leases, and self-insurance claims payable. At August 31, 2014, 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 \$67,349,173,527, and the District's legal debt margin is 1.2%.

The following is a summary of changes in long-term obligations (including general obligation bonds, loans, and self-insurance claims payable) for the year ended August 31, 2014:

	<u>Bonds Payable</u>	<u>Loans Payable</u>	<u>Self-Insurance Claims Payable</u>
Balance – as reported at August 31, 2013	\$ 845,433,794	\$ 2,887,154	\$ 12,067,530
Additions – accretion of discounts	834,209	-	-
Additions – bond premium	24,607,860	-	-
Current year claims and/or changes in estimates	-	-	68,999,412
Draws	-	1,040,022	-
Bond issuances	144,410,000	-	-
Retirements	(148,744,063)	(327,052)	-
Claim payments	-	-	(69,719,424)
Amortized bond premium	<u>(3,491,332)</u>	<u>-</u>	<u>-</u>
Balance at August 31, 2014	<u>\$ 863,050,468</u>	<u>\$ 3,600,124</u>	<u>\$ 11,347,518</u>
Amount due within one year	<u>\$ 80,646,203</u>	<u>\$ 33,105</u>	<u>\$ 7,932,983</u>

The District primarily liquidates debt through the Debt Service Fund. Self-insurance liabilities are liquidated through the Internal Service Fund.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2014

8. Long-Term Obligations (continued)

Included in the District's long-term debt arising from refunding transactions are capital appreciation bonds ("CAB"), which are noninterest-bearing and are discounted at issuance. CABs are designed to accrete in value over time. The following is a summary of the interest rates and original issue amounts for the District's long-term debt as of August 31, 2014:

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 School Building Bonds	2.25-5.00%	9,685,000
2004 Unlimited Tax Refunding Building Bonds	5.00-5.25%	111,935,000
2005 Unlimited Tax Refunding Building Bonds	2.50-5.00%	23,494,117
2005A Unlimited Tax School Building Bonds	3.35-6.125%	2,630,000
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
		<u>\$ 1,236,066,283</u>

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2014

8. Long-Term Obligations (continued)

Description	Amounts Outstanding August 31, 2013	Additions Current Year	Retired Current Year	Amounts Outstanding August 31, 2014
Bonded indebtedness:				
Building bonds:				
1998 Unlimited Tax Refunding	\$ 53,535,791	\$ 834,209	* \$ (4,356,430)	\$ 50,013,570
2002 Unlimited Tax School Qualified Zone Academy	5,082,652	-	-	5,082,652
2004 Unlimited Tax School	455,000	-	(455,000)	-
2004 Unlimited Tax Refunding	41,785,000	-	(15,155,000)	26,630,000
2005 Unlimited Tax Refunding	3,690,000	-	(1,800,000)	1,890,000
2005A Unlimited Tax School	1,975,000	-	(1,845,000)	130,000
2005B Unlimited Tax School Qualified Zone Academy	4,491,923	-	-	4,491,923
2006 Unlimited Tax Refunding	20,330,000	-	(6,430,000)	13,900,000
2006 Unlimited Tax School Qualified Zone Academy	6,408,071	-	-	6,408,071
2006A Unlimited Tax Refunding	75,975,000	-	(57,190,000)	18,785,000
2006B Unlimited Tax Refunding	31,445,000	-	-	31,445,000
2007 Unlimited Tax Refunding	120,185,000	-	(47,320,000)	72,865,000
2008 Unlimited Tax School Qualified Zone Academy	1,678,966	-	(152,633)	1,526,333
2008 Unlimited Tax Refunding	89,740,000	-	(2,860,000)	86,880,000
2009 Unlimited Tax Refunding	87,015,000	-	(3,120,000)	83,895,000
2010 Unlimited Tax Refunding	78,270,000	-	(3,760,000)	74,510,000
2011 Unlimited Tax Refunding	86,905,000	-	(2,260,000)	84,645,000
2013A Unlimited Tax Refunding	101,100,000	-	(1,735,000)	99,365,000
2013B Unlimited Tax Refunding	8,555,000	-	(305,000)	8,250,000
2014A Unlimited Tax Refunding	-	54,815,000	-	54,815,000
2014B Unlimited Tax Refunding	-	89,595,000	-	89,595,000
Bond premium	26,811,391	24,607,860	(3,491,332)	47,927,919
Total bond indebtedness	\$ 845,433,794	\$ 169,852,069	\$ (152,235,395)	\$ 863,050,468

*Represents accretion of discount on capital appreciation bonds.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2014

8. Long-Term Obligations (continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending August 31,			
2015	\$ 80,646,203	\$ 36,325,988	\$ 116,972,191
2016	65,942,633	33,725,826	99,668,459
2017	50,300,285	31,539,684	81,839,969
2018	37,747,633	28,672,110	66,419,743
2019	28,922,633	27,230,207	56,152,840
2020-2024	161,778,162	116,624,350	278,402,512
2025-2029	182,765,000	76,701,015	259,466,015
2030-2034	165,880,000	32,539,581	198,419,581
2035-2039	41,140,000	4,211,532	45,351,532
	<u>\$ 815,122,549</u>	<u>\$ 387,570,293</u>	<u>\$ 1,202,692,842</u>

For general obligations, the future accretion of interest on capital appreciation bonds is included in interest in the table above. This amount will be considered principal, as it is accreted in the future. As of August 31, 2014, there was no future accretion of interest on capital appreciation bonds.

In fiscal year 2014, 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 16, 2014, to issue \$54,815,000 of Unlimited Tax Refunding Bonds, Series 2014A ("2014A bonds") and delivered such bonds on July 31, 2014. The District used the \$53,280,000 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 used \$1,535,000 out of the total 2014A bonds to refund a portion of the District's currently outstanding bonds. This refunding transaction resulted in cash flow savings of \$172,460 and an economic gain (net present value savings) of \$158,710 over the life of the bonds.
- The District entered into a contract, which was approved by the Board on June 16, 2014, to issue \$89,595,000 Unlimited Tax Refunding Bonds, Taxable Series 2014B and delivered such bonds on July 31, 2014 in order to refund a portion of the District's currently outstanding bonds. This refunding transaction resulted in cash flow savings of \$8,241,581 and an economic gain (net present value savings) of \$6,839,623 over the life of the bonds.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2014

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, 2014.

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, 2014.

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>
2015	\$ 33,105	\$ 2,660	\$ 35,765
2016	33,772	1,993	35,765
2017	34,453	1,313	35,766
2018	35,147	618	35,765
2019	<u>7,597</u>	<u>44</u>	<u>7,641</u>
	<u>\$ 144,074</u>	<u>\$ 6,628</u>	<u>\$ 150,702</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%. As of August 31, 2014, approximately \$3.5 million has been drawn on the loan; a repayment schedule will not be available until the loan is drawn in full and the District begins to make payments.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2014

9. Interfund Receivables and Payables

Interfund balances occur when one fund pays or receives resources for another fund. Interfund balances at August 31, 2014, consisted of the following fund receivables and payables:

	Due From	Due To
Major Fund – General:		
Capital Projects	\$ 4,823,188	\$ 17,953
Nonmajor	11,327,367	-
Internal Service	607,365	19,772
Fiduciary	76,952	-
Total General Fund	16,834,872	37,725
Major Fund – Capital Projects:		
General	17,953	4,823,188
Total Capital Projects Fund	17,953	4,823,188
Nonmajor Funds:		
General	-	11,327,367
Fiduciary	2,707	-
Total Nonmajor Funds	2,707	11,327,367
Internal Service Fund:		
General	19,772	607,365
Internal Service	181,931	181,931
Total Internal Service Fund	201,703	789,296
Fiduciary Funds:		
Nonmajor	-	76,952
Internal Service	-	2,707
Total Fiduciary Funds	-	79,659
Total all funds	\$ 17,057,235	\$ 17,057,235

During the year, the Debt Service Fund transferred \$60,000,000 to the Capital Projects Fund to repay commercial paper.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2014

10. Commitments and Contingencies

At August 31, 2014, the District is committed under contracts in the amount of approximately \$31 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, 2014, 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, 2014 was \$3,431,260. 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>
2010	\$ 154,653,765
2011	219,655,438
2012	932,035,778
2013	2,441,359,875
2014	5,044,185,570

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, 2014

11. Retirement Plan

Plan Description

The District contributes to the Teacher Retirement System of Texas ("TRS"), a cost-sharing, multiple-employer defined benefit pension plan. TRS administers retirement and disability annuities and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS' board of trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by writing to the TRS Communications Department, 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 established and amended pursuant to the following state funding policy: (1) the state constitution requires the 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 of all members of the system during the fiscal year; (2) state statute prohibits benefit improvements, if, as a result of a 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.

Contribution rates and contributions for fiscal years 2014-2012 are shown in the table below. These rates are set by the General Appropriations Act. In certain instances, the reporting district is required to make all or a portion of the state's and/or member's contribution and on the portion of the employees' salaries that exceeded the statutory minimum.

Year	Contribution Rates and Amounts				Statutory Minimum Payment Amount
	Member		State		
	Rate	Amount	Rate	Amount	
2014	6.4%	\$ 33,951,902	6.800%	\$ 36,073,883	\$ 5,005,006
2013	6.4%	33,801,000	6.400%	33,800,992	4,718,887
2012	6.4%	31,770,005	6.000%	29,784,385	3,981,696

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2014

12. Health Care Coverage

A. Health Insurance Plan

During the year ended August 31, 2014, employees of the District were covered by a self-funded health insurance plan. With the Blue Cross Blue Shield of Texas health plan, employees have a choice of three PPO plans, one of which offers a health savings account. The District contributed \$446 per month, per employee to the plans, with the exception of \$408 per month, per employee to the PPO2 employee-only premium. 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, 2014, 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 \$1,416,537, \$1,420,965, and \$1,330,060, for fiscal years 2014, 2013, and 2012, 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 dependants 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.

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, 2013 and 2014; therefore, there was no allocation required.

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2014

12. Health Care Coverage (continued)

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 fee 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 2014-2012.

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>
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
2012	0.65%	3,226,642	1.00%	512,272	0.55%	2,730,325

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2014

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 \$400,000 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 \$400,000 up to the statutory limit, as described by state law.

During the year ended August 31, 2011, the District established a self-funded health insurance program utilizing a plan provided by Blue Cross Blue Shield of Texas. District employees have a choice of three PPO 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 both aggregate and 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:

	2014		2013	
	<u>Workers' Compensation</u>	<u>Health Insurance</u>	<u>Workers' Compensati</u>	<u>Health Insurance</u>
Beginning of the year liability	\$ 7,034,158	\$ 5,033,372	\$ 7,973,284	\$ 5,438,318
Current year claims	1,633,930	68,085,494	1,369,108	64,803,541
Changes in estimates	(619,623)	(100,389)	(939,126)	(404,946)
Claim payments	<u>(1,633,930)</u>	<u>(68,085,494)</u>	<u>(1,369,108)</u>	<u>(64,803,541)</u>
End of the year liability	\$ <u>6,414,535</u>	\$ <u>4,932,983</u>	\$ <u>7,034,158</u>	\$ <u>5,033,372</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, 2014. 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, 2014

14. Deficit Fund Balance

As of August 31, 2014, the Capital Projects Fund had a deficit fund balance of \$11,472,472. The deficit fund balance resulted from capital expenditures incurred in 2013 and 2014, 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, 2014, the District has issued \$507.8 million of the original \$519.5 million bond authorization approved by the voters of the District in September 2004, \$276.2 million of the \$343.7 million bond authorization approved by voters in May 2008, and \$10.0 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, 2014, the District had no outstanding balance of Commercial Paper. Since the beginning of the Commercial Paper Program, the District has issued approximately \$761 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, 2014, \$745 million of bond proceeds has been used to refinance the Commercial Paper.

Changes in the Commercial Paper are as follows:

	August 31,	
	2014	2013
Beginning of the year liability	\$ 10,000,000	\$ 58,285,000
Bonds issued	(60,000,000)	(103,285,000)
Commercial paper issuances	<u>50,000,000</u>	<u>55,000,000</u>
End of the year liability	<u>\$ -</u>	<u>\$ 10,000,000</u>

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2014

16. Fund Balance

Designations of governmental fund balance as of August 31, 2014 were as follows:

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:					
Nonspendable:					
Inventories	\$ 549,259	\$ -	\$ -	\$ 2,937,031	\$ 3,486,290
Prepays	9,484,364	-	-	860,133	10,344,497
Restricted:					
Retirement of long-term debt	-	43,695,912	-	-	43,695,912
Federal and state funds grants	-	-	-	5,125,258	5,125,258
Assigned:					
Administration	500,000	-	-	-	500,000
Community services	33,625	-	-	-	33,625
Instructional related	7,295,191	-	-	-	7,295,191
Instructional and school leadership related	1,846,223	-	-	-	1,846,223
Library science	57,143	-	-	-	57,143
Special projects	5,149,484	-	-	-	5,149,484
Strategic compensation	10,191,962	-	-	-	10,191,962
Support services (nonstudent related)	1,460,619	-	-	-	1,460,619
Support services (student related)	71,981	-	-	-	71,981
Unassigned	184,320,557	-	(11,472,472)	-	172,848,085
Total fund balances	\$ 220,960,408	\$ 43,695,912	\$ (11,472,472)	\$ 8,922,422	\$ 262,106,270

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2014

17. Shared Services Arrangement

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, 2014 are summarized below by program:

	<u>All Districts</u>	<u>Austin ISD</u>	<u>Del Valle ISD</u>
Regional Day School for the Deaf			
Number of Students	<u>96</u>	<u>91</u>	<u>5</u>
Fund Year			
315.4	\$ <u>46,790</u>	\$ <u>44,353</u>	\$ <u>2,437</u>
Discretionary Deaf	<u>46,790</u>	<u>44,353</u>	<u>2,437</u>
316.4	39,629	37,565	2,064
316.5	<u>2,141</u>	<u>2,029</u>	<u>112</u>
Formula Deaf	<u>41,770</u>	<u>39,594</u>	<u>2,176</u>
317.4	<u>7,298</u>	<u>6,918</u>	<u>380</u>
Preschool Deaf	<u>7,298</u>	<u>6,918</u>	<u>380</u>
340.4	<u>4,125</u>	<u>3,910</u>	<u>215</u>
Early Intervention	<u>4,125</u>	<u>3,910</u>	<u>215</u>
435.3	753	714	39
435.4	<u>509,636</u>	<u>483,092</u>	<u>26,544</u>
State Deaf	<u>510,389</u>	<u>483,806</u>	<u>26,583</u>
Total	\$ <u>610,372</u>	\$ <u>578,581</u>	\$ <u>31,791</u>

Austin Independent School District

Notes to the Basic Financial Statements

August 31, 2014

17. Shared Services Arrangements (continued)

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>52</u>	<u>31</u>	<u>1</u>	<u>1</u>	<u>10</u>	<u>9</u>
Fund Year 285.3	\$ (39)	\$ (23)	\$ (1)	\$ (1)	\$ (7)	\$ (7)
Number of Students	<u>162</u>	<u>97</u>	<u>11</u>	<u>24</u>	<u>5</u>	<u>25</u>
Fund Year 285.4	\$ 63,721	\$ 38,154	\$ 4,327	\$ 9,440	\$ 1,967	\$ 9,833
Number of Students	<u>12</u>	<u>10</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>
Fund Year 285.5	\$ 2,380	\$ 1,984	\$ -	\$ 198	\$ -	\$ 198
Total	<u>\$ 66,062</u>	<u>\$ 40,115</u>	<u>\$ 4,326</u>	<u>\$ 9,637</u>	<u>\$ 1,960</u>	<u>\$ 10,024</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, 2014

Data Control Codes	Budgeted Amounts			Variance With Final Budget Positive (Negative)	
	Original	Final	Actual		
Revenues					
5700	Local and intermediate sources	\$ 724,365,700	\$ 733,223,981	\$ 733,130,919	\$ (93,062)
5800	State program revenues	73,786,530	62,215,334	62,544,644	329,310
5900	Federal program revenues	21,655,426	22,447,587	22,198,036	(249,551)
5020	Total revenues	<u>819,807,656</u>	<u>817,886,902</u>	<u>817,873,599</u>	<u>(13,303)</u>
Expenditures					
Current:					
0011	Instruction	436,894,955	415,912,616	413,246,668	2,665,948
0012	Instructional resources and media services	10,933,919	10,956,042	10,627,806	328,236
0013	Curriculum and instructional staff development	14,327,482	14,000,000	12,920,457	1,079,543
0021	Instructional leadership	12,219,551	13,772,208	12,934,881	837,327
0023	School leadership	48,476,789	49,866,787	49,422,884	443,903
0031	Guidance, counseling, and evaluation services	19,801,886	21,400,960	20,799,962	600,998
0032	Social work services	4,228,213	4,950,104	4,734,718	215,386
0033	Health services	6,123,518	6,038,273	5,297,262	741,011
0034	Student (pupil) transportation	28,634,044	29,644,000	29,076,177	567,823
0036	Curricular/extracurricular activities	13,396,291	15,495,109	15,381,387	113,722
0041	General administration	18,402,671	18,156,345	17,279,030	877,315
0051	Plant maintenance and operations	78,827,205	84,380,804	82,425,257	1,955,547
0052	Security and monitoring services	10,078,386	10,278,939	9,834,643	444,296
0053	Data processing services	18,964,651	18,478,205	17,989,145	489,060
0061	Community services	5,110,070	4,934,247	4,641,614	292,633
0071	Principal on long-term debt	488,613	488,613	327,053	161,560
0072	Interest on long-term debt	-	-	6,205	(6,205)
0073	Bond issuance costs and fees	-	-	350	(350)
0081	Capital outlay	1,020,000	755,542	1,101,730	(346,188)
0091	Contracted instructional services between schools	117,074,739	123,692,483	123,694,773	(2,290)
0093	Payments related to shared services arrangements	1,803,678	2,246,712	2,246,712	-
0099	Other intergovernmental charges	4,684,691	4,230,810	4,230,810	-
6030	Total expenditures	<u>851,491,352</u>	<u>849,678,799</u>	<u>838,219,524</u>	<u>11,459,275</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>(31,683,696)</u>	<u>(31,791,897)</u>	<u>(20,345,925)</u>	<u>11,445,972</u>
Other Financing Sources (Uses)					
7912	Sale of real or personal property	51,000	51,000	34,946	(16,054)
7914	Noncurrent loan proceeds	-	967,150	1,040,022	72,872
7915	Transfers in	-	-	555	555
8949	Other uses	(81,000)	(91,000)	-	91,000
7080	Total other financing sources (uses)	<u>(30,000)</u>	<u>927,150</u>	<u>1,075,523</u>	<u>148,373</u>
1200	Net change in fund balance	<u>(31,713,696)</u>	<u>(30,864,747)</u>	<u>(19,270,402)</u>	<u>11,594,345</u>
0100	Fund balance at beginning of year	<u>240,230,810</u>	<u>240,230,810</u>	<u>240,230,810</u>	<u>-</u>
3000	Fund balance at end of year	<u>\$ 208,517,114</u>	<u>\$ 209,366,063</u>	<u>\$ 220,960,408</u>	<u>\$ 11,594,345</u>

The accompanying note is an integral part of this statement.

Austin Independent School District

Exhibit G-1

Note to the Budgetary Comparison Schedule – General Fund

Year Ended August 31, 2014

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.

During fiscal year 2014, the District had an unfavorable variance in Capital Outlay in the amount of \$346,188, as the District had additional expenses for maintenance of buildings and grounds and various construction and improvement costs than were expected. The District was not made aware of these un-posted expenses until after the final budget amendment was done for fiscal year 2014.

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, 2014

Data
Control
Codes

	204	205	206	211	220	223	224	225
	Legacy Leadership - A Model for District Succession Planning	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
ASSETS								
1110 Cash and cash equivalents	-	-	-	-	-	-	-	71
1240 Due from other governments	4,347	-	47,079	2,570,133	5,505	19,578	1,145,737	33,074
1260 Due from other funds	-	-	-	-	-	-	-	-
1290 Other receivables	-	761,201	-	-	-	-	-	-
1300 Inventories	-	-	-	-	-	-	-	-
1410 Prepays and other assets	-	32,704	-	187,692	-	-	312,328	10,847
1000 Total assets	4,347	793,905	47,079	2,757,825	5,505	19,578	1,458,065	43,992
LIABILITIES AND FUND BALANCES								
Liabilities:								
2110 Accounts payable	-	526	-	451,909	90	25	81,248	-
2160 Accrued wages payable	601	3,494	843	136,583	1,204	2,361	22,438	1,798
2170 Due to other funds	3,746	789,885	46,236	2,169,333	4,211	17,192	1,354,379	42,194
2180 Due to other governments	-	-	-	-	-	-	-	-
2300 Unearned revenues	-	-	-	-	-	-	-	-
2000 Total liabilities	4,347	793,905	47,079	2,757,825	5,505	19,578	1,458,065	43,992
Fund balances:								
3410 Nonspendable	-	32,704	-	187,692	-	-	312,328	10,847
3490 Restricted	-	(32,704)	-	(187,692)	-	-	(312,328)	(10,847)
3000 Total fund balances	-	-	-	-	-	-	-	-
4000 Total liabilities and fund balances	4,347	793,905	47,079	2,757,825	5,505	19,578	1,458,065	43,992

Austin Independent School District

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

August 31, 2014

Data
Control
Codes

	240	242	244	255	258	263	265	272
	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	Medicaid Administrative Claiming Program
ASSETS								
1110	Cash and cash equivalents	\$ 5,106,379	-	-	-	-	-	-
1240	Due from other governments	673,824	-	215,058	466,670	36,046	456,862	554,061
1260	Due from other funds	-	-	-	-	-	-	-
1290	Other receivables	40,954	-	-	-	-	-	-
1300	Inventories	2,937,031	-	-	-	-	-	-
1410	Other assets	2,169	-	-	-	25,737	-	-
1000	Total assets	<u>8,760,357</u>	<u>-</u>	<u>215,058</u>	<u>466,670</u>	<u>36,046</u>	<u>482,599</u>	<u>554,061</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
2110	Accounts payable	867,588	-	7,814	20,276	26,384	182,482	15,096
2160	Accrued wages payable	372,660	-	2,987	23,878	2,505	27,589	43,308
2170	Due to other funds	65,043	-	204,257	422,516	7,157	272,528	495,657
2180	Due to other governments	-	-	-	-	-	-	-
2300	Unearned revenues	986,800	-	-	-	-	-	-
2000	Total liabilities	<u>2,292,091</u>	<u>-</u>	<u>215,058</u>	<u>466,670</u>	<u>36,046</u>	<u>482,599</u>	<u>554,061</u>
Fund balances:								
3410	Nonspendable	2,939,200	-	-	-	-	25,737	-
3490	Restricted	3,529,066	-	-	-	-	(25,737)	-
3000	Total fund balances	<u>6,468,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>8,760,357</u>	<u>-</u>	<u>215,058</u>	<u>466,670</u>	<u>36,046</u>	<u>482,599</u>	<u>554,061</u>

Austin Independent School District

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

August 31, 2014

Data
Control
Codes

	276	285	286	289	315	316	317	340
	Title I SIP Academy Grant	ESEA, Title I, Part A - Improving Basic Programs (ARRA)	Federally Funded Special Revenue Funds	Federally Funded Special Revenue Funds	Shared Services Arrangements - IDEA - Part B - Discretionary	Shared Services Arrangements - IDEA - Part B - Deaf	Shared Services Arrangements - IDEA - Part B - Preschool Deaf	Shared Services Arrangements - IDEA - Part C - Early Intervention Deaf
ASSETS								
1110	Cash and cash equivalents	\$ -	-	44	68,726	-	-	-
1240	Due from other governments	27,457	-	1,166,847	1,068,303	20,825	6,763	492
1260	Due from other funds	-	-	-	2,707	-	-	-
1290	Other receivables	-	-	-	23,110	-	-	-
1300	Inventories	-	-	-	-	-	-	-
1410	Other assets	-	-	-	64,386	-	1,019	178
1000	Total assets	27,457	-	1,166,891	1,227,232	20,825	7,782	670
LIABILITIES AND FUND BALANCES								
Liabilities:								
2110	Accounts payable	7,620	-	275,602	62,512	-	-	-
2160	Accrued wages payable	7	-	8	78,499	-	24	-
2170	Due to other funds	19,830	-	891,281	1,009,489	20,825	7,758	670
2180	Due to other governments	-	-	-	4,955	-	-	-
2300	Unearned revenues	-	-	-	71,777	-	-	-
2000	Total liabilities	27,457	-	1,166,891	1,227,232	20,825	7,782	670
Fund balances:								
3410	Nonspendable	-	-	-	64,386	-	1,019	178
3490	Restricted	-	-	-	(64,386)	-	(1,019)	(178)
3000	Total fund balances	-	-	-	-	-	-	-
4000	Total liabilities and fund balances	27,457	-	1,166,891	1,227,232	20,825	7,782	670

Austin Independent School District

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

August 31, 2014

Data
Control
Codes

	385	392	393	397	409	410	426
	State Supplemental Visually Impaired (SSVI)	Noneducational Community-Based Support	Texas Successful Schools Program	Advanced Placement Incentives	High School Completion and Success/Texas High School Project	State Textbook Fund	Texas Educator Excellence Award Grant Program
ASSETS							
1110 Cash and cash equivalents	\$ -	-	24,846	42,326	-	-	-
1240 Due from other governments	39,000	33,167	-	-	-	2,443,708	59,224
1260 Due from other funds	-	-	-	-	-	-	-
1290 Other receivables	-	-	-	-	-	-	-
1300 Inventories	-	-	-	-	-	-	-
1410 Other assets	-	-	-	-	-	168,284	-
1000 Total assets	<u>39,000</u>	<u>33,167</u>	<u>24,846</u>	<u>42,326</u>	<u>-</u>	<u>2,611,992</u>	<u>59,224</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
2110 Accounts payable	240	10,347	-	-	-	237,822	-
2160 Accrued wages payable	-	-	-	-	-	-	7,616
2170 Due to other funds	38,760	22,820	-	-	-	2,357,367	51,608
2180 Due to other governments	-	-	-	42,326	-	-	-
2300 Unearned revenues	-	-	-	-	-	-	-
2000 Total liabilities	<u>39,000</u>	<u>33,167</u>	<u>-</u>	<u>42,326</u>	<u>-</u>	<u>2,595,189</u>	<u>59,224</u>
Fund balances:							
3410 Nonspendable	-	-	-	-	-	168,284	-
3490 Restricted	-	-	24,846	-	-	(151,481)	-
3000 Total fund balances	<u>-</u>	<u>-</u>	<u>24,846</u>	<u>-</u>	<u>-</u>	<u>16,803</u>	<u>-</u>
4000 Total liabilities and fund balances	<u>39,000</u>	<u>33,167</u>	<u>24,846</u>	<u>42,326</u>	<u>-</u>	<u>2,611,992</u>	<u>59,224</u>

Austin Independent School District

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

August 31, 2014

**Data
Control
Codes**

		428 High School Allotment	429 State Funded Special Revenue Funds	435 Shared Services Arrangements - Regional Day School for the Deaf	461 Campus Activity Funds	479 Permanent Fund	499 Locally Funded Special Revenue Funds	Total
ASSETS								
1110	Cash and cash equivalents	\$ 58,575	161,631	-	433,767	630,168	4,729,974	11,256,507
1240	Due from other governments	-	50,383	124,004	-	-	638,652	12,138,406
1260	Due from other funds	-	-	-	-	-	-	2,707
1290	Other receivables	-	-	-	27,142	-	1,239	853,646
1300	Inventories	-	-	-	-	-	-	2,937,031
1410	Other assets	-	3,214	9,484	-	-	41,985	860,133
1000	Total assets	58,575	215,228	133,488	460,909	630,168	5,411,850	28,048,430
LIABILITIES AND FUND BALANCES								
Liabilities:								
2110	Accounts payable	-	6,178	3,678	10,654	-	134,888	2,402,979
2160	Accrued wages payable	-	1,855	8,503	2,621	-	77,382	818,767
2170	Due to other funds	-	41,492	121,307	19,141	-	598,975	11,327,367
2180	Due to other governments	-	165,703	-	-	-	1,748,157	1,961,141
2300	Unearned revenues	-	-	-	-	-	1,557,177	2,615,754
2000	Total liabilities	-	215,228	133,488	32,416	-	4,116,579	19,126,008
Fund balances:								
3410	Nonspendable	-	3,214	9,484	-	-	41,985	3,797,164
3490	Restricted	58,575	(3,214)	(9,484)	428,493	630,168	1,253,286	5,125,258
3000	Total fund balances	58,575	-	-	428,493	630,168	1,295,271	8,922,422
4000	Total liabilities and fund balances	58,575	215,228	133,488	460,909	630,168	5,411,850	28,048,430

Austin Independent School District

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

August 31, 2014

Data
Control
Codes

	204	205	206	211	220	223	224	225
	Legacy Leadership I. A Model for District Succession Planning	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	95,593	1,898,056	191,103	25,691,446	109,692	224,359	15,723,862
5020	Total revenues	95,593	1,898,056	191,103	25,691,446	109,692	224,359	15,723,862
EXPENDITURES								
Current:								
0011	Instruction	-	1,895,253	-	14,503,228	-	10,377,035	328,325
0012	Instructional resources and media services	-	-	-	196,416	-	-	-
0013	Curriculum and instructional staff development	5,459	2,803	-	4,410,384	859	1,925	1,266,091
0021	Instructional leadership	90,134	-	-	1,049,581	-	253,922	1,023
0023	School leadership	-	-	-	1,690,367	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-	438,276	-	3,492,401	200,518
0032	Social work services	-	-	-	251,683	-	-	-
0033	Health services	-	-	-	69,482	-	54,942	-
0034	Student (pupil) transportation	-	-	-	464,874	-	-	-
0035	Food services	-	-	-	-	-	-	-
0036	Curricular/extracurricular activities	-	-	-	50	-	283	-
0041	General administration	-	-	-	200,508	-	-	-
0051	Plant maintenance and operations	-	-	-	5,892	-	334	-
0052	Security and monitoring services	-	-	-	-	-	355	-
0053	Data processing services	-	-	-	568,046	-	57,611	-
0061	Community services	-	-	191,103	1,842,659	108,833	222,434	220,888
0081	Capital outlay	-	-	-	-	-	-	-
	Total expenditures	95,593	1,898,056	191,103	25,691,446	109,692	224,359	15,723,862
	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, 2014

Data Control Codes	240 National School Breakfast and Lunch Program	242 Summer Feeding Program, Texas Department of Agriculture	244 Career and Technical - Basic Grant	255 ESEA, Title II, Part A - Teacher and Principal Training	258 Public Charter Schools	263 Title III, Part A - English Language Acquisition and Language	265 Title IV, Part B - 21st Century Community Learning Centers	272 Medicaid Administrative Claiming Program
REVENUES								
5700	Local and intermediate sources	\$ 6,824,332	12,422	-	-	-	-	-
5800	State program revenues	1,106,029	-	-	-	-	-	-
5900	Federal program revenues	29,062,919	417,898	1,043,911	3,255,638	36,673	2,999,406	5,156,494
5020	Total revenues	<u>36,993,280</u>	<u>430,320</u>	<u>1,043,911</u>	<u>3,255,638</u>	<u>36,673</u>	<u>2,999,406</u>	<u>5,156,494</u>
EXPENDITURES								
Current:								
0011	Instruction	-	-	827,199	41,094	26,384	2,232,918	-
0012	Instructional resources and media services	-	-	-	525	-	21,560	-
0013	Curriculum and instructional staff development	-	-	32,232	2,372,732	10,289	643,102	69,341
0021	Instructional leadership	-	-	53,822	284,574	-	26,294	-
0023	School leadership	-	-	-	36,387	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	119,854	88,229	-	29,755	68,642
0032	Social work services	-	-	-	54,277	-	-	-
0033	Health services	-	-	-	-	-	-	-
0034	Student (pupil) transportation	-	-	-	-	-	-	465,054
0035	Food services	38,201,370	430,320	-	-	-	-	-
0036	Curricular/extracurricular activities	-	-	10,804	-	-	-	84,128
0041	General administration	-	-	-	305,317	-	-	-
0051	Plant maintenance and operations	-	-	-	-	-	-	11,706
0052	Security and monitoring services	-	-	-	-	-	-	14,103
0053	Data processing services	-	-	-	72,500	-	-	-
0061	Community services	-	-	-	3	-	45,777	4,908,574
0081	Capital outlay	-	-	-	-	-	-	-
	Total expenditures	<u>38,201,370</u>	<u>430,320</u>	<u>1,043,911</u>	<u>3,255,638</u>	<u>36,673</u>	<u>2,999,406</u>	<u>5,156,494</u>
	Excess (deficiency) of revenues over expenses	<u>(1,208,090)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Net change in fund balances	(1,208,090)	-	-	-	-	-	-
	Fund balances – beginning	7,676,356	-	-	-	-	-	-
	Fund balances – ending	<u>\$ 6,468,266</u>	<u>-</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, 2014

Data
Control
Codes

	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	317 Shared Services Arrangements - IDEA - Part B - Preschool Deaf	340 Shared Services Arrangements - IDEA - Part C, Early Intervention Deaf
REVENUES								
5700	Local and intermediate sources	-	-	-	-	-	-	-
5800	State program revenues	-	-	-	-	-	-	-
5900	Federal program revenues	1,714,258	63,721	3,421,517	20,659,144	46,790	40,599	7,097
5020	Total revenues	<u>1,714,258</u>	<u>63,721</u>	<u>3,421,517</u>	<u>20,659,144</u>	<u>46,790</u>	<u>40,599</u>	<u>7,097</u>
EXPENDITURES								
Current:								
0011	Instruction	707,260	-	2,570,905	11,555,870	37,754	40,521	6,150
0012	Instructional resources and media services	37,333	-	23,062	196,515	-	-	-
0013	Curriculum and instructional staff development	623,815	-	278,818	6,144,422	1,185	-	947
0021	Instructional leadership	-	63,248	-	1,123,497	-	-	-
0023	School leadership	232,354	-	348,256	749,179	-	-	-
0031	Guidance, counseling, and evaluation services	15,010	-	35,988	502,046	-	-	-
0032	Social work services	-	-	110,102	-	-	-	-
0033	Health services	-	-	-	24,835	7,851	78	-
0034	Student (pupil) transportation	-	-	-	-	-	-	-
0035	Food services	-	-	-	-	-	-	-
0036	Curricular/extracurricular activities	-	-	1,161	295	-	-	-
0041	General administration	-	-	-	-	-	-	-
0051	Plant maintenance and operations	5,609	473	26,666	7,673	-	-	-
0052	Security and monitoring services	1,741	-	6,414	-	-	-	-
0053	Data processing services	-	-	2,720	62,475	-	-	-
0061	Community services	91,136	-	17,425	292,337	-	-	-
0081	Capital outlay	-	-	-	-	-	-	-
	Total expenditures	<u>1,714,258</u>	<u>63,721</u>	<u>3,421,517</u>	<u>20,659,144</u>	<u>46,790</u>	<u>40,599</u>	<u>7,097</u>
	Excess (deficiency) of revenues over expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Net change in fund balances	-	-	-	-	-	-	-
	Fund balances – beginning	-	-	-	-	-	-	-
	Fund balances – ending	<u>\$ -</u>	<u>\$ -</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, 2014

Data
Control
Codes

		385	392	393	397	409	410	426
		State Supplemental Visually Impaired (SSVI)	Noneducational Community-Based Support	Texas Successful Schools Program	Advanced Placement Incentives	High School Completion and Success/Texas High School Project	State Textbook Fund	Texas Educator Excellence Award Grant Program
REVENUES								
5700	Local and intermediate sources	-	-	-	-	-	-	-
5800	State program revenues	38,601	32,009	-	5,327	113,067	8,030,861	59,224
5900	Federal program revenues	-	-	-	448	-	-	-
5020	Total revenues	<u>38,601</u>	<u>32,009</u>	<u>-</u>	<u>5,775</u>	<u>113,067</u>	<u>8,030,861</u>	<u>59,224</u>
EXPENDITURES								
Current:								
0011	Instruction	33,774	-	-	5,775	100,381	8,030,861	-
0012	Instructional resources and media services	-	-	-	-	-	-	-
0013	Curriculum and instructional staff development	2,952	-	-	-	10,013	-	55,109
0021	Instructional leadership	921	-	-	-	-	-	-
0023	School leadership	-	-	-	-	1,842	-	-
0031	Guidance, counseling, and evaluation services	-	-	-	-	831	-	4,115
0032	Social work services	-	-	-	-	-	-	-
0033	Health services	954	-	-	-	-	-	-
0034	Student (pupil) transportation	-	-	-	-	-	-	-
0035	Food services	-	-	-	-	-	-	-
0036	Curricular/extracurricular activities	-	-	-	-	-	-	-
0041	General administration	-	-	-	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-	-	-	-
0052	Security and monitoring services	-	-	-	-	-	-	-
0053	Data processing services	-	-	-	-	-	-	-
0061	Community services	-	32,009	-	-	-	-	-
0081	Capital outlay	-	-	-	-	-	-	-
	Total expenditures	<u>38,601</u>	<u>32,009</u>	<u>-</u>	<u>5,775</u>	<u>113,067</u>	<u>8,030,861</u>	<u>59,224</u>
	Excess (deficiency) of revenues over expenses	-	-	-	-	-	-	-
	Net change in fund balances	-	-	-	-	-	-	-
	Fund balances – beginning	-	-	24,846	-	-	16,802	-
	Fund balances – ending	<u>\$ -</u>	<u>-</u>	<u>24,846</u>	<u>-</u>	<u>-</u>	<u>16,802</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, 2014

**Data
Control
Codes**

	428 High School Allotment	429 State Funded Special Revenue Funds	435 Shared Services Arrangements - Regional Day School for the Deaf	461 Campus Activity Funds	479 Permanent Fund	499 Locally Funded Special Revenue Funds	Total
REVENUES							
5700 Local and intermediate sources	-	-	-	225,832	272	6,112,485	13,175,343
5800 State program revenues	-	271,756	494,896	-	-	62,775	10,214,545
5900 Federal program revenues	-	-	-	-	-	-	112,862,360
5020 Total revenues	-	271,756	494,896	225,832	272	6,175,260	136,252,248
EXPENDITURES							
Current:							
0011 Instruction	-	7,807	364,149	-	-	575,296	54,272,064
0012 Instructional resources and media services	-	20,122	-	3,929	-	467	499,929
0013 Curriculum and instructional staff development	1,608	-	22,389	17,573	-	516,258	16,492,997
0021 Instructional leadership	-	39,200	5,466	96,995	-	226,349	3,315,026
0023 School leadership	-	-	-	-	-	110,443	3,168,828
0031 Guidance, counseling, and evaluation services	-	-	35,514	63,355	-	92,764	5,187,298
0032 Social work services	2,351	-	-	-	-	65,975	484,388
0033 Health services	-	-	66,914	-	-	-	690,110
0034 Student (pupil) transportation	-	-	-	435	-	4,000	469,309
0035 Food services	-	-	-	5,863	-	-	38,637,553
0036 Curricular/extracurricular activities	-	204	-	15,412	-	95,995	208,332
0041 General administration	-	-	-	8,584	-	-	514,409
0051 Plant maintenance and operations	-	-	-	4,513	-	49,085	111,951
0052 Security and monitoring services	-	-	-	7,472	-	12,345	42,430
0053 Data processing services	-	-	-	-	-	(197,858)	565,494
0061 Community services	-	204,423	464	23,802	-	4,178,088	12,379,955
0081 Capital outlay	-	-	-	-	-	174,864	174,864
Total expenditures	3,959	271,756	494,896	247,933	-	5,904,071	137,214,937
Excess (deficiency) of revenues over expenses	(3,959)	-	-	(22,101)	272	271,189	(962,689)
Net change in fund balances	(3,959)	-	-	(22,101)	272	271,189	(962,689)
Fund balances – beginning	62,535	-	-	450,594	629,896	1,024,082	9,885,111
Fund balances – ending	58,576	-	-	428,493	630,168	1,295,271	8,922,422

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, 2014

	752	753	753	75B	771	772	
	Print Shop	Worker's	Health	Wellness	District	Laundry	
Assets	Reproduction	Compensation	Insurance	Fund	Police	Service	Total
Current assets:							
Cash and cash equivalents	\$ (84,029)	\$ 96,128	\$ 535,600	\$ -	\$ (445,135)	\$ 1,046	\$ 103,610
Temporary investments	(43,868)	19,780,039	12,498,792	-	297,288	623,034	33,155,285
Due from other funds	14,380	-	-	-	164,459	22,864	201,703
Inventories	-	-	-	-	-	89,601	89,601
Other assets	-	199,707	148	-	-	2,084	201,939
Total current assets	(113,517)	20,075,874	13,034,540	-	16,612	738,629	33,752,138
Total assets	\$ (113,517)	\$ 20,075,874	\$ 13,034,540	\$ -	\$ 16,612	\$ 738,629	\$ 33,752,138
Liabilities							
Current liabilities:							
Accounts payable	\$ 8,020	\$ -	\$ 94,066	\$ -	\$ 3,393	\$ 122	\$ 105,601
Accrued expenditures	2,988	724	3,208	-	10,466	1,097	18,483
Due to other funds	-	10,102	779,194	-	-	-	789,296
Claims payable – due within one year	-	3,000,000	4,932,983	-	-	-	7,932,983
Total current liabilities	\$ 11,008	\$ 3,010,826	\$ 5,809,451	\$ -	\$ 13,859	\$ 1,219	\$ 8,846,363
Noncurrent liabilities:							
Claims payable – due in more than one year	-	3,414,535	-	-	-	-	3,414,535
Total liabilities	11,008	6,425,361	5,809,451	-	13,859	1,219	12,260,898
Unrestricted Net Position	(124,525)	13,650,513	7,225,089	-	2,753	737,410	21,491,240
Total net position	\$ (124,525)	\$ 13,650,513	\$ 7,225,089	\$ -	\$ 2,753	\$ 737,410	\$ 21,491,240

Austin Independent School District

Exhibit H-4

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

Year Ended August 31, 2014

	752 Print Shop Reproduction	753 Worker's Compensation Fund	753 Health Insurance Fund	75B Wellness Fund	771 District Police	772 Laundry Service	Total
Operating Revenues							
Local and intermediate sources	\$ 390,099	\$ -	\$ 70,373,161	\$ 473,972	\$ 418,792	\$ 271,883	\$ 71,927,907
Total Revenues	<u>390,099</u>	<u>-</u>	<u>70,373,161</u>	<u>473,972</u>	<u>418,792</u>	<u>271,883</u>	<u>71,927,907</u>
Operating Expenses							
Other operating expenses	455,097	2,168,324	76,264,029	513,151	415,998	206,856	80,023,455
Total Expenses	<u>455,097</u>	<u>2,168,324</u>	<u>76,264,029</u>	<u>513,151</u>	<u>415,998</u>	<u>206,856</u>	<u>80,023,455</u>
Operating income (loss)	(64,998)	(2,168,324)	(5,890,868)	(39,179)	2,794	65,027	(8,095,548)
Nonoperating Revenues							
Investment earnings	-	7,116	5,093	-	-	318	12,527
Total nonoperating revenues	<u>-</u>	<u>7,116</u>	<u>5,093</u>	<u>-</u>	<u>-</u>	<u>318</u>	<u>12,527</u>
Income (Loss) before transfers	(64,998)	(2,161,208)	(5,885,775)	(39,179)	2,794	65,345	(8,083,021)
Transfers in	-	-	943,170	-	-	-	943,170
Transfers out	-	-	-	(943,170)	-	-	(943,170)
Change in net position	<u>(64,998)</u>	<u>(2,161,208)</u>	<u>(4,942,605)</u>	<u>(982,349)</u>	<u>2,794</u>	<u>65,345</u>	<u>(8,083,021)</u>
Net position at beginning of year	<u>(59,527)</u>	<u>15,811,721</u>	<u>12,167,694</u>	<u>982,349</u>	<u>(41)</u>	<u>672,065</u>	<u>29,574,261</u>
Net position at end of year	<u><u>\$ (124,525)</u></u>	<u><u>\$ 13,650,513</u></u>	<u><u>\$ 7,225,089</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,753</u></u>	<u><u>\$ 737,410</u></u>	<u><u>\$ 21,491,240</u></u>

Austin Independent School District

Exhibit H-5

Combining Statement of Cash Flows Proprietary Funds

Year Ended August 31, 2014

	752	753	753	75B	771	772	
	Print Shop	Worker's	Health	Wellness	District	Laundry	Total
	Reproduction	Compensation Fund	Insurance Fund	Fund	Police	Service	
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments to suppliers	\$ (263,936)	\$ (594,330)	\$ (8,123,006)	\$ (235,924)	\$ (13,807)	\$ (55,387)	\$ (9,286,390)
Payments for employee salaries and benefits	(229,694)	(139,783)	(151,638)	(283,293)	(405,667)	(156,046)	(1,366,121)
Payments from other funds	449,153	78,854	71,487,870	453,075	721,948	286,899	73,477,799
Claims paid	-	(2,253,553)	(69,113,011)	-	-	-	(71,366,564)
Net cash provided by (used in) operating activities	<u>(44,477)</u>	<u>(2,908,812)</u>	<u>(5,899,785)</u>	<u>(66,142)</u>	<u>302,474</u>	<u>75,466</u>	<u>(8,541,276)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers (to) from other funds	-	-	943,170	(943,170)	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>943,170</u>	<u>(943,170)</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from sales and maturities of investments	485,866	3,691,448	56,865,347	105,349	636,695	211,790	61,996,495
Outlays for purchase of investments	(441,998)	(818,625)	(53,378,225)	(105,349)	(933,983)	(287,256)	(55,965,436)
Interest income	-	7,116	5,093	-	-	318	12,527
Net cash provided by (used in) investing activities	<u>43,868</u>	<u>2,879,939</u>	<u>3,492,215</u>	<u>-</u>	<u>(297,288)</u>	<u>(75,148)</u>	<u>6,043,586</u>
Net increase (decrease) in cash and cash equivalents	(609)	(28,873)	(1,464,400)	(1,009,312)	5,186	318	(2,497,690)
Cash and cash equivalents at beginning of year	<u>(83,420)</u>	<u>125,001</u>	<u>2,000,000</u>	<u>1,009,312</u>	<u>(450,321)</u>	<u>728</u>	<u>2,601,300</u>
Cash and cash equivalents at end 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>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities							
Operating income (loss)	\$ (64,998)	\$ (2,168,324)	\$ (5,890,868)	\$ (39,179)	\$ 2,794	\$ 65,027	\$ (8,095,548)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Decrease in due from other funds	59,054	68,752	233,310	-	303,156	15,017	679,289
Decrease in receivables	-	-	102,203	-	-	-	102,203
Increase in inventory	-	-	-	-	-	(5,727)	(5,727)
Decrease (increase in other assets)	-	(199,707)	(148)	405	-	703	(198,747)
Increase (decrease) in accounts payable and accrued expenditures	(38,533)	(12)	(1,023,088)	(6,471)	(3,476)	446	(1,071,134)
Increase (decrease) in due to other funds	-	10,102	779,195	(20,897)	-	-	768,400
Decrease in claims payable	-	(619,623)	(100,389)	-	-	-	(720,012)
Net cash provided by (used in) operating activities	<u>\$ (44,477)</u>	<u>\$ (2,908,812)</u>	<u>\$ (5,899,785)</u>	<u>\$ (66,142)</u>	<u>\$ 302,474</u>	<u>\$ 75,466</u>	<u>\$ (8,541,276)</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, 2014

	<u>Balance at</u> <u>September 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>August 31, 2014</u>
Assets	\$ <u>11,408,291</u>	\$ <u>18,499,676</u>	\$ <u>(17,684,979)</u>	\$ <u>12,222,988</u>
Liabilities	\$ <u>11,408,291</u>	\$ <u>18,499,676</u>	\$ <u>(17,684,979)</u>	\$ <u>12,222,988</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, 2014

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, 2013	Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance at August 31, 2014	
	Maintenance	Debt Service								
2004 and prior years	Various	Various	\$ Various	\$ 13,853,911	\$ -	\$ 87,117	\$ 11,124	\$ (11,302)	\$ 13,744,368	
2005	1.5000	0.1230	38,334,394,797	1,064,917	-	25,168	2,064	(84)	1,037,601	
2006	1.5000	0.1230	40,506,607,208	1,519,587	-	35,457	2,908	(14,052)	1,467,170	
2007	1.3700	0.1230	46,891,428,945	1,398,072	-	60,677	5,448	(12,146)	1,319,801	
2008	1.0400	0.1230	52,962,285,527	1,191,289	-	46,432	5,492	(42,097)	1,097,268	
2009	1.0790	0.1230	58,836,304,076	1,757,181	-	139,302	15,880	(70,594)	1,531,405	
2010	1.0790	0.1230	61,630,025,136	1,888,748	-	286,552	32,665	53,006	1,622,537	
2011	1.0790	0.1480	59,795,510,706	2,239,541	-	338,521	46,433	(72,764)	1,781,823	
2012	1.0790	0.1630	60,510,010,799	2,322,612	-	478,954	72,354	(246,721)	1,524,583	
2013	1.0790	0.1630	62,672,946,147	5,515,629	-	1,980,982	299,259	(558,921)	2,676,467	
2014 (school year under audit)	1.0790	0.1630	67,349,173,527	-	836,476,735	719,902,165	108,752,598	(1,811,498)	6,010,474	
1000 Totals				\$ <u>32,751,487</u>	\$ <u>836,476,735</u>	\$ <u>723,381,327</u>	\$ <u>109,246,225</u>	\$ <u>(2,787,173)</u>	\$ <u>33,813,497</u>	

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, 2014

<u>Data Control Codes</u>	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)	
	1	2	3		
	<u>Original</u>	<u>Final</u>	<u>Actual</u>		
	Revenues				
5700	Local and intermediate sources	\$ 8,402,899	\$ 7,783,701	\$ 6,824,332	\$ (959,369)
5800	State program revenues	1,146,327	1,146,327	1,106,029	(40,298)
5900	Federal program revenues	<u>29,297,029</u>	<u>30,488,537</u>	<u>29,062,919</u>	<u>(1,425,618)</u>
5020	Total revenues	<u>38,846,255</u>	<u>39,418,565</u>	<u>36,993,280</u>	<u>(2,425,285)</u>
	Expenditures				
	Current:				
0035	Food service	<u>40,531,522</u>	<u>39,418,565</u>	<u>38,201,387</u>	<u>1,217,178</u>
6030	Total expenditures	<u>40,531,522</u>	<u>39,418,565</u>	<u>38,201,387</u>	<u>1,217,178</u>
1100	Deficiency of revenues over expenditures	<u>(1,685,267)</u>	<u>-</u>	<u>(1,208,107)</u>	<u>(1,208,107)</u>
1200	Net change in fund balance	(1,685,267)	-	(1,208,107)	(1,208,107)
0100	Fund balance at beginning of year	<u>7,676,356</u>	<u>7,676,356</u>	<u>7,676,356</u>	<u>-</u>
3000	Fund balance at end of year	<u>\$ 5,991,089</u>	<u>\$ 7,676,356</u>	<u>\$ 6,468,249</u>	<u>\$ (1,208,107)</u>

Austin Independent School District

Exhibit J-5

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

Year Ended August 31, 2014

<u>Data Control Codes</u>		1	2	3	Variance With Final Budget Positive (Negative)
		<u>Budgeted Amounts</u>			
		<u>Original</u>	<u>Final</u>	<u>Actual</u>	
	Revenues				
5700	Local and intermediate sources	\$ 108,387,688	\$ 109,961,433	\$ 110,121,315	\$ 159,882
5900	Federal program revenues	984,466	914,466	913,585	(881)
5020	Total revenues	<u>109,372,154</u>	<u>110,875,899</u>	<u>111,034,900</u>	<u>159,001</u>
	Expenditures				
0071	Principal and interest on long-term debt	<u>103,961,570</u>	<u>101,351,724</u>	<u>101,260,692</u>	<u>91,032</u>
6030	Total expenditures	<u>103,961,570</u>	<u>101,351,724</u>	<u>101,260,692</u>	<u>91,032</u>
1100	Excess of revenues over expenditures	<u>5,410,584</u>	<u>9,524,175</u>	<u>9,774,208</u>	<u>250,033</u>
	Other Financing Sources (Uses)				
7911	Refunding bonds issued	-	99,472	144,410,000	144,310,528
7916	Premium or discount on issuance of bonds	-	-	24,607,860	24,607,860
8911	Transfers out	-	-	(60,000,000)	(60,000,000)
8940	Payment to bond refunding escrow agent	-	-	(108,393,049)	(108,393,049)
7080	Total other financing sources (uses)	<u>-</u>	<u>99,472</u>	<u>624,811</u>	<u>525,339</u>
1200	Net change in fund balance	5,410,584	9,623,647	10,399,019	775,372
0100	Fund balance at beginning of year	<u>33,296,893</u>	<u>33,296,893</u>	<u>33,296,893</u>	<u>-</u>
3000	Fund balance at end of year	<u>\$ 38,707,477</u>	<u>\$ 42,920,540</u>	<u>\$ 43,695,912</u>	<u>\$ 775,372</u>

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:	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Net Investment in Capital Assets	\$ 111,317,073	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
Restricted	20,008,700	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
Unrestricted	31,811,870	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
	<u>\$ 163,137,643</u>	<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>

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:	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses by Function										
11 Instruction	\$ 367,917,046	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
12 Instructional resources and media services	12,359,579	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 Curriculum and staff development	17,119,878	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
21 Instructional leadership	12,129,204	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
23 School leadership	39,587,494	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
31 Guidance, counseling, and evaluation services	22,348,916	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
32 Social work services	2,837,979	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
33 Health services	4,708,498	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
34 Student transportation	19,535,113	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
35 Food Service	30,124,879	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
36 Extracurricular activities	11,808,932	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
41 General administration	20,888,965	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
51 Plant maintenance and operations	69,770,558	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
52 Security and monitoring services	7,588,105	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
53 Data processing services	17,094,390	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
61 Community services	10,116,368	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
71 Principal and interest on long-term debt	32,500,738	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
91 Contracted instructional services between schools	131,025,213	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
93 Payments related to shared services arrangements	854,957	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
99 Other intergovernmental charges	-	-	-	-	-	-	-	3,539,138	4,239,735	4,230,810
99 Depreciation-unallocated and other charges	232,849	247,906	270,492	3,875,959	4,276,081	4,390,289	4,649,159	898,475	898,476	941,985
Total Expenses	\$ 830,549,661	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
Program Revenues										
Governmental activities										
Charges for Services:										
11 Instruction	\$ 936,288	1,304,073	1,176,795	993,123	800,677	658,611	692,699	1,381,561	854,498	1,014,693
13 Curriculum and staff development	-	-	-	-	-	-	-	-	-	-
31 Guidance, Counseling and Evaluation	161	-	-	-	-	-	-	-	-	-
35 Food Services	7,714,563	7,950,289	7,717,604	8,263,453	8,283,065	6,841	-	-	-	-
36 Cocurricular/Extracurricular Activities	816,460	744,918	765,481	784,666	758,806	844,943	729,294	648,972	671,463	645,343
41 General Admission	628,586	530,402	587,293	711,648	660,055	772,181	1,157,557	1,484,579	1,506,140	1,646,456
61 Community Services	1,300,463	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
Operation Grants and Contributions	117,307,668	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
Total Primary Government Program Revenues	\$ 128,704,189	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
Net(Expense)/Revenue										
Total primary government expenses	\$ (701,845,472)	(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)

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:	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (Expense) Revenue										
Total Governmental Activities	\$ (701,845,472)	(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)
General Revenues										
Governmental Activities										
Taxes										
Property taxes levied for general purposes	\$ 575,652,608	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
Property taxes levied for debt services	47,277,070	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
State Aid Formula Grants	36,799,431	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
Grants and Contributions	2,661,364	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
Investment earnings	6,277,986	13,327,537	17,310,575	14,957,176	4,162,223	955,337	774,645	859,641	1,178,780	765,185
Gain(loss) on Sale of Equipment or Land	(1,032,353)	(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	9,310,919	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
Total primary government	\$ 676,947,025	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
Change in Net Position										
Total primary government	\$ (24,898,447)	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)

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:		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5700	Local Sources	\$ 653,181,009	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
5800	State Sources	74,083,443	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
5900	Federal Sources	78,375,562	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
	Total	\$ 805,640,014	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

Source: 2005-2014 Exhibit C2 or Exhibit C3 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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
0011 Instruction	\$ 352,143,625	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
0012 Instructional resources and media services	11,351,529	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
0013 Curriculum and staff development	17,138,997	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
0021 Instructional leadership	12,162,541	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
0023 School leadership	38,601,886	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
0031 Guidance, counseling, and evaluation services	22,234,995	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
0032 Social work services	2,841,505	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
0033 Health services	4,676,976	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
0034 Student transportation	20,978,501	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
0035 Food service	29,003,651	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
0036 Extracurricular activities	11,580,219	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
0041 General administration	17,381,078	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
0051 Plant maintenance and operations	69,040,351	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
0052 Security and monitoring services	7,162,079	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
0053 Data processing services	16,146,348	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
0061 Community services	10,127,506	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
0071 Principal on long-term debt	27,876,208	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
0072 Interest on long-term debt	20,717,146	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
0073 Bond issuance costs and fees	1,548,768	881,250	1,146,699	1,203,718	922,571	1,172,572	1,701,185	790,170	1,471,080	1,352,737
0081 Capital outlay	27,495,499	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
0091 Contracted instructional services between schools	131,025,213	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
0092 Incremental costs related to WADA	-	-	-	-	-	-	-	-	-	-
0093 Payments related to shared services arrangements	854,957	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
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
Total Expenditures	\$ 852,089,578	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
Debt Service as a percentage of non capital expenditures ¹	3.40%	3.01%	3.12%	3.66%	3.71%	4.48%	5.04%	5.76%	5.75%	4.67%

Source: 2005-2010 Exhibit C2 Statement of Revenues, Expenditures and Changes in Fund Balances - Audited Financial Statements
2011-2014 Exhibit C3 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 C2 for years 2004 to 2010 and C3 for years 2011 to 2013)

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1100 Excess (deficiency) of revenues over expenditures	\$ (46,449,564)	(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)
Other Financing Sources (Uses)										
7911 Capital-related debt issued (regular bonds)	\$ 196,926,040	96,408,071	166,460,000	102,442,131	99,495,000	83,480,000	91,625,000	-	109,655,000	144,410,000
7912 Sale of real or personal property	37,373	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	2,905,832	-	163,800	50,833	64,129	-	-	979,590	100,000,000	1,040,022
7915 Transfers in	2,328,670	3,331,713	2,475,765	3,073,051	3,659,553	-	-	-	6,837,130	60,000,555
7916 Premium or discount on issuance of bonds	17,786,309	2,120,989	2,612,010	824,353	1,278,390	2,977,279	9,182,638	-	-	24,607,860
8911 Transfers out	(2,372,145)	(3,091,713)	(2,475,765)	(3,073,051)	(3,659,553)	-	(48,182)	(7,000,000)	(100,000,000)	(60,000,555)
8913 Extraordinary items	-	-	-	-	-	(109,050)	-	-	-	-
8940 Payments to refunded bond escrow agent	(205,036,705)	-	(33,692,671)	-	-	(10,611,457)	-	-	-	(108,393,049)
8941 Litigation Settlements	(18,545)	(44,914)	(99,464)	(6,871)	(217,284)	-	-	-	-	-
8949 Other uses	-	-	-	-	-	-	-	(44,255)	(15,891,872)	-
Total Other Financing sources and (uses)	\$ 12,556,829	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
Net Change in Fund Balances	\$ (33,892,735)	(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)

Source: 2005-2014 Exhibit C2 or Exhibit C3 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:	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
3410 Inventories	\$ 1,382,689	1,055,121	976,492	1,320,313	1,489,365	841,254	1,091,747	687,355	562,593	549,259
3430 Prepaid Items	-	575,953	775,682	783,420	479,683	206,620	-	7,689,398	8,516,025	9,484,364
3440 Encumbrances	8,004,705	10,552,937	13,140,457	8,617,162	10,490,560	11,884,979	-	-	-	-
3470 Capital acquisitions and contractual obligation	596,548	-	-	-	-	-	-	-	-	-
3490 Other purposes	10,607,740	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
3600 Unreserved	60,660,165	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
Total Reserved/Unreserved General Fund	\$ 81,251,847	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
All Other Governmental Funds:										
Debt Service	\$ 3,926,904	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
Capital Projects	(11,930,054)	(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)
Food Service	5,229,259	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
Other Purpose	302,211	301,383	-	-	-	-	-	-	-	-
Prepaid-Special Revenue Funds	-	-	-	104,306	-	-	-	-	-	-
Unreserved Special Revenue Funds	2,659,970	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
Total Other Government Funds	\$ 188,290	(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
Total All fund balances	\$ 81,440,137	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

Source: Fiscal Year Ends 2005 - 2010 -- Exhibit C1 Balance Sheet - Governmental Funds - Audited Financial Statements
Fiscal Year Ends 2011 - 2014 -- 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
General Fund				
Non-Spendable	\$ 1,091,747	8,376,753	9,078,618	10,033,623
Assigned	37,946,500	45,858,084	34,552,623	26,606,228
Unassigned	179,627,495	198,101,236	196,599,569	184,320,557
Total General Fund	<u>218,665,742</u>	<u>252,336,073</u>	<u>240,230,810</u>	<u>220,960,408</u>
Non-Spendable				
Food Service -- Non-major	2,688,603	3,433,800	2,923,876	2,939,200
Special Revenue -- Non-major	-	562,444	617,595	857,963
Restricted				
Debt Service -- Non-major	21,399,082	25,455,480	33,296,893	43,695,912
Food Service -- Non-major	6,717,303	6,074,747	4,752,497	3,529,066
Special Revenue -- Non-major	3,184,698	2,433,951	1,591,143	1,596,192
Unassigned				
Captial Projects	<u>(1,874,209)</u>	<u>(52,071,631)</u>	<u>(5,276,897)</u>	<u>(11,472,472)</u>
Total All Governmental Funds	\$ <u>250,781,219</u>	<u>238,224,864</u>	<u>278,135,917</u>	<u>262,106,269</u>

Source: Fiscal Year Ends 2005 - 2014 -- Exhibit C1 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 Year	Net Tax Levy ^A	Collections	Percent of Levy Collected	Delinquent Taxes Collected	Total Taxes Collected	Total Collected as a Percent of Current Tax Levy	Current and Prior Years Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as a Percent of Tax Levy
2005	2004	627,875,845	615,107,399	97.97%	5,006,461	620,113,860	98.76%	25,623,468	4.08%
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	723,649,669	98.63%	34,064,768	4.64%
2012	2011	751,534,334	743,801,556	98.97%	2,343,160	741,458,396	98.66%	32,778,619	4.36%
2013	2012	778,397,991	772,707,013	99.27%	2,729,878	769,977,135	98.92%	32,751,487	4.21%
2014	2013	836,476,735	832,627,552	99.54%	3,972,789	828,654,763	99.06%	33,813,497	4.04%

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
2005	36,165,485,239	4,026,266,741	40,191,751,980	28,278,152	100.07%	1.6230
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

Source: Travis County Appraisal District

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

The 2013 tax year appraised value is used for year 2014 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
2005	1.5000	0.1230	1.6230
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

Source: Schedule of Delinquent Taxes Receivable

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 Assessed Valuation	Estimated Population ¹	Per Capita Income	Personal Income ¹	Debt as a Percentage of Personal Income	Net Bonded Debt Per Capita	Taxable Assessed Valuation Per Capita
2005	36,165,485,239	100%	465,705,631	3,926,904	461,778,727	1.28%	879,247	36,093	31,734,939,000	1.46%	525.1979558	41,132
2006	34,810,728,029	100%	540,178,868	9,949,367	530,229,501	1.52%	901,701	38,457	34,676,637,000	1.53%	588.0325086	38,606
2007	40,998,488,977	100%	651,070,122	18,435,234	632,634,888	1.54%	937,541	40,039	37,538,232,000	1.69%	674.7810368	43,730
2008	46,543,938,715	100%	721,549,977	22,276,667	699,273,310	1.50%	969,892	40,430	39,212,702,000	1.78%	720.9805937	47,989
2009	51,860,519,398	100%	784,736,958	25,271,334	759,465,624	1.46%	998,561	40,143	40,085,585,000	1.89%	760.5600699	51,935
2010	54,483,280,231	100%	815,859,384	20,605,125	795,254,259	1.46%	1,026,158	42,156	43,258,751,000	1.84%	774.9822727	57,990
2011	52,385,469,445	100%	863,364,919	21,399,083	841,965,836	1.61%	1,049,873	43,744	45,925,294,000	1.83%	801.9692248	54,157
2012	52,479,885,144	100%	804,685,760	25,455,483	779,230,277	1.48%	1,095,805	46,298	50,733,585,000	1.54%	711.1030494	47,892
2013	54,260,040,368	100%	845,433,794	33,296,893	812,136,901	1.50%	1,120,954	48,562	54,435,509,000	1.49%	724.5051099	48,405
2014	58,146,390,574	100%	863,050,468	43,695,912	819,354,556	1.41%	1,141,655	-	-	-	717.6901568	50,932

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:	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Taxing Jurisdiction										
Austin CCD	\$ 0.09000	0.09910	0.09650	0.09580	0.09540	0.09460	0.09510	0.09510	0.09490	0.09420
Austin, City of	0.44300	0.44300	0.41260	0.40340	0.40120	0.42090	0.45710	0.50290	0.50270	0.48090
NW Travis Rd Dist # 3	0.18000	0.16500	0.13000	0.11000	0.11000	0.12500	0.14500	0.13000	0.12230	-
Shady Hollow MUD	0.17000	0.15000	0.15000	0.14910	0.14690	0.05000	0.05000	0.05000	0.05000	0.04930
Sunfield MUD #1	-	-	0.90000	0.90000	0.90000	0.90000	0.90000	0.90000	0.90000	0.90000
Sunset Vally, City of	-	-	-	-	-	-	-	-	-	-
Travis Co	0.48720	0.49930	0.44990	0.42160	0.41220	0.42150	0.46580	0.50010	0.49460	0.45630
Travis Co ESD # 3	0.10000	0.09940	0.10000	0.10000	0.10000	0.10000	0.10000	0.09890	0.09640	0.09080
Travis Co Healthcare District	0.07790	0.07340	0.06930	0.06790	0.06740	0.07190	0.07890	0.07890	0.12900	0.12640
Travis Co MUD # 3	0.57920	0.56920	0.54250	0.52320	0.49500	0.49500	0.50000	0.52000	0.50000	0.48410
Travis Co MUD # 4	0.67960	0.72640	0.69270	0.69270	0.67150	0.72960	0.72960	0.72960	0.72960	0.72960
Travis Co MUD # 5	0.90890	0.90890	0.90890	0.90890	0.90890	0.85710	0.85710	0.81200	0.81200	0.76930
Travis Co MUD # 6	0.63160	0.58610	0.51820	0.48310	0.45310	0.46650	0.47500	0.47500	0.47100	0.46000
Travis Co MUD # 8	0.90890	0.84890	0.77960	0.72130	0.72130	0.72130	0.72130	0.72130	0.72130	0.72130
Total	\$ 5.25630	5.16870	5.75020	5.57700	5.48290	5.45340	5.57490	5.61380	5.62380	5.36220

Source: Travis County Appraisal District

Debt Capacity

Austin Independent School District

Table 13 – Direct and Overlapping Debt
General Obligation Bonds

August 31, 2014

(Unaudited)

Taxing Body	Net Debt Amount	As of	Percent Overlapping¹	Amount Overlapping
Austin CCD	\$ 82,713,659	11/30/14	50.84%	\$ 42,051,624
Austin, City of	1,104,419,387	9/30/14	75.39%	832,621,776
Shady Hollow MUD	2,975,000	11/30/14	100.00%	2,975,000
Sunfield MUD #1	12,036,342	4/30/13	0.01%	1,204
Travis Co	631,407,697	3/4/14	59.28%	374,298,483
Travis Co ESD # 3	2,855,000	11/30/14	100.00%	2,855,000
Travis Co Healthcare Dist	13,240,000	11/30/14	59.28%	7,848,672
Travis Co MUD # 3	35,910,551	9/30/13	100.00%	35,910,551
Travis Co MUD # 4	4,559,650	9/30/13	100.00%	4,559,650
Travis Co MUD # 5	8,764,582	9/30/13	100.00%	8,764,582
Travis Co MUD # 6	9,541,983	9/30/13	100.00%	9,541,983
Travis Co MUD # 8	5,456,878	9/30/13	100.00%	5,456,878
Total Estimated Overlapping Debt				\$ 1,326,885,403
Austin ISD		08/31/14		\$ 866,650,592
Total Direct and Overlapping Net Debt:				\$ 2,193,535,995

Source: Municipal Advisory Council of Texas

Note ¹ 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, 2014

(Unaudited)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Market Value ^A	\$ 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	49,636,950,599
Less: Exemptions and Reductions in Value ^B	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)	(6,245,996,316)
Less: Freeze Taxable and Transfer Adjustments	(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)	(3,199,202,303)
Total Appraised Value for School Tax Purposes	\$ 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	40,191,751,980
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	\$ 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	4,019,175,198
Total Bonded Debt	815,122,549	845,433,794	804,685,760	863,364,919	815,859,384	784,736,958	721,549,977	651,070,122	540,178,868	465,705,631
Less: Reserve for Retirement of Bonded Debt	(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)	(3,926,904)
Net Bonded Debt Applicable to Debt Limit	\$ 771,426,637	812,136,901	779,230,277	841,965,836	795,254,259	759,465,624	699,273,310	632,634,888	530,229,501	461,778,727
Legal Debt Margin	\$ 7,744,753,912	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	3,557,396,471
Legal Debt Margin to the Legal Debt Limit	90.94%	86.23%	86.34%	85.19%	86.64%	86.68%	86.41%	86.17%	86.51%	88.51%
Total Net Bonded Debt Applicable to Debt Limit as a Percentage of Debt Limit	9.06%	13.77%	13.66%	14.81%	13.36%	13.32%	13.59%	13.83%	13.49%	11.49%

Sources: Travis County Appraisal District

Note ^A: The 2013 tax year appraised value is used for year 2014 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
2005	26,140,211	20,448,658	46,588,869	662,226,871	7.04%
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%

Sources:

Audited Financial Statements:

Statement of Revenues, Expenditures and Changes in Fund Balances

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 2014	Percent to Total	Market Value Fiscal Year 2013	Percent to Total	Market Value Fiscal Year 2012	Percent to Total
Real Residential - Single Family	\$ 39,833,583,879	49.26%	\$ 37,318,390,026	49.75%	\$ 37,060,656,565	51.02%
Real Residential - Multi Family	10,269,099,469	12.70%	8,955,429,811	11.94%	8,162,960,024	11.24%
Real Vacant Platted Lots/Tracts	815,808,908	1.01%	812,513,136	1.08%	739,945,941	1.02%
Real Acreage (Land Only)	247,704,770	0.31%	359,592,475	0.48%	362,734,951	0.50%
Real, Farm & Ranch Improvements	183,999,823	0.23%	47,439,739	0.06%	45,255,855	0.06%
Real Commercial Industrial	16,684,401,030	20.63%	15,706,964,842	20.94%	14,775,042,507	20.34%
Real & Intangible Personal - Utilities	578,132,518	0.72%	506,094,796	0.67%	577,286,320	0.79%
Tangible Personal Business	4,344,226,274	5.37%	4,036,125,210	5.38%	3,845,604,025	5.29%
Tangible Personal Other	52,439,863	0.06%	54,276,624	0.07%	54,268,792	0.07%
Inventory	427,885,770	0.53%	472,845,006	0.63%	501,975,059	0.69%
Other (Exempt)	7,419,017,200	9.18%	6,742,224,142	8.99%	6,510,280,955	8.96%
Total Market Value	\$ 80,856,299,504	100.00%	\$ 75,011,895,807	100.00%	\$ 72,636,010,994	100.00%
Less Exemptions:						
Agricultural Valuation	\$ 237,345,415		\$ 216,003,582		\$ 214,086,182	
Homestead Cap	594,241,573		269,907,238		330,801,231	
Homestead	1,700,780,396		1,702,331,868		1,697,703,731	
Over 65	998,685,615		964,472,480		920,970,365	
Disabled Persons & Veterans	221,370,120		207,057,510		198,709,830	
Exempt Property	7,350,940,635		6,741,661,181		6,510,280,955	
Prorated Exempt Property	34,728,724		27,733,412		45,987,301	
Historical	150,181,749		142,849,964		143,034,325	
Low Income Housing	14,281,080		12,144,242		12,653,536	
Pollution Control	29,163,607		30,913,877		26,958,160	
Economic Development	-		-		-	
Energy	9,669,807		-		-	
Freeport	-		-		-	
Solar	17,112,757		4,500,256		236,713	
Total Exemptions	\$ 11,358,501,478		\$ 10,319,575,610		\$ 10,101,422,329	
Less:						
Freeze Taxable Adjustment	\$ 6,221,408,506		\$ 5,716,500,561		\$ 5,484,612,868	
Transfer Adjustment	-		-		-	
Total Freeze and Transfer Adjustment	\$ 6,221,408,506		\$ 5,716,500,561		\$ 5,484,612,868	
Appraised Value for School Tax Purpose	\$ 63,276,389,520		\$ 58,975,819,636		\$ 57,049,975,797	

Source: Travis County Appraisal District (2013 Certified Totals, Supplement 23, Dated 02/03/15)

Austin Independent School District

Table 17 – Ten Largest Taxpayers

Current Fiscal Year with Nine Years Ago Comparison

(Unaudited)

Fiscal Year Ending August 31, 2014

Principal Taxpayers	Type of Property	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation to Total Assessed Taxable Valuation
PKY-San Jacinto Center LLC	Real Estate	\$ 747,257,757	1.110%
Columbia/St. David's Health Care	Healthcare	475,554,898	0.706%
Freescale Semiconductor	Manufacturing	316,107,837	0.469%
IBM Corporation	Computers	238,991,360	0.355%
HEB Grocery Company Ltd	Grocery Retail/Distro	178,018,732	0.264%
ACC OP (The Block) LLC	Real Estate	154,987,000	0.230%
Finley Company	Real Estate	142,876,069	0.212%
7171 Southwest Parkway Holdings LLLP	Real Estate	142,364,337	0.211%
MCP 100 Congress LLC	Real Estate	129,558,952	0.192%
CJUF II Stratus Block 21 LLC	Real Estate	129,050,069	0.192%
Total Ten Principal Taxpayers		\$ 2,654,767,011	3.942%
Total Taxable Assessed Valuation Austin ISD		\$ 67,349,173,527	

Fiscal Year Ending August 31, 2005

Principal Taxpayers	Type of Property	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation to Total Assessed Taxable Valuation
Freescale Semiconductor	Manufacturing	298,568,218	0.779%
IBM Corporation	Computers	261,474,842	0.682%
Southwestern Bell Telephone	Manufacturing	216,501,300	0.565%
Freescale	Manufacturing	184,794,204	0.482%
National Instruments Corporation	Manufacturing	125,596,855	0.328%
Columbia/St. David Health Care	Healthcare	124,247,429	0.324%
Time Warner Entertainment	Cable	94,417,630	0.246%
Dell Inc.	Manufacturing	92,908,971	0.242%
HEB Grocery Company Ltd	Grocery Retail/Distro	87,067,643	0.227%
Cousins Properties Texas LP	Real Estate	80,143,870	0.209%
Total Ten Principal Taxpayers		\$ 1,565,720,962	4.084%
Total Taxable Assessed Valuation Austin ISD		\$ 38,334,394,797	

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
2005 ¹	-	-	-	874,089,053
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

Source: Travis County Appraisal District

Note ¹ Due to system conversion, split between Commercial/Non-commercial is not available
FY2005

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:		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
Beginning Fund Equity (9/1)	\$ 218,665,742	\$ 252,336,073	\$ 240,230,810
Revenues			
From Ad Valorem Taxes	657,285,559	681,210,937	733,130,919
% of Total Revenue	79.20%	84.70%	89.64%
From State and Federal Funds	152,343,733	101,842,960	62,544,644
% of Total Revenue	18.36%	12.66%	7.65%
From Other Local Sources	20,290,853	21,198,081	22,198,036
% of Total Revenue	2.44%	2.64%	2.71%
	<u>829,920,145</u>	<u>804,251,978</u>	<u>817,873,599</u>
Total Expenditures	790,197,800	818,019,246	838,219,524
Net Transfers and Other Increases (Decreases) to Fund Equity	(6,052,014)	1,662,005	1,075,523
Ending Fund Equity (8/31)	<u>\$ 252,336,073</u>	<u>\$ 240,230,810</u>	<u>\$ 220,960,408</u>
Per Student Calculations:			
Assessed Valuation Per Student	\$ 747,776	\$ 754,859	\$ 745,746
Ad Valorem Tax Revenues Per Student	\$ 7,578	\$ 7,967	\$ 9,402
State and Federal Funds Per Student	1,756	1,191	802
Other Local Sources Per Student	234	248	285
Total Revenue Per Student	<u>\$ 9,568</u>	<u>\$ 9,406</u>	<u>\$ 10,488</u>
Total Expenditures Per Student	<u>\$ 9,111</u>	<u>\$ 9,567</u>	<u>\$ 10,749</u>
Average Daily Attendance	86,732	85,502	77,980

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
2005	879,247	36,093	31,734,939,000	79,707	72,312	10,449
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	1,158,281	-	-	85,014	77,974	11,538

Sources: Peak Enrollment and District Employees: TEA TAPR
 Average Daily Attendance (ADA): PEIMS
 Estimated Population and Personal Income: Texas Workforce Commission
 2014 Estimated Population: City of Austin
 2009-2010 data is from the US Census Bureau, Bureau of Economic Analysis, Department of Commerce

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	2014	Percent of	Rank	2005	Percent of
			Number of Employees (1)	MSA Total (3)		Number of Employees (2)	MSA Total (2)
				%			%
State Government	Government	1	63,559	5.49%	1	67,700	7.60%
The University of Texas Austin	Government	2	24,183	2.09%	2	21,905	2.46%
Dell Computer Corporation	Computers	3	14,000	1.21%	3	24,600	2.76%
Seton Healthcare Network	Healthcare	4	12,770	1.10%	4	7,722	0.87%
City of Austin	Government	5	12,580	1.09%	7	11,102	1.25%
Austin Independent School District	Education	6	12,241	1.06%	5	10,714	1.20%
Federal Government	Government	7	11,760	1.02%	6	10,300	1.16%
St. David's Healthcare Partnership	Healthcare	8	8,100	0.70%	8	5,127	0.58%
IBM Corporation	Computers	9	6,000	0.52%	9	6,300	0.71%
Internal Revenue Service	Government	10	5,405	0.47%	10	4,437	0.50%
			<u>170,598</u>	<u>14.73%</u>		<u>169,907</u>	<u>19.06%</u>

²Metropolitan Statistical Area (MSA) 2005 891,266

³Metropolitan Statistical Area (MSA) 2014 1,158,281

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

(2) Source: Texas LMCI Tracer

(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
2005	662,226,871	72,312	9,158
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

Fiscal Year Ended August 31:	Total Governmental Funds Expenditures ¹	Average Daily Attendance ²	Per Pupil Costs
2005	852,089,578	72,312	11,784
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

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, 2014

(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	\$319,484	\$1,000	1/15/14 to 1/15/15	\$3,355
2	Affiliated FM Global	Key & Piskuran	GQ633 Acc't #1-52560	Building & Contents	\$2,012,980,048 cov.limit-\$750,000,000 per Occurrence	\$100,000 (flood/quake/theft)	9/1/13 to 9/1/14	\$899,475 (limited flood \$31,728) \$510 premium & \$100 policy fee)
3	Scottsdale Indemnity Co.	Wm. Gammon	EKI070841	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	Security Life Insurance Co. of America	The Brokerage Store	42-24-4727- 800-042-2	UIL Student Athletic-underlying UIL Student Athletic-catastrophic	\$25,000	None	8/1/14 to 7/31/15 8/1/14 to 7/31/15	\$143,500 \$19,920
5a	Burlington Insurance Co.	Wm. Gammon	110B006342	General Liability - Various Properties, Owned & Rental, (6 total) including Ag Farm	\$1,000,000/\$2,000,000	None	1/15/14 to 1/15/15	\$9,003.38
5b	Associated International Insurance	Wm. Gammon	XOBW2939910	Excess Liability for Properties listed above	\$4,000,000/\$4,000,000	None	1/15/14 to 1/15/15	\$4,878
6	SureTec Insurance Co.	Wm. Gammon	POA-5154308	Tax Collectors Bond Travis County	\$100,000	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 \$20,000 \$40,000	9/1/13 to 9/1/14 9/1/13 to 9/1/14 9/1/13 to 9/1/14	\$53,758 \$334,338

Austin Independent School District

Table 23 – Schedule of Insurance and
Surety Bonds in Force

August 31, 2014

(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	\$50,000	11/1/14 to 11/1/15	\$84,919
9	Lexington Ins. Co.	Alamo Ins.	21468994	Portable Classrooms & Contents	\$1 mil. flood/quake \$54,190,800	\$25,000 flood/quake \$10,000 per occur. \$25,000/quake 5% TIV/flood	9/1/13 to 9/1/14	\$135,917
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	9/1/13 to 9/1/14	Self-Insured
11	Chicago Insurance Co.	Bill Beatty	AHC-7000933	Student Medical Prof. Ins.	\$1,000,000/\$3,000,000	None	12/11/13 to 12/11/14	\$7,612
12	Insurors Indemnity Bond Co.	Wm. Gammon	Various	Peace Officers Bonding 72 Officers as of January 2014	\$1,000	None	Annually Renewed Each Officer	\$50 x 72
13	CNA Continental Casualty	Wm. Gammon	2091655209	Boiler & Machinery	\$25,000,000	\$10,000	09/01/13 to 09/01/134	\$36,947
14	National Union Fire Ins. Co	Wm. Gammon	01-601-83-51	Employee Fidelity - Crime	\$1,000,000	\$10,000	11/11/13-11/11/14	\$13,305

Austin Independent School District

Table 24 – Miscellaneous Statistical Data

August 31, 2014

(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	2,205	2,069	5	309,499	44.3
Lanier High	1966	9-12	1,627	1,791	14	243,178	28.5
McCallum High	1900	9-12	1,596	1,664	9	226,267	31.1
Reagan High	1965	9-12	1,588	1,233	2	252,363	31.8
Travis High	1953	9-12	1,862	1,385	5	275,890	34.8
Crockett High	1969	9-12	2,163	1,520	8	327,831	39.5
Anderson High	1973	9-12	2,373	2,229	5	309,077	38.8
Secondary Alternative Learning Center	1953	6-12	441	38	6	86,585	19.8
Bowie High	1988	9-12	2,463	2,933	11	411,351	66.0
LBJ Comprehensive High School	1974	9-12	902	830	6	293,046	41.4
Garza Independence High	1939	9-12	321	153	4	44,754	3.1
Akins High	2000	9-12	2,394	2,712	20	345,493	57.7
LASA	1974	9-12	940	1,006	4	291,406	41.4
Eastside Memorial High	1960	9-12	1,156	639	2	253,815	27.6
Richards SYWL	1958	6-12	924	782	4	121,346	15.3
International High School	1960	9-12	392	309	0	253,815	27.6
Middle Schools:							
Fulmore Middle	1911	6-8	1,078	949	6	156,804	9.8
Kealing Middle	1986	6-8	1,333	1,173	0	192,552	13.2
Lamar Middle	1955	6-8	1,008	867	3	130,714	14.3
Burnet Middle	1961	6-8	1,039	1,058	14	136,563	23.7
O. Henry Middle	1953	6-8	945	895	7	141,413	13.8
Pearce Middle	1958	6-8	1,078	315	1	132,596	14.8
Martin Middle	1966	6-8	804	561	5	107,342	9.9
Murchison Middle	1967	6-8	1,113	1,348	16	122,677	26.2
Webb Middle (including Primary Center)	1961	6-8, (EC - 3)	1,047	923	20	120,985	15.6
Bedichek Middle	1972	6-8	941	906	15	132,284	23.3
Dobie Middle (including Pre-K)	1973	6-8, (EC - PK)	1,239	923	20	133,675	20.2
Garcia Middle	2007	6-8	1,215	375	0	161,147	41.3
Covington Middle	1986	6-8	1,125	591	0	172,364	21.3
Mendez Middle	1987	6-8	1,215	822	6	173,382	20.7
Bailey Middle	1993	6-8	1,176	911	5	147,444	41.3
Small Middle	1999	6-8	1,239	977	1	160,608	36.5
Paredes Middle	2000	6-8	1,156	1,029	4	143,037	78.2
Gorzycki Middle	2009	6-8	1,323	1,329	3	169,045	14.2

Austin Independent School District

Table 24 – Miscellaneous Statistical Data

August 31, 2014

(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	462	5	61,426	10.7
Andrews Elementary	1962	EC, PK-5	636	651	9	60,032	7.7
Baranoff Elementary	1999	EC, K-5	794	994	8	80,088	15.6
Barbara Jordan Elementary	1992	PK-6	655	706	5	73,893	11.5
Barrington Elementary	1969	EC, PK-6	556	569	2	75,385	12.1
Barton Hills Elementary	1964	EC, K-6	418	403	7	38,290	9.9
Becker Elementary	1936	EC, PK-5	449	329	2	59,296	3.7
Blackshear Elementary	1903	PK-5	561	271	0	70,071	5.3
Blanton Elementary	1964	PK-5	711	509	5	71,609	8.0
Blazier Elementary	2007	EC, PK-5	598	937	15	82,897	15.4
Boone Elementary	1986	EC, PK-5	752	495	0	72,858	12.5
Brentwood Elementary	1951	EC, PK-5	585	571	5	62,890	16.7
Brooke Elementary	1954	EC, PK-5	393	345	3	51,588	5.9
Brown Elementary	1957	EC, PK-6	449	391	6	49,307	10.1
Bryker Woods Elementary	1939	EC, K-6	418	392	6	37,499	6.3
Campbell Elementary	1992	EC, PK-5	524	259	0	61,322	9.7
Casey Elementary	1998	EC, PK-5	692	641	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	625	7	67,355	12.7
Cowan Elementary	1999	EC, PK-5	648	799	7	70,234	22.5
Cunningham Elementary	1963	EC, PK-5	627	395	3	71,191	8.8
Davis Elementary	1993	EC, PK-5	731	721	4	71,734	13.2
Dawson Elementary	1954	EC, PK-5	524	327	4	55,301	8.7
Doss Elementary	1970	EC, PK-5	543	906	12	60,521	9.7
Galindo Elementary	1989	EC, PK-5	711	569	4	85,513	10.8
Govalle Elementary	1940	EC, PK-5	598	509	3	75,468	8.4
Graham Elementary	1972	EC, PK-5	580	761	6	70,590	9.9
Guerrero Thompson Elementary	2013	EC, PK-5	748	671	1	98,000	18.7
Gullett Elementary	1956	EC, PK-5	418	554	8	39,826	17.9
Harris Elementary	1955	EC, PK-5	692	646	9	55,794	7.3
Hart Elementary	1998	EC, PK-5	711	695	7	81,042	15.7
Highland Park Elementary	1952	EC, PK-5	585	633	6	58,557	6.3
Hill Elementary	1970	EC, PK-5	627	889	9	69,626	8.9
Houston Elementary	1976	EC, PK-5	692	755	9	80,229	13.8
Joslin Elementary	1954	EC, PK-5	374	256	4	44,829	5.1
Kiker Elementary	1992	EC, PK-5	731	1,023	10	74,156	12.4
Kocurek Elementary	1986	EC, PK-5	673	535	1	76,346	12.3
Langford Elementary	1980	PK-5	692	734	9	77,748	10.7
Lee Elementary	1939	EC, K-6	418	389	1	45,098	4.8
Linder Elementary	1972	EC, PK-5	588	418	4	69,544	9.1
Lucy Read Prekindergarten Demonstration Sch	1961	EC, PK	352	273	9	37,188	9.9
Maplewood Elementary	1951	EC, PK-6	355	419	6	45,389	6.4
Mathews Elementary	1916	PK-6	397	405	3	42,124	2.3
McBee Elementary	1999	EC, K-5	580	531	2	69,716	10.9
Menchaca Elementary	1975	EC, PK-5	585	720	8	59,994	19.8

Austin Independent School District

Table 24 – Miscellaneous Statistical Data

August 31, 2014

(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	788	6	81,368	10.7
Norman Elementary	1970	PK-6	486	286	1	58,519	10.2
Oak Hill Elementary	1974	EC, PK-5	773	791	4	75,143	13.7
Oak Springs Elementary	1958	EC, PK-5	411	285	3	47,102	8.6
Odom Elementary	1970	EC, PK-5	542	525	5	61,009	8.6
Ortega Elementary	1959	EC, PK-5	355	329	5	47,301	7.4
Overton Elementary	2007	EC, PK-6	598	631	7	83,405	70.4
Padron Elementary	2014	EC-5	880	648	0	143,142	6.7
Palm Elementary	1987	EC, PK-5	636	496	0	78,101	13.2
Patton Elementary	1986	EC, PK-5	940	936	10	76,213	24.1
Pease Elementary	1876	K-6	293	254	0	35,623	2.8
Pecan Springs Elementary	1957	EC, PK-5	524	443	3	56,992	7.6
Perez Elementary	2006	EC, PK-5	617	774	10	82,223	28.0
Pickle Elementary	2001	EC, PK-5	561	726	5	116,427	17.5
Pillow Elementary	1969	EC, PK-5	502	598	8	54,247	10.0
Pleasant Hill Elementary	1985	EC, PK-5	505	519	5	65,825	10.1
Reilly Elementary	1954	EC, PK-5	318	271	5	41,646	10.8
Ridgetop Elementary	1939	EC, PK-5	224	292	4	34,617	5.0
Rodriguez Elementary	1999	EC, PK-5	711	805	11	79,918	15.0
Baldwin Elementary	2010	PK-5	669	730	4	86,896	14.2
Sanchez Elementary	1976	EC, PK-5	580	415	3	78,951	9.2
Sims Elementary	1956	PK-6	355	228	3	44,337	8.4
St. Elmo Elementary	1960	EC, PK-5	411	297	1	48,922	9.4
Summitt Elementary	1986	EC, PK-5	731	775	8	75,903	14.5
Sunset Valley Elementary	1971	EC, PK-5	561	503	2	66,467	10.4
Travis Heights Elementary	1938	EC, PK-5	524	467	3	59,330	3.2
Uphaus Early Childhood Center	2012	PK	367	217	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	573	6	74,523	10.7
Williams Elementary	1976	EC, PK-5	561	501	5	64,436	14.0
Winn Elementary	1970	EC, PK-5	524	317	2	60,758	10.0
Wooldridge Elementary	1969	EC, PK-5	655	565	7	70,474	11.6
Wooten Elementary	1955	EC, PK-5	468	699	13	53,689	6.7
Zavala Elementary	1937	EC, PK-6	561	395	0	69,142	3.4
Zilker Elementary	1950	EC, PK-5	460	563	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, 2014, 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, 2015.

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.

AUSTIN

811 BARTON SPRINGS ROAD, SUITE 550
AUSTIN, TEXAS 78704
512 476 0717

HOUSTON

1980 POST OAK BOULEVARD, SUITE 1500
HOUSTON, TEXAS 77056
800 879 4966

SAN ANTONIO

100 N.E. LOOP 410, SUITE 1100
SAN ANTONIO, TEXAS 78216
210 828 6281

TOLL FREE: 800 879 4966
WEB: PADGETT-CPA.COM

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, 2015



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 Circular A-133 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, 2014. 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.

AUSTIN

811 BARTON SPRINGS ROAD, SUITE 550
AUSTIN, TEXAS 78704
512 476 0717

HOUSTON

1980 POST OAK BOULEVARD, SUITE 1500
HOUSTON, TEXAS 77056
800 879 4966

SAN ANTONIO

100 N.E. LOOP 410, SUITE 1100
SAN ANTONIO, TEXAS 78216
210 828 6281

TOLL FREE: 800 879 4966
WEB: PADGETT-CPA.COM

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, 2014.

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, 2015

Austin Independent School District

Schedule of Findings and Questioned Costs

Year Ended August 31, 2014

(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, 2014

(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>
84.010A	ESEA, Title I, Part A - Improving Basic Programs Special Education Cluster:
84.027A	IDEA – Part B, Formula
84.173A	IDEA – Part B, Preschool
84.287C	21st Century Community Learning Centers

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, 2014

(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:				
S060A120771	379	Indian Education Formula Grants to LEAs	84.060A	\$ (38)
S060A130771	379	Indian Education Formula Grants to LEAs	84.060A	63,721
S060A140771	379	Indian Education Formula Grants to LEAs	84.060A	<u>2,381</u>
		Subtotal, Indian Education Formula Grants to LEAs		<u>66,064</u>
U363A080139-11	289	Legacy Leadership: A Model for District Succession Planning	84.363A	45,210
U363A080139-12	289	Legacy Leadership: A Model for District Succession Planning	84.363A	<u>53,081</u>
		Subtotal, Legacy Leadership: A Model for District Succession Planning		<u>98,291</u>
S374A100010	289	REACH: Supporting and Rewarding Success in the Classroom	84.374A	<u>16,214,533</u>
		Total Direct Programs		<u>16,378,888</u>
Passed Through The University of Texas at Austin:				
N/A	199	Federal Work-Study Program	84.033	<u>45,886</u>
		Total Passed Through The University of Texas at Austin		<u>45,886</u>
Passed Through the Texas Education Agency:				
134100087110493	220	Adult Ed. – English Literacy & Civics Education, Section 231	84.002A	<u>4,117</u>
13610101227901	211	ESEA, Title I, Part A – Improving Basic Programs	84.010A	(73,942)
14610101227901	211	ESEA, Title I, Part A – Improving Basic Programs	84.010A	24,155,931
15610101227901	211	ESEA, Title I, Part A – Improving Basic Programs	84.010A	<u>1,666,309</u>
		Subtotal, ESEA Title I Part A – Improving Basic Programs		<u>25,748,298</u>
13610103227901	211	ESEA Title I Part D, Subpart 2 – Delinquent Programs	84.010A	956
14610103227901	211	ESEA Title I Part D, Subpart 2 – Delinquent Programs	84.010A	464,405
15610103227901	211	ESEA Title I Part D, Subpart 2 – Delinquent Programs	84.010A	<u>28,827</u>
		Subtotal, ESEA Title I Part D, Subpart 2 – Delinquent Programs		<u>494,188</u>

Austin Independent School District

Exhibit K-1 Schedule of Expenditures of Federal Awards

Year Ended August 31, 2014

(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	\$ 16,063
14610112227901014	211	Title I 1003(A) Priority and Focus School Grants – LBJ	84.010A	15,650
14610112227901019	211	Title I 1003(A) Priority and Focus School Grants – Eastside	84.010A	7,452
14610112227901048	211	Title I 1003(A) Priority and Focus School Grants – Pearce	84.010A	85,282
14610112227901055	211	Title I 1003(A) Priority and Focus School Grants – Dobie	84.010A	13,602
14610112227901058	211	Title I 1003(A) Priority and Focus School Grants – Mendez	84.010A	16,185
14610112227901109	211	Title I 1003(A) Priority and Focus School Grants – Brown	84.010A	16,090
		Subtotal, ESEA Title I – School Improvement Program		<u>170,324</u>
136600012279016600	224	IDEA – Part B, Formula	84.027A	2,198
146600012279016600	224	IDEA – Part B, Formula	84.027A	15,056,268
156600012279016600	224	IDEA – Part B, Formula	84.027A	1,074,435
		Subtotal, IDEA – Part B, Formula		<u>16,132,901</u>
146600112279016673	315	IDEA – Part B, Discretionary (Deaf)	84.027A	46,790
146600012279016601	316	IDEA – Part B, Formula (Deaf)	84.027A	39,629
156600012279016601	316	IDEA – Part B, Formula (Deaf)	84.027A	2,141
		Subtotal, IDEA – Part B, Formula (Deaf)		<u>41,770</u>
13420006227901	244	Carl D. Perkins Basic Grant Formula for CATE	84.048A	(113)
14420006227901	244	Carl D. Perkins Basic Grant Formula for CATE	84.048A	1,023,140
15420006227901	244	Carl D. Perkins Basic Grant Formula for CATE	84.048A	50,005
		Subtotal, Carl D. Perkins Basic Grant Formula for CATE		<u>1,073,032</u>
146610012279016610	225	IDEA – Part B, Preschool	84.173A	516,133
156610012279016610	225	IDEA – Part B, Preschool	84.173A	31,787
		Subtotal, IDEA – Part B, Preschool		<u>547,920</u>
146610012279016611	317	IDEA – Part B, Preschool (Deaf)	84.173A	7,298
143911012279013911	340	IDEA – Part C, Early Childhood Intervention (Deaf)	84.181A	4,125

Austin Independent School District

Exhibit K-1 Schedule of Expenditures of Federal Awards

Year Ended August 31, 2014

(Continued)

(1)			(2)	(3)
Project Number	Data Control Codes	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Expenditures Indirect Costs and Refunds
145900187110001	258	2014-2015 PCSP Start-Up Grants	84.282A	\$ 36,673
136950167110003	265	21st Century Community Learning Centers CY 7 Yr 2	84.287C	(2,239)
126950147110004	265	21st Century Community Learning Centers CY 6 Yr 4	84.287C	(1,077)
146950167110003	265	21st Century Community Learning Centers CY 7 Yr 3	84.287C	1,785,131
146950197110003	265	21st Century Community Learning Centers CY 8 Yr 1	84.287C	2,038,388
136950147110004	265	21st Century Community Learning Centers CY 6 Yr 5	84.287C	1,251,453
156950167110003	265	21st Century Community Learning Centers CY 7 Yr 4	84.287C	71,417
156950197110003	265	21st Century Community Learning Centers CY 8 Yr 2	84.287C	101,481
		Subtotal, Texas 21st Century Community Learning Centers		<u>5,244,554</u>
13671001227901	263	Title III, Part A – LEP	84.365A	(9,797)
14671001227901	263	Title III, Part A – LEP	84.365A	2,695,142
15671001227901	263	Title III, Part A – LEP	84.365A	344,287
		Subtotal, Title III, Part A – LEP		<u>3,029,632</u>
13694501227901	255	ESEA Title II, Part A Teacher and Principal Training and Recruiting	84.367A	(10,782)
14694501227901	255	ESEA Title II, Part A Teacher and Principal Training and Recruiting	84.367A	3,003,910
15694501227901	255	ESEA Title II, Part A Teacher and Principal Training and Recruiting	84.367A	345,026
		Subtotal, ESEA Title II, Part A		<u>3,338,154</u>
69551102	289	Summer School LEP	84.369A	(314)
69551202	289	Summer School LEP	84.369A	120,162
69551302	289	Summer School LEP	84.369A	130,739
		Subtotal, Summer School LEP		<u>250,587</u>
126460037110003	289	Texas Literacy Initiative	84.371C	1,081,289
136460037110003	289	Texas Literacy Initiative	84.371C	3,182,838
146460037110003	289	Texas Literacy Initiative	84.371C	38,359
		Subtotal, Texas Literacy Initiative		<u>4,302,486</u>

Austin Independent School District

Exhibit K-1 Schedule of Expenditures of Federal Awards

Year Ended August 31, 2014

(Continued)

(1)			(2)	(3)
Project Number	Data Control Codes	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Expenditures Indirect Costs and Refunds
126107047110002	276	Texas Title I Priority School Grants – Burnet	84.377A	\$ 5,757
136107047110002	276	Texas Title I Priority School Grants – Burnet	84.377A	1,743,847
		Subtotal, Texas Title I Priority School Grants – Burnet		<u>1,749,604</u>
105520017110003	286	Texas Title I Priority School Grants – ARRA – Reagan	84.388A	223,610
105520017110004	286	Texas Title I Priority School Grants – ARRA – Travis	84.388A	246,923
105520067110001	286	Texas Title I Priority School Grants – ARRA – Lanier	84.388A	1,962,773
105520067110002	286	Texas Title I Priority School Grants – ARRA – Martin	84.388A	1,021,689
		Subtotal, Texas Title I Priority School Grants – ARRA		<u>3,454,995</u>
		Total Passed Through the Texas Education Agency		<u>65,677,448</u>
		Passed Through Austin Community College:		
134100047110446	223	Adult Education/TANF Grant	84.002A	(3,438)
1414ABE000	223	Adult Education/TANF Grant	84.002A	227,797
		Subtotal, Adult Education/TANF Grant		<u>224,359</u>
		Passed Through Texas Workforce Commission		
1414ELC003	220	Adult Ed. – English Literacy & Civics Education, Section 231	84.002A	106,959
		Passed Through the Education Service Center, Region 10:		
14-023	206	McKinney-Vento Homeless Education	84.196A	196,654
		Total United States Department of Education		<u>82,630,194</u>
		<u>United States Department of Agriculture:</u>		
		Passed Through the Texas Department of Agriculture:		
71,400,701	240	School Breakfast Program	10.553	5,934,776
71,300,701	240	National School Lunch Program	10.555	21,681,464
71,300,701	240	Commodities Supplemental Food Program	10.555	1,134,648
71,300,701	240	After-School Snack Program	10.555	295,122
71,300,701	240	Seamless Summer Feeding Option	10.555	417,898
N/A	240	Child and Adult Care Food Program	10.558	697,429
		Total United States Department of Agriculture		<u>30,161,337</u>

Austin Independent School District

Exhibit K-1 Schedule of Expenditures of Federal Awards

Year Ended August 31, 2014

(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 Defense:</u>		
N/A	199	R.O.T.C.	12.000	\$ 245,408
		Total United States Department of Defense		<u>245,408</u>
		<u>Department of Housing and Urban Development:</u>		
		Passed Through the City of Austin:		
NI130000010	289	CDBG Teen Parent Child Care	14.218	7,682
NI130000010 Amendment	289	CDBG Teen Parent Child Care	14.218	<u>159,335</u>
		Total Department of Housing and Urban Development		<u>167,017</u>
		<u>U.S. Department of Transportation:</u>		
		Passed Through the Texas Department of Transportation:		
583EGF6005	289	AISD Afterschool Driver Education Program	20.600	2,333
584EGF6045	289	AISD Afterschool Driver Education Program	20.600	<u>23,034</u>
		Total U.S. Department of Transportation		<u>25,367</u>
		<u>United States Department of Health and Human Services:</u>		
		Passed Through Child, Inc.:		
N/A	205	Head Start Collaboration	93.600	1,815,445
N/A	205	Head Start Collaboration	93.600	<u>82,611</u>
		Subtotal, Head Start Collaboration		<u>1,898,056</u>
		Passed Through the Texas Health and Human Services Commission:		
529-11-0029-00007R1	289	Refugee School Impact Discretionary Grant	93.576	(1,160)
529-11-0029-00007R1	289	Refugee School Impact Discretionary Grant	93.576	<u>100,967</u>
		Subtotal, Refugee School Impact Discretionary Grant		<u>99,807</u>

Austin Independent School District

Exhibit K-1 Schedule of Expenditures of Federal Awards

Year Ended August 31, 2014

(Continued)

(1)			(2)	(3)
Project Number	Data Control Codes	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Expenditures Indirect Costs and Refunds
		Passed Through the Texas Department of State Health Services:		
529-07-0157-00112	272	Medicaid Administration	93.778	\$ 465,054
		Total U.S Department of Health and Human Services		<u>2,462,917</u>
		<u>Corporation for National & Community Service:</u>		
		Passed Through OneStar National Service Commission:		
13WCHTX0010001	289	AISD School Turnaround AmeriCorps Initiative	94.006	150,496
13WCHTX0010001	289	AISD School Turnaround AmeriCorps Initiative	94.006	<u>13,629</u>
		Subtotal, AISD School Turnaround AmeriCorps Initiative		<u>164,125</u>
		Total Federal Assistance		<u>\$ 115,856,365</u>

Austin Independent School District

Notes to the Schedule of Expenditures of Federal Awards

Year Ended August 31, 2014

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.

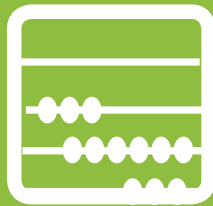
The expenditures in the accompanying Schedule of Expenditures of Federal Awards are presented using the modified accrual basis of accounting, with the exception of the Nutrition Program. Expenditures in this program are shown in the accompanying Schedule of Expenditures of Federal Awards in an amount equal to revenue for balancing purposes only.

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 \$1,134,648 for the year ended August 31, 2014.



Austin ISD FY2013-14 Comprehensive Annual Financial Report (CAFR)