

FY2019



# Austin Independent School District

2018-2019 Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2019



**AUSTIN**  
Independent School District

Austin, TX—Travis County

1111 West Sixth Street

Austin, TX 78703

[www.austinisd.org](http://www.austinisd.org)

512.414.1700

**AUSTIN INDEPENDENT SCHOOL DISTRICT**  
Austin, Texas

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**TWELVE MONTH PERIOD ENDED  
JUNE 30, 2019**

**Prepared by:  
Financial Services Department**

<u>Exhibit Number</u>	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
	i
Transmittal Letter	ii
GFOA Certificate of Achievement	xi
ASBO Certificate of Achievement	xii
Principal Officials and Advisors	xiii
Organizational Chart	xiv
 <b>FINANCIAL SECTION</b>	
	1
Independent Auditor’s Report	2-3
 Management’s Discussion and Analysis	 4-14
 <b>Basic Financial Statements</b>	 15
Government-Wide Financial Statements:	
A-1 Statement of Net Position	16
B-1 Statement of Activities	17
Governmental Fund Financial Statements	
C-1 Balance Sheet – Governmental Funds	18
C-2 Reconciliation of Government Funds to the Statement of Net Position	19
C-3 Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	20
C-4 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities	21
Proprietary Fund Financial Statements:	
D-1 Statement of Net Position – Proprietary Funds	22
D-2 Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	23
D-3 Statement of Cash Flows – Proprietary Funds	24
Fiduciary Fund Financial Statements:	
E-1 Statement of Fiduciary Assets and Liabilities	25
Notes to the Basic Financial Statements	26-63
 <b>Required Supplementary Information</b>	 64
G-1 Budgetary Comparison Schedule – General Fund	65
Note to the Budgetary Comparison Schedule	66

<b>Exhibit Number</b>	<b>Page</b>
	67
	68
	69
	70
	71
	72
	73
H-1	74-80
H-2	81-87
	88
H-3	89
H-4	90
H-5	91
	92
H-6	93
	94
J-1	95
J-4	96
J-5	97
	98
	99
Table 1	100
Table 2	101
Table 3	102
Table 4	103
Table 5	104
Table 6	105
Table 7	106-107

<b>Exhibit Number</b>		<b>Page</b>
<b>STATISTICAL SECTION (Unaudited) (Continued)</b>		
	<b>Revenue Capacity</b>	108
Table 8	Property Tax Levies and Collections	109
Table 9	Assessed and Estimated Actual Value of Taxable Property	110
Table 10	Schedule of Tax Rate Distribution per \$100 Valuation	111
Table 11	Ratio of Net Bonded Debt to Taxable Assessed Valuation and Net Bonded Debt Per Capita	112
Table 12	Property Tax Rates per \$100 Valuation Direct and Overlapping Governments	113
	<b>Debt Capacity</b>	114
Table 13	Direct and Overlapping Debt General Obligation Bonds	115
Table 14	Computation of Legal Debt Margin	116
Table 15	Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total Expenditures	117
Table 16	Classification of Total Assessed Value	118
Table 17	Ten Largest Taxpayers	119
Table 18	Property Value and Construction within District	120
Table 19	Per Student Calculations (General Fund Only) Based on Revenues and Expenditures	121
	<b>Demographic and Economic</b>	122
Table 20	Demographic Data	123
Table 21	Ten Principal Employers	124
	<b>Operating</b>	125
Table 22	Expenditures, Average Daily Attendance and Per Pupil Costs	126
Table 23	Schedule of Insurance and Surety Bonds in Force	127
Table 24	Miscellaneous Statistical Data	128-130
	<b>FEDERAL AWARDS SECTION</b>	131
	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>	132-133
	Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance as Required by the Uniform Guidance	134-135
	Schedule of Findings and Questioned Costs	136-137
	Summary Schedule of Prior Audit Findings	138
K-1	Schedule of Expenditures of Federal Awards	139-143
	Notes to the Schedule of Expenditures of Federal Awards	144

## **Introductory Section**

# Austin Independent School District

4000 South IH 35 Frontage Road  
Austin, Texas 78704



December 12, 2019

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 (District or AISD) for the fiscal year ended June 30, 2019. 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.

The Texas Education Code requires all school districts to file a set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards (GAAS). The District's Financial Services Department prepares the report.

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 statements of the District have been audited by RSM US LLP, a licensed certified public accounting firm. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for, fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, significant estimates made by management and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2019, are fairly presented and in conformity with GAAP. In addition, it was concluded that the administration of major federal program awards is in compliance with requirements described in the Compliance Supplement issued by the Office of Management and Budget.

The independent auditors' report is presented as the first component of the financial section of this report.

The financial section of the CAFR includes Management's Discussion and Analysis (MD&A). GAAP requires management to provide a narrative introduction, overview and analysis to accompany the basic financial statements. The required information is provided in the MD&A. This transmittal letter complements and should be read in conjunction with the MD&A. The introductory section, other supplementary information and statistical section, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

## GOVERNING BODY

As a Texas Independent School district, a Board of Trustees must be elected to govern the District. Candidates to the Board of Trustees must conform to the eligibility requirements of the Texas Election Code.

Residents of the District elect members of the community to form a nine-member Board. Each member is elected, in a nonpartisan election, to serve a four-year term. Elections are held on the first Tuesday each November. The Board of Trustees serves the community and citizens without compensation.

The Board includes seven members elected from single member districts and two members elected at large by all voters in the school District. After each election, Board members elect Board officers, including a President, Vice President and Secretary.

As the District's elected leaders, Trustees represent community expectations as they chart the direction of educational programs and services, ensuring its financial viability and establish policies and standards by which the District's success is measured.

Based on legislative authority codified in the Texas Education Code, the Board (1) has exclusive power to manage and govern the District; (2) acquire and hold property; (3) has the power to levy and collect property taxes; (4) approve proposed bond issues; (4) contract for appointed officers, teachers, and other personnel as well as for goods and services.

Regular Board meetings are open to the public, scheduled for the fourth Monday of each 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 usually takes action during Regular Meetings, which require "Public Comment" to be scheduled on the agendas. Board actions are based on a majority vote of those present. A majority of the Board constitutes a quorum for the transaction of business.

All public Board meetings are cablecast live on AISD Cable Channel 22 and may also be viewed online via web cast.

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



## DISTRICT FACTS & FIGURES

The Austin Public Schools opened September 12, 1881. John Winn was appointed the first superintendent of schools and thirty teachers were hired. In 1882, there were twenty-six schools with a total enrollment of 1,250 students.

In the early years, the Austin Public Schools were tied to the City of Austin and the division of power was unclear. For example, school-bond issues were combined with city-bond issues and the schools' needs often did not receive priority. In addition, the Austin City Council, rather than the School Board of Trustees, set the tax rate.

In 1955, there was an election that allowed the school district to separate from the City of Austin through the creation of the Austin Independent School District. 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 one of 6 public school districts located in Travis County, Texas. The total area of the District is approximately 230 square miles located entirely within Travis County. The District's school buildings range in age from 1 to 143 years old. The average age for High, Middle and Elementary School Buildings is 53, 44 and 48 years respectively.

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. In addition, the District served over 2,326 inter-district transfer students during the year.

AISD is dedicated to creating a safe, supportive environment for all students, families and staff members and has also developed district-wide anti-bullying programs.

AISD offers a variety of robust educational opportunities, at every level, to meet each student's unique learning interests. Listed below are a few of our programs.

- Career Launch
- Creative Learning Initiative
- Digital Media
- Dual Language
- Early College High School Program
- Early College Prep Middle Schools
- Fine Arts Academies
- International Baccalaureate/Middle Years Program
- Magnet Programs
- MicroSociety
- Social and Emotional Learning
- Single-Gender Campuses
- Science, Technology, Engineering and Math
- World Languages

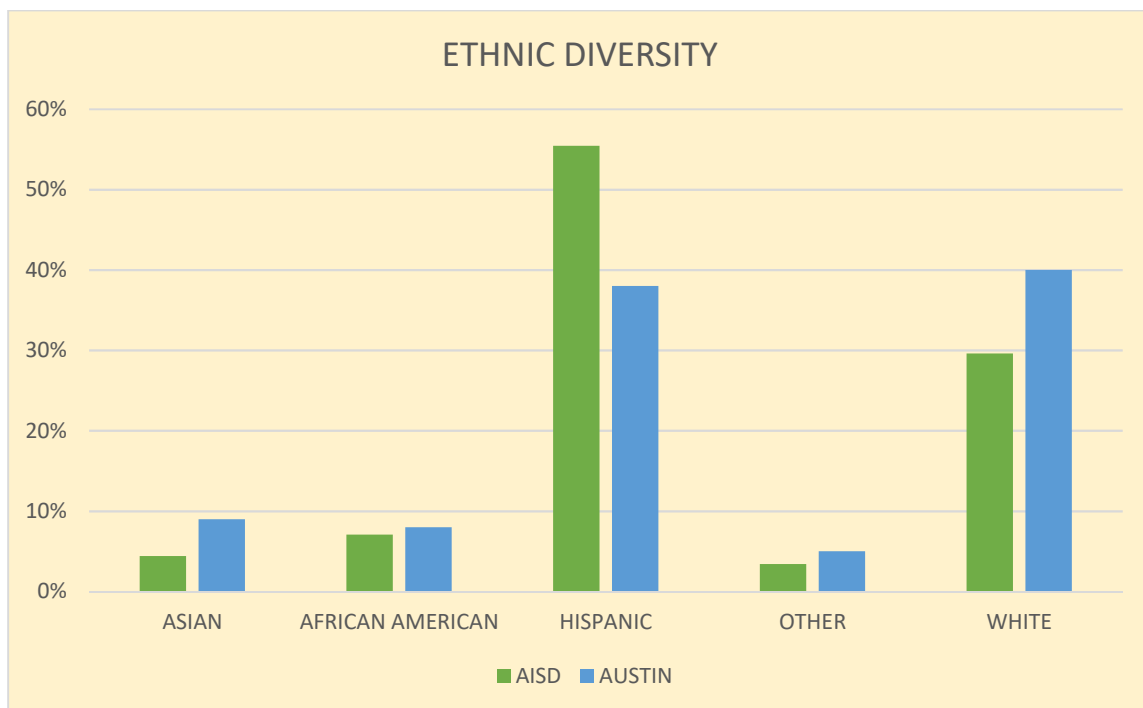
## DISTRICT FACTS & FIGURES (continued)

Career Launch is now at four campuses and Early College High School (ECHS) offerings at seven campuses. Career Launch prepares students for careers in technology, construction, health science and real estate while providing free college courses. ECHS programs offer students an opportunity to earn a high school diploma and an associate degree for free at the same time.

All Middle & High Schools offer hands-on preparation. Career and Technical Education (CTE) provides students with practical workplace experience, academic knowledge and technical skills needed for secondary and post-secondary opportunities, skilled employment and active citizenship. Programs of study represent a recommended sequence of courses based on a student's interests, goals and aptitudes.

AISD is the 6th largest school system in Texas, educates more than 80,000 students and embraces 129 diverse school communities. AISD is located in one of the fastest growing metroplexes in the country. The TEA characterizes AISD as a major urban district.

The District prides itself on its diversity. The AISD student community includes children from all economic levels, ethnicity and backgrounds. Below is an example of District student diversity versus the diversity of Austin residents.



## HIGHLIGHTS

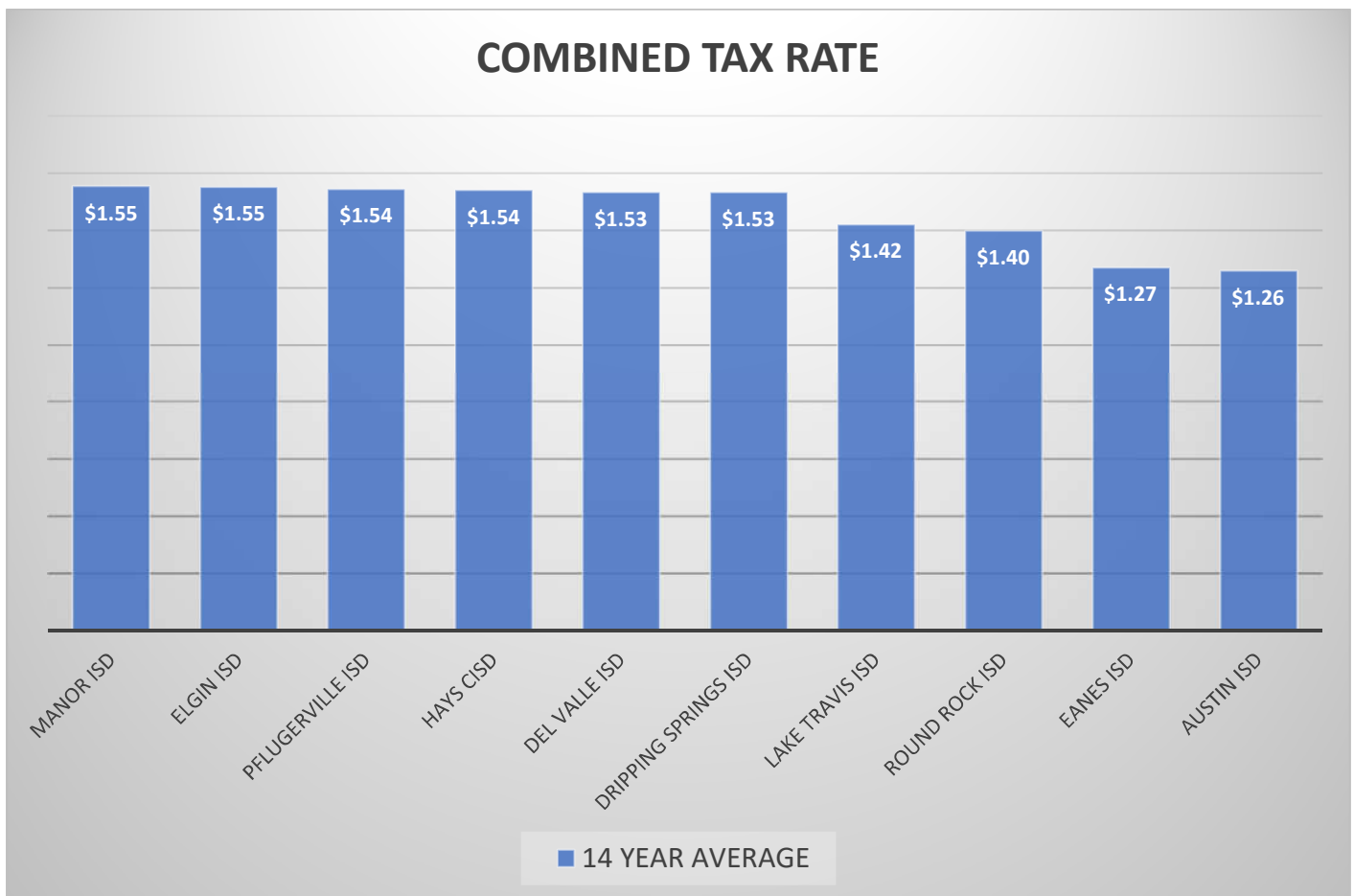
Sound District practices have resulted in the following:

- AISD is proud to have 213 active National Board-Certified Teachers—more than any other school district in Texas.
- This year, 185 AISD seniors earned recognition for outstanding academic performance from the U.S. Presidential Scholars, National Merit Finalists, National Merit Semifinalists, National Merit Commended Scholars and College Board National Hispanic Scholars programs.
- The District continues to earn a “Recognized Performance” accountability rating from the Texas Education Agency.
- Our graduation rate has increased for several years and remains above 90 percent, currently at 92.3 percent.
- AISD’s television station is the winner of the Hometown Media Awards Overall Excellence in Educational Access.
- AISD “In 3”, the weekly news program at the AISD TV station, was named the best news program among all access channel entries throughout the U.S.
- Keep Austin Beautiful has recognized AISD as a leader in the goal of becoming a zero-waste city.
- Awarded the Government Finance Officers Association (GFOA) “Certificate of Achievement for Excellence in Financial Reporting” for eight consecutive years.
- Awarded the Association of School Business Officials (ASBO) “Certificate of Excellence in Financial Reporting” for nine consecutive years.
- The Environmental Protection Agency, for the eighth year, has ranked AISD first in Texas and second in the Nation for total amount of renewable energy purchased.
- AISD is one of only 18 school districts in Texas that contributes to Social Security in addition to the Teacher Retirement System.
- We are particularly proud of the fact that all comprehensive high schools earned an “A” or “B,” making 2019 the fifth consecutive year that all high schools met state standards.
- Of the District’s 117 campuses rated by TEA, 113 earned a “Met Standard” rating and 60 received at least one Distinction Designation.
- AISD has outperformed its counterparts across the state and exceeded national averages on both SAT and ACT exam scores for the past three years.

## HIGHLIGHTS (continued)

- The District maintains a strong social media presence with multiple Twitter and Facebook pages.
- For the 16th consecutive year the District earned a “Superior Achievement” rating from the TEA. This is the highest possible rating under the Schools FIRST accountability system.
- Teachers and administrators are consistently being recognized at local levels. Among numerous local awards District staff members have received the Texas K-12 Consortium of School Networking Council’s Team Award, teacher Michael Reeves, Awarded National High School Journalism Teacher of the Year and Coach Leslie Oduwole earned the 2018 No-Cut Coach Award from the United States Tennis Association.

There are 10 School Districts within a 25-mile radius and AISD continues to have the lowest overall property tax rates.



## COMMUNITY PARTNERS

We partner with multiple universities, innovative businesses, nonprofit organizations and engaged community leaders to prepare our students for college, career, life and ready to contribute, compete and lead in today's more-complex global society.

The District receives support from the Austin Public Education Foundation (Austin Ed Fund), a non-profit organization. The Austin Ed Fund seeks funds to support important district-wide initiatives. The goal of the Austin Ed Fund is to raise funds for teacher initiative projects and for campus initiative projects that attempt to improve student achievement and success.

The AISD Mentoring Network is a collaborative professional network including representatives from various mentoring providers serving AISD students. Those providers have demonstrated a commitment to program quality and enhancement provided to district students.

Student Mentoring provides children with the caring, consistent presence of an adult friend, which research shows to be a major protective factor in building resilience among at-risk youth. Mentoring also has benefits for the mentor, including opportunities for personal growth, stronger connection to community and a deep, caring relationship with a young person.

The Creative Learning Initiative, a community-wide partnership between the District, MINDPOP, the City of Austin and more than 100 community arts partners, ensure students benefit from the arts both during and after school.

## ECONOMIC CONDITION AND OUTLOOK

Understanding the environment in which the District operates may add additional perspective to the information presented in this report.

There are an estimated 964,254 people residing in Austin, Texas and the city remains in the spot light. According to Forbes Magazine, Austin is the No. 1 place to live in America for the third year in a row and among the top 15 cities in the United States to visit. Austin residents are easy going, pro-environment and defy stereotypes. The sunny climate, beautiful hill country, natural springs, hike and bike trails, famous live music scene and home to Formula One U.S. Grand Prix make it easy to enjoy Austin life.

Forbes also ranked Austin No. 4 of the best large cities to start a business. Austinite's are pro-business and believe hard work leads to success. The economic condition in Austin continues to strengthen. Job growth for the period January – May 2019 was 2.4%, making Austin the 11th best performing location among the 50 largest metro areas in the Nation. According to an analysis of the Freelance Economy, Austin also has the fastest growing population of skilled independent workers. The entrepreneurial spirit is fierce.

## ECONOMIC CONDITION AND OUTLOOK (continued)

Apple, IBM Corp., Samsung Austin Semiconductor, State Government Offices and the University of Texas at Austin boast employing a work force of over 6,000 each. Austin will soon welcome Acutronic to its advancing defense and aerospace innovation sector and Amazon has announced plans to expand its current Austin business activity, creating 800 new jobs. In addition to its current Austin location, Apple announced it is creating a \$1 billion campus with the capacity for 15,000 employees, making it the largest private employer in Austin.

Austin is home to over 20 institutes of higher education with a combined enrollment of 180,000 students. Nearly 45% of Austin residents age 25 and over hold a bachelor's degree. Over 20 Austin area high schools, based on state assessment performance and graduates level of college preparedness, are ranked in the top 10% of the Nation. Highly rated elementary and secondary schools are the beginning of success and the beginning of an exceptional labor pool. Business growth is progressive and as companies seek to set up here, Austin is poised to accept them.

## BUDGETARY CONTROL

State law requires every school district in Texas prepare and file an annual budget of anticipated revenues and expenditures with the TEA. 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.

It is the intent of the District that the budgetary process results in the most effective mix of 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. After considering all factors, the Board sets an ad valorem tax rate to generate sufficient revenue 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 and/or other sources and uses accounts require Board approval.

Budgetary Internal Controls are established by regulations of the Texas Education Agency and by District policy. The TEA regulations set the level of budgetary control at the major functional expenditure level. Administrators have the responsibility to develop and manage their own program budgets. Revisions within the categories are accepted upon request, but additions in amount or revisions between functions require recommendation of the Superintendent and approval by the Board.

## INTERNAL CONTROL

Management is responsible for designing, implementing and maintaining adequate, efficient and effective systems of internal control. The development and evaluation of the District's accounting system considers the adequacy of the internal control structure. 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) to compile sufficient and reliable information for the preparation of the District's financial statements in conformity with GAAP.

The District's comprehensive framework of internal controls has been designed to provide "reasonable assurance" rather than absolute assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes the cost of implementing internal controls should not outweigh their benefits and that management makes estimates and judgments in the normal course of daily business.

Management of the District believes to have established a comprehensive internal control framework. In addition, the District has an Internal Audit Department that reports directly to the Board of Trustees.



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Austin Independent School District**  
**Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Austin Independent School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2018.**

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



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

Tom Wohlleber, CSR  
President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon, CAE  
Chief Operating Officer

# AUSTIN INDEPENDENT SCHOOL DISTRICT

## COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2019

### PRINCIPAL OFFICIALS AND ADVISORS

#### BOARD OF TRUSTEES

<b>Geronimo M. Rodriguez Jr.</b> .....	<b>President</b>
District 6	
<b>Yasmin Wagner</b> .....	<b>Member</b>
District 7	
<b>Kristin Ashy</b> .....	<b>Member</b>
District 4	
<b>LaTisha Anderson</b> .....	<b>Member</b>
District 1	
<b>Jayme Mathias</b> .....	<b>Member</b>
District 2	
<b>Ann Teich</b> .....	<b>Member</b>
District 3	
<b>Amber Elenz</b> .....	<b>Secretary</b>
District 5	
<b>Cindy Anderson</b> .....	<b>Vice President</b>
At Large, Position 8	
<b>Arati Singh</b> .....	<b>Member</b>
At Large, Position 9	

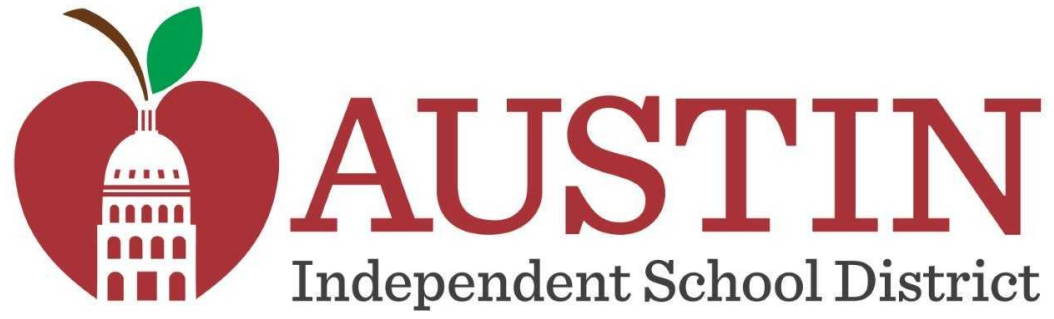
#### ADMINISTRATIVE STAFF

Paul Cruz, Ph.D., Superintendent

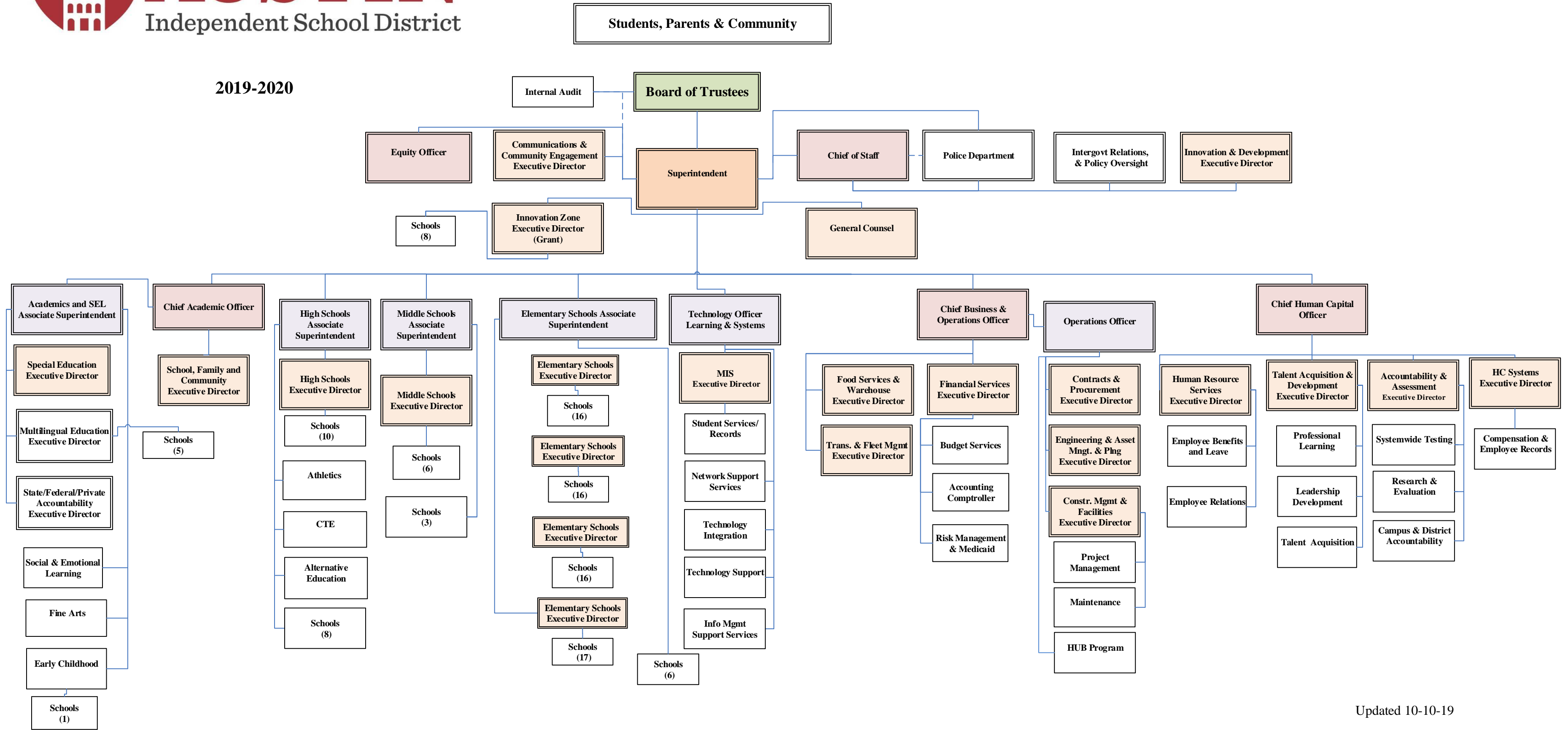
Nicole Conley	Chief Business & Operations Officer
Michelle Cavazos	Chief Officer for School Leadership
Fernando Medina	Chief Human Capital Officer

#### CONSULTANTS, ADVISORS AND INDEPENDENT AUDITORS

RSM US LLP, Austin, Texas.....	Independent Auditors
Orrick, Herrington & Sutcliffe LLP, Austin, TX .....	Bond Counsel
Hilltop Securities Asset Management, Austin, TX.....	Financial Advisors



2019-2020



Updated 10-10-19

**Certificate of Board**

Austin Independent School District  
Name of School District

Travis  
County

227-901-13  
County District Number

We, the undersigned, certify that the attached annual financial report of the above-named school district was reviewed and (check one)  approved  disapproved for the year ended June 30, 2019, at a meeting of the Board of Trustees of such school district on the 18th day of November, 2019.

  
\_\_\_\_\_  
Signature of Board Secretary

  
\_\_\_\_\_  
Signature of Board President

If the Board of Trustees disapproved the auditor's report, the reason(s) for disapproving it is (are): (attach list as necessary)

## **Financial Section**

## Independent Auditor's Report

To the Board of Trustees  
Austin Independent School District

### 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 Austin Independent School District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

**Required Supplementary Information:** Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule—General Fund, Schedules of the District's Proportionate Share of the Net Pension Liability and Net OPEB Liability, and Schedules of District Contributions for the Pension and OPEB plans, 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of 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 assurance on it.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*RSM US LLP*

Austin, Texas  
November 4, 2019

## **Austin Independent School District**

### **Management's Discussion and Analysis June 30, 2019**

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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 year ended June 30, 2019. Please read it in conjunction with the District's financial statements, which follow this section.

#### **FINANCIAL HIGHLIGHTS**

- The assets plus deferred outflows of resources of the District exceeded its liabilities plus deferred inflows of resources at the close of the year ended June 30, 2019. Net position was \$58.7 million. Net investment in capital assets was \$117.5 million. The District's restricted net position was \$131.2 million. Unrestricted net position was \$(190.0) million.
- During the year, the District's expenses were \$71.2 million less than the \$1,777.6 million generated in taxes and other revenues for governmental activities. Expenses totaled \$1,463.9 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 \$1,535.1 million.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$270.5 million, or 19% of the total general fund expenditures.
- The District issued \$298 million in bonds during the fiscal year 2018-2019.



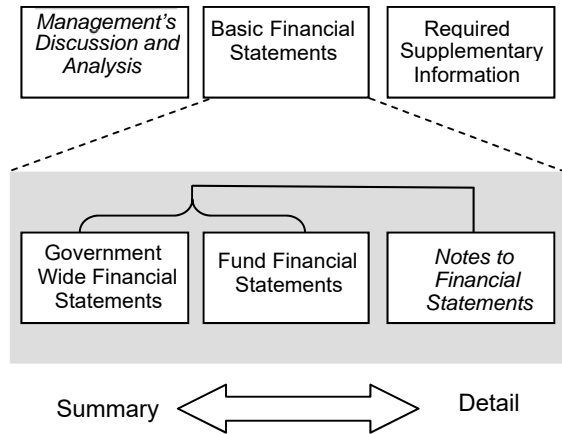
**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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



**Austin Independent School District**

**Management’s Discussion and Analysis  
June 30, 2019**

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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**

<b>Type of Statement</b>	<b>Government-Wide</b>	<b>Governmental Funds</b>	<b>Fiduciary Funds</b>
<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"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> </ul>
<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

**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.

## Austin Independent School District

### Management's Discussion and Analysis June 30, 2019

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

**Required supplementary information:** The basic financial statements are followed by a section of required supplementary information. This section includes a Budgetary Comparison Schedule—General Fund, Schedules of the District's Proportionate Share of the Net Position Liability and Net OPEB Liability and the Schedules of the District's Contributions for the Pension and OPEB plans. The Budgetary Comparison Schedule—General Fund provides detailed comparisons of expenditures and intra-agency transfers at the legal level of control. Comparisons can be made between the original budget, final budget and actual costs for the year. The Schedules of the District's Proportionate Share of the Net Position Liability and Net OPEB Liability and Schedules of the District's Contributions for the Pension and OPEB plans disclose covered payroll and related comparison information, as of June 30, 2019.

**Austin Independent School District**

**Management's Discussion and Analysis  
June 30, 2019**

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**Financial Analysis of the District as a Whole**

**Net position:** The District's combined net position was approximately \$58.7 million at June 30, 2019. The following is a schedule of the District's net position:

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

	<b>Governmental Activities</b>		<b>Percentage Change</b>
	<b>2019</b>	<b>2018</b>	
Current and other assets	\$ 1,076.7	\$ 798.0	35%
Capital assets	1,161.1	1,049.3	11%
<b>Total assets</b>	<b>2,237.8</b>	<b>1,847.3</b>	<b>21%</b>
Deferred loss on refunding	21.4	23.0	(7%)
Deferred outflow for TRS pension liability	61.5	14.4	327%
Deferred outflow for TRS OPEB liability	26.5	4.0	561%
<b>Total deferred outflows of resources</b>	<b>109.4</b>	<b>41.4</b>	<b>164%</b>
Current liabilities	423.0	319.4	32%
Long-term liabilities	1,705.4	1,421.9	20%
<b>Total liabilities</b>	<b>2,128.4</b>	<b>1,741.3</b>	<b>22%</b>
Deferred inflow for TRS pension liability	42.9	37.2	15%
Deferred inflow for TRS OPEB liability	117.2	122.8	(5%)
<b>Total deferred inflows of resources</b>	<b>160.1</b>	<b>160.0</b>	<b>0%</b>
Net position:			
Net investment in capital assets	117.5	64.3	83%
Restricted	131.2	124.0	6%
Unrestricted (deficit)	(190.0)	(200.8)	(5%)
<b>Total net position</b>	<b>\$ 58.7</b>	<b>\$ (12.5)</b>	<b>(569%)</b>

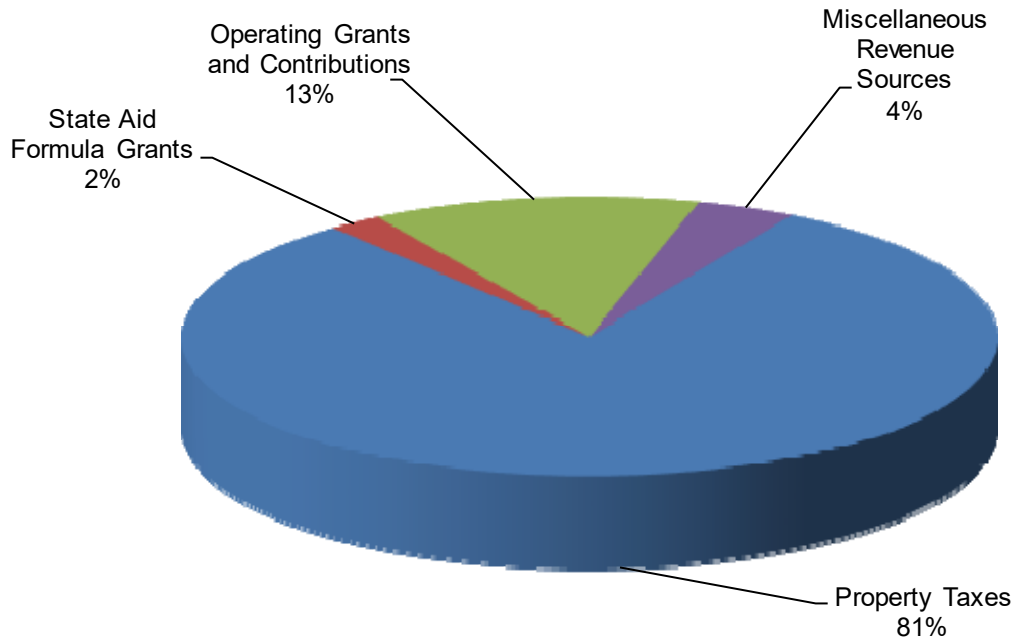
**Austin Independent School District**

**Management's Discussion and Analysis  
June 30, 2019**

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**Changes in net position:** The District's total revenues were \$1,777.6 million. A significant portion, 81%, of the District's revenue comes from taxes; 2% comes from state aid formula grants, 13% is related to other operating grants and contributions; the remaining 4% comes from miscellaneous revenue sources.

**Figure A-3  
Sources of Revenues for Fiscal Year 2019**



The total cost of all programs was \$1,706.4 million and \$1,307.7 million for the years ended June 30, 2019 and 2018, respectively. When adjusted for the \$669.3 million in expenses in 2019 and \$544.0 million in expenses in 2018 related to Chapter 41 and other pass-through costs, 70.2% and 68.7%, respectively, of these costs are for instructional and student services.

The total of all program and service costs for school leadership was 4.9% in 2019 and 4.5% in 2018, and 6.0% in 2019 and 7.6% in 2018 for plant maintenance and operations (including security services).

**Austin Independent School District**

**Management's Discussion and Analysis  
June 30, 2019**

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

	<b>Governmental Activities</b>		<b>Percentage</b>
	<b>2019</b>	<b>2018</b>	<b>Change</b>
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 9.6	\$ 7.7	25%
Operating grants and contributions	233.0	34.8	569%
General revenues:			
Property taxes	1,436.6	1,304.3	10%
State aid—formula	37.7	27.4	37%
Investment earnings	19.9	11.6	72%
Other	40.8	48.9	(17%)
<b>Total revenues</b>	<b>1,777.6</b>	<b>1,434.7</b>	<b>24%</b>
<b>Expenses</b>			
Instruction and instructional related	530.3	376.7	41%
Instructional resources and media related	12.3	9.8	25%
Curriculum and staff development	28.1	14.2	98%
Instructional leadership	19.0	14.9	27%
School leadership	64.3	44.2	45%
Guidance, counseling and evaluation services	33.4	22.1	51%
Social work services	7.5	5.2	44%
Health services	13.6	12.7	7%
Student transportation	39.2	36.4	8%
Food services	44.5	29.1	53%
Extracurricular activities	19.6	18.5	6%
General administration	35.1	(10.8)	(425%)
Plant maintenance and operations	88.4	87.6	1%
Security and monitoring services	13.5	11.3	20%
Data processing services	24.0	36.8	(35%)
Community services	23.3	15.3	52%
Debt service	32.0	33.2	(3%)
Payments to fiscal agent/member districts—shared service	669.3	544.0	23%
Other governmental charges	9.0	6.5	38%
<b>Total expenses</b>	<b>1,706.4</b>	<b>1,307.7</b>	<b>30%</b>
<b>Change in net position</b>	<b>71.2</b>	<b>127.0</b>	<b>(44%)</b>
Net position at beginning of period, as previously reported	(12.5)	375.7	(103%)
Restatement required by GASB Statement No. 75	-	(515.2)	
Net position at beginning of period, as restated	(12.5)	(139.5)	
Net position at end of period	\$ 58.7	\$ (12.5)	(570%)

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.

**Austin Independent School District**

**Management’s Discussion and Analysis  
June 30, 2019**

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- The cost of all governmental activities in 2019 was \$1,706.4 million and, in 2018 was \$1,307.7 million.
- However, the amount the District’s taxpayers paid for these activities through property taxes was only \$1,436.6 million in 2019 and \$1,304.3 million in 2018.
- Those who directly benefited paid some costs of the programs (\$9.6 million in 2019 and \$7.7 million in 2018), with grants and contributions (\$233.0 million in 2019 and \$34.8 million in 2018) 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>2019</u>	<u>2018</u>			<u>2019</u>	<u>2018</u>		
Instruction	\$ 570.7	\$ 400.7	42%	\$ 468.5	\$ 410.2	14%		
School leadership	83.3	59.1	41%	68.6	61.3	12%		
Plant maintenance and operations	88.4	87.6	1%	82.0	87.5	(6%)		

**FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS**

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

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

At the end of the current fiscal year, the District’s Governmental Funds reported combined ending fund balances of \$732.5 million. Approximately 37% of this total amount (\$270.5 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.

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 \$288.3 million. Of this amount, \$17.3 million is assigned for various projects and \$0.5 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 20% of total fund expenditures. The fund balance increased by \$3.9 million during the current fiscal year period.

The Debt Service Fund had an increase in fund balance of \$3.5 million during the current year to bring the year end fund balance to \$138.5 million. The increase is primarily the result of current year bond proceeds, offset by principal and interest payments as well as transfers to the capital projects fund.

## **Austin Independent School District**

### **Management's Discussion and Analysis June 30, 2019**

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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 \$294.5 million, resulting from \$365.0 million in transfers from the general fund and debt service fund used to retire \$60.0 million in commercial paper during the year, an additional \$10.5 million in sales of buildings, as well as \$151.0 million related to construction costs.

#### **General Fund Budgetary Highlights (See Exhibit G-1)**

Over the course of the year, the District revised the General Fund annual revenue budget for changes in student counts, property tax assessed valuations adjustments, revised state formula funding amounts, and federal program revenues. The total change was \$23.4 million or 2% of total revenues. The expenditure budget was revised during the year to refine estimates after the year had started. Significant changes occurred to the following functional areas of spending: Transportation, Curricular/Extracurricular Activities, Capital Outlay and Contracted Instructional Services between Schools (Recapture). The total change was \$18.2 million or 1% of total expenditures.

#### **Revenues**

An unfavorable variance in the revenues was primarily due to the following:

- Local property tax collections were approximately \$13.8 million less than anticipated due to lower projected collections.
- Other local revenues were approximately \$2.0 million more than anticipated projections.
- State revenues were approximately \$2.6 million more than anticipated projections.
- Federal revenues were approximately \$14.7 million higher than anticipated due to a second annual revenue payment for Medicaid reimbursement in the amount of \$16.2 million at the end of June. This was an accelerated payment in order to reduce the lag time from two years to only one year in arrears.

#### **Expenditures**

A favorable variance in the expenditures was primarily due to the following:

- Employee expenditures, including the related TRS on behalf payments, were \$11.7 million less than budgeted amounts primarily due to conservative budgeting practices where an allocated FTE is budgeted for the entire year and not reduced for vacancies in the position.
- The District spent \$1.4 million less for facilities maintenance and operations than budgeted.
- The District spent \$6.3 million less for other contracted services than budgeted.
- The District spent \$3.3 million less for supplies and materials than budgeted.
- The District spent \$0.5 million less for capital outlay than budgeted.



**Austin Independent School District**

**Management's Discussion and Analysis  
June 30, 2019**

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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets:** At June 30, 2019, the District had invested \$1,161.1 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)*

	<b>Governmental Activities</b>		<b>Percentage Change</b>
	<b>2019</b>	<b>2018</b>	
Land	\$ 88.5	\$ 87.8	1%
Buildings and improvements	1,041.9	934.2	12%
Furniture fixtures and equipment	30.7	27.3	12%
	<u>\$ 1,161.1</u>	<u>\$ 1,049.3</u>	11%

During the District's fiscal year 2018-2019, capital spending totaled \$184.6 million in building and improvements and capital equipment. At June 30, 2019, the District is committed under contracts in the amount of approximately \$272 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 June 30, 2019, the District had \$1,361.5 million in long-term debt outstanding, as shown in Table A-5 (below). 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 standby letter of credit with Sumitomo Mitsui Banking Corporation, acting through its New York Branch. 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 outstanding Commercial Paper as of June 30, 2019.

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

	<b>Governmental Activities</b>		<b>Percentage Change</b>
	<b>2019</b>	<b>2018</b>	
Bonds payable	\$ 1,359.4	\$ 1,103.7	23%
Notes and leases payable	2.1	2.5	(16%)
	<u>\$ 1,361.5</u>	<u>\$ 1,106.2</u>	23%

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

## **Austin Independent School District**

### **Management's Discussion and Analysis June 30, 2019**

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

Many factors were considered by the District's administration during the process of developing the fiscal year 2019-2020 budget. Among them:

- Employee salary increase of 7% for teachers, counselors and librarians with more than five years of experience and 6% for all other staff
- Fiscal year 2019-2020 fund balance carry forward of \$288.3 million
- Contracted instructional services between schools (Local Revenue in Excess of Entitlement, previously known as Recapture) is estimated to decrease \$58.8 million due to the passing of House Bill 3 by the 86<sup>th</sup> Legislature
- Expanded and new investments in the program areas of thrive, read and excel:
  - Thrive: all schools meeting or exceeding local and state performance measures
  - Read: all students reading at grade level by 3<sup>rd</sup> grade
  - Excel: all teachers having competitive salaries and benefits

Also considered in the development of the budget is the impact of local economy and inflation in the surrounding area.

Net of Local Revenue in Excess of Entitlement, budgeted expenditures in the General Fund increased by 6% to \$813.8 million in fiscal year 2019-2020. Property taxes are expected to be the primary funding sources. The District's combined maintenance and operations tax rate and interest and sinking fund tax rate is \$1.192 per hundred dollars of assessed value for 2018-2019 and will decrease for the 2019-2020 school year to \$1.122 per hundred dollars of assessed value for 2019-2020.

#### **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  
June 30, 2019**

Data Control Codes		Governmental Activities
	<b>Assets</b>	
1110	Cash and cash equivalents	\$ 1,534,327
1120	Investments, including restricted amounts of \$11,865,451	1,009,438,740
1225	Property taxes receivable, net	21,030,481
1240	Due from other governments	30,156,682
1250	Accrued interest	360,137
1290	Other receivables, net	9,709,664
1310	Inventories	3,722,770
1410	Prepays and other assets	750,800
	Capital assets:	
1510	Land	88,542,015
1520	Buildings and improvements, net	922,345,493
1530	Furniture and equipment, net	30,660,205
1580	Construction in progress	119,503,669
1000	<b>Total assets</b>	<u>2,237,754,983</u>
	<b>Deferred Outflows of Resources</b>	
1701	Deferred loss on refunding	21,419,000
1705	Deferred outflow for TRS pension liability	61,520,635
1705	Deferred outflow for TRS OPEB liability	26,450,214
	<b>Total deferred outflows of resources</b>	<u>109,389,849</u>
	<b>Liabilities</b>	
2110	Accounts payable	43,954,861
2150	Payroll deductions and withholdings	11,050,323
2160	Accrued wages payable	35,624,730
2180	Due to other governments	192,374,296
2200	Accrued expenses	17,206,503
2300	Unearned revenues	2,087,770
	Noncurrent liabilities:	
2501	Due within one year	120,678,666
2502	Due in more than one year	1,254,083,118
2540	Net pension liability—District's share	127,858,602
2540	Net OPEB liability—District's share	323,494,950
2000	<b>Total liabilities</b>	<u>2,128,413,819</u>
	<b>Deferred Inflows of Resources</b>	
2605	Deferred inflow for TRS pension liability	42,874,177
2605	Deferred inflow for TRS OPEB liability	117,193,700
	<b>Total deferred inflows of resources</b>	<u>160,067,877</u>
	<b>Net Position</b>	
3200	Net investment in capital assets	117,542,355
3800	Restricted for:	
	Retirement of long-term debt	123,114,262
	Federal and state funds grants	8,044,916
3900	Unrestricted (deficit)	<u>(190,038,397)</u>
3000	<b>Total net position</b>	<u>\$ 58,663,136</u>

See notes to basic financial statements.

Austin Independent School District

Exhibit B-1 Statement of Activities  
Year Ended June 30, 2019

Data Control Codes	Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Position Governmental Activities	
		1 Expenses	3 Charges for Services		4 Operating Grants and Contributions
	Government activities:				
11	Instruction	\$ 530,330,641	\$ 2,287,441	\$ 86,842,735	\$ (441,200,465)
12	Instructional resources and media services	12,259,968	-	1,559,773	(10,700,195)
13	Curriculum and instructional staff development	28,060,999	-	11,498,187	(16,562,812)
21	Instructional leadership	18,985,306	-	4,063,788	(14,921,518)
23	School leadership	64,291,006	-	10,587,570	(53,703,436)
31	Guidance, counseling and evaluation services	33,388,507	-	7,518,089	(25,870,418)
32	Social work services	7,504,183	-	1,800,953	(5,703,230)
33	Health services	13,622,582	-	40,302,210	26,679,628
34	Student (pupil) transportation	39,154,134	-	4,321,519	(34,832,615)
35	Food services	44,543,568	-	41,049,250	(3,494,318)
36	Curricular/extracurricular activities	19,610,584	812,680	1,976,346	(16,821,558)
41	General administration	35,101,904	2,411,592	3,218,536	(29,471,776)
51	Plant maintenance and operations	88,415,542	-	6,428,964	(81,986,578)
52	Security and monitoring services	13,517,363	-	1,689,139	(11,828,224)
53	Data processing services	23,993,380	-	2,507,512	(21,485,868)
61	Community services	23,322,247	3,268,678	7,605,248	(12,448,321)
71	Interest on long-term debt	32,039,909	-	-	(32,039,909)
91	Contracted instructional services between schools	665,251,676	-	-	(665,251,676)
93	Payments related to shared services arrangements	4,080,590	835,342	-	(3,245,248)
99	Other intergovernmental charges	8,969,463	-	-	(8,969,463)
TG	<b>Total governmental activities</b>	<u>1,706,443,552</u>	<u>9,615,733</u>	<u>232,969,819</u>	<u>(1,463,858,000)</u>
TP	<b>Total primary government</b>	<u>\$ 1,706,443,552</u>	<u>\$ 9,615,733</u>	<u>\$ 232,969,819</u>	<u>(1,463,858,000)</u>
	General revenues:				
MT	Property taxes—levied for general purposes				1,300,394,799
DT	Property taxes—levied for debt service				136,227,358
SF	State aid—formula grants				37,668,557
GC	Grants and contributions not restricted to specific programs				4,584,968
IE	Investment earnings				19,919,697
MI	Miscellaneous				32,889,798
SI	Special item—gain on disposition of capital assets				3,386,478
TG	<b>Total general revenues and special items</b>				<u>1,535,071,655</u>
CN	<b>Change in net position</b>				71,213,655
NB	Net position (deficit) at beginning of period				<u>(12,550,519)</u>
NE	Net position at end of period				<u>\$ 58,663,136</u>

See notes to basic financial statements.

Austin Independent School District

Exhibit C-1 Balance Sheet—Governmental Funds  
June 30, 2019

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Funds	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>						
1110	Cash and cash equivalents	\$ 1,351,842	\$ -	\$ -	\$ 181,382	\$ 1,533,224
1120	Investments	474,084,519	138,133,325	351,444,801	9,984,286	973,646,931
1210	Property taxes—current	3,414,683	366,513	-	-	3,781,196
1220	Property taxes—delinquent	40,758,340	4,680,720	-	-	45,439,060
1230	Allowance for uncollectible taxes	(25,287,589)	(2,902,186)	-	-	(28,189,775)
1240	Due from other governments	10,490,832	41,314	-	19,624,536	30,156,682
1250	Accrued interest	332,057	-	28,080	-	360,137
1260	Due from other funds	66,298,989	1,079	499,200	-	66,799,268
1290	Other receivables	877,826	-	100	881,076	1,759,002
1300	Inventories	494,865	-	-	3,181,609	3,676,474
1410	Prepays and other assets	800	-	750,000	-	750,800
1000	<b>Total assets</b>	<b>\$ 572,817,164</b>	<b>\$ 140,320,765</b>	<b>\$ 352,722,181</b>	<b>\$ 33,852,889</b>	<b>\$ 1,099,712,999</b>
<b>Liabilities</b>						
2110	Accounts payable	\$ 38,175,860	\$ -	\$ 4,456,130	\$ 4,787	\$ 42,636,777
2150	Payroll deductions and withholdings	11,050,323	-	-	-	11,050,323
2160	Accrued wages payable	29,962,315	-	31,509	3,996,038	33,989,862
2170	Due to other funds	906,765	-	53,776,689	13,092,425	67,775,879
2180	Due to other governments	187,770,696	-	-	4,603,600	192,374,296
2300	Unearned revenues	1,158,256	-	-	929,514	2,087,770
2000	<b>Total liabilities</b>	<b>269,024,215</b>	<b>-</b>	<b>58,264,328</b>	<b>22,626,364</b>	<b>349,914,907</b>
<b>Deferred Inflows of Resources</b>						
2600	Unavailable revenue—property taxes	15,470,751	1,778,534	-	-	17,249,285
	<b>Total deferred inflows of resources</b>	<b>15,470,751</b>	<b>1,778,534</b>	<b>-</b>	<b>-</b>	<b>17,249,285</b>
<b>Fund Balances</b>						
3410	Nonspendable	495,665	-	750,000	3,181,609	4,427,274
3490	Restricted	-	138,542,231	-	8,044,916	146,587,147
3500	Assigned	17,350,000	-	293,707,853	-	311,057,853
3600	Unassigned	270,476,533	-	-	-	270,476,533
3000	<b>Total fund balances</b>	<b>288,322,198</b>	<b>138,542,231</b>	<b>294,457,853</b>	<b>11,226,525</b>	<b>732,548,807</b>
4000	<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 572,817,164</b>	<b>\$ 140,320,765</b>	<b>\$ 352,722,181</b>	<b>\$ 33,852,889</b>	<b>\$ 1,099,712,999</b>

See notes to basic financial statements.

**Austin Independent School District**

**Exhibit C-2 Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position  
June 30, 2019**

**Data  
Control  
Codes**

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	Total fund balances—Governmental Funds balance sheet	\$ 732,548,807
<p>Amounts reported for governmental activities in the statement of net position (Exhibit A-1) are different because:</p>		
1	Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,161,051,382
2	Amount of interest on debt payable in August is required to be recognized in the statement of net position.	(17,206,503)
3	Revenue in governmental activities is recognized in the period earned.	17,249,285
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.	30,181,798
5	Bonds and loans payable are not due and payable in the current period, and therefore, are not reported in the funds.	(1,361,533,279)
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.	(1,596,774)
7	Unamortized loss on bond refunding in governmental activities, not reported in the governmental funds	21,419,000
8	Recognition of the District's proportionate share of the net pension liability, a deferred inflow of resources, and a deferred outflow of resources.	(109,212,144)
9	Recognition of the District's proportionate share of the OPEB liability, a deferred inflow of resources, and a deferred outflow of resources.	<u>(414,238,436)</u>
19	Net position of governmental activities	<u>\$ 58,663,136</u>

See notes to basic financial statements.

**Austin Independent School District**

**Exhibit C-3 Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds  
Year Ended June 30, 2019**

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Funds	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
5700	Local and intermediate sources	\$ 1,322,753,737	\$ 138,362,064	\$ 3,613,007	\$ 19,599,633	\$ 1,484,328,441
5800	State program revenues	77,598,882	932,217	-	14,518,744	93,049,843
5900	Federal program revenues	38,893,404	-	-	87,037,615	125,931,019
5020	<b>Total revenues</b>	<b>1,439,246,023</b>	<b>139,294,281</b>	<b>3,613,007</b>	<b>121,155,992</b>	<b>1,703,309,303</b>
<b>Expenditures</b>						
Current:						
0011	Instruction	421,437,140	-	-	36,580,797	458,017,937
0012	Instructional resources and media services	10,734,617	-	-	197,497	10,932,114
0013	Curriculum and instructional staff development	12,140,936	-	-	10,683,014	22,823,950
0021	Instructional leadership	14,140,880	-	-	2,653,273	16,794,153
0023	School leadership	51,930,317	-	-	3,081,738	55,012,055
0031	Guidance, counseling and evaluation services	24,989,978	-	-	3,942,160	28,932,138
0032	Social work services	5,474,674	-	-	1,197,944	6,672,618
0033	Health services	8,199,189	-	-	5,279,553	13,478,742
0034	Student (pupil) transportation	35,746,128	-	8,956,862	233,500	44,936,490
0035	Food services	-	-	122,009	39,915,020	40,037,029
0036	Curricular/extracurricular activities	17,799,229	-	80	96,973	17,896,282
0041	General administration	22,177,532	-	259,427	773,678	23,210,637
0051	Plant maintenance and operations	83,698,867	-	3,878,515	62,838	87,640,220
0052	Security and monitoring services	12,734,746	-	264,998	147,308	13,147,052
0053	Data processing services	20,950,229	-	15,910,423	1,212,552	38,073,204
0061	Community services	7,633,198	-	-	12,492,229	20,125,427
Debt service						
0071	Principal on long-term debt	399,775	66,897,633	-	-	67,297,408
0072	Interest on long-term debt	77,115	43,372,754	-	-	43,449,869
0073	Bond issuance costs and fees	-	2,668,839	-	-	2,668,839
Capital outlay						
0081	Capital outlay	1,806,470	-	150,981,965	90,371	152,878,806
Intergovernmental						
0091	Contracted instructional services between schools	665,251,676	-	-	-	665,251,676
0093	Payments related to shared services arrangements	4,080,590	-	-	-	4,080,590
0099	Other intergovernmental charges	8,969,463	-	-	-	8,969,463
6030	<b>Total expenditures</b>	<b>1,430,372,749</b>	<b>112,939,226</b>	<b>180,374,279</b>	<b>118,640,445</b>	<b>1,842,326,699</b>
1100	<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>8,873,274</b>	<b>26,355,055</b>	<b>(176,761,272)</b>	<b>2,515,547</b>	<b>(139,017,396)</b>
<b>Other Financing Sources and (Uses)</b>						
7911	Capital-related debt issued (regular bonds)	-	298,180,000	-	-	298,180,000
7915	Transfers in	-	-	365,000,000	-	365,000,000
7916	Premium or discount on issuance of bonds	-	38,981,000	-	-	38,981,000
8911	Transfers out	(5,000,000)	(360,000,000)	-	-	(365,000,000)
7080	<b>Total other financing sources and (uses)</b>	<b>(5,000,000)</b>	<b>(22,839,000)</b>	<b>365,000,000</b>	<b>-</b>	<b>337,161,000</b>
<b>Special items</b>						
7918	Sale of buildings	-	-	10,554,488	-	10,554,488
	<b>Total special items</b>	<b>-</b>	<b>-</b>	<b>10,554,488</b>	<b>-</b>	<b>10,554,488</b>
1200	<b>Net change in fund balances</b>	<b>3,873,274</b>	<b>3,516,055</b>	<b>198,793,216</b>	<b>2,515,547</b>	<b>208,698,092</b>
0100	Fund balances at beginning of period	284,448,924	135,026,176	95,664,637	8,710,978	523,850,715
3000	Fund balances at end of period	<b>\$ 288,322,198</b>	<b>\$ 138,542,231</b>	<b>\$ 294,457,853</b>	<b>\$ 11,226,525</b>	<b>\$ 732,548,807</b>

See notes to basic financial statements.



**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 June 30, 2019**

Net change in fund balances—total Governmental Funds	\$ 208,698,092
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$184,635,807) exceeded depreciation expense (\$69,554,987), land sales (\$16,000) and net asset removal (\$3,282,560).	111,782,260
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 (\$67,297,408) were exceeded by debt and loan proceeds (\$298,180,000).	(230,882,592)
Governmental funds report the effect of premiums when the debt is first issued whereas these amounts are deferred and amortized over the life of the bonds in the statement of activities. This is the amount by which the current year bond premium (\$38,981,000) exceeded amortization (\$14,563,952). There was no defeasance of bond premiums in 2019.	(24,417,048)
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.	1,120,940
Losses on refundings are not reported in the governmental funds, but are amortized over the life of the debt in the statement of activities. This is the amount of net change in the deferred loss on refunding between 2018 and 2019.	(1,614,131)
Delinquent property taxes do not provide current financial resources in the funds, and as such, are recognized as unearned revenue in the governmental funds. This is the net change between 2018 and 2019.	680,711
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 (\$8,159,317), plus transfers in (\$0).	8,159,317
Costs associated with the accrual of vacation and sick leave are recognized as expenditures in the governmental funds when matured. This is the amount of net change in the vacation accrual between 2018 and 2019.	279,671
GASB Statement No. 68 requires that certain expenditures be recorded as deferred resources. This is the amount by which pension expense (\$15,364,313) and amortization of prior year deferred inflows and outflows of resources (\$34,527,419) exceeded the prior year contributions (\$7,825,296) and additional deferred items recognized in the current year (\$41,416,871).	(649,565)
The adoption of GASB Statement No. 75 required certain expenditures be recorded as deferred resources. This is the amount by which OPEB expense (\$21,790,762) and amortization of prior year deferred inflows and outflows of resources (\$12,629,993) exceeded the prior year contributions (\$4,469,481) and additional deferred items recognized in the current year (\$28,007,274).	(1,944,000)
Change in net position of governmental activities—statement of activities	<u>\$ 71,213,655</u>

See notes to basic financial statements.

Austin Independent School District

Exhibit D-1 Statement of Net Position—Proprietary Funds  
June 30, 2019

Data Control Codes		Governmental Activities— Internal Service Fund
	<b>Assets</b>	
	Current assets:	
	Cash and cash equivalents	\$ 1,103
	Investments	35,791,809
	Due from other funds	976,611
	Other receivables	7,950,662
	Inventories	46,296
	Total current assets	<u>44,766,481</u>
1000	<b>Total assets</b>	<u>44,766,481</u>
	<b>Liabilities</b>	
	Current liabilities:	
	Accounts payable	1,318,084
	Accrued expenditures	38,094
	Claims payable—due within one year	9,614,200
	Total current liabilities	<u>10,970,378</u>
	Noncurrent liabilities:	
	Claims payable—due in more than one year	<u>3,614,305</u>
2000	<b>Total liabilities</b>	<u>14,584,683</u>
	<b>Unrestricted net position</b>	<u>30,181,798</u>
3000	<b>Total net position</b>	<u>\$ 30,181,798</u>

See notes to basic financial statements.

Austin Independent School District

Exhibit D-2 Statement of Revenues, Expenses and Changes in Net Position—Proprietary Funds  
Year Ended June 30, 2019

Data Control Codes		Governmental Activities— Internal Service Fund
	<b>Operating Revenues</b>	
5700	Charges for services	\$ 92,781,844
	<b>Total operating revenues</b>	<u>92,781,844</u>
	<b>Operating Expenses</b>	
6100	Payroll costs	1,397,144
6200	Professional and contracted services	6,118,279
6300	Supplies and materials	122,272
6400	Insurance claims and expenses	73,448,419
6400	Other operating expenses	4,283,668
6030	<b>Total operating expenses</b>	<u>85,369,782</u>
	<b>Operating income</b>	7,412,062
	<b>Nonoperating Revenues</b>	
5742	Earnings from temporary deposits and investments	747,255
	<b>Total nonoperating revenues</b>	<u>747,255</u>
	Change in net position	<u>8,159,317</u>
0100	Net position at beginning of period	<u>22,022,481</u>
3300	Net position at end of period	<u>\$ 30,181,798</u>

See notes to basic financial statements.

**Austin Independent School District**

**Exhibit D-3 Statement of Cash Flows—Proprietary Funds  
Year Ended June 30, 2019**

	<b>Governmental Activities— Internal Service Fund</b>
Cash flows from operating activities:	
Payments to suppliers	\$ (8,872,701)
Payments to employee salaries and benefits	(1,397,144)
Payments from other funds	84,831,182
Claims paid	(73,775,589)
<b>Net cash provided by operating activities</b>	<u>785,748</u>
Cash flows from noncapital financing:	
Interfund transactions	(1,582,557)
<b>Net cash used in noncapital financing</b>	<u>(1,582,557)</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	138,354,512
Outlays for purchase of investments	(138,378,205)
Interest income	747,255
<b>Net cash provided by investing activities</b>	<u>723,562</u>
<b>Net decrease in cash and cash equivalents</b>	(73,247)
Cash and cash equivalents at beginning of period	<u>74,350</u>
Cash and cash equivalents at end of period	<u>\$ 1,103</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 7,412,062
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in:	
Increase in accounts receivable	(7,950,662)
Decrease in inventory	15,835
Decrease in other assets	165,009
Increase in accounts payable and accrued expenditures	1,470,676
Decrease in claims payable	(327,172)
<b>Net cash provided by operating activities</b>	<u>\$ 785,748</u>

See notes to basic financial statements.

Austin Independent School District

Exhibit E-1 Statement of Fiduciary Assets and Liabilities—Fiduciary Funds  
June 30, 2019

<b>Data Control Codes</b>		<b>Agency Funds</b>
	<b>Assets</b>	
1110	Cash and cash equivalents	\$ 10,802,088
	Investments	5,274,678
	Other receivables	<u>82,983</u>
1000	<b>Total assets</b>	<u><u>\$ 16,159,749</u></u>
	<b>Liabilities</b>	
	Accrued wages	\$ 231,780
	Due to other governments	5,713,156
2190	Due to student groups	<u>10,214,813</u>
2000	<b>Total liabilities</b>	<u><u>\$ 16,159,749</u></u>

See notes to basic financial statements.

## **Notes to Basic Financial Statements**

## Austin Independent School District

### Notes to Basic Financial Statements June 30, 2019

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#### **Note 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 reported within the reporting entity. The District is a governmental entity exempt from federal income taxation under Internal Revenue Code Section 115.

#### **Note 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, and grants and contributions used for capital requirements for a given function. During fiscal year 2019, the District did not receive any grants or contributions for capital for a given function. Program revenues include charges to customers, grants and contributions 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 is reported as a direct expense of the functional program that benefits from the use of the capital assets. 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.

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.

## Austin Independent School District

### Notes to Basic Financial Statements June 30, 2019

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#### Note 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 fund is also used to record all activity resulting from bond transactions, including all fees. This is a budgeted fund.

The Capital Projects Fund is the fund that accounts for transfers from the debt service fund related to proceeds from the sale of bonds restricted for capital improvements, 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.

Additionally, the District reports the following Nonmajor funds:

The Special Revenue Funds are the funds that account for state and federally financed programs or expenditures legally restricted for specified purposes or where unused balances are returned to the grantor at the close of specified project periods. This fund type also includes the following funds which are allowed to maintain a fund balance: food service operations, State Textbook Fund, High School Allotment, Campus Activity Fund, Permanent Fund, child care operations and scholarships. The Food Service Fund is the only Special Revenue Fund that is required to be budgeted and balances are to be used exclusively for allowable child nutrition program purposes.



## Austin Independent School District

### Notes to Basic Financial Statements June 30, 2019

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#### Note 3. Summary of Significant Accounting Policies (Continued)

**Proprietary fund types:** The Internal Service Fund, an unbudgeted fund, is the fund that accounts for the District's self-funding of workers' compensation claims, Campus Police, Print Shop, Laundry Services and Health and Dental Services. Revenues are generated in the Internal Service Fund through charges to various funds of the District. 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. 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 using the current financial resources 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.

#### 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 and state aid are recognized as revenues as soon as all eligibility requirements imposed by the provider are met and qualifying expenditures have been incurred. School Health and Related Services are recorded as revenue as the related services are rendered, and other local revenues such as fees and activity charges are recorded as revenue when cash is received.

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 they are expected to be collected within the current budgetary period, or within 60 days thereafter, and all eligibility requirements have been met. 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, activity fees and miscellaneous revenues are recognized when measurable and available.

## Austin Independent School District

### Notes to Basic Financial Statements June 30, 2019

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#### **Note 3. Summary of Significant Accounting Policies (Continued)**

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, net of recapture function 91 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 in governmental funds for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then from less restrictive classifications; committed and assigned, then unassigned fund balance, 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.

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, dental and workers' compensation insurance premiums to participate in the District's self-insured health and workers' compensation programs. The principal operating expenses for the Internal Service Funds include the cost of health, dental and workers' compensation claims and administrative charges. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

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**Note 3. Summary of Significant Accounting Policies (Continued)**

Effective July 1, 2018, the District adopted GASB Statement No. 83, *Certain Asset Retirement Obligations* (Statement No. 83), and GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* (Statement No. 88). Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations which is a legally enforceable liability associated with the retirement of a tangible capital asset. The District does not have any asset retirement obligations. Statement No. 88 requires additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The adoption of these standards did not have a significant impact on the District's financial statements.

**D. Cash Equivalents**

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, bank deposit accounts, and non-participating 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 has investments primarily in U.S. Treasuries, corporate commercial paper, U.S. agency securities, savings accounts and certificates of deposit. The District accrues interest on local government investment pools, savings accounts and non-participating certificates of deposit based on the terms and interest rates of the specific investments. The District's policy is to report local government investment pools that meet the criteria of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* (Statement No. 79), at the pool's net asset value (NAV) which is based on amortized cost. Nonparticipating certificates of deposit are reported at amortized cost plus accrued interest.

The District carries investments in debt securities and local government investment pools that do not meet the criteria of GASB Statement No. 79 at fair value using other observable significant inputs including but not limited to quoted prices for similar securities, interest rates, and fixed-income pricing models. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

**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 Basic Financial Statements  
June 30, 2019**

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**Note 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 in inventory at June 30, 2019, totaled \$224,418.

**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 one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated acquisition 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:

<b>Asset Class</b>	<b>Estimated Useful Lives</b>
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

**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.

**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

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**Note 3. Summary of Significant Accounting Policies (Continued)**

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 and sick leave pay for regular employees for all vacation and state sick leave earned as of June 30, 2019. The District allows unused vacation days to carry over through December 31, then it is lost.

A summary of changes in compensated absences for the year ended June 30, 2019, is as follows:

June 30, 2018 balance	\$ 1,876,445
Increases	2,326,003
Decreases	(2,605,674)
June 30, 2019 balance	<u>\$ 1,596,774</u>
Amount due within one year	<u>\$ 1,596,774</u>

The balance at June 30, 2019 is included in Accrued Wages Payable in the government wide statement of net position.

**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, workers' compensation, employee health benefits, employee life, dental and accident insurance.

During fiscal year 2019, employees of the District were covered by a self-funded health insurance plan provided by Aetna. District employees were offered a choice of two PPO plans and one HSA plan with two networks (Seton only, Open Access and HSA Seton). Claims administration is contracted from a third-party administrator. Health benefit consultant services are contracted from an outside entity. The District maintains individual stop-loss coverage for catastrophic losses exceeding \$750,000 per claim.

**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 June 30 and encumbrances outstanding at that time are either cancelled or appropriately provided for in the subsequent year's budget. Outstanding encumbrances at June 30, 2019, that were subsequently provided for in the 2020 budget as July through September amendments for Board approval totaled \$1,869,726 in the General Fund. The Debt Service Fund, Capital Projects Fund and Nonmajor Fund had no outstanding encumbrances at June 30, 2019.

## Austin Independent School District

### Notes to Basic Financial Statements June 30, 2019

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#### Note 3. Summary of Significant Accounting Policies (Continued)

##### L. Fund Balance and Net Position

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

- 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.
- The committed fund balance consists of funds that may be used only for a specific purpose, pursuant to constraints imposed by a formal action (resolution) of the District's Board. The purpose for the funds can be changed only by formal action of the District's Board.
- Assigned fund balances are those that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances do not require District Board formal action and may be specified as "intent" simply through the budgeting process that the resources from these funds be spent for specific purposes within the fund. By Board policy, the assigned fund balance may be designated by the Board or by the Board's designees, the Superintendent, or the Chief Financial Officer.
- Unassigned fund balances are those within the General Fund and represent fund balances that have not been restricted, committed or assigned.

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.

In the Government Wide financial statements, net position represents the difference between assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent bond proceeds. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws through constitutional provision or enabling legislation.

##### 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.

**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

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**Note 3. Summary of Significant Accounting Policies (Continued)**

**N. Unearned Revenue**

The unearned revenue on the balance sheet of the General Fund, Debt Service Fund and the Nonmajor Governmental Funds primarily relates to, donated commodity inventory, pre-payments for school lunch tickets in the child nutrition program special revenue fund, and unearned cost reimbursement grant revenues related to the vocational education, child care, and other grants that support student academic success. These funds were received before all eligibility requirements have been met.

**O. Prepaid Items**

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

**P. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the District's management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Q. Deferred Outflows/Inflows of Resources**

In addition to assets and liabilities, the Statement of Net Position includes separate sections for deferred outflows/inflows of resources. These separate financial statement elements represent a consumption/acquisition of net position that applies to a future period(s) and will not be recognized as an outflow/inflow of resources (expense/revenue) until that time. Governments are only permitted to report deferred outflows/inflows of resources in circumstances specifically authorized by the GASB. Typical deferred outflows/inflows of resources for the District relate to pensions, OPEB and deferred charges on refunded debt. The deferred inflows of resources on the balance sheet of the General Fund and Debt Service Fund primarily relates to unavailable uncollected property taxes, less the allowance for doubtful accounts.

**R. Pensions**

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

**S. Accrued Wages Payable**

Depending on the district calendar and timing of the end of the school year, the actual number of days most employees work in June is less than 30. 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 June. As of June 30, salaries that have been earned, but that will be paid in July and August, are recorded as accrued wages payable.

## Austin Independent School District

### Notes to Basic Financial Statements June 30, 2019

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#### Note 3. Summary of Significant Accounting Policies (Continued)

##### T. Other Post-Employment Benefits

The fiduciary net position of the TRS-Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS-Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments in the plan as this is a pay-as-you-go plan; however, there are assets accumulated in a trust which are primarily cash and receivables.

#### Note 4. Deposits and Investments

**Deposits:** Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover its collateral securities that are in the possession of an outside party. 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 June 30, 2019, 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, Wells Fargo Bank, N.A., in the name of the District, as described below.

At June 30, 2019, including student activity fund balances of \$8,940,040, the District had a general ledger balance of \$12,336,415, while the total of bank balances equaled \$19,528,731. Of the bank balances, \$500,000 is covered by federal depository insurance, and the remainder was covered by \$27,262,469 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: Wells Fargo Bank, N.A.
2. The amount of bond and/or security pledged as of the date of the highest combined balance on deposit was a deficit of \$13,804,980.
3. The largest deposit combined account balance amounted to \$25,412,374 and occurred during the month of February 2019.
4. Total amount of FDIC coverage at the time of the largest combined balance was \$500,000.



## Austin Independent School District

### Notes to Basic Financial Statements June 30, 2019

#### Note 4. Deposits and Investments (Continued)

**Investments:** The District categorizes its fair value measurement disclosures within the fair value hierarchy established by generally accepted accounting principles. The hierarchy prioritizes valuation inputs used to measure the fair value of the asset or liability in three broad categories. Levels 1, 2 and 3 (lowest priority level) of the fair value hierarchy are defined as follows.

**Level 1:** Inputs using unadjusted quoted prices in active markets or exchanges in identical assets or liabilities.

**Level 2:** Significant other observable inputs, which may include, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in non-active markets; and inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly.

**Level 3:** Valuations for which one or more significant inputs are unobservable and may include situations where there is minimal, if any, market activity for the asset or liability.

If the fair value is measured using inputs from different levels in the fair value hierarchy, the measurement should be categorized based on the lowest priority level input that is significant to the valuation. The District's assessment of significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Investments measured at fair value using NAV per share (or equivalent) as a practical expedient to fair value are not classified in the fair value hierarchy.

The District's investments, including restricted assets, at June 30, 2019, are as follows:

	June 30, 2019	Level 1	Level 2	Level 3
Investments by fair value level:				
Debt securities:				
U.S. Treasuries	\$ 93,233,480	\$ -	\$ 93,233,480	\$ -
Corporate Commercial Paper	128,747,558	-	128,747,558	-
Federal Agricultural Mortgage Corporation	5,151,648	-	5,151,648	-
Federal Farm Credit Bank	12,012,330	-	12,012,330	-
Federal Home Loan Mortgage Corporation	2,333,628	-	2,333,628	-
Government National Mortgage Association	5,416,682	-	5,416,682	-
Federal National Mortgage Association	9,984,124	-	9,984,124	-
Small Business Administration	2,300,858	-	2,300,858	-
Total debt securities	259,180,308	-	259,180,308	-
External investment pool:				
Texas CLASS	90,784,007	-	90,784,007	-
TexStar	69,574,332	-	69,574,332	-
Total investment pool	160,358,339	-	160,358,339	-
Total investments by fair value level	419,538,647	\$ -	\$ 419,538,647	\$ -
Investments measured at NAV based on amortized cost:				
LoneStar	95,855,825			
Texas Term	79,033,495			
TexPool	419,010,678			
Total investments measured at NAV	593,899,998			
Investments measured at amortized cost:				
Savings accounts	1,274,773			
Total investments	\$1,014,713,418			

## Austin Independent School District

### Notes to Basic Financial Statements June 30, 2019

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#### Note 4. Deposits and Investments (Continued)

Debt securities and external investment pools classified as Level 2 of the fair value hierarchy are valued using other observable significant inputs based on third party fixed-income pricing models. Investments in local government investment pools that meet the criteria of Statement No. 79 are measured at each pool's published NAV per share which is based on amortized cost.

**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.

**Credit risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the District. To help mitigate credit risk, the District's investment officer is to monitor changes in investment ratings and to liquidate investments that do not maintain satisfactory ratings. As of June 30, 2019, the District held \$754,258,337 in external investment pools, all of which were rated AAA by Standard & Poor's. In addition, as of June 30, 2019, the District had the following investments subject to credit risk:

Investment Type	AAA	AA	A	A-1	Total
Commercial Paper	\$ 17,498,913	\$ 19,981,878	\$ 31,701,041	\$ 59,565,726	\$ 128,747,558
Federal Agricultural Mortgage Corporation	-	5,151,648	-	-	5,151,648
Federal Farm Credit Bank	12,012,330	-	-	-	12,012,330
Federal Home Loan Mortgage Corporation	-	2,333,628	-	-	2,333,628
Federal National Mortgage Association	-	9,984,124	-	-	9,984,124
	<u>\$ 29,511,243</u>	<u>\$ 37,451,278</u>	<u>\$ 31,701,041</u>	<u>\$ 59,565,726</u>	<u>\$ 158,229,288</u>

**Custodial credit risk:** Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside third party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the District and are held by the counterparty, its trust or agent, but not in the District's name. The District's investment securities are not exposed to custodial credit risk because all securities held by the District's custodial banks are in the District's name.

**Concentration of credit risk:** Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy requires the investment portfolio be diversified in terms of investment instruments, maturities and financial institutions to reduce the risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity or specific issuer. For those investments subject to concentration of credit risk, as of June 30, 2019, the District had none that exceeded 5.0%.

**Interest rate risk:** Interest rate risk is the risk that the changes in interest rates will adversely affect the fair value of an investment. 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.

**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

**Note 4. Deposits and Investments (Continued)**

As of June 30, 2019, the District's investments in debt securities mature as follows:

Investment Type	Investment Maturities (in Days)				Fair Value
	90 Days or Less	91 to 180 Days	181 to 365 Days	Greater Than 365 Days	
U.S. Treasuries	\$ 92,565,396	\$ -	\$ -	\$ 668,084	\$ 93,233,480
Corporate Commercial Paper	84,163,337	29,777,333	14,806,888	-	128,747,558
Federal Agricultural Mortgage Corporation	-	5,151,648	-	-	5,151,648
Federal Farm Credit Bank	12,012,330	-	-	-	12,012,330
Federal Home Loan Mortgage Corporation	-	-	-	2,333,628	2,333,628
Government National Mortgage Association	-	-	-	5,416,682	5,416,682
Federal National Mortgage Association	9,984,124	-	-	-	9,984,124
Small Business Administration	-	-	-	2,300,858	2,300,858
Total debt securities	<u>\$ 198,725,187</u>	<u>\$ 34,928,981</u>	<u>\$ 14,806,888</u>	<u>\$ 10,719,252</u>	<u>\$ 259,180,308</u>

**Texas Local Government Investment Pool:** Texas Local Government Investment Pool (TexPool) is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed both of participants in TexPool and of other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, TexPool is rated AAAM by Standard & Poor's and has a weighted average maturity of 36 days.

TexPool meets the requirements of GASB Statement No. 79, and as such, measures its investments at amortized cost.

**Lone Star Investment Pool:** The Lone Star Investment Pool (Lone Star) is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Chapter 791, of the Texas Government Code, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. Lone Star is managed by an 11-member board of trustees and, pursuant to the investment agreement, the board of trustees is authorized and directed to adopt and maintain bylaws consistent with the bylaws of the Texas School Cash Management Program. Pursuant to Section 2256.016(g) of the Public Funds Investment Act, Lone Star has established an advisory board. The purpose of the advisory board is to gather and exchange information from participants and nonparticipants relating to Lone Star's operations. The Board has entered into an agreement with the Texas Association of School Boards (TASB), a Texas nonprofit corporation, pursuant to which TASB serves as administrator of Lone Star's operations. Standard & Poor's rates money market funds and has rated Lone Star as AAA. The District participates in the Government Overnight Fund and the Corporate Overnight Fund offered by Lone Star. The Government Overnight Fund and the Corporate Overnight Fund have a weighted average maturity of 26 days and 39 days, respectively.

The two Lone Star funds the District participates in both meet the requirements of GASB Statement No. 79, and as such, the District measures its investments at amortized cost.

## Austin Independent School District

### Notes to Basic Financial Statements June 30, 2019

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#### Note 4. Deposits and Investments (Continued)

**TexasTERM (TexasDAILY) Investment Pool:** TexasDAILY is a public funds investment pool established by the TexasTERM Local Government Investment Pool (TexasTERM) advisory board, pursuant to provisions of the TexasTERM Common Investment Contract that established the TexasTERM Local Government Investment Pool and the series known as TexasDAILY. TexasDAILY was organized in conformity with the Interlocal Cooperation Act, Chapter 791, Texas Government Code and the Public Funds Investment Act, Chapter 2256, Texas Government Code. An advisory board, composed of participants and nonparticipant members elected by the participant shareholders of TexasTERM, is responsible for the overall management of TexasTERM, including formulation and implementation of its investment and operating policies. In addition, the advisory board members select and oversee the activities of the investment advisor and custodian of TexasTERM and monitor investment performance and the method of valuing the shares. The investment advisor and administrator for TexasDAILY is PFM Asset Management, LLC. TexasTERM and TexasDAILY are rated AAAM by Standard & Poor's. TexasDAILY has a weighted average maturity of 34 days.

TexasTERM meets the requirements of GASB Statement No. 79, and as such, measures its investments at amortized cost.

**TexSTAR Investment Pool:** TexSTAR is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256, of the Texas Government Code. The pool was created through a contract among its participating governmental units, and is governed by a board of directors to provide for the joint investment of participants' public funds and funds under their control. TexSTAR is managed by J.P. Morgan Investment Management, Inc., an affiliate of JPMorgan Chase Bank, N.A. a national banking association, and First Southwest Asset Management, Inc., an affiliate of Texas based First Southwest Company. TexSTAR's investment manager will maintain the dollar-weighted average maturity of 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. TexSTAR has a weighted average maturity of 19 days.

TexSTAR does not meet the requirements of GASB Statement No. 79, and as such, measures its investments at fair value. The District, as a participant in TexSTAR, measures its investment in the pool at fair value determined by the pool.

**Texas CLASS Investment Pool:** The Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) was created as a local government investment pool pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code. Per state code, entities may pool any of their funds, or funds under their control, to preserve principal, maintain the liquidity of the funds, and maximize yield. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and Wells Fargo Bank Texas, N.A. as Custodian.

Texas CLASS is overseen by the Texas CLASS Board of Trustees, comprised of active members of the pool and elected by the Participants, guided by the Advisory Board. The Board is responsible for selecting the Administrator and Investment Advisor.

## Austin Independent School District

### Notes to Basic Financial Statements June 30, 2019

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#### Note 4. Deposits and Investments (Continued)

Texas CLASS is rated AAAM by Standard and Poor's and has a weighted average maturity of 76 days.

Texas CLASS does not meet the requirements of Statement No. 79, and as such, measures its investments at fair value. The District, as a participant in Texas CLASS, measures its investment in the pool at fair value determined by the pool.

#### Note 5. Property Taxes

In accordance with Texas statutes, the Board of the District approves a tax rate and order to levy taxes in August of each year. Property taxes are billed by the county tax assessor collector as of October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are payable 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 the year following the District's order to levy taxes (the assessment date), a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed. The assessment date represents the date on which an enforceable legal claim arises and attaches as a lien on the assessed property. In the government-wide financial statements, property tax revenue is recognized as earned, net of an allowance for uncollectible taxes. In the Governmental Fund financial statements, property tax revenues are considered available when they become due and receivable within the current period, or within 60 days of year-end.

The final assessed value at January 1, 2018, upon which the October 2018 levy was based, was \$121,551,585,435. The tax rates assessed for the fiscal year ended June 30, 2019, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.079 and \$0.113 per \$100 valuation, respectively, for a total of \$1.192 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 June 30, 2019, property taxes receivable, net of estimated uncollectible taxes, totaled \$15,470,751 and \$1,778,534 for the General and Debt Service Funds, respectively.

#### Note 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 June 30, 2019 for the District's major fund and nonmajor funds are summarized below. All federal grants shown below are passed through TEA and are reported in the basic financial statements as receivable from other governments.

Fund	Local Entities	State Grants and Other	Federal Grants	Total
General Fund	\$ 393,003	\$ 9,766,785	\$ 331,044	\$ 10,490,832
Debt Service Fund	41,314	-	-	41,314
Nonmajor fund	1,206,257	17,256,452	1,161,827	19,624,536
	<u>\$ 1,640,574</u>	<u>\$ 27,023,237</u>	<u>\$ 1,492,871</u>	<u>\$ 30,156,682</u>

**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

**Note 7. Changes in Capital Assets**

The following summarizes the change in capital assets for the fiscal year ended June 30, 2019:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 87,796,782	\$ 761,233	\$ (16,000)	\$ 88,542,015
Construction in progress	29,398,369	172,873,210	(82,767,910)	119,503,669
Total capital assets not being depreciated	<u>117,195,151</u>	<u>173,634,443</u>	<u>(82,783,910)</u>	<u>208,045,684</u>
Capital assets being depreciated:				
Buildings and improvements	1,755,211,114	82,767,910	(7,152,070)	1,830,826,954
Furniture and equipment	110,464,824	11,001,364	(36,752,047)	84,714,141
Total capital assets being depreciated	<u>1,865,675,938</u>	<u>93,769,274</u>	<u>(43,904,117)</u>	<u>1,915,541,095</u>
Less accumulated depreciation for:				
Buildings and improvements	(850,405,789)	(61,988,620)	3,912,948	(908,481,461)
Furniture and equipment	(83,196,178)	(7,566,367)	36,708,609	(54,053,936)
Total accumulated depreciation	<u>(933,601,967)</u>	<u>(69,554,987)</u>	<u>40,621,557</u>	<u>(962,535,397)</u>
Total capital assets being depreciated, net	<u>932,073,971</u>	<u>24,214,287</u>	<u>(3,282,560)</u>	<u>953,005,698</u>
Governmental activities capital assets, net	<u>\$ 1,049,269,122</u>	<u>\$ 197,848,730</u>	<u>\$ (86,066,470)</u>	<u>\$ 1,161,051,382</u>

Depreciation expense for the fiscal year ended June 30, 2019, was charged to functions/programs of primary government activities as follows:

Instruction	\$ 40,753,749
Instructional resources and media services	924,909
Curriculum and instructional staff development	1,704,121
Instructional leadership	1,417,437
School leadership	5,165,327
Guidance, counseling and evaluation services	2,576,041
Social work services	571,978
Health services	104,838
Student (pupil) transportation	2,963,615
Food services	2,133,294
Curricular/extracurricular activities	1,343,467
General administration	1,687,984
Plant maintenance and operations	4,373,210
Security and monitoring services	1,078,491
Data processing services	1,403,752
Community services	1,352,774
	<u>\$ 69,554,987</u>

**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

**Note 8. Long-Term Obligations**

Long-term obligations include par bonds and loans, self-insurance claims payable, net pension liability and net OPEB liability. At June 30, 2019, 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 \$121,551,585,435, and the District's legal debt margin is 1.12%.

The following is a summary of changes in long-term obligations (including general obligation bonds, loans, self-insurance claims payable, net pension liability and net OPEB liability) for the fiscal year ended June 30, 2019:

	<b>Bonds Payable</b>	<b>Loans Payable</b>	<b>Self-Insurance Claims Payable</b>	<b>Net Pension Liability</b>	<b>Net OPEB Liability</b>
Balance at June 30, 2018	\$ 1,103,686,465	\$ 2,547,174	\$ 13,555,677	\$ 85,792,166	\$ 293,543,676
Additions—bond premium	38,981,000	-	-	-	-
Current year claims and/or changes in estimates	-	-	73,087,537	-	-
Bond issuances	298,180,000	-	-	-	-
Retirements	(66,897,633)	(399,775)	-	-	-
Claim payments	-	-	(73,414,709)	-	-
Amortized bond premium	(14,563,952)	-	-	-	-
Additions, net pension/OPEB expense	-	-	-	15,364,313	21,790,762
Reductions, net deferred resources	-	-	-	34,527,419	12,629,993
Reductions—prior-year contributions	-	-	-	(7,825,296)	(4,469,481)
Balance at June 30, 2019	<u>\$ 1,359,385,880</u>	<u>\$ 2,147,399</u>	<u>\$ 13,228,505</u>	<u>\$ 127,858,602</u>	<u>\$ 323,494,950</u>
Amount due within one year	<u>\$ 110,669,556</u>	<u>\$ 394,910</u>	<u>\$ 9,614,200</u>	<u>\$ -</u>	<u>\$ -</u>

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

**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

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**Note 8. Long-Term Obligations (Continued)**

The following is a summary of the interest rates and original issue amounts for the District's long-term debt as of June 30, 2019:

<b>Description</b>	<b>Interest Rate Payable</b>	<b>Amounts Original Issue</b>
Bonded indebtedness:		
2005B Unlimited Tax School Qualified Zone Academy Bonds	3.01%	\$ 4,491,923
2006 Unlimited Tax School Qualified Zone Academy Bonds	2.69%	6,408,071
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 Building and Refunding	2.00-5.00%	99,495,000
2010A Unlimited Tax Refunding Bonds	2.50-5.00%	25,165,000
2010B Unlimited Tax Refunding Bonds	3.68-5.24%	58,315,000
2011 Unlimited Tax Refunding Bonds	2.00-5.00%	91,625,000
2013A Unlimited Tax Refunding Bonds	1.50-5.50%	101,100,000
2013B Unlimited Tax Refunding Bonds	0.443-2.333%	8,555,000
2014A Unlimited Tax Refunding Bonds	2.00-5.00%	54,815,000
2014B Unlimited Tax Refunding Bonds	5.00%	89,595,000
2015A Unlimited Tax Refunding Bonds	3.15-5.00%	63,110,000
2015B Unlimited Tax Refunding Bonds	5.00%	87,295,000
2015 Unlimited Tax Qualified School Construction Bonds	4.85%	24,078,000
2016A Unlimited Tax Refunding	4.00-5.00%	100,230,000
2016B Unlimited Tax Refunding	4.00-5.00%	180,395,000
2016C Unlimited Tax Refunding	5.00%	43,620,000
2017 Unlimited Tax Building and Refunding	2.50-5.00%	218,960,000
2019 Unlimited Tax School Building & Refunding Bonds	4.00-5.00%	298,180,000
		<u>\$ 1,657,875,125</u>



**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

**Note 8. Long-Term Obligations (Continued)**

Description	Amounts Outstanding June 30, 2018	Additions Current Year	Retired Current Year	Amounts Outstanding June 30, 2019
Bonded indebtedness:				
Building bonds:				
2005B Unlimited Tax School Qualified Zone Academy	\$ 4,491,923	\$ -	\$ -	\$ 4,491,923
2006 Unlimited Tax School Qualified Zone Academy	6,408,071	-	-	6,408,071
2008 Unlimited Tax School Qualified Zone Academy	915,801	-	(152,633)	763,168
2008 Unlimited Tax Refunding	3,410,000	-	(3,410,000)	-
2009 Unlimited Tax Building and Refunding	6,255,000	-	(3,065,000)	3,190,000
2010 Unlimited Tax Refunding	62,315,000	-	(4,000,000)	58,315,000
2011 Unlimited Tax Refunding	8,105,000	-	(2,570,000)	5,535,000
2013A Unlimited Tax Refunding	59,460,000	-	(3,265,000)	56,195,000
2013B Unlimited Tax Refunding	4,660,000	-	(2,310,000)	2,350,000
2014A Unlimited Tax Refunding	48,035,000	-	(2,025,000)	46,010,000
2014B Unlimited Tax Refunding	86,655,000	-	(8,455,000)	78,200,000
2015A Unlimited Tax Refunding	60,975,000	-	(2,220,000)	58,755,000
2015B Unlimited Tax Refunding	87,295,000	-	-	87,295,000
2015 Unlimited Tax Qualified School Construction Bonds	24,078,000	-	-	24,078,000
2016A Unlimited Tax Refunding	82,405,000	-	(17,025,000)	65,380,000
2016B Unlimited Tax Refunding	172,030,000	-	(7,960,000)	164,070,000
2016C Unlimited Tax Refunding	43,620,000	-	-	43,620,000
2017 Unlimited Tax Building and Refunding	218,960,000	-	(10,440,000)	208,520,000
2019 Unlimited Tax Building and Refunding	-	298,180,000	-	298,180,000
Bond premium	123,612,670	38,981,000	(14,563,952)	148,029,718
Total bond indebtedness	<u>\$ 1,103,686,465</u>	<u>\$ 337,161,000</u>	<u>\$ (81,461,585)</u>	<u>\$ 1,359,385,880</u>

The bonds issued by the District constitute direct obligations of the District, payable from a continuing, direct annual ad valorem tax levied, without legal limit as to rate or amount, against all taxable property within the District.

At June 30, 2019, approximately 80% of outstanding bonds issued by the District are guaranteed by the Texas Permanent School Fund Permanent School Fund Guarantee Program (Program). Through the Program, the Texas Permanent School Fund (TPSF) pledges to guarantee bonds issued by Texas school districts thus enhancing their credit rating. Bonds issued under the Bond Guarantee Program are rated AAA, thus allowing participating school districts to borrow at a lower cost.

There are no specific events of default, other than non-payment of principal or interest, established with respect to the bonds. In the event of default, holders of guaranteed school district bonds will receive all payments due on the bonds from the corpus of the Permanent School Fund. If a school district fails to pay principal or interest on a bond as it is stated to mature, other amounts not due and payable are not accelerated and do not become due and payable by virtue of the District's default.

**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

**Note 8. Long-Term Obligations (Continued)**

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

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Years ending June 30:			
2020	\$ 110,669,556	\$ 50,856,916	\$ 161,526,472
2021	68,065,704	49,613,677	117,679,381
2022	48,167,633	46,498,679	94,666,312
2023	50,462,633	44,124,916	94,587,549
2024	52,777,636	41,672,456	94,450,092
2025-2029	296,235,000	167,064,852	463,299,852
2030-2034	358,988,000	88,785,455	447,773,455
2035-2039	225,990,000	24,633,562	250,623,562
2040-2041	-	410,600	410,600
	<u>\$ 1,211,356,162</u>	<u>\$ 513,661,114</u>	<u>\$ 1,725,017,276</u>

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 June 30, 2019.

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

<b>Fiscal Years</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 394,910	\$ 65,354	\$ 460,264
2021	406,891	53,372	460,263
2022	419,236	41,028	460,264
2023	431,955	28,308	460,263
2024	445,061	15,203	460,264
Thereafter	49,346	1,707	51,053
	<u>\$ 2,147,399</u>	<u>\$ 204,972</u>	<u>\$ 2,352,371</u>

During fiscal year 2019, interest expense and cash paid for interest for loans and general obligation bonds totaled \$43,449,869.

**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

**Note 9. Interfund Receivables and Payables**

Interfund balances occur when one fund pays or receives resources for another fund. Interfund balances at June 30, 2019, consisted of the following fund receivables and payables:

	<u>Due From</u>	<u>Due To</u>
Major Fund—General:		
Debt Service	\$ -	\$ 1,079
Capital Projects	53,776,257	-
Nonmajor	12,522,732	-
Internal Service	-	905,686
Total General Fund	<u>66,298,989</u>	<u>906,765</u>
Major Fund—Debt Service:		
General	1,079	-
Total Debt Service Fund	<u>1,079</u>	<u>-</u>
Major Fund—Capital Projects:		
General	-	53,776,257
Nonmajor	499,200	-
Internal Service	-	432
Total Capital Projects Fund	<u>499,200</u>	<u>53,776,689</u>
Nonmajor Funds:		
General	-	12,522,732
Capital Projects	-	499,200
Internal Service	-	70,493
Total Nonmajor Funds	<u>-</u>	<u>13,092,425</u>
Internal Service Fund:		
General	905,686	-
Capital Projects	432	-
Nonmajor	70,493	-
Total Internal Service Fund	<u>976,611</u>	<u>-</u>
Total all funds	<u>\$ 67,775,879</u>	<u>\$ 67,775,879</u>

During the year, the Debt Service Fund and the General Fund transferred \$360,000,000 and \$5,000,000, respectively, to the Capital Projects Fund to fund capital outlay and retire commercial paper that originated and matured in the current fiscal year. See Notes 7 and 15 for more information.

**Note 10. Commitments and Contingencies**

At June 30, 2019, the District is committed under contracts in the amount of approximately \$272 million. The commitments are for remaining work on various construction projects. These commitments are payable from the Capital Projects Fund.

## Austin Independent School District

### Notes to Basic Financial Statements June 30, 2019

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#### Note 10. Commitments and Contingencies (Continued)

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 and Subpart F of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* through June 30, 2019, 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 June 30, 2019, was \$4,521,217. 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. 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. The District believes any refunds of taxes associated with contested property values would not be material to the financial statements.

#### Note 11. Defined Benefit Pension Plan

##### A. Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by TRS. It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

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

##### B. Pension Plan Fiduciary Net Position

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

**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

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**Note 11. Defined Benefit Pension Plan (Continued)**

**C. Benefits Provided**

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

**D. Contributions**

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

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

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

	<u>2018</u>	<u>2019</u>
Member	7.7%	7.7%
Nonemployer Contributing Entity (State) (NECE)	6.8%	6.8%
Employers	6.8%	6.8%
District's employer contributions	\$ 9,176,005	\$ 8,373,441
District's member contributions	\$ 42,824,881	\$ 42,423,763
District's NECE contributions	\$ 32,798,322	\$ 37,465,141

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

**Austin Independent School District**

**Notes to Basic Financial Statements**

**June 30, 2019**

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**Note 11. Defined Benefit Pension Plan (Continued)**

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

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

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

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

**E. Actuarial Assumptions**

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

Valuation Date	August 31, 2017
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Discount Rate	6.907%
Long-Term Expected Investment Rate of Return	7.25%
Inflation	2.3%
Salary Increases including inflation	3.05% to 9.05%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

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

**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

**Note 11. Defined Benefit Pension Plan (Continued)**

**F. Discount Rate**

The discount rate used to measure the total pension liability was 6.907%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.69%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the nonemployer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in TRS' target asset allocation as of August 31, 2018, are summarized below:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Geometric Real Rate of Return</b>	<b>Expected Contribution to Long-Term Portfolio Returns*</b>
Global Equity:			
U.S.	18%	5.7%	1.0%
Non-U.S. Developed	13%	6.9%	0.9%
Emerging Markets	9%	9.0%	0.8%
Directional Hedge Funds	4%	3.5%	0.1%
Private Equity	13%	10.2%	1.3%
Stable Value:			
U.S. Treasuries	11%	1.1%	0.1%
Absolute Return	0%	0.0%	0.0%
Stable Value Hedge Funds	4%	3.1%	0.1%
Cash	1%	(0.3%)	0.0%
Real Return:			
Global Inflation Linked Bonds	3%	0.7%	0.0%
Real Assets	14%	5.2%	0.7%
Energy and Natural Resources	5%	7.5%	0.4%
Commodities	0%	0.0%	0.0%
Risk Parity:			
Risk Parity	5%	3.7%	0.2%
Inflation Expectation	0%	0.0%	2.4%
Alpha	0%	0.0%	(0.8%)
Total	<u>100%</u>		<u>7.2%</u>

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

**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

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**Note 11. Defined Benefit Pension Plan (Continued)**

**G. Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the net pension liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.907%) in measuring the net pension liability.

	1% Decrease in <u>Discount Rate (6.907%)</u>	Discount <u>Rate (7.907%)</u>	1% Increase in <u>Discount Rate (8.907%)</u>
District's proportionate share of the net pension liability	\$ 192,969,290	\$ 127,858,602	\$ 75,147,639

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

At June 30, 2019, the District reported a liability of \$127,858,602 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for state pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 127,858,602
State's proportionate share that is associated with the District	<u>477,910,010</u>
Total	<u><u>\$ 605,768,612</u></u>

The net pension liability was measured as of August 31, 2017 and rolled forward to August 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2017. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2017, through August 31, 2018.

At August 31, 2018, the employer's proportion of the collective net pension liability was 0.23229% which was a decrease of 13.43% from its proportion measured as of August 31, 2017.

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

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



**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

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**Note 11. Defined Benefit Pension Plan (Continued)**

- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the net pension liability.

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

During the measurement period ended August 31, 2018, the District recognized pension expense of \$47,300,353 and revenue of \$47,300,353 for on-behalf payments provided by the state.

As of the measurement date of August 31, 2018, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Differences between expected and actual economic experience	\$ 796,966	\$ 3,137,145
Changes in actuarial assumptions	46,099,185	1,440,601
Difference between projected and actual investment earnings	6,644,720	9,070,746
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	1,073,480	29,225,685
Contributions paid to TRS subsequent to the measurement date	6,906,284	-
Total	<u>\$ 61,520,635</u>	<u>\$ 42,874,177</u>

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

	<b>Pension Expense Amount</b>
Years ending June 30:	
2020	\$ 2,963,686
2021	(2,141,545)
2022	(2,983,069)
2023	4,169,338
2024	5,918,401
Thereafter	3,813,363
	<u>\$ 11,740,174</u>

The deferred outflows and deferred inflows resulting from the difference between projected and actual earnings on pension plan investments will be recognized as a reduction of pension expense over five years. The other deferred inflows and outflows will be recognized in pension expense using the average expected remaining service lives of all members.

**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

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**Note 12. Defined Other Post-Employment Benefit Plan**

**A. Plan Description**

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

**B. OPEB Plan Fiduciary Net Position**

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

**C. Benefits Provided**

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

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

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

<b>TRS-Care Monthly Rates for Retirees</b>		
Effective January 1, 2108 through December 31, 2018		
	<b>Medicare</b>	<b>Non-Medicare</b>
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

\* or surviving spouse

**Austin Independent School District**

**Notes to Basic Financial Statements**

**June 30, 2019**

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**Note 12. Defined Other Post-Employment Benefit Plan (Continued)**

**D. Contributions**

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

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

	<u>Contribution Rates</u>	
	<u>2018</u>	<u>2019</u>
Active Employee	0.65%	<b>0.65%</b>
Non-Employer Contributing Entity (State)	1.25%	<b>1.25%</b>
Employers	0.75%	<b>0.75%</b>
Federal/private Funding remitted by Employers	1.25%	<b>1.25%</b>
District's employer contributions	\$4,389,421	<b>\$4,834,413</b>
District's member contributions	\$3,614,984	<b>\$3,581,227</b>
District's NECE contributions	\$6,732,279	<b>\$6,886,974</b>

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$182.6 million in fiscal year 2018. The 85<sup>th</sup> Texas Legislature, House Bill 30 provided an additional \$212 million in one-time, supplemental funding for the fiscal year 2018-2019 biennium to continue to support the program. This was also received in fiscal year 2018 bringing the total appropriations received in fiscal year 2018 to \$394.6 million.

**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

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**Note 12. Defined Other Post-Employment Benefit Plan (Continued)**

**E. Actuarial Assumptions**

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

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the TRS pension actuarial valuation:

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

***Additional Actuarial Methods and Assumptions:***

Valuation Date	August 31, 2017
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate *	3.69% *
Aging Factors	Based on plan specific experience
Expenses	Third- party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Payroll Growth Rate	3.00%
Projected Salary Increases including inflation	3.05% to 9.05%
Healthcare Trend Rates **	6.75% to 10.74% **
Election Rates	Normal Retirement: 70% participation prior to age 65 and 75% participation after age 65
Ad hoc post-employment benefit changes	None

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

\*\* Initial trend rates are 10.74% and 9.00% for Medicare retirees and 6.75% for non-Medicare retirees.

**F. Discount Rate**

A single discount rate of 3.69% was used to measure the total OPEB liability. There was a change of 0.27% in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to *not be able to* make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

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**Note 12. Defined Other Post-Employment Benefit Plan (Continued)**

**G. Discount Rate Sensitivity Analysis**

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

	<b>1% Decrease in Discount Rate (2.69%)</b>	<b>Discount Rate (3.69%)</b>	<b>1% Increase in Discount Rate (4.69%)</b>
District's proportionate share of the net OPEB liability	\$ 385,070,136	\$ 323,494,950	\$ 274,785,009

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

At June 30, 2019, the District reported a liability of \$323,494,950 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for state OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 323,494,950
State's proportionate share that is associated with the District	500,634,072
Total	<u>\$ 824,129,022</u>

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

At August 31, 2018, the employer's proportion of the collective Plan's net OPEB liability was 0.64788% which was a decrease of 4.021% from the proportion measured as of August 31, 2017.

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

	<b>1% Decrease in Healthcare Trend Rate (7.50%)</b>	<b>Healthcare Trend Rate (8.50%)</b>	<b>1% Increase in Healthcare Trend Rate (9.50%)</b>
District's proportionate share of the net OPEB liability	\$ 268,667,825	\$ 323,494,950	\$ 395,703,460

**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

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**Note 12. Defined Other Post-Employment Benefit Plan (Continued)**

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

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

The following changes to benefit terms were made by the 85<sup>th</sup> Legislature, and became effective on September 1, 2017:

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

During the measurement period ended August 31, 2018, the District recognized OPEB expense of \$18,210,062 and revenue of \$18,210,062 on-behalf payments provided by the state.

**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

**Note 12. Defined Other Post-Employment Benefit Plan (Continued)**

As of the measurement date of August 31, 2018, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Differences between expected and actual actuarial experience	\$ 17,166,674	\$ 5,105,225
Changes in actuarial assumptions	5,398,254	97,191,671
Difference between projected and actual investment earnings	56,575	-
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	1,177	14,896,804
Contributions paid to TRS subsequent to the measurement date	3,827,534	-
Total	<u>\$ 26,450,214</u>	<u>\$ 117,193,700</u>

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

	<b>OPEB Expense Amount</b>
Years ending June 30:	
2020	\$ (14,584,963)
2021	(14,584,963)
2022	(14,584,963)
2023	(14,595,662)
2024	(14,601,782)
Thereafter	(21,618,687)
	<u>\$ (94,571,020)</u>

**Note 13. Health Care Coverage**

**A. Health Insurance Plan**

During fiscal year 2019, employees of the District were covered by a self-funded health insurance plan provided by Aetna. District employees were offered a choice of two PPO plans and one HSA plan with two networks (Seton Only, Open Access and HSA Seton). Claims administration is contracted from a third-party administrator. Health benefit consultant services are contracted from an outside entity. The District maintains individual stop-loss coverage for catastrophic losses exceeding \$750,000 per claim.

Under Aetna, the District contributed \$545 per month, per employee to the plans. In addition, a salary banded rate was implemented in fiscal year 2018 for the Seton Only plan. All contributions were paid to licensed insurers. The contracts between the District and the licensed insurer provide terms of coverage and contribution costs. The latest financial statements for the insurance company, available for the year ended December 31, 2018, are filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

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**Note 13. Health Care Coverage (Continued)**

**B. Medicare Part D**

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which became effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments must be recognized as equal revenues and expenditures/expenses by the District. These payments totaled \$2,100,631, \$1,691,460, and \$1,714,194 for fiscal years 2019, 2018, and 2017, respectively.

**Note 14. 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 \$600,000 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 \$600,000 up to the statutory limit, as described by state law.

During fiscal year 2019, employees of the District were covered by a self-funded health insurance plan provided by Aetna. District employees were offered a choice of two PPO plans and one HSA plan with two networks (Seton Only, Open Access and HSA Seton). Claims administration is contracted from a third-party administrator. Health benefit consultant services are contracted from an outside entity. The District maintains individual stop-loss coverage for catastrophic losses exceeding \$750,000 per claim.

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

	<b>2019</b>		<b>2018</b>	
	<b>Workers' Compensation</b>	<b>Health Insurance</b>	<b>Workers' Compensation</b>	<b>Health Insurance</b>
Beginning of the year liability	\$ 6,966,677	\$ 6,589,000	\$ 6,739,115	\$ 7,459,000
Current year claims	3,266,274	67,395,965	3,217,500	73,536,157
Changes in estimates	(451,675)	2,876,973	35,144	(1,389,426)
Claim payments	(2,866,971)	(70,547,738)	(3,025,082)	(73,016,731)
End of the year liability	<u>\$ 6,914,305</u>	<u>\$ 6,314,200</u>	<u>\$ 6,966,677</u>	<u>\$ 6,589,000</u>



**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

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**Note 14. Self-Insurance (Continued)**

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 June 30, 2019. 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.

**Note 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 a standby letter of credit with Sumitomo Mitsui Banking Corporation, acting through its New York Branch. 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 June 30, 2019, the District had no outstanding Commercial Paper. Since the beginning of the Commercial Paper Program, the District has issued approximately \$1.005 billion in bonds, using a portion of the proceeds from each of the bond issuances to partially refinance the Commercial Paper. As of June 30, 2019, \$1.041 billion of bond proceeds have been used to refinance the Commercial Paper.

Changes in the Commercial Paper are as follows:

	<b>June 30</b>	
	<b>2019</b>	<b>2018</b>
Beginning of the period liability	\$ -	\$ -
Bonds issued	35,000,000	-
Transfers in to retire commercial paper	(60,000,000)	(26,000,000)
Commercial paper issuances	25,000,000	26,000,000
End of the period liability	<u>\$ -</u>	<u>\$ -</u>

**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

**Note 16. Fund Balance**

Governmental fund balance as of June 30, 2019, were as follows:

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:					
3410 Nonspendable:					
Inventories	\$ 494,865	\$ -	\$ -	\$ 3,181,609	\$ 3,676,474
Prepays and other assets	800	-	750,000	-	750,800
3490 Restricted:					
Retirement of long-term debt	-	138,542,231	-	-	138,542,231
Federal and state funds grants	-	-	-	8,044,916	8,044,916
3500 Assigned:					
Campus enrollment adjustments	1,000,000	-	-	-	1,000,000
Economic stabilization reserve	5,000,000	-	-	-	5,000,000
ERP stabilization	1,000,000	-	-	-	1,000,000
Facilities improvements	-	-	293,707,853	-	293,707,853
Headquarters furniture	1,215,000	-	-	-	1,215,000
Police vehicles	785,000	-	-	-	785,000
Professional pathways for teachers	5,100,000	-	-	-	5,100,000
Program evaluation	100,000	-	-	-	100,000
School safety facility emergency needs	2,000,000	-	-	-	2,000,000
Special projects (e-rate reimbursements)	1,150,000	-	-	-	1,150,000
3600 Unassigned	270,476,533	-	-	-	270,476,533
Total fund balances	<u>\$ 288,322,198</u>	<u>\$ 138,542,231</u>	<u>\$ 294,457,853</u>	<u>\$ 11,226,525</u>	<u>\$ 732,548,807</u>

**Note 17. Shared Services Arrangements**

The District is the fiscal agent for one shared services arrangement (SSA) which 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 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.

**Austin Independent School District**

**Notes to Basic Financial Statements  
June 30, 2019**

**Note 17. Shared Services Arrangements (Continued)**

Expenditures allocated to the SSA members as of June 30, 2019, are summarized below by program:

<b>Regional Day School for the Deaf</b>	<b>All Districts</b>	<b>Austin ISD</b>	<b>Del Valle ISD</b>
Number of Students	59	54	5
Fund Year			
315.8	\$ 12,360	\$ 11,313	\$ 1,047
315.9	70,713	64,720	5,993
Discretionary Deaf	83,073	76,033	7,040
340.8	416	381	35
340.9	459	420	39
Early Intervention	875	801	74
435.8	80,361	73,551	6,810
435.9	328,940	301,064	27,876
State Deaf	409,301	374,615	34,686
Total	\$ 493,249	\$ 451,449	\$ 41,800

## **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 June 30, 2019**

Data Control Codes		Budgeted Amounts		Actual	Variance With Final Budget
		Original	Final		
<b>Revenues</b>					
5700	Local and intermediate sources	\$ 1,313,219,564	\$ 1,335,299,192	\$ 1,322,753,737	\$ (12,545,455)
5800	State program revenues	78,388,199	79,718,464	77,598,882	(2,119,582)
5900	Federal program revenues	24,202,574	24,202,574	38,893,404	14,690,830
5020	<b>Total revenues</b>	<b>1,415,810,337</b>	<b>1,439,220,230</b>	<b>1,439,246,023</b>	<b>25,793</b>
<b>Expenditures</b>					
Current:					
0011	Instruction	435,275,290	430,536,175	421,437,140	9,099,035
0012	Instructional resources and media services	11,123,240	11,265,786	10,734,617	531,169
0013	Curriculum and instructional staff development	13,330,684	13,305,594	12,140,936	1,164,658
0021	Instructional leadership	15,006,870	15,676,184	14,140,880	1,535,304
0023	School leadership	51,778,895	53,714,380	51,930,317	1,784,063
0031	Guidance, counseling and evaluation services	25,266,280	26,079,317	24,989,978	1,089,339
0032	Social work services	5,031,484	5,642,414	5,474,674	167,740
0033	Health services	8,844,231	9,273,680	8,199,189	1,074,491
0034	Student (pupil) transportation	32,142,299	37,414,805	35,746,128	1,668,677
0035	Food service	-	710,431	-	710,431
0036	Curricular/extracurricular activities	15,594,747	19,712,953	17,799,229	1,913,724
0041	General administration	22,528,240	22,184,437	22,177,532	6,905
0051	Plant maintenance and operations	85,299,286	83,413,428	83,698,867	(285,439)
0052	Security and monitoring services	13,171,799	12,925,379	12,734,746	190,633
0053	Data processing services	21,477,386	21,377,495	20,950,229	427,266
0061	Community services	7,338,355	8,095,448	7,633,198	462,250
0071	Principal on long-term debt	478,147	485,000	399,775	85,225
0072	Interest on long-term debt	-	127,116	77,115	50,001
0081	Capital outlay	109,202	2,634,262	1,806,470	827,792
0091	Contracted instructional services between schools	669,599,162	676,061,304	665,251,676	10,809,628
0093	Payments related to shared services arrangements	4,080,590	4,180,590	4,080,590	100,000
0099	Other intergovernmental charges	7,352,061	8,252,061	8,969,463	(717,402)
6030	<b>Total expenditures</b>	<b>1,444,828,248</b>	<b>1,463,068,239</b>	<b>1,430,372,749</b>	<b>32,695,490</b>
1100	<b>Excess (deficiency) of revenues over expenditures</b>	<b>(29,017,911)</b>	<b>(23,848,009)</b>	<b>8,873,274</b>	<b>32,721,283</b>
<b>Other Financing Sources (Uses)</b>					
7912	Sale of real or personal property	51,000	300,000	-	(300,000)
8911	Transfers out	-	-	(5,000,000)	(5,000,000)
8949	Other uses	(300,000)	(150,000)	-	150,000
7080	<b>Total other financing sources (uses)</b>	<b>(249,000)</b>	<b>150,000</b>	<b>(5,000,000)</b>	<b>(5,150,000)</b>
1200	<b>Net change in fund balance</b>	<b>(29,266,911)</b>	<b>(23,698,009)</b>	<b>3,873,274</b>	<b>27,571,283</b>
0100	Fund balance at beginning of period	284,448,924	284,448,924	284,448,924	-
3000	Fund balance at end of period	\$ 255,182,013	\$ 260,750,915	\$ 288,322,198	\$ 27,571,283

See note to budgetary comparison schedule

**Austin Independent School District**

**Note to Budgetary Comparison Schedule—General Fund  
Year Ended June 30, 2019**

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**Note 1. Budgetary Data**

The legal level of control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) for budgeted expenditures is the function level. The budget is prepared and controlled at the function level within each organization to which responsibility for controlling operations is assigned. 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 official school budget is prepared for adoption for required Governmental Fund types prior to June 19 of the preceding fiscal year for the subsequent fiscal year beginning July 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 2019, the District had unfavorable variances in the following functions: plant maintenance and operations (FN 0051), and other intergovernmental charges (FN 0099) due to timings between budget entries and accrued expenditures posting.

**Austin Independent School District**

**Schedule of the District's Proportionate Share of the Net Pension Liability  
Last Five Fiscal Years**

<b>Year</b>	<b>District's proportion of the collective plan net pension liability</b>	<b>District's proportionate share of collective plan net pension liability</b>	<b>State's proportionate share of the collective plan net pension liability associated with the district</b>	<b>total</b>	<b>District's covered payroll</b>	<b>District's proportionate share of the net pension liability as a percentage of its covered payroll</b>	<b>Plan fiduciary net position as a percentage of the total pension liability</b>
2019	0.2322910%	\$ 127,858,602	\$ 477,910,010	\$ 605,768,612	\$ 561,217,297	22.78%	73.74%
2018	0.2683134%	85,792,166	274,738,156	360,530,322	543,121,481	15.80%	82.17%
2017	0.2638410%	99,701,584	335,457,622	435,159,206	501,048,279	19.90%	78.00%
2016	0.3081257%	108,918,334	329,898,170	438,816,504	540,891,541	20.14%	78.43%
2015	0.3830850%	102,327,301	280,740,695	383,067,996	530,498,281	19.29%	83.25%

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

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

See notes to required supplementary information.

**Austin Independent School District**

**Schedule of District Contributions—Pension Plan  
Last Ten Fiscal Years**

<b>Year</b>	<b>Contractually required contribution</b>	<b>Contribution in relation to the contractually required contribution</b>	<b>Contribution deficiency (excess)</b>	<b>District's covered payroll</b>	<b>Contributions as a percentage of covered payroll</b>
2019	\$ 6,906,284	\$ (6,906,284)	\$ -	\$ 550,957,955	1.25%
2018	7,951,785	(7,951,785)	-	561,217,297	1.42%
2017	7,509,317	(7,509,317)	-	543,121,481	1.38%
2016	6,820,214	(6,820,214)	-	501,048,279	1.36%
2015	9,712,268	(9,712,268)	-	540,891,541	1.80%
2014	9,745,383	(9,745,383)	-	530,498,281	1.84%
2013	9,343,460	(9,343,460)	-	528,140,495	1.77%
2012	7,536,787	(7,536,787)	-	496,406,416	1.52%
2011	8,334,614	(8,334,614)	-	524,103,783	1.59%
2010	8,369,054	(8,369,054)	-	523,273,810	1.60%

The information disclosed for each fiscal year is reported as of the District's fiscal year-end date (August 31, 2010 through 2015 and June 30, 2016 through 2019).

See notes to required supplementary information.



**Austin Independent School District**

**Schedule of the District's Proportionate Share of the Net OPEB Liability  
Last Two Fiscal Years**

<b>Year</b>	<b>District's proportion of the collective plan net OPEB liability</b>	<b>District's proportionate share of collective plan net OPEB liability</b>	<b>State's proportionate share of the collective plan net OPEB liability</b>	<b>Total</b>	<b>District's covered payroll</b>	<b>District's proportionate share of the net OPEB liability as a percentage of its covered payroll</b>	<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>
2019	0.6478851%	\$ 323,494,950	\$ 500,634,072	\$ 824,129,022	\$ 561,217,297	57.64%	1.57%
2018	0.6750264%	293,543,676	413,337,609	706,881,285	543,121,481	54.05%	0.91%

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

Data is presented in accordance with GASB Statement No. 75. The information for all periods for the 10-year schedules that are required to be presented as required supplementary information is not available. During this transition period, the information will be presented for as many years as are available.

See notes to required supplementary information.

**Austin Independent School District**

**Schedule of District Contributions—OPEB Plan  
Last Ten Fiscal Years**

<b>Year</b>	<b>Contractually required contribution</b>	<b>Contribution in relation to the contractually required contribution</b>	<b>Contribution deficiency (excess)</b>	<b>District's covered payroll</b>	<b>Contributions as a percentage of covered payroll</b>
2019	\$ 3,827,534	\$ (3,827,534)	\$ -	\$ 550,957,955	0.69%
2018	3,993,169	(3,993,169)	-	561,217,297	0.71%
2017	2,870,552	(2,870,552)	-	543,121,481	0.53%
2016	2,829,312	(2,829,312)	-	501,048,279	0.56%
2015	3,476,876	(3,476,876)	-	540,891,541	0.64%
2014	3,501,771	(3,501,771)	-	530,498,281	0.66%
2013	3,207,060	(3,207,060)	-	528,140,495	0.61%
2012	3,242,507	(3,242,507)	-	496,406,416	0.65%
2011	3,392,694	(3,392,694)	-	524,103,783	0.65%
2010	3,395,454	(3,395,454)	-	523,273,810	0.65%

The information disclosed for each fiscal year is reported as of the District's fiscal year-end date (August 31, 2010 through 2015 and June 30, 2016 through 2019).

See notes to required supplementary information.

## Austin Independent School District

### Notes to Required Supplementary Information June 30, 2019

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#### Note 1. Pension Plan Changes

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

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

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

#### Note 2. OPEB Plan Changes

The following changes to benefit terms were made by the 85<sup>th</sup> Legislature, and became effective on September 1, 2017:

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

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

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

## **OTHER SUPPLEMENTARY INFORMATION**

### **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

June 30, 2019

<u>Data Control Codes</u>		<b>203</b>	<b>205</b>	<b>206</b>	<b>211</b>	<b>215</b>	<b>217</b>	<b>220</b>
		<b>Child Care Development</b>	<b>Head Start</b>	<b>ESEA, Title X, Part C - Education for the Homeless Children</b>	<b>ESEA, Title I, Part A - Improving Basic Programs</b>	<b>Title I Part D</b>	<b>Title I Priority &amp; Focus</b>	<b>Adult Ed - English Literacy &amp; Civics Awareness</b>
ASSETS								
<b>1110</b>	Cash and cash equivalents	\$ -	-	-	-	-	-	-
<b>1120</b>	Investments	-	-	-	-	-	-	-
<b>1240</b>	Due from other governments	-	-	26,492	3,796,774	223	126,210	35,024
<b>1290</b>	Other receivables	-	202,953	-	-	-	-	-
<b>1300</b>	Inventories	-	-	-	-	-	-	-
<b>1000</b>	Total assets	-	202,953	26,492	3,796,774	223	126,210	35,024
LIABILITIES AND FUND BALANCES								
Liabilities:								
<b>2110</b>	Accounts payable	-	-	-	2,939	-	358	-
<b>2160</b>	Accrued wages payable	515	3,905	-	1,424,131	8,469	757	3,580
<b>2170</b>	Due to other funds	(515)	199,048	26,492	2,369,704	(8,246)	125,095	31,444
<b>2180</b>	Due to other governments	-	-	-	-	-	-	-
<b>2300</b>	Unearned revenues	-	-	-	-	-	-	-
<b>2000</b>	Total liabilities	-	202,953	26,492	3,796,774	223	126,210	35,024
Fund balances:								
<b>3410</b>	Nonspendable	-	-	-	-	-	-	-
<b>3490</b>	Restricted	-	-	-	-	-	-	-
<b>3000</b>	Total fund balances	-	-	-	-	-	-	-
<b>4000</b>	Total liabilities and fund balances	\$ -	202,953	26,492	3,796,774	223	126,210	35,024

# Austin Independent School District

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

June 30, 2019

Data Control Codes		223 Adult Education Federal Grant	224 IDEA - Part B, Formula	225 IDEA - Part B, Preschool	226 IDEA - Part B, High Cost Risk Pool	240 National School Breakfast and Lunch Program	242 Summer Feeding Program, Texas Department of Agriculture	244 Career and Technical - Basic Grant
ASSETS								
1110	Cash and cash equivalents	\$ -	-	-	-	3,914	-	-
1120	Investments	-	-	-	-	3,488,565	781,414	-
1240	Due from other governments	11,056	6,993,251	118,059	872,724	364,780	-	223,168
1290	Other receivables	-	-	-	-	6,048	-	-
1300	Inventories	-	-	-	-	3,173,589	-	-
1000	Total assets	11,056	6,993,251	118,059	872,724	7,036,896	781,414	223,168
LIABILITIES AND FUND BALANCES								
Liabilities:								
2110	Accounts payable	-	-	-	-	-	-	-
2160	Accrued wages payable	392	1,158,129	41,189	-	67,077	59,388	-
2170	Due to other funds	10,664	5,835,122	70,272	872,724	1,472,743	722,026	209,960
2180	Due to other governments	-	-	-	-	-	-	-
2300	Unearned revenues	-	-	6,598	-	744,978	-	13,208
2000	Total liabilities	11,056	6,993,251	118,059	872,724	2,284,798	781,414	223,168
Fund balances:								
3410	Nonspendable	-	-	-	-	3,173,589	-	-
3490	Restricted	-	-	-	-	1,578,509	-	-
3000	Total fund balances	-	-	-	-	4,752,098	-	-
4000	Total liabilities and fund balances	\$ 11,056	6,993,251	118,059	872,724	7,036,896	781,414	223,168

# Austin Independent School District

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

June 30, 2019

Data Control Codes		255	260	263	265	272	274	277
		ESEA, Title II, Part A - Teacher and Principal Training	Title III, Part A - Immigrant	Title III, Part A - English Language Acquisition and Language	Title IV, Part B - 21st Century Community Learning Centers	Medicaid Administrative Claiming Program	Gear Up	Title V - Refugee Entrant Assistance
ASSETS								
<b>1110</b>	Cash and cash equivalents	\$ -	-	-	-	-	-	-
<b>1120</b>	Investments	-	-	-	-	-	-	-
<b>1240</b>	Due from other governments	469,791	185,536	465,800	944,116	466,440	1,087,855	38,135
<b>1290</b>	Other receivables	-	-	-	-	-	-	-
<b>1300</b>	Inventories	-	-	-	-	-	-	-
<b>1000</b>	Total assets	469,791	185,536	465,800	944,116	466,440	1,087,855	38,135
LIABILITIES AND FUND BALANCES								
Liabilities:								
<b>2110</b>	Accounts payable	-	-	-	-	-	-	-
<b>2160</b>	Accrued wages payable	30,426	29,511	132,112	212,724	-	54,710	6,484
<b>2170</b>	Due to other funds	439,365	156,025	333,688	731,392	466,440	1,033,145	26,696
<b>2180</b>	Due to other governments	-	-	-	-	-	-	4,955
<b>2300</b>	Unearned revenues	-	-	-	-	-	-	-
<b>2000</b>	Total liabilities	469,791	185,536	465,800	944,116	466,440	1,087,855	38,135
Fund balances:								
<b>3410</b>	Nonspendable	-	-	-	-	-	-	-
<b>3490</b>	Restricted	-	-	-	-	-	-	-
<b>3000</b>	Total fund balances	-	-	-	-	-	-	-
<b>4000</b>	Total liabilities and fund balances	\$ 469,791	185,536	465,800	944,116	466,440	1,087,855	38,135



# Austin Independent School District

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

June 30, 2019

Data Control Codes		278	287	288	289	315	340	385
		Teen Prnt ChildCare -HHS	Teacher Incentive Fund/ Project Safe	Title VI - A Summer School LEP	Federally Funded Special Revenue Funds	Shared Services Arrangements - IDEA - Part B - Discretionary	Noneducational Community- Based Support	State Supplemental Visually Impaired (SSVI)
ASSETS								
1110	Cash and cash equivalents	-	-	-	-	-	-	-
1120	Investments	-	-	-	-	-	-	-
1240	Due from other governments	4,210	73,971	43,405	1,544,339	10,000	-	35,505
1290	Other receivables	43,424	-	-	-	-	-	-
1300	Inventories	-	-	-	-	-	-	-
1000	Total assets	<u>47,634</u>	<u>73,971</u>	<u>43,405</u>	<u>1,544,339</u>	<u>10,000</u>	<u>-</u>	<u>35,505</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
2110	Accounts payable	-	-	-	-	-	-	-
2160	Accrued wages payable	14,340	40,816	79,364	5,633	2,201	-	-
2170	Due to other funds	(32,808)	33,155	(134,587)	1,538,706	7,799	-	35,505
2180	Due to other governments	-	-	-	-	-	-	-
2300	Unearned revenues	66,102	-	98,628	-	-	-	-
2000	Total liabilities	<u>47,634</u>	<u>73,971</u>	<u>43,405</u>	<u>1,544,339</u>	<u>10,000</u>	<u>-</u>	<u>35,505</u>
Fund balances:								
3410	Nonspendable	-	-	-	-	-	-	-
3490	Restricted	-	-	-	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ 47,634</u>	<u>73,971</u>	<u>43,405</u>	<u>1,544,339</u>	<u>10,000</u>	<u>-</u>	<u>35,505</u>

**Austin Independent School District**

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

June 30, 2019

<u>Data Control Codes</u>		<b>392</b>	<b>393</b>	<b>397</b>	<b>410</b>	<b>426</b>	<b>427</b>	<b>428</b>
		<b>Noneducational Community - Based Support</b>	<b>State Textbook Fund</b>	<b>Advanced Placment Incentives</b>	<b>State Textbook Fund</b>	<b>Texas Educator Excellence Award Grant Program</b>	<b>TWC Apprenticeship</b>	<b>High School Allotment</b>
	ASSETS							
<b>1110</b>	Cash and cash equivalents	\$ -	-	-	-	-	-	-
<b>1120</b>	Investments	-	-	-	-	-	-	-
<b>1240</b>	Due from other governments	2,697	-	-	-	-	-	-
<b>1290</b>	Other receivables	-	-	-	-	-	18,442	-
<b>1300</b>	Inventories	-	-	-	-	-	-	-
<b>1000</b>	Total assets	<u>2,697</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,442</u>	<u>-</u>
	LIABILITIES AND FUND BALANCES							
	Liabilities:							
<b>2110</b>	Accounts payable	-	-	-	-	-	-	-
<b>2160</b>	Accrued wages payable	-	-	-	-	1,838	3,122	-
<b>2170</b>	Due to other funds	2,697	(24,846)	(41,320)	(2,791,891)	(1,838)	(90,371)	(51,304)
<b>2180</b>	Due to other governments	-	-	41,320	-	-	105,691	-
<b>2300</b>	Unearned revenues	-	-	-	-	-	-	-
<b>2000</b>	Total liabilities	<u>2,697</u>	<u>(24,846)</u>	<u>-</u>	<u>(2,791,891)</u>	<u>-</u>	<u>18,442</u>	<u>(51,304)</u>
	Fund balances:							
<b>3410</b>	Nonspendable	-	-	-	-	-	-	-
<b>3490</b>	Restricted	-	24,846	-	2,791,891	-	-	51,304
<b>3000</b>	Total fund balances	<u>-</u>	<u>24,846</u>	<u>-</u>	<u>2,791,891</u>	<u>-</u>	<u>-</u>	<u>51,304</u>
<b>4000</b>	Total liabilities and fund balances	\$ <u>2,697</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,442</u>	<u>-</u>

**Austin Independent School District**

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

June 30, 2019

<u>Data Control Codes</u>	429 State Funded Special Revenue Funds	435 Shared Services Arrangments - Regional Day School for the Deaf	459 Service to Students With Dyslexia	461 Texas Educator Excellence Award Grant Program	479 Permenant Fund	480 Locally Defined Special Revenue Set 1	482 M & S Dell Foundation
ASSETS							
<b>1110</b> Cash and cash equivalents	\$ -	-	-	597	175,828	-	-
<b>1120</b> Investments	-	-	-	754,169	470,281	-	-
<b>1240</b> Due from other governments	165,583	328,941	72,688	-	-	812,489	-
<b>1290</b> Other receivables	-	-	-	10,225	-	389,357	-
<b>1300</b> Inventories	-	-	-	-	-	-	-
<b>1000</b> Total assets	<u>165,583</u>	<u>328,941</u>	<u>72,688</u>	<u>764,991</u>	<u>646,109</u>	<u>1,201,846</u>	<u>-</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
<b>2110</b> Accounts payable	-	-	-	-	-	-	-
<b>2160</b> Accrued wages payable	29,818	29,781	50,799	490	-	62,017	2,528
<b>2170</b> Due to other funds	(61,558)	299,160	21,889	11,818	(13,262)	(287,821)	(507,218)
<b>2180</b> Due to other governments	197,323	-	-	-	-	1,427,650	504,690
<b>2300</b> Unearned revenues	-	-	-	-	-	-	-
<b>2000</b> Total liabilities	<u>165,583</u>	<u>328,941</u>	<u>72,688</u>	<u>12,308</u>	<u>(13,262)</u>	<u>1,201,846</u>	<u>-</u>
Fund balances:							
<b>3410</b> Nonspendable	-	-	-	-	-	-	-
<b>3490</b> Restricted	-	-	-	752,683	659,371	-	-
<b>3000</b> Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>752,683</u>	<u>659,371</u>	<u>-</u>	<u>-</u>
<b>4000</b> Total liabilities and fund balances	\$ <u>165,583</u>	<u>328,941</u>	<u>72,688</u>	<u>764,991</u>	<u>646,109</u>	<u>1,201,846</u>	<u>-</u>

# Austin Independent School District

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

June 30, 2019

<u>Data Control Codes</u>	490 Capital Funds	493 Online Donations	494 Community Ed- City	496 Locally Defined Special Revenue Set 2	497 Individual Grant	498 Austin Public Education Fund	499 Locally Funded Special Revenue Funds	Total
ASSETS								
<b>1110</b>	Cash and cash equivalents	\$ -	-	-	-	-	1,043	181,382
<b>1120</b>	Investments	-	-	-	-	-	4,489,857	9,984,286
<b>1240</b>	Due from other governments	-	227,650	-	-	40,868	36,756	19,624,536
<b>1290</b>	Other receivables	-	174,577	-	-	-	36,050	881,076
<b>1300</b>	Inventories	-	-	-	-	-	8,020	3,181,609
<b>1000</b>	Total assets	-	402,227	-	-	40,868	4,571,726	33,852,889
LIABILITIES AND FUND BALANCES								
Liabilities:								
<b>2110</b>	Accounts payable	-	-	89	-	1,401	-	4,787
<b>2160</b>	Accrued wages payable	10,838	-	158,678	89,698	1,562	4,971	174,045
<b>2170</b>	Due to other funds	(57,090)	-	243,549	(294,504)	(844,794)	(633,528)	1,643,603
<b>2180</b>	Due to other governments	46,252	-	-	204,717	843,232	668,024	559,746
<b>2300</b>	Unearned revenues	-	-	-	-	-	-	929,514
<b>2000</b>	Total liabilities	-	402,227	-	-	40,868	2,377,394	22,626,364
Fund balances:								
<b>3410</b>	Nonspendable	-	-	-	-	-	8,020	3,181,609
<b>3490</b>	Restricted	-	-	-	-	-	2,186,312	8,044,916
<b>3000</b>	Total fund balances	-	-	-	-	-	2,194,332	11,226,525
<b>4000</b>	Total liabilities and fund balances	\$ -	402,227	-	-	40,868	4,571,726	33,852,889

# Austin Independent School District

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

Year Ended June 30, 2019

Data Control Codes	203 Child Care Development	205 Head Start	206 ESEA, Title X, Part C - Education for the Homeless Children	211 ESEA, Title I, Part A - Improving Basic Programs	215 Title I Part D	217 Title I Priority & Focus	220 Adult Ed - English Literacy & Civics Awareness
REVENUES							
5700	Local and intermediate sources	-	-	-	-	-	-
5800	State program revenues	-	-	-	-	-	-
5900	Federal program revenues	-	1,319,753	167,231	20,892,621	200,580	485,960
5020	Total revenues	-	1,319,753	167,231	20,892,621	200,580	485,960
EXPENDITURES							
Current:							
0011	Instruction	-	1,319,753	-	11,610,257	54,110	423,042
0012	Instructional resources and media services	-	-	-	165,919	-	-
0013	Curriculum and instructional staff development	-	-	-	3,098,101	11,161	53,533
0021	Instructional leadership	-	-	-	1,125,215	14,877	-
0023	School leadership	-	-	-	2,913,211	7,216	7,014
0031	Guidance, counseling, and evaluation services	-	-	-	186,024	2,948	-
0032	Social work services	-	-	-	261,839	110,268	-
0033	Health services	-	-	-	-	-	-
0034	Student (pupil) transportation	-	-	-	-	-	-
0035	Food services	-	-	-	-	-	-
0036	Curricular/extracurricular activities	-	-	-	-	-	-
0041	General administration	-	-	-	38,381	-	-
0051	Plant maintenance and operations	-	-	-	32	-	-
0052	Security and monitoring services	-	-	-	-	-	-
0053	Data processing services	-	-	-	397,594	528	-
0061	Community services	-	-	167,231	1,096,048	1,843	203,760
0081	Capital outlay	-	-	-	-	-	-
	Total expenditures	-	1,319,753	167,231	20,892,621	200,580	485,960
	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)

Year Ended June 30, 2019

Data Control Codes	223 Adult Education Federal Grant	224 IDEA - Part B, Formula	225 IDEA - Part B, Preschool	226 IDEA - Part B, High Cost Risk Pool	240 National School Breakfast and Lunch Program	242 Summer Feeding Program, Texas Department of Agriculture	244 Career and Technical - Basic Grant
REVENUES							
5700	Local and intermediate sources	-	-	-	7,374,178	2,674	-
5800	State program revenues	-	-	-	1,284,310	-	-
5900	Federal program revenues	62,241	13,065,992	359,342	872,724	29,971,231	462,567
5020	Total revenues	62,241	13,065,992	359,342	872,724	38,629,719	465,241
EXPENDITURES							
Current:							
0011	Instruction	-	8,150,119	192,543	832,724	-	746,968
0012	Instructional resources and media services	-	-	-	-	-	-
0013	Curriculum and instructional staff development	-	1,632,855	270	-	-	-
0021	Instructional leadership	-	211,358	-	-	-	107,735
0023	School leadership	-	-	-	-	-	-
0031	Guidance, counseling, and evaluation services	-	2,779,799	166,529	40,000	-	168,298
0032	Social work services	-	-	-	-	-	-
0033	Health services	-	-	-	-	-	-
0034	Student (pupil) transportation	-	-	-	-	-	-
0035	Food services	-	-	-	38,747,089	465,241	-
0036	Curricular/extracurricular activities	-	-	-	-	-	-
0041	General administration	-	-	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-	-	-
0052	Security and monitoring services	-	-	-	-	-	-
0053	Data processing services	-	51,129	-	-	-	-
0061	Community services	62,241	240,732	-	-	-	-
0081	Capital outlay	-	-	-	-	-	-
	Total expenditures	62,241	13,065,992	359,342	872,724	38,747,089	465,241
	Excess (deficiency) of revenues over expenses	-	-	-	-	(117,370)	-
	Net change in fund balances	-	-	-	-	(117,370)	-
	Fund balances – beginning	-	-	-	-	4,869,468	-
	Fund balances – ending	-	-	-	-	4,752,098	-

# Austin Independent School District

## Exhibit H-2

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

Year Ended June 30, 2019

Data Control Codes	255 ESEA, Title II, Part A - Teacher and Principal Training	260 Title III, Part A - Immigrant	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	274 Gear Up	277 Title V -Refugee Entrant Assistance
REVENUES							
5700	Local and intermediate sources	-	-	-	-	-	-
5800	State program revenues	-	-	-	-	-	-
5900	Federal program revenues	2,318,874	672,574	1,991,218	3,149,385	577,809	2,410,526
5020	Total revenues	2,318,874	672,574	1,991,218	3,149,385	577,809	2,410,526
EXPENDITURES							
Current:							
0011	Instruction	23,392	618,841	897,128	-	-	588,700
0012	Instructional resources and media services	-	-	-	-	-	-
0013	Curriculum and instructional staff development	1,272,264	10,332	746,835	-	-	1,654,428
0021	Instructional leadership	207,425	-	101,822	-	-	100,523
0023	School leadership	10,626	-	-	-	-	-
0031	Guidance, counseling, and evaluation services	221,995	-	10,317	57,583	-	59,679
0032	Social work services	19,647	-	-	-	-	-
0033	Health services	-	-	-	577,809	-	-
0034	Student (pupil) transportation	-	-	-	-	-	-
0035	Food services	-	-	-	-	-	-
0036	Curricular/extracurricular activities	-	-	-	22,865	-	-
0041	General administration	563,122	-	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-	-	-
0052	Security and monitoring services	-	-	-	-	-	-
0053	Data processing services	-	-	-	-	-	-
0061	Community services	403	43,401	235,116	3,068,937	-	7,196
0081	Capital outlay	-	-	-	-	-	-
	Total expenditures	2,318,874	672,574	1,991,218	3,149,385	577,809	2,410,526
	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)

Year Ended June 30, 2019

Data Control Codes	278	287	288	289	315	340	385
	Teen Prnt ChildCare - HHS	Teacher Incentive Fund/ Project Safe	Title VI - A Summer School LEP	Federally Funded Special Revenue Funds	Shared Services Arrangements - IDEA - Part B - Discretionary	Noneducational Community-Based Support	State Supplemental Visually Impaired
REVENUES							
5700	Local and intermediate sources	-	-	-	-	-	-
5800	State program revenues	-	-	-	-	-	35,504
5900	Federal program revenues	163,804	297,320	247,739	5,880,282	83,073	876
5020	Total revenues	163,804	297,320	247,739	5,880,282	83,073	876
EXPENDITURES							
Current:							
0011	Instruction	9,323	(1,211)	104,530	407,396	73,614	416
0012	Instructional resources and media services	-	-	28,010	-	-	-
0013	Curriculum and instructional staff development	-	186,809	4,467	309,595	8,464	460
0021	Instructional leadership	-	38,717	-	74,448	190	1,414
0023	School leadership	-	-	41,374	460	-	-
0031	Guidance, counseling, and evaluation services	-	8,551	-	567	-	-
0032	Social work services	-	64,454	-	502,456	-	-
0033	Health services	-	-	-	4,487,639	805	6,350
0034	Student (pupil) transportation	-	-	-	-	-	-
0035	Food services	-	-	-	-	-	-
0036	Curricular/extracurricular activities	-	-	-	-	-	-
0041	General administration	-	-	-	-	-	-
0051	Plant maintenance and operations	-	-	29,463	-	-	-
0052	Security and monitoring services	2,100	-	9,866	83,291	-	-
0053	Data processing services	-	-	-	-	-	-
0061	Community services	152,381	-	29,979	14,430	-	-
0081	Capital outlay	-	-	50	-	-	-
	Total expenditures	163,804	297,320	247,739	5,880,282	83,073	876
	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)

Year Ended June 30, 2019

Data Control Codes	392 Noneducational Community - Based Support	393 State Textbook Fund	397 Advanced Placement Incentives	410 State Textbook Fund	426 Texas Educator Excellence Award Grant Program	427 TWC Apprenticeship	428 High School Allotment
REVENUES							
5700	Local and intermediate sources	-	-	-	-	-	-
5800	State program revenues	5,997	-	1,432	11,242,120	3,681	52,588
5900	Federal program revenues	-	-	-	-	-	-
5020	Total revenues	5,997	-	1,432	11,242,120	3,681	52,588
EXPENDITURES							
Current:							
0011	Instruction	-	-	302	8,760,769	-	-
0012	Instructional resources and media services	-	-	-	-	-	-
0013	Curriculum and instructional staff development	-	-	1,130	-	3,681	-
0021	Instructional leadership	-	-	-	-	-	-
0023	School leadership	-	-	-	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-	-	-	-
0032	Social work services	-	-	-	-	-	-
0033	Health services	-	-	-	-	-	-
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	-	-	-	654,163	-	-
0061	Community services	5,997	-	-	-	-	52,588
0081	Capital outlay	-	-	-	-	-	-
	Total expenditures	5,997	-	1,432	9,414,932	3,681	52,588
	Excess (deficiency) of revenues over expenses	-	-	-	1,827,188	-	-
	Net change in fund balances	-	-	-	1,827,188	-	-
	Fund balances – beginning	-	24,846	-	964,703	-	51,304
	Fund balances – ending	-	24,846	-	2,791,891	-	51,304

# Austin Independent School District

## Exhibit H-2

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

Year Ended June 30, 2019

Data Control Codes	429 State Funded Special Revenue Funds	435 Shared Services Arrangements - Regional Day School for the Deaf	459 Service to Students With Dyslexia	461 Texas Educator Excellence Award Grant Program	479 Permenant Fund	480 Locally Defined Special Revenue Set 1	482 M & S Dell Foundation
REVENUES							
5700	Local and intermediate sources	-	-	462,530	13,262	4,298,052	532,451
5800	State program revenues	681,984	409,302	801,826	-	-	-
5900	Federal program revenues	-	-	-	-	-	-
5020	Total revenues	681,984	409,302	462,530	13,262	4,298,052	532,451
EXPENDITURES							
Current:							
0011	Instruction	47,321	308,228	678,353	40,446	-	37,315
0012	Instructional resources and media services	90	-	-	3,478	-	-
0013	Curriculum and instructional staff development	304,298	10,742	82,520	38,075	-	908,152
0021	Instructional leadership	5,285	864	15,840	82,297	-	315,580
0023	School leadership	39,257	-	15,543	-	-	-
0031	Guidance, counseling, and evaluation services	(1,062)	4,413	2,738	(705)	-	200,813
0032	Social work services	-	-	-	9,629	-	8,888
0033	Health services	-	85,055	-	-	-	121,895
0034	Student (pupil) transportation	233,500	-	-	-	-	-
0035	Food services	-	-	-	4,686	-	137,635
0036	Curricular/extracurricular activities	-	-	-	4,859	-	-
0041	General administration	7,281	-	-	40,580	-	27,072
0051	Plant maintenance and operations	-	-	-	5,746	-	-
0052	Security and monitoring services	41,000	-	-	5,213	-	-
0053	Data processing services	-	-	6,668	1,213	-	58,490
0061	Community services	5,014	-	166	46,054	-	2,482,212
0081	Capital outlay	-	-	-	-	-	-
	Total expenditures	681,984	409,302	281,571	-	4,298,052	532,451
	Excess (deficiency) of revenues over expenses	-	-	180,959	13,262	-	-
	Net change in fund balances	-	-	180,959	13,262	-	-
	Fund balances – beginning	-	-	-	571,724	646,109	-
	Fund balances – ending	-	-	-	752,683	659,371	-

# Austin Independent School District

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

Year Ended June 30, 2019

Data Control Codes	490 Capital Funds	493 Online Donations	494 Community Ed-City	496 Locally Defined Special Revenue Set 2	497 Individual Grant	498 Austin Public Education Fund	499 Locally Funded Special Revenue Funds	Total	
REVENUES									
5700	Local and intermediate sources	\$ 216,296	-	1,736,566	258,914	44,104	575,853	4,084,753	19,599,633
5800	State program revenues	-	-	-	-	-	-	-	14,518,744
5900	Federal program revenues	-	-	-	-	-	50,833	-	87,037,615
5020	Total revenues	216,296	-	1,736,566	258,914	44,104	575,853	4,135,586	121,155,992
EXPENDITURES									
Current:									
0011	Instruction	145,948	-	-	118,976	2,917	38,047	228,064	36,580,797
0012	Instructional resources and media services	-	-	-	-	-	-	-	197,497
0013	Curriculum and instructional staff development	-	-	-	26,872	19,916	54,865	4,912	10,683,014
0021	Instructional leadership	-	-	-	50,666	-	114,553	1,487	2,653,273
0023	School leadership	-	-	-	7,864	-	4,226	34,947	3,081,738
0031	Guidance, counseling, and evaluation services	-	-	-	-	-	7,812	938	3,942,160
0032	Social work services	70,348	-	-	-	-	149,137	-	1,197,944
0033	Health services	-	-	-	-	-	-	-	5,279,553
0034	Student (pupil) transportation	-	-	-	-	-	-	-	233,500
0035	Food services	-	-	-	-	-	151,182	409,187	39,915,020
0036	Curricular/extracurricular activities	-	-	49,399	7,471	-	160	12,219	96,973
0041	General administration	-	-	-	-	-	49,693	-	773,678
0051	Plant maintenance and operations	-	-	-	-	5,811	1,457	20,329	62,838
0052	Security and monitoring services	-	-	-	-	-	1,423	4,415	147,308
0053	Data processing services	-	-	-	-	-	-	-	1,212,552
0061	Community services	-	-	1,687,167	47,065	-	3,298	2,732,717	12,492,229
0081	Capital outlay	-	-	-	-	15,460	-	74,861	90,371
	Total expenditures	216,296	-	1,736,566	258,914	44,104	575,853	3,524,076	118,640,445
	Excess (deficiency) of revenues over expenses	-	-	-	-	-	-	611,510	2,515,547
	Net change in fund balances	-	-	-	-	-	-	611,510	2,515,547
	Fund balances – beginning	-	-	-	-	-	-	1,582,824	8,710,978
	Fund balances – ending	\$ -	-	-	-	-	-	2,194,334	11,226,525

## **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**

June 30, 2019

	<b>752</b>	<b>753</b>	<b>756</b>	<b>757</b>	<b>771</b>	<b>772</b>	
	<b>Print Shop</b>	<b>Worker's</b>	<b>Health</b>	<b>Dental</b>		<b>Laundry</b>	
<b>Assets</b>	<b>Reproduction</b>	<b>Compensation</b>	<b>Insurance Fund</b>	<b>Insurance Fund</b>	<b>District Police</b>	<b>Service</b>	<b>Total</b>
<b>Current assets:</b>							
Cash and cash equivalents	\$ -	\$ 77	\$ 83	\$ 71	\$ 872	\$ -	\$ 1,103
Investments	-	855,481	30,785,587	3,100,779	-	1,049,962	35,791,809
Due from other funds	104,001	137,066	381,515	(53,738)	342,540	65,227	976,611
other receivables	-	362,979	7,310,709	276,974	-	-	7,950,662
Inventories	-	-	-	-	-	46,296	46,296
<b>Total current assets</b>	<b>104,001</b>	<b>1,355,603</b>	<b>38,477,894</b>	<b>3,324,086</b>	<b>343,412</b>	<b>1,161,485</b>	<b>44,766,481</b>
<b>Total assets</b>	<b>\$ 104,001</b>	<b>\$ 1,355,603</b>	<b>\$ 38,477,894</b>	<b>\$ 3,324,086</b>	<b>\$ 343,412</b>	<b>\$ 1,161,485</b>	<b>\$ 44,766,481</b>
<b>Liabilities</b>							
<b>Current liabilities:</b>							
Accounts payable	\$ 523,753	\$ -	\$ 448,578	\$ -	\$ 337,719	\$ 8,034	\$ 1,318,084
Accrued expenditures	6,466	(2)	14,970	-	10,038	6,622	38,094
Claims payable – due within one year	-	-	9,614,200	-	-	-	9,614,200
<b>Total current liabilities</b>	<b>\$ 530,219</b>	<b>(2)</b>	<b>10,077,748</b>	<b>-</b>	<b>347,757</b>	<b>14,656</b>	<b>10,970,378</b>
<b>Noncurrent liabilities:</b>							
Claims payable – due in more than one year	-	-	3,614,305	-	-	-	3,614,305
<b>Total liabilities</b>	<b>530,219</b>	<b>(2)</b>	<b>13,692,053</b>	<b>-</b>	<b>347,757</b>	<b>14,656</b>	<b>14,584,683</b>
<b>Unrestricted Net Position</b>	<b>(426,218)</b>	<b>1,355,605</b>	<b>24,785,841</b>	<b>3,324,086</b>	<b>(4,345)</b>	<b>1,146,829</b>	<b>30,181,798</b>
<b>Total net position</b>	<b>\$ (426,218)</b>	<b>\$ 1,355,605</b>	<b>\$ 24,785,841</b>	<b>\$ 3,324,086</b>	<b>\$ (4,345)</b>	<b>\$ 1,146,829</b>	<b>\$ 30,181,798</b>

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

Year Ended June 30, 2019

	752 Print Shop Reproduction	753 Worker's Compensation Fund	756 Health Insurance Fund	757 Dental Insurance Fund	771 District Police	772 Laundry Service	Total
<b>Operating Revenues</b>							
Charges for services	\$ 264,465	\$ 2,909,327	\$ 85,537,038	\$ 3,383,471	\$ 379,765	\$ 307,778	\$ 92,781,844
<b>Total operating revenues</b>	<u>264,465</u>	<u>2,909,327</u>	<u>85,537,038</u>	<u>3,383,471</u>	<u>379,765</u>	<u>307,778</u>	<u>92,781,844</u>
<b>Operating Expenses</b>							
Payroll costs	179,972	43,783	633,862	-	375,799	163,728	1,397,144
Professional and contracted services	45,182	382	5,904,457	157,540	9,114	1,604	6,118,279
Supplies and materials	62,456	1,305	46,444	-	-	12,067	122,272
Insurance claims and expenses	-	2,866,971	68,007,540	2,540,197	-	33,711	73,448,419
Other operating expenses	19,500	179,009	4,077,183	-	-	7,976	4,283,668
<b>Total operating expenses</b>	<u>307,110</u>	<u>3,091,450</u>	<u>78,669,486</u>	<u>2,697,737</u>	<u>384,913</u>	<u>219,086</u>	<u>85,369,782</u>
Operating income (loss)	(42,645)	(182,123)	6,867,552	685,734	(5,148)	88,692	7,412,062
<b>Nonoperating Revenues</b>							
Earnings from temporary deposits and investments	-	165,853	497,408	60,968	-	23,026	747,255
<b>Total nonoperating revenues</b>	<u>-</u>	<u>165,853</u>	<u>497,408</u>	<u>60,968</u>	<u>-</u>	<u>23,026</u>	<u>747,255</u>
Change in net position	<u>(42,645)</u>	<u>(16,270)</u>	<u>7,364,960</u>	<u>746,702</u>	<u>(5,148)</u>	<u>111,718</u>	<u>8,159,317</u>
Net position at beginning of year	(383,573)	1,371,875	17,420,881	2,577,384	803	1,035,111	22,022,481
Net position at end of year	<u>\$ (426,218)</u>	<u>\$ 1,355,605</u>	<u>\$ 24,785,841</u>	<u>\$ 3,324,086</u>	<u>\$ (4,345)</u>	<u>\$ 1,146,829</u>	<u>\$ 30,181,798</u>

# Austin Independent School District

## Exhibit H-5

### Combining Statement of Cash Flows Proprietary Funds

Year Ended June 30, 2019

	752	753	756	757	771	772	
	Print Shop Reproduction	Worker's Compensation Fund	Health Insurance Fund	Dental Insurance Fund	District Police	Laundry Service	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Payments to suppliers	\$ 510,731	(15,688)	(9,572,941)	(157,540)	360,720	2,017	\$ (8,872,701)
Payments for employee salaries and benefits	(179,972)	(43,783)	(633,862)	-	(375,799)	(163,728)	(1,397,144)
Payments from other funds	264,465	2,546,348	78,239,528	3,093,297	379,765	307,779	84,831,182
Claims paid	-	(2,919,343)	(68,295,541)	(2,526,997)	-	(33,708)	(73,775,589)
Net cash provided by (used in) operating activities	<u>595,224</u>	<u>(432,466)</u>	<u>(262,816)</u>	<u>408,760</u>	<u>364,686</u>	<u>112,360</u>	<u>785,748</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Interfund transactions	(71,473)	(135,677)	(1,401,942)	102,989	(26,096)	(50,358)	(1,582,557)
Net cash provided by (used in) noncapital financing activities	<u>(71,473)</u>	<u>(135,677)</u>	<u>(1,401,942)</u>	<u>102,989</u>	<u>(26,096)</u>	<u>(50,358)</u>	<u>(1,582,557)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Proceeds from sales and maturities of investments	342,563	3,605,033	124,300,646	9,137,541	772,949	195,780	138,354,512
Outlays for purchase of investments	(866,314)	(3,202,666)	(123,207,563)	(9,710,187)	(1,110,667)	(280,808)	(138,378,205)
Interest income	-	165,853	497,408	60,968	-	23,026	747,255
Net cash provided by (used in) investing activities	<u>(523,751)</u>	<u>568,220</u>	<u>1,590,491</u>	<u>(511,678)</u>	<u>(337,718)</u>	<u>(62,002)</u>	<u>723,562</u>
Net increase (decrease) in cash and cash equivalents	-	77	(74,267)	71	872	-	(73,247)
Cash and cash equivalents at beginning of year	-	-	74,350	-	-	-	74,350
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>77</u>	<u>83</u>	<u>71</u>	<u>872</u>	<u>-</u>	<u>\$ 1,103</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities</b>							
Operating income (loss)	\$ (42,645)	(182,124)	6,867,552	685,732	(5,148)	88,695	\$ 7,412,062
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Increase in accounts receivable	-	(362,979)	(7,297,511)	(290,172)	-	-	(7,950,662)
Decrease in inventory	-	-	-	-	-	15,835	15,835
Decrease in other assets	-	165,009	-	-	-	-	165,009
Increase in accounts payable and accrued expenditures	637,869	-	455,143	-	369,834	7,830	1,470,676
Increase (decrease) in claims payable	-	(52,372)	(288,000)	13,200	-	-	(327,172)
Net cash provided by (used in) operating activities	<u>\$ 595,224</u>	<u>(432,466)</u>	<u>(262,816)</u>	<u>408,760</u>	<u>364,686</u>	<u>112,360</u>	<u>\$ 785,748</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 June 30, 2019

Data Control Codes		Beginning Balance July 1, 2018	Additions	Deletions	Ending Balance June 30, 2019
	<b>Assets</b>				
1110	Cash, cash equivalents and	\$ 8,674,381	47,561,074	45,433,367	10,802,088
1107	Temporary investments	6,525,393	13,517,720	14,768,435	5,274,678
1290	Other receivables	86,627	78,353	81,997	82,983
1000	<b>Total assets</b>	<b>\$ 15,286,401</b>	<b>61,157,147</b>	<b>60,283,799</b>	<b>16,159,749</b>
	<b>Liabilities</b>				
2110	Accounts payable	\$ 57,165	692,178	517,563	231,780
2180	Due to other governments	4,146,396	2,109,636	542,876	5,713,156
2170	Due to other funds	1,107,704	-	1,107,704	-
2190	Due to student groups	9,769,957	21,121,476	20,676,620	10,214,813
	Other Liabilities	205,179	-	205,179	-
2000	<b>Total liabilities</b>	<b>\$ 15,286,401</b>	<b>23,923,290</b>	<b>23,049,942</b>	<b>16,159,749</b>

## **Other Supplementary Information Section**

This section includes financial information and disclosures not required by GASB and is not considered a part of the basic financial statements. It may, however, include information that is required by other entities.

Austin Independent School District

Exhibit J-1 Schedule of Delinquent Taxes Receivable  
Year Ended June 30, 2019

Years Ended June 30:	1		3	10	20	30	30a	40	50
	Tax Rates		Assessed/ Appraised Value for School Tax Purposes	Beginning Balance at July 1, 2018	Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance at June 30, 2019
2010 and prior years	Various	Various	Various	\$ 20,163,194	\$ -	\$ 172,818	\$ 19,694	\$ (30,404)	\$ 19,940,278
2011	1.0790	0.1480	\$ 61,630,025,136	1,171,893	-	73,930	8,425	28,737	1,118,275
2012	1.0790	0.1630	59,795,510,706	1,109,628	-	82,408	11,301	21,551	1,037,470
2013	1.0790	0.1630	60,510,010,799	1,160,967	-	106,514	16,085	26,219	1,064,587
2014	1.0790	0.1630	62,672,946,147	1,383,080	-	175,056	26,436	48,780	1,230,368
2015	1.0790	0.1430	67,349,173,527	1,560,001	-	234,132	35,357	107,348	1,397,860
2016	1.0790	0.1230	75,479,270,096	2,003,051	-	(220,415)	(29,206)	(611,316)	1,641,356
2017	1.0790	0.1130	99,261,337,738	3,192,220	-	(1,028,868)	(117,248)	(2,021,047)	2,317,289
2018	1.0790	0.1130	110,113,759,732	10,078,641	-	1,697,696	177,797	(4,342,487)	3,860,661
2019 (school year under audit)	1.0790	0.1130	121,551,585,435	-	1,448,894,898	1,293,040,304	135,415,713	(8,607,965)	11,830,916
<b>1000 Totals</b>				<b>\$ 41,822,675</b>	<b>\$ 1,448,894,898</b>	<b>\$ 1,294,333,575</b>	<b>\$ 135,564,354</b>	<b>\$ (15,380,584)</b>	<b>\$ 45,439,060</b>

Austin Independent School District

Exhibit J-4 Budgetary Comparison Schedule Required By the Texas Education Agency—National School  
 Breakfast and Lunch Programs  
 Year Ended June 30, 2019

Data Control Codes		1		2	3	Variance With Final Budget
		Budgeted Amounts		Final		
		Original	Final		Actual	
<b>Revenues</b>						
5700	Local and intermediate sources	\$ 7,986,513	\$ 8,151,389	\$ 7,374,178	\$ (777,211)	
5800	State program revenues	1,163,398	1,163,398	1,284,310	120,912	
5900	Federal program revenues	31,598,538	32,088,757	29,971,231	(2,117,526)	
5020	<b>Total revenues</b>	<b>40,748,449</b>	<b>41,403,544</b>	<b>38,629,719</b>	<b>(2,773,825)</b>	
<b>Expenditures</b>						
Current:						
0035	Food service	40,986,188	42,141,283	38,747,089	3,394,194	
6030	<b>Total expenditures</b>	<b>40,986,188</b>	<b>42,141,283</b>	<b>38,747,089</b>	<b>3,394,194</b>	
1100	Excess (deficiency) of revenues over expenditures	(237,739)	(737,739)	(117,370)	620,369	
1200	<b>Net change in fund balance</b>	<b>(237,739)</b>	<b>(737,739)</b>	<b>(117,370)</b>	<b>620,369</b>	
0100	Fund balance at beginning of period	4,869,468	4,869,468	4,869,468	-	
3000	Fund balance at end of period	<b>\$ 4,631,729</b>	<b>\$ 4,131,729</b>	<b>\$ 4,752,098</b>	<b>\$ 620,369</b>	

Austin Independent School District

Exhibit J-5 Budgetary Comparison Schedule Required By the Texas Education  
 Agency—Debt Service Fund  
 Year Ended June 30, 2019

Data Control Codes	1		2	3	Variance With Final Budget
	Budgeted Amounts				
	Original	Final		Actual	
<b>Revenues</b>					
5700	Local and intermediate sources	\$ 127,206,357	\$ 139,235,891	\$ 138,362,064	\$ (873,827)
5800	State program revenues	-	634,017	932,217	298,200
5900	Federal program revenues	984,466	-	-	-
5020	<b>Total revenues</b>	<u>128,190,823</u>	<u>139,869,908</u>	<u>139,294,281</u>	<u>(575,627)</u>
<b>Expenditures</b>					
0071	Principal and interest on long-term debt	128,190,823	115,069,908	112,939,226	2,130,682
6030	<b>Total expenditures</b>	<u>128,190,823</u>	<u>115,069,908</u>	<u>112,939,226</u>	<u>2,130,682</u>
1100	Excess (deficiency) of revenues over expenditures	-	24,800,000	26,355,055	1,555,055
<b>Other Financing Sources (Uses)</b>					
7911	Capital-related debt issued (refunding bonds)	-	337,161,000	298,180,000	(38,981,000)
7916	Premium or discount on issuance of bonds	-	-	38,981,000	38,981,000
8911	Transfers out	-	(360,000,000)	(360,000,000)	-
7080	<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(22,839,000)</u>	<u>(22,839,000)</u>	<u>-</u>
1200	<b>Net change in fund balance</b>	-	1,961,000	3,516,055	1,555,055
0100	Fund balance at beginning of period	135,026,176	135,026,176	135,026,176	-
3000	Fund balance at end of period	<u>\$ 135,026,176</u>	<u>\$ 136,987,176</u>	<u>\$ 138,542,231</u>	<u>\$ 1,555,055</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:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 96,281,802	104,323,471	90,856,136	93,937,784	94,922,777	141,515,416	54,626,903	25,896,802	64,280,425	117,542,355
Restricted	30,443,448	30,938,057	37,960,422	43,182,004	48,821,170	52,720,511	129,670,505	133,513,376	124,003,806	131,159,178
Unrestricted	167,063,507	196,755,631	248,179,414	234,650,112	192,501,211	43,264,886	145,681,555	216,305,554	(200,834,750)	(190,038,397)
	<u>\$ 293,788,757</u>	<u>332,017,159</u>	<u>376,995,972</u>	<u>371,769,900</u>	<u>336,245,158</u>	<u>237,500,813</u>	<u>329,978,963</u>	<u>375,715,732</u>	<u>(12,550,519)</u>	<u>58,663,136</u>

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

Note <sup>1</sup> House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2015-2016 reporting period. Fiscal years 2015 and prior ended on August 31; however, for 2016, the fiscal period consisted of the ten-month period of September 1, 2015 through June 30, 2016.



# Austin Independent School District

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

Fiscal Year:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
<b>Expenses by Function</b>											
11	Instruction	\$ 481,430,169	489,129,165	466,463,321	497,545,734	507,216,594	505,494,951	486,966,128	518,699,019	376,736,173	530,330,641
12	Instructional resources and media services	14,914,835	15,053,077	14,303,627	13,251,599	13,501,258	13,797,834	12,266,216	13,978,586	9,754,234	12,259,968
13	Curriculum and staff development	28,983,629	28,862,756	27,787,338	29,248,419	29,477,925	30,406,021	19,909,135	25,583,565	14,174,773	28,060,999
21	Instructional leadership	16,571,099	14,666,483	15,348,918	18,089,591	16,351,124	16,763,657	13,194,751	19,967,255	14,914,135	18,985,306
23	School leadership	51,216,809	52,262,596	51,421,651	50,724,416	55,512,473	55,575,630	48,755,251	60,095,536	44,158,090	64,291,006
31	Guidance, counseling, and evaluation services	26,373,364	26,390,649	23,807,482	26,410,732	26,442,277	26,888,141	23,110,375	27,597,988	22,117,430	33,388,507
32	Social work services	5,456,538	5,761,323	5,227,455	5,306,860	5,264,695	5,038,697	5,091,628	6,215,399	5,249,765	7,504,183
33	Health services	6,519,354	6,714,044	6,741,934	6,821,837	6,460,693	6,853,096	6,942,633	6,360,045	12,734,811	13,622,582
34	Student transportation	28,521,495	28,596,866	30,169,710	31,301,659	33,090,853	33,617,548	31,507,346	36,684,114	36,416,529	39,154,134
35	Food Service	37,857,928	39,704,475	38,955,039	40,589,515	41,989,670	42,557,473	39,032,345	50,311,169	29,092,307	44,543,568
36	Extracurricular activities	15,781,479	15,956,946	15,640,456	16,076,186	17,106,336	17,872,326	16,651,563	17,578,420	18,461,072	19,610,584
41	General administration	20,366,983	17,352,291	16,917,855	19,465,730	18,779,874	19,070,099	16,813,369	28,641,855	(10,787,791)	35,101,904
51	Plant maintenance and operations	83,162,032	82,767,535	81,436,686	87,111,805	88,188,184	93,176,143	73,162,057	94,163,292	87,598,601	88,415,542
52	Security and monitoring services	9,770,684	9,440,801	9,580,035	9,992,118	9,650,918	9,961,903	9,625,064	11,402,189	11,269,310	13,517,363
53	Data processing services	24,864,033	41,721,143	27,068,051	20,752,306	25,589,052	19,931,330	18,519,875	22,056,414	36,787,650	23,993,380
61	Community services	16,131,915	15,968,691	14,865,458	15,306,500	17,032,400	17,648,983	15,746,363	20,684,519	15,315,790	23,322,247
71	Principal and interest on long-term debt	37,116,181	38,067,146	39,761,513	39,691,761	61,744,381	25,010,656	31,280,410	44,731,170	33,154,337	32,039,909
91	Contracted instructional services between schools	111,937,679	123,774,675	124,582,632	120,069,626	123,694,773	181,118,956	266,073,630	403,324,244	540,290,792	665,251,676
93	Payments related to shared services arrangements	1,700,441	1,658,106	1,641,539	2,028,668	2,246,712	2,526,261	2,701,947	2,582,967	3,725,319	4,080,590
99	Other intergovernmental charges	-	-	3,539,138	4,239,735	4,230,810	5,267,148	5,721,415	5,976,970	6,493,648	8,969,463
99	Depreciation-unallocated and other charges	4,390,289	4,649,159	898,475	898,476	941,985	1,237,813	928,450	1,355,706	-	-
	<b>Total Expenses</b>	<b>\$ 1,023,066,936</b>	<b>1,058,497,927</b>	<b>1,016,158,313</b>	<b>1,054,923,273</b>	<b>1,104,512,987</b>	<b>1,129,814,666</b>	<b>1,143,999,951</b>	<b>1,417,990,422</b>	<b>1,307,656,975</b>	<b>1,706,443,552</b>
<b>Program Revenues</b>											
	Governmental activities										
	Charges for Services:										
11	Instruction	\$ 658,611	692,699	1,381,561	854,498	1,014,693	1,242,470	1,520,028	1,789,983	2,151,249	2,287,441
35	Food Services	6,841	-	-	-	-	-	-	-	-	-
36	Curricular/Extracurricular Activities	844,943	729,294	648,972	671,463	645,343	760,197	701,194	757,468	749,000	812,680
41	General Admission	772,181	1,157,557	1,484,579	1,506,140	1,646,456	1,623,120	1,558,250	2,187,140	2,100,857	2,411,592
61	Community Services	1,531,995	1,631,811	1,652,267	2,436,728	2,433,108	2,584,159	2,454,839	2,460,664	2,662,216	3,268,678
93	Payments related to shared services arrangements	-	-	-	-	-	-	-	-	-	835,342
	Operation Grants and Contributions	200,259,794	208,784,521	167,074,821	181,834,336	178,677,908	167,020,612	154,039,571	185,027,689	34,749,153	232,969,819
	<b>Total Primary Government Program Revenues</b>	<b>\$ 204,074,365</b>	<b>212,995,882</b>	<b>172,242,200</b>	<b>187,303,165</b>	<b>184,417,508</b>	<b>173,230,558</b>	<b>160,273,882</b>	<b>192,222,944</b>	<b>42,412,475</b>	<b>242,585,552</b>
	<b>Net(Expense)/Revenue</b>										
	<b>Total primary government expenses</b>	<b>\$ (818,992,571)</b>	<b>(845,502,045)</b>	<b>(843,916,113)</b>	<b>(867,620,108)</b>	<b>(920,095,479)</b>	<b>(956,584,108)</b>	<b>(983,726,069)</b>	<b>(1,225,767,478)</b>	<b>(1,265,244,500)</b>	<b>(1,463,858,000)</b>

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

Note <sup>1</sup> House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2015-2016 reporting period. Fiscal years 2015 and prior ended on August 31; however, for 2016, the fiscal period consisted of the ten-month period of September 1, 2015 through June 30, 2016.

## Austin Independent School District

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

Last Ten Fiscal Years

(Unaudited)

Fiscal Year:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Net (Expense) Revenue</b>										
Total Governmental Activities	\$ (818,992,571)	(845,502,045)	(843,916,113)	(867,620,108)	(920,095,479)	(956,584,108)	(983,726,069)	(1,225,767,478)	(1,265,244,500)	(1,463,858,000)
<b>General Revenues</b>										
Governmental Activities										
Taxes										
Property taxes levied for general purposes	\$ 660,555,781	644,020,548	648,061,514	673,588,859	727,019,437	813,457,542	927,959,364	1,065,424,864	1,180,704,759	1,300,394,799
Property taxes levied for debt services	75,284,195	88,290,810	97,940,765	101,751,860	109,742,422	107,788,597	105,731,761	111,702,024	123,629,407	136,227,358
State Aid Formula Grants	99,098,396	135,381,836	129,038,085	78,174,157	35,290,936	34,132,093	22,888,895	38,476,338	27,395,440	37,668,557
Grants and Contributions	3,801,344	3,965,917	3,340,958	1,774,005	1,496,642	4,605,140	3,123,055	4,267,832	5,146,708	4,584,968
Investment earnings	955,337	774,645	859,641	1,178,780	765,185	778,009	2,121,188	4,340,517	11,616,562	19,919,697
Gain(loss) on Sale of Equipment or Land	(183,293)	80,021	-	-	-	-	-	-	16,910,430	3,386,478
Gain(loss) on Insurance	16,333	2,328,741	-	-	-	-	-	-	-	-
Miscellaneous	7,243,799	8,887,929	9,653,963	10,530,686	10,256,115	13,015,643	14,379,956	47,292,672	26,786,837	32,889,798
Total primary government	\$ 846,771,892	883,730,447	888,894,926	866,998,347	884,570,737	973,777,024	1,076,204,219	1,271,504,247	1,392,190,143	1,535,071,655
<b>Change in Net Position</b>										
Total primary government	\$ 27,779,321	38,228,402	44,978,813	(621,761)	(35,524,742)	17,192,916	92,478,150	45,736,769	126,945,643	71,213,655

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

Note <sup>1</sup> House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2015-2016 reporting period. Fiscal years 2015 and prior ended on August 31; however, for 2016, the fiscal period consisted of the ten-month period of September 1, 2015 through June 30, 2016.

**Austin Independent School District**

**Table 4 – All Governmental Funds  
Revenues by Source**

Last Ten Fiscal Years

(Unaudited)

Fiscal Year:		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
5700	Local Sources	\$ 755,874,462	757,344,604	769,930,830	797,094,199	856,433,297	945,497,300	1,058,625,656	1,213,687,401	1,348,027,905	1,484,328,441
5800	State Sources	146,867,873	180,987,762	159,119,315	106,915,944	72,759,189	69,661,108	56,575,322	86,838,740	71,769,722	93,049,843
5900	Federal Sources	144,880,806	156,622,560	130,933,457	147,699,119	135,973,981	126,448,010	116,420,090	112,545,539	114,252,389	125,931,019
	<b>Total</b>	<b>\$ 1,047,623,141</b>	<b>1,094,954,926</b>	<b>1,059,983,602</b>	<b>1,051,709,262</b>	<b>1,065,166,467</b>	<b>1,141,606,418</b>	<b>1,231,621,068</b>	<b>1,413,071,680</b>	<b>1,534,050,016</b>	<b>1,703,309,303</b>

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

Note <sup>1</sup> House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2015-2016 reporting period. Fiscal years 2015 and prior ended on August 31; however, for 2016, the fiscal period consisted of the ten-month period of September 1, 2015 through June 30, 2016.

# Austin Independent School District

## Table 5 – All Governmental Funds Expenditures by Function

Last Ten Fiscal Years

(Unaudited)

Expenditures by Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
0011 Instruction	\$ 457,770,946	459,864,677	432,668,113	465,331,268	467,518,732	461,890,572	430,523,785	458,925,423	457,782,811	458,017,937
0012 Instructional resources and media services	13,226,147	13,221,461	12,190,650	11,103,721	11,127,735	11,088,224	9,933,294	10,916,143	10,731,630	10,932,114
0013 Curriculum and staff development	29,140,852	28,874,670	27,790,113	29,284,463	29,413,454	30,239,227	19,782,196	23,887,493	25,057,304	22,823,950
0021 Instructional leadership	16,693,046	14,758,054	15,303,725	15,703,509	16,249,907	16,649,124	13,094,809	19,429,483	16,868,971	16,794,153
0023 School leadership	49,438,215	50,207,799	48,968,254	50,798,976	52,591,712	52,330,133	45,850,767	55,360,720	55,288,926	55,012,055
0031 Guidance, counseling, and evaluation services	26,389,069	26,174,697	23,500,422	26,200,436	25,987,260	26,341,315	22,582,572	26,268,192	27,226,037	28,932,138
0032 Social work services	5,508,813	5,759,976	5,212,768	5,311,170	5,219,106	4,980,914	5,032,375	5,989,881	5,870,652	6,672,618
0033 Health services	6,463,349	6,643,915	6,634,745	6,449,637	5,987,372	6,522,066	6,671,393	6,220,044	12,821,457	13,478,742
0034 Student transportation	28,779,239	30,347,347	26,911,662	28,032,330	31,821,262	35,017,671	28,659,242	36,642,597	38,900,161	44,936,490
0035 Food service	36,121,224	37,668,201	37,099,886	39,653,815	38,637,553	38,550,638	35,398,826	40,755,156	40,457,273	40,037,029
0036 Extracurricular activities	14,752,799	14,710,271	14,188,761	14,655,440	15,589,719	15,959,656	14,402,611	14,092,448	19,175,178	17,896,282
0041 General administration	17,352,914	16,789,544	16,259,143	18,667,961	17,793,439	18,226,047	15,897,367	21,568,344	23,342,864	23,210,637
0051 Plant maintenance and operations	83,183,331	80,455,392	79,686,268	83,180,502	86,181,419	90,321,054	73,543,750	95,852,974	88,591,552	87,640,220
0052 Security and monitoring services	9,598,084	9,122,658	9,210,719	9,998,959	9,877,073	9,789,994	9,204,867	11,034,005	12,236,520	13,147,052
0053 Data processing services	20,162,523	21,544,403	18,311,128	20,126,128	18,678,770	21,839,370	19,894,500	27,882,298	37,714,590	38,073,204
0061 Community services	16,266,938	15,959,197	14,825,086	15,224,838	17,021,569	17,485,379	15,901,341	19,712,497	21,283,998	20,125,427
0071 Principal on long-term debt	46,122,551	53,662,273	58,603,657	60,902,790	50,481,116	67,579,257	441,685	71,406,441	65,904,601	67,297,408
0072 Interest on long-term debt	34,790,640	35,207,686	36,942,228	34,710,203	49,760,447	36,591,381	18,037,024	37,228,819	42,764,408	43,449,869
0073 Bond issuance costs and fees	1,172,572	1,701,185	790,170	1,471,080	1,352,737	1,713,546	601,922	4,145,613	570,425	2,668,839
0081 Capital outlay	102,954,774	68,009,441	51,627,136	50,965,137	61,433,216	86,251,386	74,989,661	80,088,110	116,489,283	152,878,806
0091 Contracted instructional services between schools	111,937,679	123,774,675	124,582,632	120,069,626	123,694,773	181,118,956	266,073,630	403,324,244	540,290,792	665,251,676
0093 Payments related to shared services arrangements	1,700,441	1,658,106	1,641,539	2,028,668	2,246,712	2,526,261	2,701,947	2,582,967	3,725,319	4,080,590
0099 Other intergovernmental charges	3,953,241	4,150,819	3,539,138	4,239,735	4,230,810	5,267,148	5,721,415	5,976,970	6,493,648	8,969,463
<b>Total Expenditures</b>	<b>\$ 1,133,479,387</b>	<b>1,120,266,447</b>	<b>1,066,487,943</b>	<b>1,114,110,392</b>	<b>1,142,895,893</b>	<b>1,238,279,319</b>	<b>1,134,940,979</b>	<b>1,479,290,862</b>	<b>1,669,588,400</b>	<b>1,842,326,699</b>
Debt Service as a percentage of non-capital expenditures <sup>1</sup>	7.97%	8.51%	9.47%	9.16%	9.39%	9.26%	1.78%	8.15%	7.05%	6.84%

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

Note 1 In calculating the ratio of total debt service expenditures to noncapital expenditures, governmental fund expenditures for the facilities acquisition and construction of assets that are classified as capital assets for reporting in the government-wide financial statements are subtracted from the total governmental fund expenditures (Exhibit C-2 for year 2010 and Exhibit C-3 for years 2011 to 2019)

Note 2 House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2015-2016 reporting period. Fiscal years 2015 and prior ended on August 31; however, for 2016, the fiscal period consisted of the ten-month period of September 1, 2015 through June 30, 2016.

## 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)

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1100	Excess (deficiency) of revenues over expenditures	\$ (85,856,246)	(25,366,417)	(6,504,341)	(62,401,130)	(77,729,426)	(96,672,902)	96,680,089	(66,219,182)	(135,538,384)	(139,017,396)
<b>Other Financing Sources (Uses)</b>											
7911	Capital-related debt issued (regular bonds)	\$ 83,480,000	91,625,000	-	109,655,000	144,410,000	150,405,000	24,078,000	543,205,000	-	298,180,000
7912	Sale of real or personal property	196,725	80,025	12,651	59,105	34,946	-	20,584	54,642	17,552,903	-
7913	Proceeds from capital leases	-	-	-	1,652,820	-	-	-	-	-	-
7914	Non-current loan proceeds	-	-	979,590	100,000,000	1,040,022	425,852	-	-	-	-
7915	Transfers in	-	-	-	6,837,130	60,000,555	70,000,000	24,078,000	365,000,000	26,000,000	365,000,000
7916	Premium or discount on issuance of bonds	2,977,279	9,182,638	-	-	24,607,860	23,085,488	-	96,241,668	-	38,981,000
8911	Transfers out	-	(48,182)	(7,000,000)	(100,000,000)	(60,000,555)	(70,000,000)	(34,078,000)	(373,000,000)	(26,000,000)	(365,000,000)
8913	Extraordinary items	(109,050)	-	-	-	-	-	-	-	-	-
8940	Payments to refunded bond escrow agent	(10,611,457)	-	-	-	(108,393,049)	(102,745,079)	-	(270,822,336)	-	-
8949	Other uses	-	-	(44,255)	(15,891,872)	-	-	-	(6,898)	-	-
Total Other Financing sources and (uses)		\$ 75,933,497	100,839,481	(6,052,014)	102,312,183	61,699,779	71,171,261	14,098,584	360,672,076	17,552,903	337,161,000
<b>Special Items</b>											
7918	Sale of buildings / Special items	-	-	-	-	-	-	-	-	-	10,554,488
Total Special Items		\$ -	-	-	-	-	-	-	-	-	10,554,488
Net Change in Fund Balances		\$ (9,922,749)	75,473,064	(12,556,355)	39,911,053	(16,029,647)	(25,501,641)	110,778,673	294,452,894	(117,985,481)	208,698,092

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

Note House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2015-2016 reporting period. Fiscal years 2015 and prior ended on August 31; however, for 2016, the fiscal period consisted of the ten-month period of September 1, 2015 through June 30, 2016.

## Austin Independent School District

### Table 7 – All Governmental Funds Fund Balance

Last Ten Fiscal Years

(Unaudited)

Fiscal Year:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund</b>										
3410 Inventories	\$ 841,254	1,091,747	687,355	562,593	549,259	395,152	513,043	229,374	217,232	494,865
3430 Prepaid Items	206,620	-	7,689,398	8,516,025	9,484,364	7,930,082	867,684	-	-	800
3440 Encumbrances	11,884,979	-	-	-	-	-	-	-	-	-
3490 Other purposes	10,875,720	-	-	-	-	-	-	-	-	-
3550 Construction - Assigned Fund Balance	-	6,152,712	8,404,228	242,993	-	-	-	-	-	-
3580 Self-insurance - Assigned Fund Balance	-	7,000,000	-	-	-	-	-	-	-	-
3590 Other designated -- Assigned Fund Balance	-	24,793,788	37,453,856	34,309,630	26,606,228	18,430,045	24,643,922	23,949,919	18,018,831	17,350,000
3600 Unreserved	148,326,523	179,627,495	198,101,236	196,599,569	184,320,557	190,967,649	266,242,369	277,410,128	266,212,861	270,476,533
<b>Total Reserved/Unreserved General Fund</b>	<b>\$ 172,135,096</b>	<b>218,665,742</b>	<b>252,336,073</b>	<b>240,230,810</b>	<b>220,960,408</b>	<b>217,722,928</b>	<b>292,267,018</b>	<b>301,589,421</b>	<b>284,448,924</b>	<b>288,322,198</b>
<b>All Other Governmental Funds:</b>										
Debt Service	\$ 20,605,124	21,399,082	25,455,480	33,296,893	43,695,912	48,169,616	137,670,940	142,926,713	135,026,176	138,542,231
Capital Projects	(30,272,995)	(1,874,209)	(52,071,631)	(5,276,897)	(11,472,472)	(37,043,645)	(91,209,532)	188,991,765	95,664,637	294,457,853
Food Service	9,550,868	9,405,894	9,508,547	7,676,373	6,468,266	5,237,945	5,882,607	5,210,646	4,869,468	4,752,098
Unreserved Special Revenue Funds	3,290,062	3,184,710	2,996,395	2,208,738	2,454,155	2,517,785	2,772,269	3,117,651	3,841,510	6,474,427
<b>Total Other Governmental Funds</b>	<b>\$ 3,173,059</b>	<b>32,115,477</b>	<b>(14,111,209)</b>	<b>37,905,107</b>	<b>41,145,861</b>	<b>18,881,701</b>	<b>55,116,284</b>	<b>340,246,775</b>	<b>239,401,791</b>	<b>444,226,609</b>
<b>Total All fund balances</b>	<b>\$ 175,308,155</b>	<b>250,781,219</b>	<b>238,224,864</b>	<b>278,135,917</b>	<b>262,106,269</b>	<b>236,604,629</b>	<b>347,383,302</b>	<b>641,836,196</b>	<b>523,850,715</b>	<b>732,548,807</b>

Source: Fiscal Year End 2010 -- Exhibit C-1 Balance Sheet - Governmental Funds - Audited Financial Statements  
Fiscal Year Ends 2011 - 2019 -- Fund Balance Footnote - Audited Financial Statements

Note <sup>1</sup> House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2015-2016 reporting period. Fiscal years 2015 and prior ended on August 31; however, for 2016, the fiscal period consisted of the ten-month period of September 1, 2015 through June 30, 2016.

**Austin Independent School District**

Table 7 – All Governmental Funds  
Fund Balance

Last Ten Fiscal Years

(Unaudited)

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund</b>									
Non-Spendable	\$ 1,091,747	8,376,753	9,078,618	10,033,623	8,325,234	1,380,727	229,374	217,232	495,665
Assigned	37,946,500	45,858,084	34,552,623	26,606,228	18,430,045	24,643,922	23,949,919	18,018,831	17,350,000
Unassigned	179,627,495	198,101,236	196,599,569	184,320,557	190,967,649	266,242,369	277,410,128	266,212,861	270,476,533
<b>Total General Fund</b>	<b>218,665,742</b>	<b>252,336,073</b>	<b>240,230,810</b>	<b>220,960,408</b>	<b>217,722,928</b>	<b>292,267,018</b>	<b>301,589,421</b>	<b>284,448,924</b>	<b>288,322,198</b>
<b>Non-Spendable</b>									
Food Service -- Non-major	2,688,603	3,433,800	2,923,876	2,939,200	2,724,358	2,546,480	3,273,948	3,115,862	3,181,609
Special Revenue -- Non-major	-	562,444	617,595	857,963	480,477	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-	750,000
<b>Restricted</b>									
Debt Service -- Non-major	21,399,082	25,455,480	33,296,893	43,695,912	48,169,616	137,670,940	142,926,713	135,026,176	138,542,231
Food Service -- Non-major	6,717,303	6,074,747	4,752,497	3,529,066	2,513,587	3,336,127	1,936,714	1,763,418	1,570,489
Special Revenue -- Non-major	3,184,698	2,433,951	1,591,143	1,596,192	2,037,308	2,772,269	3,117,635	3,831,698	6,474,427
<b>Assigned</b>									
Capital Projects	-	-	-	-	-	-	188,991,765	95,664,637	293,707,853
<b>Unassigned</b>									
Capital Projects	(1,874,209)	(52,071,631)	(5,276,897)	(11,472,472)	(37,043,645)	(91,209,532)	-	-	-
<b>Total All Governmental Funds</b>	<b>\$ 250,781,219</b>	<b>238,224,864</b>	<b>278,135,917</b>	<b>262,106,269</b>	<b>236,604,629</b>	<b>347,383,302</b>	<b>641,836,196</b>	<b>523,850,715</b>	<b>732,548,807</b>

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

Note <sup>1</sup> House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2015-2016 reporting period. Fiscal years 2015 and prior ended on August 31; however, for 2016, the fiscal period consisted of the ten-month period of September 1, 2015 through June 30, 2016.

## **Revenue Capacity**



**Austin Independent School District**  
**Table 8 – Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Tax Roll Year	Net Tax Levy <sup>A</sup>	Collections	Percent of Levy Collected	Delinquent Taxes Collected	Total Taxes Collected	Total Collected as a Percent of Current	Current and Prior Years Outstanding Delinquent	Outstanding Delinquent Taxes as a Percent of
							Tax Levy	Taxes	Tax Levy
2010	2009	<b>740,792,902</b>	727,171,963	98.16%	3,712,168	730,884,132	98.66%	33,405,180	4.51%
2011	2010	<b>733,690,916</b>	729,297,756	99.40%	5,648,087	734,945,843	100.17%	34,064,768	4.64%
2012	2011	<b>751,534,334</b>	743,801,556	98.97%	2,343,160	746,144,716	99.28%	32,778,619	4.36%
2013	2012	<b>778,397,991</b>	772,707,013	99.27%	2,729,878	775,436,891	99.62%	32,751,487	4.21%
2014	2013	<b>836,476,735</b>	832,627,552	99.54%	3,972,789	836,600,341	100.01%	33,813,497	4.04%
2015	2014	<b>922,356,681</b>	916,559,157	99.37%	3,244,033	919,803,190	99.72%	34,982,886	3.79%
2016	2015	<b>1,039,299,288</b>	1,026,605,542	98.78%	3,043,421	1,029,648,963	99.07%	35,252,114	3.39%
2017	2016	<b>1,183,195,146</b>	1,165,479,352	98.50%	948,335	1,166,427,687	98.58%	39,892,101	3.37%
2018	2017	<b>1,312,556,016</b>	1,293,314,619	98.53%	1,614,917	1,294,929,536	98.66%	41,822,675	3.19%
2019	2018	<b>1,448,894,898</b>	1,428,456,017	98.59%	1,441,912	1,429,897,929	98.69%	45,439,060	3.14%

Source: Schedule of Delinquent Taxes Receivable - Audited Financial Statements

Note <sup>1</sup> Percentages include both current year collections and delinquencies collected in the current year.

Note <sup>2</sup> House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2015-2016 reporting period. Fiscal years 2015 and prior ended on August 31; however, for 2016, the fiscal period consisted of the ten-month period of September 1, 2015 through June 30, 2016. The Schedule of Delinquent Taxes Receivable is reported for twelve months to comply with TEA requirements.

**Austin Independent School District**

Table 9 – Assessed and Estimated Actual  
Value of Taxable Property

Last Ten Fiscal Years

(Unaudited)

<b>Fiscal Year</b>	<b>Assessed Value for School Real Property</b>	<b>Assessed Value for School Personal Property</b>	<b>Assessed Value for School Total Value</b>	<b>Change Over Previous Years in Dollars</b>	<b>Change Over Previous Year</b>	<b>Total Tax Rate</b>
2010	54,483,280,231	5,023,319,225	59,506,599,456	2,484,950,723	104.36%	1.2020
2011	52,385,469,445	4,472,462,897	56,857,932,342	(2,648,667,114)	95.55%	1.2270
2012	52,479,885,144	4,570,090,653	57,049,975,797	192,043,455	100.34%	1.2420
2013	54,260,040,368	4,715,779,268	58,975,819,636	1,925,843,839	103.38%	1.2420
2014	58,146,390,574	5,129,488,109	63,275,878,683	4,300,059,047	107.29%	1.2420
2015	65,532,224,189	5,228,742,840	70,760,967,029	7,485,088,346	111.83%	1.2220
2016	75,570,341,710	5,450,460,999	81,020,802,709	10,259,835,680	114.50%	1.2020
2017	87,502,258,151	5,570,268,349	93,072,526,500	12,051,723,791	114.87%	1.1920
2018	97,352,443,947	5,868,923,604	103,221,367,551	10,148,841,051	110.90%	1.1920
2019	107,962,992,716	5,944,527,823	113,907,520,539	10,686,152,988	110.35%	1.1920

Source: Travis County Appraisal District

The 2018 tax year appraised value is used for year 2019 tax purposes.

Note<sup>1</sup> Assessed Value is 100% of estimated actual value.

Note<sup>2</sup>

House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2015-2016 reporting period. Fiscal years 2015 and prior ended on August 31; however, for 2016, the fiscal period consisted of the ten-month period of September 1, 2015 through June 30, 2016.

**Austin Independent School District**

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

Last Ten Fiscal Years

(Unaudited)

<b>Fiscal Year</b>	<b>Maintenance</b>	<b>Debt Service</b>	<b>Total Tax Rate</b>
2010	1.0790	0.1230	1.2020
2011	1.0790	0.1480	1.2270
2012	1.0790	0.1630	1.2420
2013	1.0790	0.1630	1.2420
2014	1.0790	0.1630	1.2420
2015	1.0790	0.1430	1.2220
2016	1.0790	0.1230	1.2020
2017	1.0790	0.1130	1.1920
2018	1.0790	0.1130	1.1920
2019	1.0790	0.1130	1.1920

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

Note <sup>1</sup>

House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2015-2016 reporting period. Fiscal years 2015 and prior ended on August 31; however, for 2016, the fiscal period consisted of the ten-month period of September 1, 2015 through June 30, 2016. The Schedule of Delinquent Taxes Receivable is reported for twelve months to comply with TEA requirements.

**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	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 Gross Bonded Debt to Taxable		Per Capita Income	Personal Income <sup>1</sup>	Debt as a Percentage of Personal Income	Gross Bonded Debt Per Capita	Taxable Assessed Valuation Per Capita
						Assessed Valuation	Estimated Population <sup>1</sup>					
2010	59,506,599,456	100%	815,859,384	20,605,125	795,254,259	1.37%	1,026,158	42,156	43,258,751,000	1.84%	795.0621483	57,990
2011	56,857,932,342	100%	863,364,919	21,399,083	841,965,836	1.52%	1,049,873	43,744	45,925,294,000	1.83%	822.3517692	54,157
2012	57,049,975,797	100%	804,685,760	25,455,483	779,230,277	1.41%	1,095,805	46,298	50,733,585,000	1.54%	734.3329881	52,062
2013	58,975,819,636	100%	845,433,794	33,296,893	812,136,901	1.43%	1,120,954	48,562	54,435,509,000	1.49%	754.2091772	52,612
2014	63,275,878,683	100%	863,050,468	43,695,912	819,354,556	1.36%	1,141,655	54,596	62,329,270,000	1.31%	755.9643395	55,425
2015	70,760,967,029	100%	856,887,935	48,169,616	808,718,319	1.21%	1,173,051	58,537	68,666,432,000	1.18%	730.4779886	60,322
2016	81,020,802,709	100%	876,165,157	137,670,940	738,494,217	1.08%	1,209,415	58,700	70,400,054,000	1.05%	724.4536879	66,992
2017	93,072,526,500	100%	1,183,162,470	142,926,713	1,040,235,757	1.27%	1,242,674	62,205	76,306,161,000	1.36%	952.1101029	74,897
2018	103,221,367,551	100%	1,103,686,465	135,026,176	968,660,289	1.07%	1,273,741	67,504	84,294,574,000	1.15%	866.4920616	81,038
2019	113,907,520,539	100%	1,359,385,880	138,542,231	1,220,843,649	1.19%	1,304,311	-	-	-	1,042.2252668	87,332

Sources: Travis County Appraisal District  
Audited financial reports, Notes to the Financial Statements;  
Estimated Personal Income: U.S. Bureau of Economic Analysis  
Estimated population for Travis County: City of Austin

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

Note<sup>2</sup> House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2015-2016 reporting period. Fiscal years 2015 and prior ended on August 31; however, for 2016, the fiscal period consisted of the ten-month period of September 1, 2015 through June 30, 2016.

**Austin Independent School District**  
**Table 12 – Property Tax Rates per \$100 Valuation**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Taxing Jurisdiction</b>										
Austin CCD	\$ 0.09460	0.09510	0.09510	0.09490	0.09420	0.10050	0.10200	0.10080	0.10080	0.10480
Austin, City of	0.42090	0.45710	0.50290	0.50270	0.48090	0.45890	0.44180	0.44480	0.44480	0.44030
NW Travis Rd Dist # 3	0.12500	0.14500	0.13000	0.12230	-	-	-	-	-	-
Shady Hollow MUD	0.05000	0.05000	0.05000	0.05000	0.04930	0.04890	0.03800	0.04770	0.04770	0.02000
Sunfield MUD #1	0.90000	0.90000	0.90000	0.90000	0.90000	0.90000	0.90000	0.90000	0.90000	0.90000
Travis Co	0.42150	0.46580	0.50010	0.49460	0.45630	0.41690	0.38380	0.36900	0.36900	0.35420
Travis Co ESD # 3	0.10000	0.10000	0.09890	0.09640	0.09080	0.09000	0.10000	0.10000	0.10000	0.09750
Travis Co Healthcare District	0.07190	0.07890	0.07890	0.12900	0.12640	0.11778	0.11054	0.10739	0.10739	0.10522
Travis Co MUD # 3	0.49500	0.50000	0.52000	0.50000	0.48410	0.48250	0.48150	0.48150	0.48150	0.47520
Travis Co MUD # 4	0.72960	0.72960	0.72960	0.72960	0.72960	0.72960	0.72960	0.72960	0.72960	0.72960
Travis Co MUD # 5	0.85710	0.85710	0.81200	0.81200	0.76930	0.74280	0.69750	0.69750	0.60300	0.59000
Travis Co MUD # 6	0.46650	0.47500	0.47500	0.47100	0.46000	0.46000	0.46000	0.46000	0.48480	0.46460
Travis Co MUD # 8	0.72130	0.72130	0.72130	0.72130	0.72130	0.71450	0.71450	0.71450	0.71450	0.71450
<b>Total</b>	<b>\$ 5.45340</b>	<b>5.57490</b>	<b>5.61380</b>	<b>5.62380</b>	<b>5.36220</b>	<b>5.26238</b>	<b>5.15924</b>	<b>5.15279</b>	<b>5.08309</b>	<b>4.99592</b>

Source: Travis County Appraisal District

Note <sup>1</sup> The NW Travis County Rd Dist. #3 was abolished in 2014.

Note <sup>2</sup> House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2015-2016 reporting period. Fiscal years 2015 and prior ended on August 31; however, for 2016, the fiscal period consisted of the ten-month period of September 1, 2015 through June 30, 2016.

## **Debt Capacity**

**Austin Independent School District**

Table 13 – Direct and Overlapping Debt  
General Obligation Bonds

June 30, 2019

(Unaudited)

<b>Taxing Body</b>	<b>Net Debt Amount</b>	<b>As of</b>	<b>Percent Overlapping <sup>1</sup></b>	<b>Amount Overlapping</b>
Austin CCD	\$ 418,335,000	06/30/19	52.35%	\$ 218,998,373
Austin, City of	1,243,847,932	06/30/19	75.11%	934,254,182
Shady Hollow MUD	2,355,000	06/30/19	100.00%	2,355,000
Sunfield MUD #1	27,910,776	06/30/19	0.00%	-
Travis Co	685,851,423	06/30/19	62.22%	426,736,755
Travis Co ESD # 3	1,735,000	06/30/19	97.88%	1,698,218
Travis Co Healthcare Dist	9,380,000	06/30/19	62.23%	5,837,174
Travis Co MUD # 3	48,136,243	06/30/19	100.00%	48,136,243
Travis Co MUD # 4	1,575,312	06/30/19	100.00%	1,575,312
Travis Co MUD # 5	20,464,916	06/30/19	100.00%	20,464,916
Travis Co MUD # 6	11,711,248	06/30/19	100.00%	11,711,248
Travis Co MUD # 8	7,702,202	06/30/19	100.00%	7,702,202
<b>Total Estimated Overlapping Debt</b>				<u>\$ 1,679,469,623</u>
Austin ISD		06/30/18		\$ 1,103,686,465
<b>Total Direct and Overlapping Net Debt:</b>				<u><u>\$ 2,783,156,088</u></u>

Source: Municipal Advisory Council of Texas

Note <sup>1</sup> 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**  
**June 30, 2019**  
**(Unaudited)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Market Value <sup>A</sup>	\$ 74,590,026,479	71,066,925,624	72,636,010,994	75,011,895,807	80,856,299,504	92,428,636,993	109,428,617,508	126,168,462,220	139,105,583,210	152,326,552,309
Less: Exemptions and Reductions in Value <sup>B</sup>	(9,911,649,945)	(8,860,630,978)	(10,101,422,439)	(10,319,575,610)	(10,526,914,490)	(12,239,562,113)	(20,595,686,476)	(20,344,842,759)	(22,197,580,415)	(23,107,211,200)
Less: Freeze Taxable and Transfer Adjustments	(5,171,777,078)	(5,348,362,304)	(5,484,612,868)	(5,716,500,561)	(7,053,506,331)	(9,428,107,851)	(7,812,128,323)	(12,751,092,961)	(13,686,635,244)	(15,311,820,570)
Total Appraised Value for School Tax Purposes	\$ 59,506,599,456	56,857,932,342	57,049,975,687	58,975,819,636	63,275,878,683	70,760,967,029	81,020,802,709	93,072,526,500	103,221,367,551	113,907,520,539
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	\$ 5,950,659,946	5,685,793,234	5,704,997,569	5,897,581,964	8,516,180,549	7,076,096,703	13,442,012,563	9,307,252,650	10,322,136,755	11,390,752,054
Total Bonded Debt	815,859,384	863,364,919	804,685,760	845,433,794	863,050,468	856,887,935	876,165,157	1,183,162,470	1,103,686,465	1,359,385,880
Less: Reserve for Retirement of Bonded Debt	(20,605,125)	(21,399,083)	(25,455,483)	(33,296,893)	(43,695,912)	(48,169,616)	(137,670,940)	(142,926,713)	(135,026,176)	(138,542,231)
Net Bonded Debt Applicable to Debt Limit	\$ 795,254,259	841,965,836	779,230,277	812,136,901	819,354,556	808,718,319	738,494,217	1,040,235,757	968,660,289	1,220,843,649
Legal Debt Margin	\$ 5,155,405,687	4,843,827,398	4,925,767,292	5,085,445,063	7,696,825,993	6,267,378,384	12,703,518,346	8,267,016,893	9,353,476,466	10,169,908,405
Legal Debt Margin to the Legal Debt Limit	86.64%	85.19%	86.34%	86.23%	90.38%	88.57%	94.51%	88.82%	90.62%	89.28%
Total Net Bonded Debt Applicable to Debt Limit as a Percentage of Debt Limit	13.36%	14.81%	13.66%	13.77%	9.62%	11.43%	5.49%	11.18%	9.38%	10.72%

Sources: Travis County Appraisal District

Note <sup>A</sup>: The 2018 tax year appraised value is used for year 2019 tax purposes.

Note <sup>B</sup>: 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.

Note <sup>C</sup>: House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2015-2016 reporting period. Fiscal years 2015 and prior ended on August 31; however, for 2016, the fiscal period consisted of the ten-month period of September 1, 2015 through June 30, 2016.



**Austin Independent School District**

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

Last Ten Fiscal Years

(Unaudited)

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Bonded Debt Expenditures</b>	<b>Total Non-Capital Expenditures</b>	<b>Ratio of Total Bonded Debt Service Expenditures to Total Non-Capital Expenditures</b>
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	1,061,453,506	8.93%
2014	50,154,063	49,754,242	99,908,305	1,075,418,559	9.29%
2015	67,177,633	36,485,920	103,663,553	1,138,073,545	9.11%
2016	152,633	17,945,056	18,097,689	1,053,815,351	1.72%
2017	71,025,285	37,128,113	108,153,398	1,386,390,289	7.80%
2018	65,497,633	42,675,347	108,172,980	1,529,075,328	7.07%
2019	66,897,633	43,372,754	110,270,387	1,660,055,579	6.64%

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

Note <sup>1</sup>

House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2015-2016 reporting period. Fiscal years 2015 and prior ended on August 31; however, for 2016, the fiscal period consisted of the ten-month period of September 1, 2015 through June 30, 2016.

## Austin Independent School District

### Table 16 – Classification of Total Assessed Value

Last Three Fiscal Years

(Unaudited)

Fiscal Year:	Market Value Fiscal Year 2019		Market Value Fiscal Year 2018		Market Value Fiscal Year 2017	
Real Residential - Single Family	\$ 67,988,627,270	44.63%	62,207,172,475	44.72%	57,414,958,866	45.51%
Real Residential - Multi Family	22,568,199,349	14.82%	20,325,657,882	14.61%	17,866,850,706	14.16%
Real Vacant Platted Lots/Tracts	1,438,318,569	0.94%	1,270,028,625	0.91%	1,185,798,321	0.94%
Real Acreage (Land Only)	353,561,486	0.23%	336,208,586	0.24%	335,965,263	0.27%
Real, Farm & Ranch Improvements	243,751,933	0.16%	281,652,683	0.20%	239,358,448	0.19%
Real Commercial Industrial	35,111,150,907	23.05%	30,981,316,670	22.27%	27,470,589,571	21.77%
Real & Intangible Personal - Utilities	547,316,440	0.36%	733,796,051	0.53%	549,717,279	0.44%
Tangible Personal Business	5,097,457,068	3.35%	4,831,395,736	3.47%	4,734,900,365	3.75%
Tangible Personal Other	48,897,056	0.03%	50,815,645	0.04%	51,706,290	0.04%
Inventory	537,635,797	0.35%	501,737,145	0.36%	482,453,704	0.38%
Other (Exempt)	18,391,636,435	12.07%	17,585,801,712	12.64%	15,836,163,408	12.55%
<b>Total Market Value</b>	<b>\$ 152,326,552,309</b>	<b>100.00%</b>	<b>139,105,583,210</b>	<b>100.00%</b>	<b>126,168,462,221</b>	<b>100.00%</b>
<b>Less Exemptions:</b>						
Agricultural Valuation	\$ 349,303,624		332,881,401		332,388,509	
Homestead Cap	3,346,146,659		3,068,686,521		3,402,799,201	
Homestead	2,899,867,767		2,886,780,212		2,867,432,443	
Over 65	1,171,526,534		1,127,688,140		1,095,035,955	
Disabled Persons & Veterans	348,765,995		312,080,385		283,639,569	
Exempt Property	18,282,085,740		17,519,792,716		15,757,026,354	
Prorated Exempt Property	72,499,973		32,564,044		51,195,466	
Historical	255,212,712		245,163,862		213,684,480	
Low Income Housing	36,411,979		32,337,029		27,213,210	
Pollution Control	23,677,272		25,109,362		34,069,355	
Leased Vehicles	484,787		53,255		-	
Solar	16,678,441		16,011,410		15,545,927	
<b>Total Exemptions</b>	<b>\$ 26,802,661,483</b>		<b>25,599,148,337</b>		<b>24,080,030,469</b>	
<b>Less:</b>						
Freeze Taxable Adjustment	\$ 11,616,171,880		10,284,792,261		9,013,045,807	
Transfer Adjustment	198,407		275,061		2,859,444	
<b>Total Freeze and Transfer Adjustment</b>	<b>\$ 11,616,370,287</b>		<b>10,285,067,322</b>		<b>9,015,905,251</b>	
<b>Appraised Value for School Tax Purpose</b>	<b>\$ 113,907,520,539</b>		<b>103,221,367,551</b>		<b>93,072,526,501</b>	

Source: Travis County Appraisal District (2018 Certified Totals, Supplement 17, Dated 11/12/19)

Note <sup>1</sup>

House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2015-2016 reporting period. Fiscal years 2015 and prior ended on August 31; however, for 2016, the fiscal period consisted of the ten-month period of September 1, 2015 through June 30, 2016.

## Austin Independent School District

### Table 17 – Ten Largest Taxpayers

#### Current Fiscal Year with Nine Years Ago Comparison

(Unaudited)

**Fiscal Year Ending June 30, 2019**

Principal Taxpayers	Type of Property	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation to Total Assessed Taxable Valuation
Columbia/St. David's Health Care	Healthcare	545,682,695	0.449%
Finley Company	Real Estate	397,274,845	0.327%
CSHV-401 Congress LLC	Real Estate	349,215,355	0.287%
Domain Retail Property Owner LP	Real Estate	343,763,509	0.283%
GW Block 23 Office LLC	Real Estate	307,578,287	0.253%
CSHV-300 West 6th Street LLC	Real Estate	290,000,000	0.239%
Domain Mall LLC	Real Estate	266,032,555	0.219%
7171 SW Parkway Associates	Real Estate	266,000,000	0.219%
Cousin-One Congress Plaza LLC	Real Estate	258,464,778	0.213%
Broadmoore Austin Associates	Real Estate	255,000,000	0.210%
<b>Total Ten Principal Taxpayers</b>		<b>\$ 3,279,012,024</b>	<b>2.698%</b>
<b>Total Taxable Assessed Valuation Austin ISD</b>		<b>\$ 121,551,585,435</b>	

**Fiscal Year Ending August 31, 2010**

Principal Taxpayers	Type of Property	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation to Total Assessed Taxable Valuation
TPG-300 West 6th Street LLC	Real Estate	663,649,605	1.128%
Columbia/St. David's Health Care	Health Care	346,202,657	0.588%
NXP Semiconductor USA Inc	Manufacturing	333,698,702	0.567%
IBM Corporation	Manufacturing	229,760,892	0.391%
Southwestern Bell	Telephone Utility	147,034,670	0.250%
H.E. Butt Grocery Co.	Grocery	133,604,871	0.227%
National Instruments Corporation	Manufacturing	112,700,785	0.192%
Home Depot	Retail	111,430,570	0.189%
Advanced Micro Devices	Manufacturing	111,215,642	0.189%
IWASMLP & ISA	Real Estate	110,936,730	0.189%
<b>Total Ten Principal Taxpayers</b>		<b>\$ 2,300,235,124</b>	<b>3.910%</b>
<b>Total Taxable Assessed Valuation Austin ISD</b>		<b>\$ 58,836,304,076</b>	

Source: Travis County Central Appraisal District

**Note <sup>1</sup>**

House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2015-2016 reporting period. Fiscal years 2015 and prior ended on August 31; however, for 2016, the fiscal period consisted of the ten-month period of September 1, 2015 through June 30, 2016. The Schedule of Delinquent Taxes Receivable is reported for twelve months to comply with TEA requirements.

## Austin Independent School District

Table 18 – Property Value and Construction Within District

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Commercial	Non-Commercial	Total Estimated Market Value	New Construction
2010	15,184,692,106	51,955,386,224	67,140,078,330	1,616,472,896
2011	15,208,008,021	55,858,917,603	71,066,925,624	1,102,739,992
2012	15,353,641,224	57,282,369,770	72,636,010,994	956,994,411
2013	16,213,059,638	58,798,836,169	75,011,895,807	785,606,468
2014	17,262,533,548	63,593,765,956	80,856,299,504	1,268,633,343
2015	19,159,336,404	73,269,300,589	92,428,636,993	1,458,288,800
2016	23,254,595,435	86,174,022,073	109,428,617,508	2,584,407,873
2017	28,020,306,850	98,148,155,370	126,168,462,220	2,099,224,527
2018	31,715,112,721	107,390,470,490	139,105,583,211	2,350,019,590
2019	35,658,467,347	116,668,084,962	152,326,552,309	2,605,433,802

Source: Travis County Appraisal District

Note <sup>1</sup> House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2015-2016 reporting period. Fiscal years 2015 and prior ended on August 31; however, for 2016, the fiscal period consisted of the ten-month period of September 1, 2015 through June 30, 2016.

## Austin Independent School District

### Table 19 – Per Student Calculations (General Fund Only)

Based on Revenues and Expenditures

Last Three Fiscal Years

(Unaudited)

	Fiscal Year:		
	2017	2018	2019
Beginning Fund Equity	\$ 292,267,018	\$ 301,589,421	\$ 284,448,924
<b>Revenues</b>			
From Ad Valorem Taxes	1,082,629,084	1,200,563,957	1,322,753,737
% of Total Revenue	91.03%	92.77%	91.91%
From State and Federal Funds	78,582,376	63,602,481	77,598,882
% of Total Revenue	6.61%	4.91%	5.39%
From Other Local Sources	28,152,045	30,011,373	38,893,404
% of Total Revenue	2.37%	2.32%	2.70%
	1,189,363,505	1,294,177,811	1,439,246,023
Total Expenditures	1,172,088,846	1,311,455,756	1,430,372,749
Net Transfers and Other Increases (Decreases) to Fund Equity	(7,952,256)	137,448	(5,000,000)
Ending Fund Equity	\$ 301,589,421	\$ 284,448,924	288,322,198
<b>Per Student Calculations:</b>			
Assessed Valuation Per Student	\$ 1,234,433	\$ 1,396,657	\$ 1,568,261
Ad Valorem Tax Revenues Per Student	\$ 14,359	\$ 16,244	18,211
State and Federal Funds Per Student	1,042	861	1,068
Other Local Sources Per Student	373	406	535
Total Revenue Per Student	\$ 15,775	\$ 17,511	19,815
Total Expenditures Per Student	\$ 15,546	\$ 17,745	19,693
Average Daily Attendance	75,397	73,906	72,633

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

Note <sup>1</sup>

House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2015-2016 reporting period. Fiscal years 2015 and prior ended on August 31; however, for 2016, the fiscal period consisted of the ten-month period of September 1, 2015 through June 30, 2016.

## **Demographic and Economic**

**Austin Independent School District**

Table 20 – Demographic Data

Last Ten Fiscal Years

(Unaudited)

<b>Fiscal Year</b>	<b>Estimated Population <sup>1</sup></b>	<b>Per Capita Income</b>	<b>Personal Income</b>	<b>Peak Enrollment</b>	<b>Average Daily Attendance</b>	<b>District Employees</b>
2010	1,026,158	42,156	43,258,751,000	84,245	76,727	11,570
2011	1,049,873	43,744	45,925,294,000	85,273	77,982	11,736
2012	1,095,805	46,298	50,733,585,000	86,124	78,914	11,468
2013	1,120,954	48,562	54,435,509,000	86,233	78,972	11,465
2014	1,141,655	54,596	62,329,270,000	85,014	77,980	11,538
2015	1,173,051	58,537	68,666,432,000	84,191	77,359	11,478
2016	1,209,415	58,700	70,400,054,000	83,270	76,454	11,568
2017	1,242,674	62,205	76,306,161,000	82,766	75,397	11,447
2018	1,273,741	67,504	84,294,574,000	81,346	73,906	11,381
2019	1,304,311	-	-	79,985	72,633	11,101

Sources: Peak Enrollment and District Employees: Texas Education Agency

Average Daily Attendance: PEIMS

Estimated Personal Income: Bureau of Economic Analysis, Travis County (2018)

2019 Estimated Population: City of Austin

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

Note 2 House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2015-2016 reporting period. Fiscal years 2015 and prior ended on August 31; however, for 2016, the fiscal period consisted of the ten-month period of September 1, 2015 through June 30, 2016.

**Austin Independent School District**

Table 21 – Ten Principal Employers

Current and Nine Years Ago

(Unaudited)

Company Name	Product or Service	Rank	2019	Percent of	Rank	2010	Percent of
			Number of Employees (1)	MSA Total (3)		Number of Employees (2)	MSA Total (2)
				%			%
State Government	Government	1	62,853	4.82%	1	49,730	4.85%
The University of Texas Austin	Government	2	14,314	1.10%	2	24,070	2.35%
HEB	Retail	4	13,756	1.05%	4	10,904	1.06%
City of Austin	Government	3	13,500	1.04%	8	13,162	1.28%
Dell Technologies	Technology	5	13,000	1.00%	3	16,000	1.56%
Federal Government	Government	6	12,795	0.98%	6	10,700	1.04%
Austin Independent School District	Education	7	11,101	0.85%	5	12,232	1.19%
St. David's Healthcare Partnership	Healthcare	8	10,200	0.78%		-	0.00%
Ascension Seton	Healthcare	9	9,947	0.76%	7	9,793	0.95%
Walmart Stores	Retail	10	7,100	0.54%	9	6,900	0.67%
			<u>168,566</u>	<u>12.92%</u>		<u>153,491</u>	<u>14.96%</u>

<sup>2</sup>Metropolitan Statistical Area (MSA) 2010 1,026,158

<sup>3</sup>Metropolitan Statistical Area (MSA) 2019 1,304,311

(1) Source: The List: Largest Austin Area Employers - Austin Business Journal, Bureau of Labor Statistics

(2) Source: Travis County

(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	Total General Fund Expenditures <sup>1</sup>	Average Daily Attendance <sup>2</sup>	Per Pupil Costs
2010	781,449,579	76,727	10,185
2011	787,388,541	77,982	10,097
2012	790,197,800	78,914	10,013
2013	818,019,246	78,972	10,358
2014	838,219,524	77,980	10,749
2015	909,316,514	77,359	11,755
2016	928,283,780	75,397	12,312
2017	1,172,088,846	75,397	15,546
2018	1,311,455,756	73,906	17,745
2019	1,430,372,749	72,633	19,693

Fiscal Year	Total Governmental Funds Expenditures <sup>1</sup>	Average Daily Attendance <sup>2</sup>	Per Pupil Costs
2010	1,133,479,387	76,727	14,773
2011	1,120,266,447	77,982	14,366
2012	1,066,487,943	78,914	13,515
2013	1,114,110,392	78,972	14,108
2014	1,142,895,893	77,980	14,656
2015	1,238,279,319	77,359	16,007
2016	1,134,940,979	75,397	15,053
2017	1,479,290,862	75,397	19,620
2018	1,669,588,400	73,906	22,591
2019	1,842,326,699	72,633	25,365

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

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

Note <sup>1</sup> House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2015-2016 reporting period. Fiscal years 2015 and prior ended on August 31; however, for 2016, the fiscal period consisted of the ten-month period of September 1, 2015 through June 30, 2016.

**Austin Independent School District**

**Table 23 – Schedule of Insurance and  
Surety Bonds in Force**

June 30, 2019

(Unaudited)

Company	Agency	Policy #	Coverage Type	Policy per Occurrence Limits	Deductible	Policy Period	Premium
Westchester (a Chubb Company); 1st surplus layer with Arch Specialty Insurance Co.	McGriff, Seibels & Williams	Westchester D42239835001 (Arch surplus layer ESP7304679-00)	Building & contents (includes portables, AISD video equip van)	\$ 2,946,785,287 coverage limit \$ 500 million per occurrence	* \$ 500,000 all perils *\$10,000 equip breakdown *\$25,000 portables	09/01/2018--09/01/2019	\$ 2,398,000
The Flood Insurance Agency (Lexington)	McGriff, Seibels & Williams	CA705589670 CA8055839670 HOUSE PARK; CA5589666 CA8055839666 ORTEGA	Flood coverage Zones AE (2 locations)	\$ 500K per occurrence	\$5K/location	02/16/2017--02/16/2018; 02/16/2018--02/16/2019	\$ 35,753
Selective	McGriff, Seibels & Williams	FLD1858634 (Palm ES), FLD185622 (Mendez MS)	Flood coverage Zones X (2 locations)	\$ 500K per occurrence	\$1250/location	02/16/2018--02/16/2019; 02/16/2019--02/16/2020	\$ 6,700
Great American Insurance Group	McGriff, Seibels & Williams	GVT 48040960200	Crime protection policy--THEFT, dishonesty, computer fraud by district employees	\$ 1 million (\$3.5m clients property CoA)	\$ 50,000	06/30/2018--06/30/2019	\$ 17,415
Nat'l Guardian Life Insc Co.	The Brokerage Store	42-25-4727-800-042-7	UIL Student Athletic <b>underlying</b>	\$ 25,000	none	08/01/2018--07/31/2019	\$ 171,850
Zurich	The Brokerage Store	42-25-4727-800-042-7	UIL Student Athletic <b>catastrophic</b>	\$ 7.5m	\$ 25,000	08/01/2018--07/31/2019	\$ 19,920
Texas Assn of School Boards	TASB	227901-090901	* TASB Modified Self insc plan	Liability coverages:		TOTAL	\$ 580,117
Texas Assn of School Boards	TASB	227901-2017-1	* Prof. Legal Liability (employees)	\$ 1 million	\$ 50,000	07/01/2018--06/30/2019	\$ 290,191
Texas Assn of School Boards	TASB	227901-2017-1	* General Liability	\$ 1 million	-	07/01/2018--06/30/2019	included
Texas Assn of School Boards	TASB	227901-2017-1	* Employee Benefits Liability	\$100K	-	07/01/2018--06/30/2019	included
Texas Assn of School Boards	TASB	227901-2017-1	* Privacy & Info Security (i.e. outside data breaches)	\$100K Privacy Liao \$250K Claim/Event Response Svcs Notification costs for up to 35,000 individuals	\$ -	07/01/2018--06/30/2019	\$ 22,500
Texas Assn of School Boards	TASB	227901-2017-1	* Automobile--Fully funded	Person/Occurrence/Prop Damage \$100K/\$300K/\$100K	\$100K	07/01/2018--06/30/2019	\$ 66,926
Texas Assn of School Boards	TASB	227901-2017-1	* Automobile--Fully funded	Auto Physical Damage:Comprehensive & Collision	\$ 2,500	07/01/2018--06/30/2019	\$ 200,500
Texas Assn of School Boards	TASB	B-255	Worker's Compensation Midwest Employers	Statutory Stop Loss Limits Specific Retention \$600K	\$ 165,009	07/01/2018--06/30/2019	Self-insured (but TASB has \$/claim fees)
CNA	Bill Beatty	127307644	Student Medical Prof. Insc.	\$1 m/claim ; 5m aggregate	none	07/01/2018--06/30/2019	\$ 3,759
Liberty Mutual Surety: The Ohio Casualty Co.	Higginbotham	601097577	75 officers in various positions bonded at various rates	Bond limit \$75K (\$1K per officer)	none	11/04/2017--11/04/2018	\$ 3,750
Liberty Mutual Surety: The Ohio Casualty Co.	Higginbotham	601097577	74 officers in various positions bonded at various rates	Bond limit \$75K (\$1K per officer)	none	11/04/2018--11/04/2019	\$ 3,700

## Austin Independent School District

### Table 24 – Miscellaneous Statistical Data

June 30, 2019

(Unaudited)

School	Year Main Building Erected	Grades	Architectural Design Capacity	Student Enrollment	Total Portables per Campus	Campus Gross	Campus Size (acreage)
High Schools:							
Akins High	2000	9-12	2,394	2,802	20	379,693	69.1
Alternative Learning Center	1953	6-12	462	83	8	101,617	20.9
Anderson High	1973	9-12	2,373	2,226	9	330,348	38.6
Ann Richards SYWL	1958	6-12	924	856	4	131,262	14.5
Austin High	1975	9-12	2,247	2,328	5	447,413	43.5
Bowie High	1988	9-12	2,463	2,924	11	441,569	64.4
Crockett High	1969	9-12	2,163	1,464	1	350,190	39.9
Eastside Memorial High	1960	9-12	1,548	599	1	268,747	27.3
Garza Independence High	1939	9-12	321	162	4	52,377	3.1
Lanier High	1966	9-12	1,627	1,633	15	308,477	29.0
LBJ High	1974	9-12	1,842	2,081	14	315,167	42.3
McCallum High	1953	9-12	1,596	1,769	9	282,601	30.1
Reagan High	1965	9-12	1,588	1,122	2	256,143	31.3
Travis High	1953	9-12	1,862	1,316	4	294,964	35.2
Middle Schools:							
Bailey Middle	1993	6-8	1,176	1,003	3	154,673	45.9
Bedichek Middle	1972	6-8	941	835	13	154,710	22.5
Burnet Middle	1961	6-8	1,039	924	13	157,484	23.4
Covington Middle	1986	6-8	1,125	696	—	173,867	20.4
Dobie Middle (Inc Pre-K)	1973	EE-PK-08	1,239	772	20	164,023	20.0
Garcia YMLA	2007	6-8	1,215	411	—	161,147	41.3
Gorzycki Middle	2009	6-8	1,323	1,280	5	176,725	42.2
Kealing Middle	1986	6-8	1,333	1,230	—	192,768	13.2
Lamar Middle	1955	6-8	1,008	1,193	8	133,881	14.4
Martin Middle	1966	6-8	804	511	1	109,758	9.3
Mendez Middle	1987	6-8	1,215	606	3	177,990	20.1
Murchison Middle	1967	6-8	1,113	1,408	20	154,524	23.6
O. Henry Middle	1953	6-8	945	827	6	132,421	13.8
Paredes Middle	2000	6-8	1,156	873	4	155,349	54.6
Fulmore Middle	1911	6-8	1,078	1,077	6	169,222	9.7
Sadler Means YWLA	1958	6-8	1,078	370	—	132,760	14.4
Small Middle	1999	6-8	1,239	1,277	1	159,931	57.1
Webb Middle (Inc Primary Center)	1961	EE-PK-08	1,047	888	20	150,896	15.7

## Austin Independent School District

### Table 24 – Miscellaneous Statistical Data

June 30, 2019

(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	EE-06	486	512	6	70,642	10.7
Andrews Elementary	1962	EE-06	636	353	8	73,948	7.3
Baldwin Elementary	2010	EE-05	669	783	4	93,040	14.2
Baranoff Elementary	1999	EE KG-05	794	997	8	92,376	15.6
Barbara Jordan Elementary	1992	EE-06	655	614	5	82,557	11.3
Barrington Elementary	1969	EE-06	556	500	12	98,121	11.6
Barton Hills Elementary	1964	EE KG-06	418	446	7	49,042	9.2
Becker Elementary	1936	EE-05	449	449	3	64,277	3.7
Blackshear Elementary	1903	EE-05	561	395	—	70,610	5.3
Blanton Elementary	1964	EE-06	711	480	3	76,425	8.0
Blazier Elementary	2007	EE KG-05	598	865	16	108,889	15.4
Boone Elementary	1986	EE-05	752	517	—	73,690	12.1
Brentwood Elementary	1951	EE-05	585	675	6	72,106	16.7
Brooke Elementary	1954	EE-05	393	271	2	54,545	5.4
Bryker Woods Elementary	1939	EE KG-06	418	425	6	45,808	5.8
Campbell Elementary	1992	EE-05	524	188	—	61,793	9.9
Casey Elementary	1998	EE-05	692	604	1	83,042	18.2
Casis Elementary	1951	EE-05	669	744	8	73,968	14.2
Clayton Elementary	2006	EE KG-05	815	826	4	108,439	16.8
Cook Elementary	1974	EE-05	542	500	6	75,035	12.2
Cowan Elementary	1999	EE-05	648	806	7	80,986	22.5
Cunningham Elementary	1963	EE-05	606	395	2	64,638	8.8
Davis Elementary	1993	EE-05	731	745	5	79,830	13.0
Dawson Elementary	1954	EE-05	524	362	3	59,146	8.7
Doss Elementary	1970	EE-05	543	826	4	67,246	10.0
Galindo Elementary	1989	EE-05	711	571	4	90,291	10.7
Govalle Elementary	1940	EE-05	598	369	3	82,246	8.4
Graham Elementary	1972	EE KG-05	580	503	6	79,806	9.8
Guerrero-Thompson Elementary	2013	EE-05	748	625	1	102,118	18.7
Gullett Elementary	1956	EE-05	418	606	9	52,860	17.9
Harris Elementary	1955	EE-06	711	522	9	71,056	7.4
Hart Elementary	1998	EE KG-05	711	659	7	91,794	15.7
Highland Park Elementary	1952	EE KG-05	585	651	6	70,214	6.3
Hill Elementary	1970	EE-05	690	1,003	12	89,402	9.5
Houston Elementary	1976	EE-05	692	581	8	140,132	13.1
Joslin Elementary	1954	EE-05	374	272	3	50,228	5.1
Kiker Elementary	1992	EE-05	731	1,123	13	95,563	11.7
Kocurek Elementary	1986	EE-05	673	564	1	80,241	12.3
Langford Elementary	1980	EE-05	711	544	9	94,387	10.4
Lee Elementary	1939	EE KG-06	418	433	1	47,055	4.3
Linder Elementary	1972	01-05	542	283	1	71,364	10.2
Maplewood Elementary	1951	EE-06	355	481	8	57,677	6.0
Mathews Elementary	1916	EE-06	397	417	3	45,964	2.5
McBee Elementary	1999	EE-05	580	453	1	71,252	10.5

## Austin Independent School District

### Table 24 – Miscellaneous Statistical Data

June 30, 2019

(Unaudited)

School	Year Main Building Erected	Grades	Architectural Design Capacity	Student Enrollment	Total Portables per Campus	Campus Gross	Campus Size (acreage)
Menchaca Elementary	1975	EE-05	606	730	8	74,015	18.9
Metz Elementary	1993	EE-05	524	260	2	64,976	5.8
Mills Elementary	1998	EE-05	794	850	6	90,584	14.2
Norman Elementary	1970	EE KG-06	486	148	1	59,135	10.2
Oak Hill Elementary	1974	EE-05	773	885	6	84,991	13.7
Oak Springs Elementary	1958	EE-05	411	255	2	50,174	8.7
Odom Elementary	1970	EE-05	542	412	2	68,983	10.5
Ortega Elementary	1959	EE-05	355	238	5	55,452	7.4
Overton Elementary	2007	EE-06	598	540	7	94,157	70.3
Padron Elementary	2014	EE-05	880	718	—	157,825	7.6
Palm Elementary	1987	EE-05	636	445	—	79,082	12.9
Patton Elementary	1986	EE-05	940	1,003	11	96,651	21.1
Pease Elementary	1876	EE KG-06	293	232	—	35,704	2.2
Pecan Springs Elementary	1957	EE-06	524	386	3	61,600	7.5
Perez Elementary	2006	EE-05	617	601	10	97,583	27.8
Pickle Elementary	2001	EE-05	561	459	3	128,542	12.2
Pillow Elementary	1969	EE-05	502	525	8	67,989	9.4
Pleasant Hill Elementary	1985	EE-05	505	438	4	73,228	12.2
Reilly Elementary	1954	EE-05	318	218	5	49,302	10.8
Ridgetop Elementary	1939	EE-05	224	373	4	41,506	4.8
Rodriguez Elementary	1999	EE-05	711	444	5	95,195	15.0
Sanchez Elementary	1976	EE-05	580	271	1	79,441	9.3
Sims Elementary	1956	EE-06	355	182	1	45,980	7.9
St. Elmo Elementary	1960	EE-05	411	299	1	50,458	9.4
Summitt Elementary	1986	EE-05	731	826	8	88,665	14.4
Sunset Valley Elementary	1971	EE-05	561	558	2	69,986	10.4
Travis Heights Elementary	1938	EE-05	524	502	3	227,050	3.0
Uphaus Early Childhood Center	2012	EE-KG	367	347	—	73,690	7.4
Walnut Creek Elementary	1961	EE-06	655	654	4	85,367	11.5
Widen Elementary	1986	EE-05	655	447	4	80,667	10.2
Williams Elementary	1976	EE-05	561	474	4	70,990	14.0
Winn Elementary	1970	EE-06	524	245	2	70,506	10.0
Wooldridge Elementary	1969	EE-05	655	529	7	81,226	11.6
Wooten Elementary	1955	EE-05	468	454	12	72,121	6.7
Zavala Elementary	1937	EE-06	561	295	—	69,463	3.4
Zilker Elementary	1950	EE-06	460	524	7	61,694	11.8

Source: Austin ISD Construction Management

## **Federal Awards Section**

**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***

**Independent Auditor's Report**

To the Board of Trustees  
Austin Independent School District

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 Austin Independent School District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 4, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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



**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and the Public Funds Investment Act, 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.

*RSM US LLP*

Austin, Texas  
November 4, 2019

**Report on Compliance for Each Major Federal Program  
and Report on Internal Control Over Compliance  
as Required by the Uniform Guidance**

**Independent Auditor's Report**

To the Board of Trustees  
Austin Independent School District

**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 the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

### **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

*RSM US LLP*

Austin, Texas  
November 4, 2019

**Austin Independent School District**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2019**

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

1. Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ Yes  X  No

Significant deficiency(ies) identified?

\_\_\_\_\_ Yes  X  None Reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes  X  No

2. Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

\_\_\_\_\_ Yes  X  No

Significant deficiency(ies) identified?

\_\_\_\_\_ Yes  X  None Reported

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ Yes  X  No

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Entities
84.027A	Special Education Cluster:
84.173A	IDEA, Part B
	IDEA, Part B, Preschool

Dollar threshold to distinguish between type A and type B programs: \$2,696,402

Any audit findings disclosed that are required to be reported in accordance with Auditee qualified as low-risk auditee?

\_\_\_\_\_ Yes  X  No

**Austin Independent School District**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2019**

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**Section II—Financial Statement Findings**

No matters were reported.

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

No matters were reported.



# **Austin Independent School District**

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## **Financial Services Department**

**4000 South IH 35 Frontage Road Suite 839**

**Austin, Texas 78704**

**512-414-9919**

October 24, 2019

Austin Independent School District

Year ended June 30, 2019

### Summary Schedule of Prior Audit Findings

Finding 2018-001

#### Condition:

Nutrition program deposits were being made, but internal control documentation surrounding signatures evidencing completion and approval of deposits by the cashier and manager was not always present.

#### Current Status:

Additional processes were put into action to ensure compliance. Review and approval procedures have been assessed and improved where necessary. The procedures associated with this internal control are now in effect and the staff have been notified of the updates.

**Austin Independent School District**

**Exhibit K-1 Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2019**

(1) Project Number	Data Control Codes	Federal Grantor/Pass-Through Grantor/Program Title	(2) Federal CFDA Number	Passed Through Subrecipients	(3) Expenditures Indirect Costs and Refunds
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>					
<b><u>Direct Program:</u></b>					
N/A	244	CTE Makeover Challenge-Reagan High School	84.048	\$ -	\$ 6,094
N/A	244	CTE Makeover Challenge-Travis High School	84.048	-	2,424
		Subtotal, CTE Makeover Challenge		-	8,518
P334A170083	274	GEAR UP	84.334A	-	2,518,963
U351C140069	289	Project Creative Learning	84.351C	-	148,549
U411C170017	289	Education, Innovation, and Research (EIR)	84.411C	-	121,135
		Total Direct Programs		-	2,797,165
<b><u>Passed Through the Texas Education Agency:</u></b>					
18610101227901	211	ESEA, Title I, Part A - Improving Basic Programs	84.010A	-	806,324
19610101227901	211	ESEA, Title I, Part A - Improving Basic Programs	84.010A	-	20,002,200
		Subtotal, ESEA Title I Part A - Improving Basic Programs		-	20,808,524
186101217110001	211	Transformation Zone Planning Grant	84.010A	-	47,478
196101217110001	211	Transformation Zone Planning Continuation and Implementation	84.010A	-	190,424
196101427110001	211	School Transformation Fund - Planning	84.010A	-	210,535
		Subtotal, Transformation Zone Planning Grant		-	448,437
18610103227901	211	ESEA Title I Part D, Subpart 2 - Delinquent Programs	84.010A	-	6,621
19610103227901	211	ESEA Title I Part D, Subpart 2 - Delinquent Programs	84.010A	-	209,556
		Subtotal, ESEA Title I Part D, Subpart 2 - Delinquent Programs		-	216,177
18610123227901	211	Title I 1003 School Improvement	84.010A	-	301,576
19610141227901		Title I 1003 School Improvement	84.010A	-	201,471
		Subtotal, Title I 1003 School Improvement		-	503,047
<b><u>Special Education Cluster:</u></b>					
186600012279016600	224	IDEA - Part B, Formula	84.027A	-	5,244,372
196600012279016600	224	IDEA - Part B, Formula	84.027A	-	8,423,895
		Subtotal, IDEA - Part B, Formula		-	13,668,267

(Continued)

**Austin Independent School District**

**Exhibit K-1 Schedule of Expenditures of Federal Awards (Continued)  
Year Ended June 30, 2019**

(1) Project Number	Data Control Codes	Federal Grantor/Pass-Through Grantor/Program Title	(2) Federal CFDA Number	Passed Through Subrecipients	(3) Expenditures Indirect Costs and Refunds
66001906	226	IDEA B - High Cost	84.027A	\$ -	\$ 832,724
186600112279016673	315	IDEA - Part B, Discretionary Deaf	84.027A	-	13,668
196600112279016673	315	IDEA - Part B, Discretionary (Deaf)	84.027A	-	73,832
		Subtotal, IDEA B, Discretionary		-	87,500
186610012279016610	225	IDEA - Part B, Preschool	84.173A	-	141,108
196610012279016610	225	IDEA - Part B, Preschool	84.173A	-	236,380
		Subtotal, IDEA - Part B, Preschool		-	377,488
		Subtotal, Special Education Cluster		-	14,965,979
18420006227901	244	Carl D. Perkins Basic Formula Grant	84.048A	-	3,415
19420006227901	244	Carl D. Perkins Basic Formula Grant	84.048A	-	948,002
		Subtotal, Carl D. Perkins Basic Formula Grant		-	951,417
184200557110004	244	2017-2018 Perkins Career Clusters	84.048A	-	66,481
183911012279013911	340	IDEA - C Early Childhood Intervention	84.181A	-	416
193911012279013911	340	IDEA - C Early Childhood Intervention	84.181A	-	459
		Subtotal, IDEA - C Early Childhood Intervention		-	875
194600057110008	206	2018-2019 Texas Education for Homeless Children and Youth	84.196A	-	141,409
186950197110003	265	21st Century Community Learning Centers CY 8 Yr 5	84.287C	-	131,370
186950247110001	265	21st Century Community Learning Centers CY 9 Yr 2	84.287C	-	100,024
196950247110001	265	21st Century Community Learning Centers CY 9 Yr 3	84.287C	-	1,584,278
196950247110001	265	21st Century Community Learning Centers CY 10 Yr 1	84.287C	-	1,374,259
		Subtotal, Texas 21st Century Community Learning Centers		-	3,189,931
18671001227901	263	Title III, Part A - ELA	84.365A	-	74,260
19671001227901	263	Title III, Part A - ELA	84.365A	-	1,948,743
		Subtotal, IDEA - Title III, Part A - LEP & ELA		-	2,023,003
18671003227901	263	Title III, Part A - Immigrant	84.365A	-	15,927
19671003227901	263	Title III, Part A - Immigrant	84.365A	-	673,917
		Subtotal, IDEA - Title III, Part A - Immigrant		-	689,844

(Continued)



**Austin Independent School District**

**Exhibit K-1 Schedule of Expenditures of Federal Awards (Continued)  
Year Ended June 30, 2019**

(1) Project Number	Data Control Codes	Federal Grantor/Pass-Through Grantor/Program Title	(2) Federal CFDA Number	Passed Through Subrecipients	(3) Expenditures Indirect Costs and Refunds
17694501227901	255	ESEA Title II, Part A-Teacher & Principal Training & Recruiting	84.367A	\$ -	\$ 175,518
18694501227901	255	ESEA Title II, Part A Supporting Effective Instruction	84.367A	-	327,548
19694501227901	255	ESEA Title II, Part A Supporting Effective Instruction	84.367A	-	1,904,433
		Subtotal, ESEA Title II, Part A		-	2,407,499
69551602	289	LEP Summer School	84.369A	-	56,539
69551702	289	LEP Summer School	84.369A	-	93,066
		Subtotal, LEP Summer School		-	149,605
176107337110003	211	School Transformation Fund - Implementation	84.377A	-	454,366
18680101227901	289	Title IV, Part A, Subpart 1	84.424A	-	19,911
19680101227901	289	Title IV, Part A, Subpart 1	84.424A	-	1,320,060
		Subtotal, Title IV, Part A, Subpart 1		-	1,339,971
19513701227901	289	Texas Hurricane Homeless Youth	84.938B	-	12,256
		<b>Total Passed-Through the Texas Education Agency</b>		-	48,368,821
		<b><u>Passed Through the Education Service Center, Region 10:</u></b>			
18-049	206	McKinney-Vento Homeless Education/TEXSHEP	84.196A	-	37,414
		<b>Total Passed-Through the Education Service Center, Region 10</b>		-	37,414
		<b><u>Passed Through the Education Service Center, Region 13:</u></b>			
18-042	206	McKinney-Vento Homeless Education	84.196A	-	1,689
		<b>Total Passed-Through the Education Service Center, Region 13</b>		-	1,689
		<b><u>Passed Through the Education Service Center, Region 20:</u></b>			
226-543-19-13-037	226	IDEA B - Evaluation Capacity Program	84.027A	-	40,000
		<b>Total Passed-Through the Education Service Center, Region 20</b>		-	40,000
		<b><u>Passed Through Austin Community College:</u></b>			
1418ALA000	220	Texas Adult Education and Literacy Programs - Federal Funds	84.002A	-	67,189
1418ALA000	220	Texas Adult Education and Literacy Programs - Federal Funds	84.002A	-	136,617
		<b>Total Passed Through Austin Community College</b>		-	203,806

(Continued)

Austin Independent School District

Exhibit K-1 Schedule of Expenditures of Federal Awards (Continued)  
Year Ended June 30, 2019

(1) Project Number	Data Control Codes	Federal Grantor/Pass-Through Grantor/Program Title	(2) Federal CFDA Number	Passed Through Subrecipients	(3) Expenditures Indirect Costs and Refunds
<b><u>Passed Through the University of Texas at Austin:</u></b>					
N/A	199	Federal Work-Study Program	84.033	\$ -	\$ 1,026
N/A	199	Federal Work-Study Program	84.033	-	11,423
<b>Total Passed Through the University of Texas at Austin</b>				-	12,449
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>				-	51,461,344
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>					
<b><u>Passed Through the Texas Department of Agriculture:</u></b>					
<b><u>Child Nutrition Cluster:</u></b>					
71401901	240	School Breakfast Program	10.553	-	8,013,737
71301901	240	National School Lunch Program	10.555	-	18,856,992
227003A	240	Commodities Supplemental Food Program (non-cash)	10.555	-	1,449,325
71301801	240	After-School Snacks Program	10.555	-	94,319
71301801	242	Seamless Summer Feeding Option	10.555	-	462,567
Subtotal, Child Nutrition Cluster				-	28,876,940
N/A	240	Child and Adult Care Food Program	10.558	-	2,080,372
N/A	240	Fresh Fruit and Vegetables Program	10.582	-	59,055
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>				-	31,016,367
<b><u>U.S. DEPARTMENT OF DEFENSE</u></b>					
N/A	199	R.O.T.C.	12.000	-	224,454
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>				-	224,454
<b><u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>					
<b><u>Passed Through the City of Austin:</u></b>					
NG170000025 Amendment 2	289	CDBG Teen Parent Services	14.218	-	60,479
NG170000025 Amendment 3	289	CDBG Teen Parent Services	14.218	-	91,901
<b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				-	152,380
<b><u>DEPARTMENT OF JUSTICE</u></b>					
<b><u>Passed Through the Governor's Criminal Justice Division:</u></b>					
3329701	289	VA-Victims of Crime Act Formula Grant Program	16.575	-	1,093,806
3329702	289	VA-Victims of Crime Act Formula Grant Program	16.575	-	3,463,673
Subtotal, VA-Victims of Crime Act Formula Grant Program				-	4,557,479

(Continued)

**Austin Independent School District**

**Exhibit K-1 Schedule of Expenditures of Federal Awards (Continued)  
Year Ended June 30, 2019**

(1) Project Number	Data Control Codes	Federal Grantor/Pass-Through Grantor/Program Title	(2) Federal CFDA Number	Passed Through Subrecipients	(3) Expenditures Indirect Costs and Refunds
3329401	289	Crisis Intervention Training Certification	16.738	\$ -	\$ 52,212
		<b>TOTAL DEPARTMENT OF JUSTICE</b>		<b>-</b>	<b>4,609,691</b>
		<b><u>U.S. DEPARTMENT OF LABOR</u></b>			
		<b><u>Passed Through the Texas Education Agency:</u></b>			
183925017110001	289	2016-2018 P-Tech & ICIA Planning Grant	17.258	-	25,000
183925027110001	289	2016-2018 P-Tech & ICIA Success Grant	17.258	-	70,435
		<b>TOTAL U.S. DEPARTMENT OF LABOR</b>		<b>-</b>	<b>95,435</b>
		<b><u>NATIONAL ENDOWMENT FOR THE ARTS</u></b>			
17-5100-7158	289	Austin Digital Media for All	45.024	-	29,370
		<b>TOTAL NATIONAL ENDOWMENT FOR THE ARTS</b>		<b>-</b>	<b>29,370</b>
		<b><u>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</u></b>			
		<b><u>Passed Through the Austin Community College:</u></b>			
1416AEL006	223	Texas Adult Education and Literacy Programs/Federal TANF Funds	93.558	-	978
1418ALA000	223	Texas Adult Education and Literacy Programs/Federal TANF Funds	93.558	-	61,263
		<b>Total Passed Through the Austin Community College</b>		<b>-</b>	<b>62,241</b>
		<b><u>Passed Through the United States Conference of Catholic Bishops:</u></b>			
1802TXRSOC	289	Refugee School Impact Discretionary Grant	93.566	-	24,107
1902TXRSOC	289	Refugee School Impact Discretionary Grant	93.566	-	83,471
		<b>Total Passed Through the United States Conference of Catholic Bishops</b>		<b>-</b>	<b>107,578</b>
		<b><u>Passed Through the Texas Education Agency:</u></b>			
173921017110004	203	Pre-K Partnership Planning Grants	93.575	-	5,520
		<b>Total Passed Through the Texas Education Agency</b>		<b>-</b>	<b>5,520</b>
		<b><u>Passed Through Child, Inc.:</u></b>			
06CH7108	205	Headstart	93.600	-	1,319,754
		<b>Total Passed Through Child, Inc.</b>		<b>-</b>	<b>1,319,754</b>
		<b><u>Passed Through the Texas Department of State Health Services:</u></b>			
529-07-0157-00112	272	Medicaid Administration	93.778	-	577,809
		<b>Total Passed Through the Texas Department of State Health Services</b>		<b>-</b>	<b>577,809</b>
		<b>TOTAL U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>		<b>-</b>	<b>2,072,902</b>
		<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>			
		<b><u>Passed Through the Texas Department of Public Safety:</u></b>			
N/A	199	Disaster Grants-Public Assistance	97.036	-	218,117
		<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>		<b>-</b>	<b>218,117</b>
		<b>TOTAL FEDERAL ASSISTANCE</b>		<b>\$ -</b>	<b>\$ 89,880,060</b>

See notes to Schedule of Expenditure of Federal Awards.

## Austin Independent School District

### Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2019

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#### **Note 1. General**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets or cash flows of the District.

#### **Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported using the current financial resources measurement focus basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

#### **Note 3. Noncash Federal Awards**

The District received noncash awards in the form of food commodities totaling \$1,449,325 (CFDA number 10.555) for the year ended June 30, 2019.

#### **Note 4. Indirect Costs**

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



# Austin Independent School District

2018 -2019 Comprehensive Annual Financial Report  
for the Fiscal Year Ended June 30, 2019

