



ANNUAL FINANCIAL
AND
COMPLIANCE REPORT

YEAR ENDED AUGUST 31, 2017

ABILENE INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2017

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CERTIFICATE OF BOARD

Abilene Independent School District
Name of School District

Taylor
County

221-901
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and approved _____ disapproved _____ for the year ended August 31, 2017, at a meeting of the Board of Trustees of such school district as of the _____ day of _____ 2018.

Signature of Board Secretary

Signature of Board President



Independent Auditor's Report

To the Board of School Trustees of the
Abilene Independent School District

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Abilene Independent School District (the District) as of and for the year ended August 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 August 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents on pages 3 through 10 and 43 through 47 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 combining nonmajor fund financial statements and the TEA required schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards, the combining nonmajor fund financial statements and the TEA required schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of 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 *Governmental Auditing Standards* in considering Abilene Independent School District's internal control over financial reporting and compliance.



Abilene, Texas
January 23, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS



Abilene Independent School District

241 Pine Street • Abilene, Texas 79601 • (325) 677-1444

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of Abilene Independent School District’s annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year ended August 31, 2017. Please read it in conjunction with the District’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

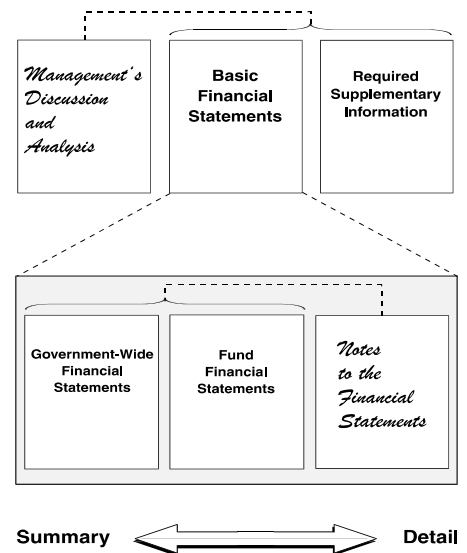
- The District’s total combined net position was \$54.7 million as of August 31, 2017, a decrease of \$1.2 million from last year.
- During the year, the District’s total expenses for governmental activities were \$1.2 million more than the \$170.1 million generated in taxes, state funding, and other revenues.
- The General Fund reported a total ending fund balance of \$37.7 million this year, up \$2.5 million from last year. Of the total, \$32.0 million is unassigned and \$1.6 million is committed for Shotwell improvements and other construction needs.
- In November, 2013 voters approved an \$87.68 million bond package for the construction and renovation of District facilities. All of the bonds were issued in March 2014. As of August 31, 2017, over \$84.8 million has been spent.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management’s discussion and analysis* (this section), the *basic financial statements*, *required supplementary information* and an optional section that presents *combining statements* for non-major governmental funds and TEA required schedules.

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.
 - *Proprietary fund* statements include the internal service fund, which accounts for the District’s workers compensation self-insurance plan. The activity of the internal service fund is included within the governmental activities in the government-wide financial statements.
 - *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. The following 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 of management's discussion and analysis explains the structure and contents of each of the statements.

Major Features of the District's Government-Wide and Fund Financial Statements

<i>Type of Statements</i>	Government-Wide	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary	Activities the District operates similar to businesses: self-insurance	Instances in which the District is the trustee or agent for someone else's accounts
<i>Required financial statements</i>	Statement of net position	Balance sheet	Statement of net position	Statement of fiduciary net position
	Statement of activities	Statement of revenues, expenditures & changes in fund balances	Statement of revenues, expenses and changes in fund net position Statement of cash flows	
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic measurement focus	Modified accrual accounting and current measurement focus	Accrual accounting and economic measurement focus	Accrual accounting and economic measurement 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 60 days thereafter, no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term
<i>Type of in flow/out flow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during year or 60 days after the end of year; expenditures when goods or services have been received and payment is due during the year or 60 days thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

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* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how it has changed. Net position (the difference between the District's assets and liabilities) is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, additional non-financial factors also need to be considered such as changes in the District's tax base.

The government-wide financial statements of the District include:

- *Governmental activities* – Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes, state aid revenue and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices that 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 established other funds to control and manage money for particular purposes or to show that it is properly using 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) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps one determine whether there are more or fewer financial resources that can be spent in the near future 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 fund statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds* – The District uses a proprietary fund to track the revenues and expenses related to their workers compensation self-insurance program. The various functions within the District are charged for their part of the insurance, which is then transferred to the proprietary fund. The proprietary fund is used to pay all expenses of the self-insurance program from the charges to the District functions. The activity in the self-insurance fund is reported in the statement of net position and statement of revenues, expenses and changes in net position of the proprietary fund.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for certain funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are in agency funds and are reported in a separate statement of fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The following table presents comparative information of the government-wide financial statements.

The District's Net Position (in thousands of dollars)

	Governmental Activities		% Change
	2017	2016	
Current and Other Assets	\$ 48,592	\$ 48,116	1.0%
Capital Assets	158,941	153,131	3.8%
Restricted Assets	6,547	20,536	-68.1%
Total Assets	<u>214,080</u>	<u>221,783</u>	-3.5%
Deferred Outflows of Resources	16,087	18,920	-15.0%
Current Liabilities	9,857	14,113	-30.2%
Long-Term Liabilities	163,154	167,999	-2.9%
Total Liabilities	<u>173,011</u>	<u>182,112</u>	-5.0%
Deferred Inflows of Resources	2,429	2,647	-8.2%
Net investment in capital assets	37,042	37,710	-1.8%
Restricted	5,964	5,875	1.5%
Unrestricted	11,722	12,359	-5.2%
Total Net Position	<u>\$ 54,728</u>	<u>\$ 55,944</u>	-2.2%

Total net position of the District decreased more than 2 percent from \$55.9 million to \$54.7 million. A portion of the net position represents resources that are subject to external restrictions and are not available for meeting the District's ongoing obligations. For example, the investment in capital assets (e.g. land, buildings, furniture and equipment) at August 31, 2017 less the related debt used to acquire these assets is \$37.0 million. The District uses these capital assets to provide services to students; therefore, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay the remaining debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of unrestricted net position is \$11.7 million and may be used to meet the District's ongoing obligations. This surplus is not an indication that the District has significant resources available to meet financial obligations next year, but rather the result of having long-term commitments that are less than currently available resources.

Changes in net position. The District's total revenues decreased 0.5 percent to \$170.7 million, down from \$171.6 million last year. (See table "Changes in the District's Net Position" on page 7). The \$900,000 decrease was due to decrease in spending in Title I, Part A and Instructional Materials Allotment

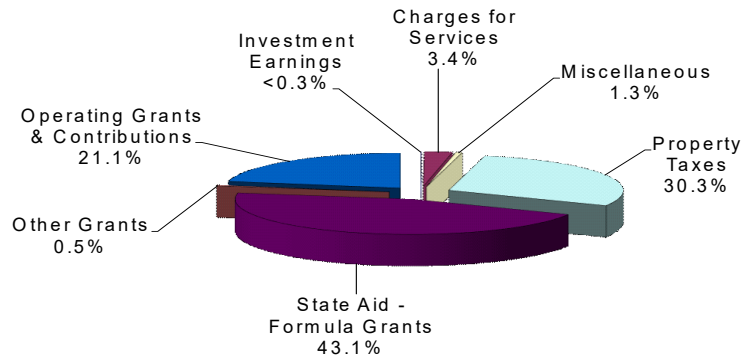
Almost three-fourths of the District's revenue came from two sources – 43 percent from *State Aid - Formula Grants* and 30.3 percent from *Property Taxes* (see graph on page 8). State aid decreased more than 2.5% from \$75.2 million to \$73.4 million; local property tax revenue increased 3.8% from \$49.8 million to \$51.7 million.

The total cost of all programs and services in 2017 was \$171.9 million, down from \$172.6 million (less than 1%) last year. Over 82% of the District's total costs were for *Instruction, Instructional Leadership and Student Support Services* while only 2.7% of the total expenditures were spent on *Administrative Support Services*. *Nonstudent Based Support Services* comprised about 11.3% of the total expenditures including guidance and counseling, social work, health, transportation, extracurricular and child nutrition services. *Ancillary Services* includes maintenance, security and data processing services and accounted for less than 1% of the total. *Debt Services* reflected about 3.0% of the total expenditures which remained the same from prior year. *Intergovernmental Charges* reflect fees paid to appraisal districts for property appraisal services and also made up less than 1% of total costs.

Changes in the District's Net Position
(in thousands of dollars)

	Governmental Activities		% Change
	2017	2016	
Revenues			
Program Revenues			
Charges for Services	\$ 5,771	\$ 5,431	6.3%
Operating Grants & Contributions	36,352	38,156	-4.7%
Capital Grants & Contributions	-	-	100.0%
General Revenues			
Property Taxes	51,688	49,790	3.8%
State Aid - Formula Grants	73,372	75,215	-2.5%
Other	3,498	3,014	16.1%
Total Revenues	170,681	171,606	-0.5%
Expenses			
Instruction and Instructional Related Activities	95,329	96,070	-0.8%
Instructional and School Leadership	15,729	17,745	-11.4%
Support Services - Student (Pupil)	30,838	29,697	3.8%
Administrative Support Services	4,667	4,758	-1.9%
Support Services - Nonstudent Based	18,500	18,750	-1.3%
Ancillary Services	983	1,017	-3.3%
Debt Services	5,143	5,115	0.5%
Facilities Acquisition & Construction	47	(1,163)	-104.0%
JJAEP/Intergovernmental Charges	661	653	1.2%
Total Expenses	171,897	172,642	-0.4%
Increase (Decrease) in Net Position	(1,216)	(1,036)	
Beginning Net Position	55,944	56,980	
Prior Period Adjustment-GASB 68	-	-	
Ending Net Position	\$ 54,728	\$ 55,944	

Sources of Revenue for Fiscal Year 2017



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

In the governmental fund financial statements (Exhibit C-2), total governmental fund revenues totaled \$168.4 million, down \$500,000 (less than 1%) from 2016.

- Local revenues were up more than \$1.8 million (3.3%) mostly due to an increase in property tax collections.
- State program revenues decreased nearly \$2.7 million (3.1%) compared to prior year mostly due to a decrease in state funding.
- Federal revenues were up over \$297,000 compared to prior year.
- Expenditures in governmental fund types reflected a net decrease of \$27.2 million compared to last year. Although there were variances in spending levels across all functional categories, the most significant variance was a \$25.2 million decrease in *Facilities Acquisition and Construction*. Construction projects from the 2014 bond program are near completion and accounted for the decrease in spending.

Governmental Fund Budgetary Highlights

Over the course of the year, the District recommended and the Board approved several revisions to the original General Fund budgeted revenue and expenditures. The original budget included an estimated deficit of \$1.35 million. During the year, the Board approved amendments that resulted in a final amended deficit budget of \$4.3 million.

In the General Fund, actual expenditures were about \$5 million (3.7%) less than the final budgeted amount of \$135.7 million (see Exhibit G-1). Variances resulted from the normal under spending that occurs each year however, most of the variance is a timing factor due to outstanding encumbrances (i.e., purchase orders) which were not paid by year end. This year, outstanding encumbrances totaled \$1,457,567 in the General Fund (see Exhibit C-1, *Other Assigned Fund Balance*).

General Fund revenues and other resources were more than the \$131 million final amended budget by \$1.3 million. A \$6.8 million positive variance resulted between the final amended budgeted deficit of \$4.3 million and the actual increase in fund balance of \$2.5 million.

The Child Nutrition Program had a final amended budgeted increase of \$55,983 (see Exhibit G-2) compared to an actual increase of \$193,062 increasing ending fund balance to \$2,369,948. The Debt Service fund reflected an actual deficit of \$345,592 (see Exhibit J-5), decreasing fund balance to \$1,929,223.

Proprietary Fund Highlights

The only proprietary fund the District operates is the Workers Compensation fund. The Workers Compensation fund had an operating loss of \$19,578 (see Exhibit D-2). After transfer in of \$100,000, total net position in the fund increased to \$112,934.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017, the District had \$158.9 million of net capital assets, including land, equipment, buildings and construction in progress (see table below). More detailed information about the District's capital assets is presented in Notes 4 and 6 to the financial statements.

District's Capital Assets
(in thousands of dollars)

	Governmental Activities	
	2017	2016
Land	\$ 2,040	\$ 2,040
Construction in progress	1,922	9,206
Buildings and improvements	250,983	229,342
Equipment	28,456	27,609
Totals at historical costs	<u>283,401</u>	<u>268,197</u>
Less accumulated depreciation for:		
Buildings and improvements	100,904	92,913
Equipment	23,556	22,153
Total accumulated depreciation	<u>124,460</u>	<u>115,066</u>
Net capital assets	<u>\$ 158,941</u>	<u>\$ 153,131</u>

Long-term Debt

At August 31, 2017, the District had total bonded debt outstanding of \$114.2 million. On March 1, 2012, the District partially refunded the Unlimited Tax School Building Bonds issued in 2004 and 2005. On February 14, 2014, the District issued \$87.68 million of Unlimited Tax School Building Bonds, Series 2014. On September 18, 2014 the District also partially refunded the Unlimited Tax School Building Bonds issued in 2005. More information on the District's long-term debt is presented in Note 16 to the financial statements.

ECONOMIC FACTORS AND BUDGET FOR 2017-2018

The District approved a strategic plan for 2017-18 that outlined belief statements, strategic priorities, vision and a mission. The strategic plan focuses on student success and the plan has been instrumental in the budget development process. The budget was developed to help the District achieve the mission of the strategic plan, which is to engage and empower each student to be contributing, responsible citizens who reach their full potential through relevant, innovative and rigorous learning experiences.

Property values increased more than 3.6% for 2017-2018 compared to a 4.0% increase the prior year. The Legislature compressed the maximum tax rate from \$1.50 down to \$1.33 in 2006-07 and further compressed rates to \$1.00 in 2007-08. The maximum M&O tax rate currently allowed by law, with voter approval, is \$1.17 per \$100 of taxable value.

The 2017-18 General Fund adopted budget reflects a deficit budget of \$234,000. The budget includes an increase in teacher salaries and a 2.5% salary increase of midpoint based on the applicable assigned pay grades for all staff. A \$1.6 million increase was budgeted for property tax collections based on increased property values. In addition, a decrease of nearly \$1.2 million was budgeted for state foundation revenue. A \$200,000 increase for SHARS revenue was also budgeted. In total, 2017-18 budgeted revenue increased by \$2.8 million over last year. The Legislature will not meet again until the regular session beginning in January, 2019.

The District continued the contribution amount of \$410 per month for any employee that elects to take the District's health insurance plan.

The General Fund tax rate remained at \$1.04 – the maximum allowed without voter approval. The Debt Service tax rate went down from \$.1641 last year to \$.1583 per \$100 valuation. Total General Fund budgeted expenditures for 2017-2018 are \$132.1 million, up \$1.6 million– or less than 1.3% from the 2016-2017 adopted budget.

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 Administrative office at 241 Pine Street, Abilene, Texas 79601.

GOVERNMENT WIDE FINANCIAL STATEMENTS

ABILENE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2017

EXHIBIT A-1

Data Control Codes	Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 2,503,584
1120 Current Investments	37,990,637
1220 Property Taxes Receivable (Delinquent)	1,545,231
1230 Allowance for Uncollectible Taxes	(399,680)
1240 Due from Other Governments	4,980,954
1250 Accrued Interest	41,915
1290 Other Receivables, Net	824,903
1300 Inventories	1,031,698
1410 Prepaid Expenses	73,087
Capital Assets:	
1510 Land	2,040,441
1520 Buildings, Net	150,078,183
1530 Furniture and Equipment, Net	4,900,302
1580 Construction in Progress	1,922,107
1800 Restricted Assets	<u>6,546,661</u>
1000 Total Assets	<u>214,080,023</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge for Refunding	1,383,959
Deferred Outflows - Pension	14,702,921
1700 Total Deferred Outflows of Resources	<u>16,086,880</u>
LIABILITIES	
2110 Accounts Payable	973,675
2140 Interest Payable - Current	164,839
2150 Payroll Deductions & Withholdings	1,213,137
2160 Accrued Wages Payable	4,863,090
2180 Due to Other Governments	103,631
2200 Accrued Expenses	523,080
2300 Unearned Revenues	1,372,436
2400 Payable from Restricted Assets	642,715
Noncurrent Liabilities	
2501 Due Within One Year	4,770,000
2502 Due in More Than One Year	111,686,950
2516 Premium on Issuance of Bonds	10,954,782
2540 Net Pension Liability (Proportionate Share)	35,742,397
2000 Total Liabilities	<u>173,010,732</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows - Pension	<u>2,428,604</u>
2600 Total Deferred Inflows of Resources	<u>2,428,604</u>
NET POSITION	
3200 Net Investment in Capital Assets	37,042,169
3820 Restricted for Federal and State Programs	2,192,458
3850 Restricted for Debt Service	3,771,088
3900 Unrestricted	<u>11,721,852</u>
3000 Total Net Position	<u>\$ 54,727,567</u>

The accompanying notes are an integral part of this statement.

ABILENE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues		
			3 Charges for Services	4 Operating Grants and Contributions	5 Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:					
11	Instruction	\$ 93,194,247	\$ 3,049,812	\$ 17,229,099	\$ -
12	Instructional Resources and Media Services	2,135,004	100,154	225,523	-
13	Curriculum and Staff Development	3,474,433	-	1,438,215	-
21	Instructional Leadership	3,215,208	-	782,771	-
23	School Leadership	9,039,212	-	1,295,743	-
31	Guidance, Counseling, and Evaluation Services	5,880,236	-	1,255,180	-
32	Social Work Services	1,553,818	-	747,672	-
33	Health Services	2,512,441	-	502,226	-
34	Student (Pupil) Transportation	5,060,340	-	433,848	-
35	Food Services	9,844,316	1,621,500	8,281,433	-
36	Extracurricular Activities	5,987,815	973,174	209,085	-
41	General Administration	4,667,384	-	418,991	-
51	Facilities Maintenance and Operations	13,264,773	26,458	766,329	-
52	Security and Monitoring Services	464,993	-	-	-
53	Data Processing Services	4,769,865	-	131,603	-
61	Community Services	982,593	-	475,958	-
72	Debt Service - Interest on Long Term Debt	5,062,928	-	2,157,952	-
73	Debt Service - Bond Issuance Cost and Fees	79,833	-	-	-
81	Facilities Acquisition and Construction	46,831	-	-	-
95	Payments to Juvenile Justice Alternative Ed. Prg.	69,820	-	-	-
99	Other Intergovernmental Charges	591,181	-	-	-
TG Total Governmental Activities		<u>171,897,271</u>	<u>5,771,098</u>	<u>36,351,628</u>	<u>-</u>
TP TOTAL PRIMARY GOVERNMENT		<u>\$ 171,897,271</u>	<u>\$ 5,771,098</u>	<u>\$ 36,351,628</u>	<u>\$ -</u>

Data	
Control	
Codes	General Revenues:
	Taxes:
MT	Property Taxes, Levied for General Purposes
DT	Property Taxes, Levied for Debt Service
SF	State Aid - Formula Grants
GC	Grants and Contributions Not Restricted
IE	Investment Earnings
MI	Miscellaneous Local and Intermediate Revenue
TR	Total General Revenues
CN	Change in Net Position
NB	Net Position - Beginning
NE	Net Position - Ending

The accompanying notes are an integral part of this statement.

Net (Expense)
Revenue and
Changes in Net
Position
6
Primary Gov.
Governmental
Activities

\$ (72,915,336)
 (1,809,327)
 (2,036,218)
 (2,432,437)
 (7,743,469)
 (4,625,056)
 (806,146)
 (2,010,215)
 (4,626,492)
 58,617
 (4,805,556)
 (4,248,393)
 (12,471,986)
 (464,993)
 (4,638,262)
 (506,635)
 (2,904,976)
 (79,833)
 (46,831)
 (69,820)
 (591,181)

(129,774,545)

(129,774,545)

44,650,542

7,036,723

73,372,364

814,367

441,234

2,242,371

128,557,601

(1,216,944)

55,944,511

\$ 54,727,567

GOVERNMENTAL FUND FINANCIAL STATEMENTS

ABILENE INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2017

Data Control Codes	10 General Fund	240 National Breakfast and Lunch Program
ASSETS		
1110 Cash and Cash Equivalents	\$ 3,099,503	\$ 76,853
1120 Investments - Current	31,028,157	6,713,582
1220 Property Taxes Receivable - Delinquent	1,423,110	-
1230 Allowance for Uncollectible Taxes (Credit)	(368,093)	-
1240 Receivables from Other Governments	1,887,845	155,514
1250 Accrued Interest	41,915	-
1260 Due from Other Funds	5,020,633	190,192
1290 Other Receivables	820,555	134
1300 Inventories	720,847	310,851
1410 Prepaid Expenditures	8,321	-
1800 Restricted Assets	<u>1,841,865</u>	<u>-</u>
1000 Total Assets	<u>45,524,658</u>	<u>7,447,126</u>
DEFERRED OUTFLOWS OF RESOURCES		
1700 Deferred Outflows	-	-
1000a Total Assets and Deferred Outflows	<u>\$ 45,524,658</u>	<u>\$ 7,447,126</u>
LIABILITIES		
2110 Accounts Payable	\$ 871,690	\$ 74,603
2150 Payroll Deductions and Withholdings Payable	1,213,137	-
2160 Accrued Wages Payable	4,172,122	144,203
2170 Due to Other Funds	362,300	4,857,272
2180 Due to Other Governments	288	-
2200 Accrued Expenditures	8,412	1,100
2300 Unearned Revenues	154,868	-
2400 Payable from Restricted Assets - Construction Contract	-	-
2000 Total Liabilities	<u>6,782,817</u>	<u>5,077,178</u>
DEFERRED INFLOWS OF RESOURCES		
2600 Unavailable Revenues - Property Taxes	<u>1,055,018</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>1,055,018</u>	<u>-</u>
FUND BALANCE		
3410 Nonspendable - Inventories	720,847	310,851
3430 Nonspendable - Prepaid Items	8,321	-
3450 Restricted - Federal or State Funds Grant	-	2,059,097
3470 Restricted - Capital Acquisition and Contractual Obligation	-	-
3480 Restricted - Debt Service	1,841,865	-
3510 Committed - Construction	889,248	-
3545 Committed - Other	734,728	-
3590 Assigned - Other	1,457,567	-
3600 Unassigned	<u>32,034,247</u>	<u>-</u>
3000 Total Fund Balances	<u>37,686,823</u>	<u>2,369,948</u>
4000 Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 45,524,658</u>	<u>\$ 7,447,126</u>

The accompanying notes are an integral part of this statement.

60		98	
2014 Capital Projects Fund	Other Funds	Total Governmental Funds	
\$ -	\$ (768,975)	\$ 2,407,381	
-	-	37,741,739	
-	122,121	1,545,231	
-	(31,587)	(399,680)	
-	2,937,595	4,980,954	
-	-	41,915	
-	210,300	5,421,125	
-	4,214	824,903	
-	-	1,031,698	
-	64,766	73,087	
<u>2,518,568</u>	<u>2,186,228</u>	<u>6,546,661</u>	
<u>2,518,568</u>	<u>4,724,662</u>	<u>60,215,014</u>	
-	-	-	
<u>\$ 2,518,568</u>	<u>\$ 4,724,662</u>	<u>\$ 60,215,014</u>	
\$ -	\$ 27,382	\$ 973,675	
-	-	1,213,137	
-	546,765	4,863,090	
1,013	200,540	5,421,125	
-	103,343	103,631	
-	281,401	290,913	
-	1,217,568	1,372,436	
<u>642,715</u>	<u>-</u>	<u>642,715</u>	
<u>643,728</u>	<u>2,376,999</u>	<u>14,880,722</u>	
-	90,533	1,145,551	
<u>-</u>	<u>90,533</u>	<u>1,145,551</u>	
-	-	1,031,698	
-	-	8,321	
-	133,361	2,192,458	
1,874,840	-	1,874,840	
-	1,929,223	3,771,088	
-	-	889,248	
-	-	734,728	
-	194,546	1,652,113	
-	-	32,034,247	
<u>1,874,840</u>	<u>2,257,130</u>	<u>44,188,741</u>	
<u>\$ 2,518,568</u>	<u>\$ 4,724,662</u>	<u>\$ 60,215,014</u>	

ABILENE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2017

EXHIBIT C-1r

Total Fund Balances - Governmental Funds	\$	44,188,741
1 The District uses internal service funds to charge the costs of certain activities, such as workers compensation, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		112,934
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$268,197,402 and the accumulated depreciation was \$115,065,905. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the fund financial statements. The long-term debt was \$132,429,211 at the beginning of the year. In addition, deferred charges on refunding are reported as deferred outflows of resources and are not reported in the fund financial statements. The deferred charges on refunding was \$1,640,757. Accrued interest payable is not reported as a liability in the fund financial statements. The accrued interest payable at the beginning of the year was \$156,839. The net effect of including the beginning balances for capital assets (net of depreciation), long-term debt, and the compensated absences liability in the governmental activities is an increase to net position.		22,186,204
3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the capital outlays of \$15,343,513, the current year depreciation expense of \$9,510,720, the amortization of bond premium of \$955,780, the bond principal payments of \$4,605,000, increase in accreted interest on capital appreciation bonds of \$530,952, amortization of deferred loss on bond refunding of \$256,798, increase in accrued interest of \$8,000, the net book value of assets disposed during the year of \$23,257 and the increase in compensated absences payable of \$12,349 is to increase net position.		10,562,217
4 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable property taxes of \$1,145,551 as revenue and eliminating interfund transactions. The net effect of these reclassifications is to increase net position.		1,145,551
5 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability in the amount of \$35,742,397, a deferred outflow of resources of \$14,702,921, and a deferred inflow of resources of \$2,428,604. The net effect is to decrease net position.		<u>(23,468,080)</u>
19 Net Position of Governmental Activities (See A-1)	\$	<u>54,727,567</u>

The accompanying notes are an integral part of this statement.

ABILENE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes	10 General Fund	240 National Breakfast and Lunch Program
REVENUES		
5700 Total Local and Intermediate Sources	\$ 47,034,888	\$ 1,661,714
5800 State Program Revenues	81,271,966	309,258
5900 Federal Program Revenues	<u>3,905,493</u>	<u>7,698,004</u>
5020 Total Revenues	<u>132,212,347</u>	<u>9,668,976</u>
EXPENDITURES		
Current:		
0011 Instruction	73,400,143	-
0012 Instructional Resources and Media Services	1,866,541	-
0013 Curriculum and Instructional Staff Development	2,139,355	-
0021 Instructional Leadership	2,529,252	-
0023 School Leadership	7,573,847	-
0031 Guidance, Counseling and Evaluation Services	4,694,974	-
0032 Social Work Services	849,885	-
0033 Health Services	1,984,149	-
0034 Student (Pupil) Transportation	4,851,442	-
0035 Food Services	-	9,316,880
0036 Extracurricular Activities	4,994,999	-
0041 General Administration	4,483,601	-
0051 Facilities Maintenance and Operations	12,766,180	168,746
0052 Security and Monitoring Services	430,993	-
0053 Data Processing Services	4,636,687	-
0061 Community Services	531,772	-
Debt Service:		
0071 Principal on Long Term Debt	-	-
0072 Interest on Long Term Debt	361,233	-
0073 Bond Issuance Cost and Fees	-	-
Capital Outlay:		
0081 Facilities Acquisition and Construction	2,030,117	-
Intergovernmental:		
0095 Payments to Juvenile Alternative Ed. Prg.	69,820	-
0099 Other Intergovernmental Charges	510,423	-
6030 Total Expenditures	<u>130,705,413</u>	<u>9,485,626</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,506,934</u>	<u>183,350</u>
OTHER FINANCING SOURCES (USES)		
7912 Sale of Real and Personal Property	82,071	9,712
7949 Other Resources	1,025,774	-
8911 Transfers Out	(100,000)	-
7080 Total Other Financing Sources (Uses)	<u>1,007,845</u>	<u>9,712</u>
1200 Net Change in Fund Balances	2,514,779	193,062
0100 Fund Balance - September 1 (Beginning)	35,172,044	2,176,886
3000 Fund Balance - August 31 (Ending)	<u>\$ 37,686,823</u>	<u>\$ 2,369,948</u>

The accompanying notes are an integral part of this statement.

60		98	
2014 Capital Projects Fund	Other Funds	Total Governmental Funds	
\$ 41,741	\$ 8,329,509	\$ 57,067,852	
-	4,062,838	85,644,062	
-	14,079,273	25,682,770	
<u>41,741</u>	<u>26,471,620</u>	<u>168,394,684</u>	
340,832	11,438,093	85,179,068	
-	120,213	1,986,754	
-	1,244,226	3,383,581	
-	569,512	3,098,764	
72,080	710,513	8,356,440	
-	852,602	5,547,576	
-	645,652	1,495,537	
-	338,483	2,322,632	
-	165,212	5,016,654	
-	361,237	9,678,117	
450	235,641	5,231,090	
-	-	4,483,601	
33,082	36,933	13,004,941	
51,667	-	482,660	
5,995	-	4,642,682	
-	414,915	946,687	
-	4,605,000	4,605,000	
-	4,861,725	5,222,958	
-	79,833	79,833	
11,318,883	-	13,349,000	
-	-	69,820	
-	80,758	591,181	
<u>11,822,989</u>	<u>26,760,548</u>	<u>178,774,576</u>	
<u>(11,781,248)</u>	<u>(288,928)</u>	<u>(10,379,892)</u>	
-	-	91,783	
-	-	1,025,774	
-	-	(100,000)	
-	-	1,017,557	
(11,781,248)	(288,928)	(9,362,335)	
13,656,088	2,546,058	53,551,076	
<u>\$ 1,874,840</u>	<u>\$ 2,257,130</u>	<u>\$ 44,188,741</u>	

ABILENE INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED AUGUST 31, 2017

Total Net Change in Fund Balances - Governmental Funds	\$ (9,362,335)
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The change in net position of internal funds is reported with governmental activities. The net effect of this consolidation is to increase net position.	81,719
2 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and depreciated over their estimated useful lives. Total additions for the current year which were removed from fund expenditures amounted to \$15,343,513. Depreciation expense charged to the statement of activities totaled \$9,510,720. The net book value of assets disposed during the year totaled \$23,257.	5,809,536
3 Amortization of the premiums on the Series 2012 and 2014 bonds of \$955,780 was recorded, which increases net position.	955,780
4 Certain revenues are recorded in the fund financial statements when the revenue is received. In the statement of activities, revenues are recognized when earned regardless of when received. Recognizing deferred tax revenues of \$1,145,551 and removing the prior year's tax revenue of \$1,113,318 results in a net increase in net position.	32,233
5 Repayment of bond principal of \$4,605,000 is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not an expense on the statement of activities. This increases net position. Net increase in accreted interest on capital appreciation bonds of \$530,952 increases long-term liabilities. The increase in accrued interest payable of \$8,000 decreases net position in the government wide financial statements. Finally, amortization of deferred charge on bond refunding of \$256,798 decreases net position. The net result of all of the above adjustments is a net increase to the change in net position.	3,809,250
6 The increase in compensated absences payable is an expenditure in the governmental funds when paid, but the payment for these is not an expense in the statement of activities. This represents the net increase to the compensated absences payable.	(12,349)
7 Certain expenditures for the pension that are recorded to the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of \$3,136,596. The District's share of the unrecognized deferred inflows and outflows for TRS as of the measurement date must be amortized and the District's proportionate share of the pension expense must be recognized. These cause the change in net position to decrease in the amount of \$5,667,374. The net effect is a decrease in net position.	(2,530,778)
Change in Net Position of Governmental Activities (See B-1)	\$ <u>(1,216,944)</u>

The accompanying notes are an integral part of this statement.

PROPRIETARY FUND FINANCIAL STATEMENTS

ABILENE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2017

	Governmental Activities Internal Service Fund
ASSETS	
Current assets:	
Cash and Cash Equivalents	\$ 96,203
Investments - Current	248,898
Total Assets	345,101
LIABILITIES	
Current Liabilities:	
Accrued Expenses	232,167
Total Liabilities	232,167
NET POSITION	
Unrestricted Net Position	112,934
Total Net Position	\$ 112,934

The accompanying notes are an integral part of this statement.

ABILENE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2017

	Governmental Activities Internal Service Fund
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 679,635
Total Operating Revenues	<u>679,635</u>
OPERATING EXPENSES:	
Professional and Contracted Services	18,000
Other Operating Costs	681,213
Total Operating Expenses	<u>699,213</u>
Operating Loss	(19,578)
NONOPERATING REVENUES (EXPENSES):	
Earnings from Temporary Deposits & Investments	1,297
Total Nonoperating Revenues	<u>1,297</u>
OTHER FINANCING SOURCES (USES)	
Transfers In	100,000
Total Other Financing Sources (Uses)	<u>100,000</u>
Change in Net Position	81,719
Total Net Position - September 1 (Beginning)	<u>31,215</u>
Total Net Position - August 31 (Ending)	<u>\$ 112,934</u>

The accompanying notes are an integral part of this statement.

ABILENE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2017

	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Charges for Services	\$ 679,635
Cash Payments for Other Operating Costs	(18,000)
Cash Payments for Claims and Contracted Services	<u>(664,564)</u>
Net Cash Used in Operating Activities	<u>(2,929)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from Other Funds	<u>100,000</u>
Net Cash Provided by Noncapital Financing Activities	<u>100,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from redemptions of Short-term Investments	(49,962)
Interest on Investments	<u>1,297</u>
Net Cash Used in Investing Activities	<u>(48,665)</u>
Net Increase in Cash and Cash Equivalents	48,406
Cash and Cash Equivalents - Beginning of the Year	<u>47,797</u>
Cash and Cash Equivalents - End of the Year	<u>\$ 96,203</u>
Reconciliation of Operating Loss to Net Cash	
Used by Operating Activities:	
Operating Loss	\$ (19,578)
Adjustments to Reconcile Operating Loss to Net Cash	
Used in Operating Activities:	
Change in Assets and Liabilities:	
Accrued Expenses	<u>16,649</u>
Net Cash Used in Operating Activities	<u>\$ (2,929)</u>

The accompanying notes are an integral part of this statement.

FIDUCIARY FUND FINANCIAL STATEMENTS

ABILENE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2017

EXHIBIT E-1

	Agency Fund
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ <u>527,595</u>
Total Assets	\$ <u><u>527,595</u></u>
LIABILITIES	
Due to Student Groups	\$ <u>527,595</u>
Total Liabilities	\$ <u><u>527,595</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1: REPORTING ENTITY

The Board of Trustees, a seven-member group, has fiscal accountability over all activities related to public elementary and secondary education within the jurisdiction of the Abilene Independent School District (the District). The public elects the members of the Board of Trustees. The Trustees as a body corporate have 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 (Agency) or to the State Board of Education are reserved for the Trustees, and the Agency may not substitute its judgment for the lawful exercise of those powers and duties by the Trustees. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. There are no component units included within the reporting entity. The financial statements of the District include all activities for which the Board exercises these governance responsibilities.

The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

Note 2: GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Note 3: MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements, as well as the proprietary and fiduciary fund financial statements, are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Agency funds have no measurement focus. 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 similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

*Note 3: MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION
(continued)*

Property taxes and penalties and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives cash.

The government reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *2014 Capital Projects Fund* accounts for the bond resources restricted to build, acquire, and renovate major general capital assets, funded by the 2014 bond issuance.

The *National Breakfast and Lunch Program*, a special revenue fund, accounts for the proceeds of specific revenue sources that are restricted and committed to expenditure for specific purposes other than debt service or capital projects.

The government reports the following proprietary funds:

Internal service funds account for revenues and expenses related to services provided to parties inside the District. These funds facilitate distribution of support costs (such as workers compensation insurance) to the users of the support services.

Additionally, the government reports the following nonmajor funds:

The *Special Revenue Funds*, a governmental fund type, account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District accounts for each federal and state grant in a separate special revenue fund.

The *Debt Service Fund*, a governmental fund type, accounts for financial resources that are restricted, committed or assigned for principal and interest on long-term debt of governmental activities.

Agency funds, a fiduciary fund type, account for resources held for others in a custodial capacity.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the worker's compensation insurance internal service fund are District contributions. Operating expenses include claims expense and administrative expense for administering the insurance fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources, as they are needed.

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 4: ASSETS, LIABILITIES AND NET POSITION OR EQUITY

Deposits and investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments of the District are reported at fair value. The local government investment pools are operated in accordance with appropriate state laws and regulations. The reported values of the pools are the same as the fair value of the pool shares.

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the statement of net position. The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are reported at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings & improvements	20-40
Furniture & equipment	5-20

Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

Deferred outflows/inflows of resources are separate elements of the financial statements. The District has deferred inflows of resources, which arises under the modified accrual basis of accounting, for unavailable revenue from property taxes and for its proportionate share of the Teacher Retirement System of Texas' (TRS) deferred inflow related to pensions as described in Note 9. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District has deferred outflows of resources for its proportionate share of TRS's deferred outflow related to pensions as described in Note 9 and for deferred charges for bond refunding.

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 4: ASSETS, LIABILITIES AND NET POSITION OR EQUITY (continued)

Pensions

The fiduciary net position of 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.

Restricted Assets

Certain resources have been set aside for the repayment of bonds payable or for use in construction projects. The assets and related payables are classified as restricted because their use is limited by applicable bond covenants. Restricted assets at August 31, 2017 were as follows:

General Fund- QSCB sinking fund	\$	1,841,865
2014 Capital Projects Fund- bond proceeds		2,518,568
Debt Service Fund- I&S taxes		2,186,228
	\$	<u>6,546,661</u>

Fair Value Measurements

Fair value accounting requires characterization of the inputs used to measure fair value into three-level fair value hierarchy as follows:

Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.

Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.

Level 3 inputs are observable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

Market approach – uses prices generated by market transactions involving identical or comparable assets or liabilities.

Cost approach – uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).

Income approach – uses valuation techniques to convert future amounts to present amounts based on current market expectations.

U.S. government-backed (federal agency) securities are valued using Level 2 inputs that are based on market data obtained from independent sources. The public funds investment pools are not measured at fair value but rather are reported at net asset value per share.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 5: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary information

Formal budgetary accounting is employed for all required Governmental Fund Types, as outlined in TEA's Financial Accounting Resource module, and is presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. The budget is prepared and controlled at the function level within each organization to which responsibility for controlling operations is assigned.

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

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund and the National Breakfast and Lunch Program Special Revenue Fund. The remaining special revenue funds adopt project-length budgets that do not correspond to the District's fiscal year.

Encumbrance Accounting

The District employs encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase orders and contracts. An encumbrance represents a commitment of Board appropriation related to unperformed contracts for goods and services. The issuance of a purchase order or the signing of a contract creates an encumbrance but does not represent an expenditure for the period, only a commitment to expend resources. Appropriations lapse at August 31 and encumbrances outstanding at that time are either canceled or appropriately provided for in the subsequent year's budget. Outstanding encumbrances at August 31, 2017 amounted to \$1,457,567 and are reported as assigned fund balance in the General Fund.

Note 6: DETAILED NOTES ON ALL FUNDS

Deposits

Under Texas state law, the District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent, bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

The District's investment policies and types of investments are governed by the Public Funds Investment Act (PFIA). The District's management believes that they complied with all significant requirements of the PFIA and the District's investment policies.

Custodial credit risk – deposits. The District's cash deposits at August 31, 2017 were entirely covered by FDIC insurance and pledged collateral held by the District's agent bank, First Financial Bank of Abilene, TX, in the District's name. The District's cash deposits held at Chase Bank were underinsured by \$21,323 as of August 31, 2017. All other banks utilized were adequately secured.

Investments

State statutes and Board policy authorize the District to invest in 1) obligations of the U.S. or its agencies and instrumentalities; 2) obligations of the State of Texas or its agencies; 3) other obligations guaranteed by the U.S. or the State of Texas or their agencies and instrumentalities; 4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent; 5) guaranteed or secured certificates of deposit issued by state or national banks domiciled in Texas; 6) fully collateralized repurchase agreements and 7) public funds investment pools. Temporary investments are reported at cost, which approximates market, and are secured, when necessary, by the Federal Deposit Insurance Corporation (FDIC) or obligations of items 1-4 above at 102% of the investment's market value.

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

The District's investments at August 31, 2017 are shown below:

<u>Investment Pools</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days) *</u>	<u>Rating</u>	
TexPool	\$ 25,823,329	32	AAAm	
Lone Star Investment Pool: Government Overnight Fund	<u>2,518,567</u>	22	AAA	
Total	<u>28,341,896</u>			
<u>Investment Maturity in Years</u>				
<u>Other Investments</u>		<u>Less than 1 Year</u>	<u>1 - 5</u>	<u>More than 5</u>
U.S. Government Backed Securities Repurchase agreement - agency debentures	\$ 14,256,938	\$ 2,998,800	\$ 11,258,138	\$ -
Total	<u>16,098,803</u>	<u>1,841,865</u>	<u>-</u>	<u>-</u>
Less: reconciling items	96,599			
Total Investments	<u>\$ 44,537,298</u>			

*To arrive at weighted average maturity, the maturity of floating rate and variable rate securities was deemed to be the final maturity of such securities.

The following schedule reconciles investments to the fund financial statements:

Reported in Schedule C-1	
1120 Investments - Current	\$ 37,741,739
1800 Restricted Assets	<u>6,546,661</u>
	44,288,400
Reported in Schedule D-1	
Investments - Current	248,898
Total	<u>\$ 44,537,298</u>

Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool. The reported value of the pool is the same as the fair value of the pool shares. TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. Audited financial statements of the Pool are available at First Public, 12008 Research Blvd., Austin, Texas 78759. In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

Lone Star Investment Pool is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. Lone Star is administered by First Public LLC, who also serves as the investment advisor. The reported value of the pool is the same as the fair value of the pool shares.

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

Interest rate risk. In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to 180 days. The maximum allowable stated maturity of any individual investment owned by the District shall not exceed three years from the time of purchase. The Board may specifically authorize a longer maturity for a given investment, within legal limits.

Credit risk. State law and District policy limit investments in public funds investment pools to those rated no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service. TexPool is rated AAAM by Standard & Poor's. The Lone Star Investment Pool Government Overnight Fund is rated AAA by Standard & Poor's.

Concentration of credit risk. The District's investment policy does not limit investments in any one issuer except that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer.

Property Tax

In the fund financial statements, property tax revenues are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by January 31 of the year following the October 1 levy date. The assessed value of the property tax roll (net of exemptions) on January 1, 2016, upon which the levy for the August 31, 2017 fiscal year was based, was \$4,469,378,022. Taxes are delinquent if not paid by February 1. Delinquent taxes are subject to both penalty and interest charges plus delinquent collection fees for attorney costs.

Current tax collections for the year ended August 31, 2017 were 98.6% of the year-end adjusted tax levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of August 31, 2017, property taxes receivable, net of estimated uncollectible taxes, totaled \$1,145,551.

The tax rate to finance general governmental services other than payment of principal and interest on long-term obligations was \$1.0400 per \$100 and the tax rate to finance the payment of principal and interest on long-term obligations was \$0.1641 per \$100 for the year ended August 31, 2017.

Due 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. In the fund financial statements, amounts due from federal and state governments as of August 31, 2017 are summarized below.

Fund	State Grants/ Entitlements	Federal Grants	Total
General Fund	\$ 5,159	\$ 1,882,686	\$ 1,887,845
National Breakfast and Lunch Program	-	155,514	155,514
Nonmajor Governmental Funds	285,144	2,652,451	2,937,595
	\$ 290,303	\$ 4,690,651	\$ 4,980,954

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

Interfund Receivables and Payables

The composition of interfund balances as of August 31, 2017 is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund		
National Breakfast and Lunch Program	\$ 4,820,093	\$ 362,300
Nonmajor Governmental Funds	200,540	-
National Breakfast and Lunch Program		
General Fund	190,192	4,646,972
Nonmajor Governmental Funds	-	210,300
2014 Capital Projects Fund		
General Fund	-	1,013
Nonmajor Governmental Funds		
General Fund	210,300	200,540
Totals	\$ <u>5,421,125</u>	\$ <u>5,421,125</u>

These interfund receivables and payables were recorded to eliminate cash deficit balances and to record temporary borrowings until the fund is reimbursed by grantor agencies.

The significant interfund balances between the General Fund and National Breakfast and Lunch Program are due to the conversion into TEAMS, the District's new financial software. There were no cash transfers made from the food service account to the operating account for payroll costs. All payroll costs are processed through the operating account, and then a reconciliation is performed monthly to transfer the funds owed to operating from food service. The new TEAMS system generates the due to/due from entries automatically instead of posting the amount to cash. This process was not fully understood. New processes have been established to ensure that transfers are occurring throughout the year.

Interfund Transfers

Interfund transfers were made to supplement other funding sources. Interfund transfers for the year ended August 31, 2017, consisted of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund		
Internal Service Fund	\$ -	\$ 100,000
Internal Service Fund		
General Fund	100,000	-
Totals	\$ <u>100,000</u>	\$ <u>100,000</u>

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

Capital Assets

Capital asset activity for the year ended August 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,040,441	\$ -	\$ -	\$ 2,040,441
Construction in progress	9,206,450	12,681,828	(19,966,171)	1,922,107
Total capital assets, not being depreciated	11,246,891	12,681,828	(19,966,171)	3,962,548
Capital assets, being depreciated:				
Buildings and improvements	229,341,795	21,674,580	(33,500)	250,982,875
Furniture and equipment	27,608,716	953,276	(105,767)	28,456,225
Total capital assets being depreciated	256,950,511	22,627,856	(139,267)	279,439,100
Less accumulated depreciation for:				
Buildings and improvements	(92,913,386)	(8,001,549)	10,243	(100,904,692)
Furniture and equipment	(22,152,519)	(1,509,171)	105,767	(23,555,923)
Total accumulated depreciation	(115,065,905)	(9,510,720)	116,010	(124,460,615)
Total capital assets being depreciated, net	141,884,606	13,117,136	(23,257)	154,978,485
Governmental activities capital assets, net	\$ 153,131,497	\$ 25,798,964	\$ (19,989,428)	\$ 158,941,033

Depreciation expense was charged to the District's functions as follows:

Instruction	\$ 6,245,862
Instructional resources and media	121,577
Curriculum and staff development	3,631
Institutional leadership	29,493
School leadership	560,332
Guidance, counseling and evaluation services	208,709
Health services	131,123
Student transportation	638,049
Food service	166,488
Extracurricular activities	717,321
General administration	128,773
Plant maintenance and operations	383,107
Security and monitoring services	7,047
Data processing services	163,072
Community services	6,136
Total depreciation expense - governmental activities	\$ 9,510,720

Note 7: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2017, the District purchased commercial insurance to cover general liabilities. 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.

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 8: CONTINGENCIES

The District is not a party to any legal actions that are believed by administration to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying basic financial statements for such contingencies.

The District participates in numerous state and federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 2017, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

Note 9: DEFINED BENEFIT PENSION PLAN

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

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

Pension Plan Fiduciary Net Position – Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/>; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

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

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

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 9: DEFINED BENEFIT PENSION PLAN (continued)

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 84th Texas Legislature, GAA established the employer contribution rates for fiscal years 2016 and 2017.

	Contribution Rates	
	2016	2017
Member	7.20%	7.70%
Non-Employer Contributing Entity (State)	6.80%	6.80%
Employers	6.80%	6.80%
Member Contributions	\$ 7,072,705	\$ 7,743,309
NECE On-Behalf Contributions	5,054,929	5,000,357
Employer Contributions	3,005,216	3,136,596

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

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

- On the portion of the member’s salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member’s first 90 days of employment.
- 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 Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old Age, Survivor and Disability Insurance Program (OASDI) 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.

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 9: DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Assumptions – The total pension liability in the August 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2016
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term expected Investment Rate of Return	8.00%
Municipal Bond Rate*	N/A*
Last year ending August 31 in the 2016 to 2115 projection period (100 years)	2115
Inflation	2.50%
Salary Increases, including inflation	3.5% to 9.5%
Benefit changes during year	None
Ad hoc post-employment benefit changes	None

* If a municipal bond rate was to be used, the rate would be 2.84% as of August 2016 (i.e., the weekly rate closest to but not later than the Measurement Date). The source for the rate is the Federal Reserve Statistical Release H.15, citing the Bond Buyer Index of general obligation bonds with 20 years to maturity and an average AA credit rating.

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

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

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 9: DEFINED BENEFIT PENSION PLAN (continued)

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2016 are summarized on next page:

Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return *
Global Equity			
U.S.	18.0%	4.6%	1.0%
Non-U.S. Developed	13.0%	5.1%	0.8%
Emerging Markets	9.0%	5.9%	0.7%
Directional Hedge Funds	4.0%	3.2%	0.1%
Private Equity	13.0%	7.0%	1.1%
Stable Value			
U.S. Treasuries	11.0%	0.7%	0.1%
Absolute Return	0.0%	1.8%	0.0%
Stable Value Hedge Funds	4.0%	3.0%	0.1%
Cash	1.0%	-0.2%	0.0%
Real Return			
Global Inflation Linked Bonds	3.0%	0.9%	0.0%
Real Assets	16.0%	5.1%	1.1%
Energy and Natural Resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
Risk Parity			
Risk Parity	5.0%	6.7%	0.3%
Inflation Expectation	-	-	2.2%
Alpha	-	-	1.0%
Total	100.0%		8.7%

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

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

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
Total TRS net pension liability	\$ 58,482,888,620	\$ 37,788,513,014	\$ 20,234,650,980
District's proportionate share of the net pension liability	\$ 55,316,244	\$ 35,742,397	\$ 19,139,015

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 9: *DEFINED BENEFIT PENSION PLAN (continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At August 31, 2017, the District reported a liability of \$35,742,397 for its proportionate share of the TRS’s net pension liability measured at August 31, 2016. 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	\$	35,742,397
State's proportionate share that is associated with the District		<u>60,001,221</u>
Total	\$	<u><u>95,743,618</u></u>

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

At August 31, 2016 the employer’s proportion of the collective net pension liability was .000945853, which was an decrease of .0000604055 from its proportion measured as of August 31, 2015.

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

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

For the year ended August 31, 2017, the District recognized pension expense of \$5,667,374. Additionally, the District recognized revenue of \$6,226,696 for support provided by the State of Texas.

At August 31, 2017, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 560,434	\$ 1,067,247
Changes in actuarial assumptions	1,089,364	990,732
Difference between projected and actual investment earnings	3,026,593	-
Changes in proportion and difference between the employer’s contributions and the proportionate share of contributions	6,889,934	370,625
Contributions paid to TRS subsequent to the measurement date	<u>3,136,596</u>	<u>-</u>
Total	<u><u>\$ 14,702,921</u></u>	<u><u>\$ 2,428,604</u></u>

\$3,136,596 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended August 31, 2018.

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 9: DEFINED BENEFIT PENSION PLAN (continued)

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

Year Ended August 31	Pension Expense Amount
2018	\$ 1,621,522
2019	1,621,522
2020	3,552,030
2021	1,473,195
2022	878,330
Thereafter	(8,878)
Total	\$ 9,137,721

Note 10: POSTEMPLOYMENT HEALTH BENEFITS

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

Funding Policy – Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203 and 204 establish state, active employee and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. Contribution rates and amounts are shown in the table below for fiscal years 2015 – 2017.

Year	Contribution Rates					
	Active Member		State		School District	
	Rate	Amount	Rate	Amount	Rate	Amount
2017	0.65%	\$ 653,656	1.0%	\$ 1,005,625	0.55%	\$ 553,094
2016	0.65%	638,509	1.0%	982,321	0.55%	540,277
2015	0.65%	620,298	1.0%	954,305	0.55%	524,874

Medicare Part D – The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the 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 have been recognized as equal revenues and expenditures by the District, in the amount of \$298,966, \$387,321, and \$404,939 for the years ended August 31, 2017, 2016 and 2015, respectively.

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 11: WORKERS COMPENSATION AND HEALTH INSURANCE

During the year ended August 31, 2017, employees of the District were covered by a third party commercial health insurance (the Plan). The District has paid premiums of \$410 per month per employee to the plan, and employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third party administrator acting on behalf of a licensed insurer. The plan was authorized by Section 21.922, Texas Education Code, and was documented by contractual agreement. The plan is accounted for in the general fund.

The contract between the District and the third party administrator is renewable annually on September 1, and terms of coverage and premium costs are included in the contractual provisions.

The District's workers' compensation plan is administered by an independent claims administrator who reviews and processes all workers' compensation claims. The District pays each month an amount equal to the actual paid losses plus a fee based on the number of claimants. The District has in place specific stop loss coverage of \$400,000 for any one accident or occurrence up to a maximum limit of \$1,000,000.

The following is a reconciliation of workers' compensation claims during the previous two years:

	2017	2016
Claims payable beginning of year	\$ 215,518	\$ 283,926
Claims incurred	681,213	536,173
Claims paid	<u>(664,564)</u>	<u>(604,581)</u>
Claims payable end of year	<u>\$ 232,167</u>	<u>\$ 215,518</u>

Note 12: UNEARNED REVENUE AND DEFERRED INFLOWS OF RESOURCES

Unearned revenue at year-end in the fund financial statements consisted of the following:

	General Fund	Other Governmental Funds	Total
August athletic ticket sales, lost textbooks, and parking receipts	\$ 154,868	\$ -	\$ 154,868
State and local grant revenue	-	1,166,547	1,166,547
Federal grant revenue	-	51,021	51,021
	<u>\$ 154,868</u>	<u>\$ 1,217,568</u>	<u>\$ 1,372,436</u>

Deferred inflows of resources at year-end in the fund financial statements consisted of the following:

	General Fund	Debt Service Fund	Total
Unavailable revenue - property taxes	\$ 1,055,018	\$ 90,533	\$ 1,145,551
	<u>\$ 1,055,018</u>	<u>\$ 90,533</u>	<u>\$ 1,145,551</u>

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 13: REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

For the year ended August 31, 2017, revenues from local and intermediate sources reported in the fund financial statements for governmental fund types consisted of the following:

	General Fund	National Breakfast and Lunch Program	2014 Capital Projects Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 44,618,158	\$ -	\$ -	\$ 7,036,874	\$ 51,655,032
Food sales	-	1,621,500	-	-	1,621,500
Investment income	330,651	40,061	41,741	27,889	440,342
Penalties, interest & other tax related income	471,827	-	-	59,414	531,241
Co-curricular student activities	737,364	153	-	235,810	973,327
Tuition and fees	65,478	-	-	2,451	67,929
Gifts and bequests	126,298	-	-	223,419	349,717
Other	685,112	-	-	743,652	1,428,764
	<u>\$ 47,034,888</u>	<u>\$ 1,661,714</u>	<u>\$ 41,741</u>	<u>\$ 8,329,509</u>	<u>\$ 57,067,852</u>

Note 14: ACCUMULATED UNPAID SICK LEAVE BENEFITS

The District established a policy to pay accumulated local sick leave upon retirement or after an employee resigns and has at least ten years of service with Abilene Independent School District. The employee will receive pay for up to 50 accumulated local sick days at a rate to be established by the Board. This obligation was estimated to be \$527,349 at August 31, 2017 for eligible employees and is recorded as other long-term liabilities in the government wide statement of net position.

Note 15: SHARED SERVICES ARRANGEMENTS

The District is the fiscal agent for three Shared Service Arrangements (“SSA”) which provide adult education and assistance to deaf students. All services, facilities, and administration are provided by the District for the other school districts in the region. Funding is received directly from the state. According to the guidance provided in TEA’s Resource Guide, the District has accounted for the fiscal agent’s activities of the SSA in Special Revenue Fund 431, Shared Service Arrangements - Adult Education Basic State.

The District is the fiscal agent for a Shared Services Arrangement (“SSA”) which provides an Adult Education Program for students to the member counties listed below. All services are provided by the fiscal agent. According to guidance provided in TEA’s Resource Guide, the District has accounted for the fiscal agent’s activities of the SSA in Special Revenue fund 309 and is accounted for using Model 3 in the SSA section of the Resource Guide.

- | | |
|-----------------|---------------------|
| Brown County | Mitchell County |
| Callahan County | Nolan County |
| Coleman County | Runnels County |
| Comanche County | Scurry County |
| Eastland County | Shackelford County |
| Fisher County | Stephens County |
| Haskell County | Stonewall County |
| Jones County | Taylor County |
| Kent County | Throckmorton County |
| Knox County | |

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 15: SHARED SERVICES ARRANGEMENTS (continued)

The District participates in a shared services arrangement (“SSA”) for Special Education through fund 496 with the school districts listed below.

Albany ISD	Merkel ISD
Anson ISD	Ovalo CISD
Cisco ISD	Ranger ISD
Clyde ISD	Snyder ISD
Colorado ISD	Stamford ISD
Comanche ISD	Trent ISD
Hawley ISD	Wylie ISD

Note 16: DEBT

Bonds

On March 1, 2012, the District issued \$30,190,000 in Unlimited Tax Refunding Bonds, Series 2012. Proceeds from the sale of the bonds were used to partially refund the Unlimited Tax School Building Bonds, Series 2004 and Series 2005, and to pay costs associated with the issuance of the bonds. The bonds were issued at a premium of \$5,034,524. The 2012 bonds issued consisted of current interest bonds with rates ranging from 2.0% - 5.0% paid through 2023. The District intends to retire all of its general obligation bonds, plus interest, from future ad valorem tax levies. The District designates a portion of its tax rate for debt service in order to comply with the ordinance to create from such tax revenues, a sinking fund sufficient to pay the current interest due thereon and each installment of principal as it becomes due.

On February 15, 2014, the District issued \$81,477,883 in Unlimited Tax School Building Bonds, Series 2014. Proceeds from the sale of the bonds will be used to construct, acquire, renovate and equip school buildings in the District, and to pay costs associated with the issuance of the bonds. The bonds were issued at a premium of \$9,329,572. The 2014 bonds issued consisted of current interest bonds in the amount of \$70,885,000, with rates ranging from 3.0% - 5.0% paid through 2036 and capital appreciation bonds of \$10,592,883, paid through 2031. The District designates a portion of its tax rate for debt service in order to comply with the ordinance to create from such tax revenues, a sinking fund sufficient to pay the current interest due thereon and each installment of principal as it becomes due.

On September 18, 2014, the District issued \$6,375,000 in Unlimited Tax Refunding Bonds, Series 2014. Proceeds from the sale of the bonds were used to partially refund the Unlimited Tax School Building Bonds, Series 2005, and to pay costs associated with the issuance of the bonds. The bonds were issued at a premium of \$807,541. The 2014 bonds issued consisted of current interest bonds with a rate of 4.4% paid through 2025. The District intends to retire all of its general obligation bonds, plus interest, from future ad valorem tax levies. The District designates a portion of its tax rate for debt service in order to comply with the ordinance to create from such tax revenues, a sinking fund sufficient to pay the current interest due thereon and each installment of principal as it becomes due.

Debt service requirements on bonds payable are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2018	\$ 4,770,000	\$ 4,697,400	\$ 9,467,400
2019	4,990,000	4,477,700	9,467,700
2020	5,245,000	4,222,125	9,467,125
2021	5,515,000	3,953,125	9,468,125
2022	5,800,000	3,670,250	9,470,250
2023-2027	30,541,000	13,979,100	44,520,100
2028-2032	21,742,882	19,742,197	41,485,079
2033-2036	30,084,000	3,102,625	33,186,625
	<u>\$ 108,687,882</u>	<u>\$ 57,844,522</u>	<u>\$ 166,532,404</u>

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 16: DEBT (continued)

Maintenance Tax Notes and Contractual Obligations

On March 10, 2011 the District issued a \$5,515,000 Qualified School Construction Maintenance Tax and Revenue Note, Taxable Series 2011 with the full principal of the Note maturing February 15, 2026. Proceeds will be used to renovate and repair instructional facilities in the District. The Note has an interest rate of 6.55% but is eligible for an interest rate subsidy of 5.46% due to the Note being characterized as a Qualified School Construction Bond as defined by Section 54F of the Internal Revenue Code of 1986. Therefore, the resulting net supplementary interest rate of the Note is 1.09%.

The District created a sinking fund by entering into a repurchase agreement to service the Note. The repurchase agreement calls for annual payments of \$250,762 the first year and \$276,644 until the maturity date of February 15, 2026 and will yield an interest rate of 4.01%. Total payments from general operating funds, including the supplementary interest, to repay the \$5,515,000 Note will be \$5,021,312. The sinking fund balance as of August 31, 2017 was \$1,841,865.

Presented below is a summary of the sinking fund requirements:

<u>Fiscal Year</u>	<u>Annual Requirements</u>
2018	\$ 276,644
2019	276,644
2020	276,644
2021	276,644
2022	276,644
2023-2026	<u>1,106,576</u>
Total sinking fund requirements	<u>\$ 2,489,796</u>

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 16: DEBT (continued)

Long-term debt of the District is reflected in the statement of net position at August 31, 2017. A summary of the changes in long-term liabilities follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Unlimited Tax Refunding Bonds, Series 2012	\$ 25,465,000	\$ -	\$ (4,605,000)	\$ 20,860,000	\$ 4,740,000
Unlimited Tax School Bldg Bonds, Series 2014	70,885,000	-	-	70,885,000	30,000
Current Interest Bonds					
Unlimited Tax School Bldg Bonds, Series 2014	10,592,882	-	-	10,592,882	-
Capital Appreciation Bonds					
Unlimited Tax School Refng Bonds, Series 2014	6,350,000	-	-	6,350,000	-
Bonds payable-subtotal	<u>113,292,882</u>	<u>-</u>	<u>(4,605,000)</u>	<u>108,687,882</u>	<u>4,770,000</u>
Accretion on CAB, Series 2014	1,195,766	530,952	-	1,726,718	-
Unamortized Premium on Bonds, Series 2012	2,974,947	-	(457,684)	2,517,263	-
Unamortized Premium on Bonds, Series 2014 Bldg	8,269,394	-	(424,071)	7,845,323	-
Unamortized Premium on Bonds, Series 2014 Refng	666,221	-	(74,025)	592,196	-
Subtotal	<u>13,106,328</u>	<u>530,952</u>	<u>(955,780)</u>	<u>12,681,500</u>	<u>-</u>
Net bonds payable	<u>126,399,210</u>	<u>530,952</u>	<u>(5,560,780)</u>	<u>121,369,382</u>	<u>4,770,000</u>
Qualified School Construction Maintenance Tax and Revenue Notes, Series 2011	5,515,000	-	-	5,515,000	-
Compensated absences	515,000	12,349	-	527,349	-
Net pension liability (proportionate share)	35,569,916	5,065,531	(4,893,050)	35,742,397	-
Other long-term liabilities-subtotal	<u>36,084,916</u>	<u>5,077,880</u>	<u>(4,893,050)</u>	<u>36,269,746</u>	<u>-</u>
Total long-term liabilities	<u>\$ 167,999,126</u>	<u>\$ 5,608,832</u>	<u>\$ (10,453,830)</u>	<u>\$ 163,154,128</u>	<u>\$ 4,770,000</u>

Unamortized bond premiums on the 2012 and 2014 Series bonds are reported with long-term bonds payable on the statement of net position.

Note 17: FUND BALANCE

The District classifies governmental fund balance in accordance with Government Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions:

Nonspendable fund balance includes fund balance that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. At August 31, 2017, the District had \$1,031,698 and \$8,321 in nonspendable fund balance for inventory and prepaid items, respectively.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. As of August 31, 2017, \$2,192,458 was restricted for food service. Fund balance restricted for the retirement of funded indebtedness totaled \$3,771,088 as of August 31, 2017. Fund balance restricted for capital acquisition and contractual obligation totaled \$1,874,840.

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 17: FUND BALANCE (continued)

Committed fund balance is established and modified by a resolution from the District’s Board, the District’s highest level of decision-making authority, and can be used only for the specific purposes determined by the Board’s resolution. At August 31, 2017, the District had \$889,248 committed for future construction projects and \$734,728 committed for future Shotwell Stadium improvements.

Assigned fund balance is intended to be used by the District for specific purposes but does not meet the criteria to be classified as restricted or committed. The Board has delegated the authority to assign fund balance to the Superintendent. At August 31, 2017, the District had \$194,546 assigned for campus activity funds. Fund balance assigned for open encumbrances totaled \$1,457,567 in the General Fund.

Unassigned fund balance is the residual classification for the District’s general fund and includes all spendable amounts not contained in the other classifications.

The District uses restricted amounts first when both restricted and unrestricted fund balance are available. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Note 18: GENERAL FUND FEDERAL SOURCE REVENUES

Revenues from federal sources, which are reported in the General Fund, consist of:

<u>Program or service</u>	<u>CFDA</u>	<u>Amount</u>
ROTC reimbursement	n/a	\$ 92,370
Medicaid reimbursement	93.778	2,984,334
Impact Aid, Public Law 81-874	84.041	369,438
QSCB interest subsidy	n/a	280,642
Summer School LEP	84.369A	3,495
Indirect costs:		
Title I - Part A	84.010	70,586
IDEA B Formula	84.027	65,478
IDEA B Discretionary	84.027	571
IDEA B Preschool	84.173	2,484
Carl D Perkins Basic Grant Formula	84.048	3,883
Title II, Part A - Teacher, Principal, Training & Recruitment	84.367	16,383
AEL Adult Education & Literacy	84.002A	14,024
AEL Temporary Assistance for Needy Families	93.558	1,805
Total		<u>\$ 3,905,493</u>

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 19: DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Until paid or made available to the employee or another beneficiary, all amounts of compensation deferred under the plan, investments purchased with those amounts and all income attributable to those investments are held in trust, and are not subject to the claims of the District's general creditors. The District does not have fiduciary responsibility for the plan and therefore it is not reported as a pension trust fund in the District's financial statements. Participant's rights under the plan are equal to the fair value of the deferred account for each participant.

Note 20: EXPENDITURES EXCEEDING BUDGET

The following expenditures exceeded budget amount:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund			
0036 Extracurricular Activities	\$ 3,952,784	\$ 4,994,999	\$ (1,042,215)

The variance was noted being over budget due to payroll costs being allocated in Function 11 instead of Function 36. Function 11 was under budget by \$3,337,931.

REQUIRED SUPPLEMENTARY INFORMATION

ABILENE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2017

EXHIBIT G-1

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP) Basis	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 46,587,637	\$ 46,924,193	\$ 47,034,888	\$ 110,695
5800	State Program Revenues	79,871,787	80,671,787	81,271,966	600,179
5900	Federal Program Revenues	2,731,000	3,356,000	3,905,493	549,493
5020	Total Revenues	<u>129,190,424</u>	<u>130,951,980</u>	<u>132,212,347</u>	<u>1,260,367</u>
EXPENDITURES:					
Current:					
0011	Instruction	75,636,637	76,738,074	73,400,143	3,337,931
0012	Instructional Resources and Media Services	1,948,204	1,958,015	1,866,541	91,474
0013	Curriculum and Instructional Staff Development	1,936,457	2,163,015	2,139,355	23,660
0021	Instructional Leadership	2,576,674	2,682,521	2,529,252	153,269
0023	School Leadership	7,621,165	7,746,238	7,573,847	172,391
0031	Guidance, Counseling and Evaluation Services	4,840,118	4,767,585	4,694,974	72,611
0032	Social Work Services	712,457	874,307	849,885	24,422
0033	Health Services	1,995,260	2,107,703	1,984,149	123,554
0034	Student (Pupil) Transportation	4,402,213	5,001,058	4,851,442	149,616
0036	Extracurricular Activities	4,392,556	3,952,784	4,994,999	(1,042,215)
0041	General Administration	4,566,751	4,631,801	4,483,601	148,200
0051	Facilities Maintenance and Operations	13,408,998	13,709,691	12,766,180	943,511
0052	Security and Monitoring Services	450,907	597,270	430,993	166,277
0053	Data Processing Services	4,529,351	4,915,648	4,636,687	278,961
0061	Community Services	512,676	537,676	531,772	5,904
Debt Service:					
0072	Interest on Long Term Debt	380,000	365,000	361,233	3,767
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	2,314,721	2,030,117	284,604
Intergovernmental:					
0095	Payments to Juvenile Alternative Ed. Prg.	130,000	90,000	69,820	20,180
0099	Other Intergovernmental Charges	500,000	590,000	510,423	79,577
6030	Total Expenditures	<u>130,540,424</u>	<u>135,743,107</u>	<u>130,705,413</u>	<u>5,037,694</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,350,000)	(4,791,127)	1,506,934	6,298,061
OTHER FINANCING SOURCES (USES):					
7912	Sale of Real and Personal Property	-	-	82,071	82,071
7949	Other Resources	-	629,000	1,025,774	396,774
8911	Transfers Out	-	(100,000)	(100,000)	-
7080	Total Other Financing Sources (Uses)	-	529,000	1,007,845	478,845
1200	Net Change in Fund Balances	(1,350,000)	(4,262,127)	2,514,779	6,776,906
0100	Fund Balance - September 1 (Beginning)	<u>35,172,044</u>	<u>35,172,044</u>	<u>35,172,044</u>	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 33,822,044</u>	<u>\$ 30,909,917</u>	<u>\$ 37,686,823</u>	<u>\$ 6,776,906</u>

ABILENE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED AUGUST 31, 2017

EXHIBIT G-2

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance with Final Budget	
	Original	Final		Positive (Negative)	
REVENUES:					
5700	Local and Intermediate Sources	\$ 2,920,542	\$ 2,920,542	\$ 1,661,714	\$ (1,258,828)
5800	State Program Revenues	306,069	306,069	309,258	3,189
5900	Federal Program Revenues	6,955,621	7,235,621	7,698,004	462,383
5020	Total Revenues	10,182,232	10,462,232	9,668,976	(793,256)
EXPENDITURES:					
0035	Food Services	9,975,276	10,173,545	9,316,880	856,665
0051	Facilities Maintenance and Operations	152,704	232,704	168,746	63,958
0099	Other Intergovernmental Charges	-	-	-	-
6030	Total Expenditures	10,127,980	10,406,249	9,485,626	920,623
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	54,252	55,983	183,350	127,367
OTHER FINANCING SOURCES (USES):					
7912	Sale of Real and Personal Property	-	-	9,712	9,712
7080	Total Other Financing Sources (Uses)	-	-	9,712	9,712
1200	Net Change in Fund Balances	54,252	55,983	193,062	137,079
0100	Fund Balance - September 1 (Beginning)	2,176,886	2,176,886	2,176,886	-
3000	Fund Balance - August 31 (Ending)	\$ 2,231,138	\$ 2,232,869	\$ 2,369,948	\$ 137,079

ABILENE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2017

EXHIBIT G-3

Plan Measurement Year	2017	2016	2015
District's Proportion of the Net Pension Liability (Asset)	0.094585349%	0.100625900%	0.064298800%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 35,742,397	\$ 35,569,916	17,175,099
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>60,001,221</u>	<u>56,952,497</u>	<u>49,522,165</u>
	<u>\$ 95,743,618</u>	<u>\$ 92,522,413</u>	<u>66,697,264</u>
District's Covered-Employee Payroll - Plan Fiscal Year	\$ 98,232,144	\$ 95,430,501	92,180,591
District's Proportionate Share of Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	36.39%	37.27%	18.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.00%	78.43%	83.25%

Note: GASB 68 requires that the information on this schedule be dates from the period corresponding with the period covered as of the measurement date of August 31, 2016 for Year 2017, August 31, 2015 for Year 2016, and August 31, 2014 for Year 2015.

Note: Plan information was unavailable prior to 2014.

ABILENE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR THE YEAR ENDED AUGUST 31, 2017

EXHIBIT G-4

	2017	2016	2015
Contractually Required Contribution	\$ 3,136,596	\$ 3,005,216	\$ 2,979,577
Contribution in Relation to the Contractually Required Contribution	<u>(3,136,596)</u>	<u>(3,005,216)</u>	<u>(2,979,577)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll - Current Fiscal Year	\$ 100,562,501	\$ 98,232,144	\$ 95,430,501
Contributions as a Percentage of Covered-Employee Payroll	3.12%	3.06%	3.12%

Note: GASB 68, paragraph 81 requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement dates of the plan.

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

ABILENE INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2017

NOTE A: NET PENSION LIABILITY – TEACHERS RETIREMENT SYSTEM

Changes of Benefit Terms

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

Changes in the Size or Composition of the Population Covered by the Benefit Terms

There are no changes in the size or composition of the population covered by the benefit terms during the measurement period.

Changes of Assumptions

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

OTHER SUPPLEMENTARY INFORMATION

ABILENE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2017

Data Control Codes	203 Childcare Development Block Grant	205 Head Start	206 ESEA Title X, Pt. C Homeless	211 ESEA I, A Improving Basic Program	
ASSETS					
1110	Cash and Cash Equivalents	\$ 7,324	\$ (194,084)	\$ -	\$ (1,339,677)
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	-	299,138	-	1,497,771
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid Expenditures	-	-	-	-
1800	Restricted Assets	-	-	-	-
1000	Total Assets	<u>7,324</u>	<u>105,054</u>	<u>-</u>	<u>158,094</u>
1700	DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-
1000a	Total Assets and Deferred Outflows	<u>\$ 7,324</u>	<u>\$ 105,054</u>	<u>\$ -</u>	<u>\$ 158,094</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ 5,273	\$ -	\$ 2,228
2160	Accrued Wages Payable	-	87,515	-	155,585
2170	Due to Other Funds	-	12,266	-	281
2180	Due to Other Governments	-	-	-	-
2210	Accrued Expenditures	-	-	-	-
2300	Unearned Revenues	7,324	-	-	-
2000	Total Liabilities	<u>7,324</u>	<u>105,054</u>	<u>-</u>	<u>158,094</u>
DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
3410	Nonspendable - Inventories	-	-	-	-
3450	Restricted - Federal or State Funds Grant	-	-	-	-
3470	Restricted - Capital Acquisition and Contractual Obligation	-	-	-	-
3480	Restricted - Retirement of Long-Term Debt	-	-	-	-
3590	Assigned - Other	-	-	-	-
3600	Unassigned	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 7,324</u>	<u>\$ 105,054</u>	<u>\$ -</u>	<u>\$ 158,094</u>

224	225	226	242	244	255
IDEA Part B Formula	IDEA Part B Preschool	IDEA Part B Discretionary	Summer Feeding Program	Career and Technical - Basic Grant	ESEA II, A Training and Recruiting
\$ (180,673)	\$ (762)	\$ (26,831)	\$ (53,836)	\$ (60,587)	\$ (85,521)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
335,507	6,425	28,727	-	64,032	99,451
-	-	-	210,300	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>154,834</u>	<u>5,663</u>	<u>1,896</u>	<u>156,464</u>	<u>3,445</u>	<u>13,930</u>
-	-	-	-	-	-
<u>\$ 154,834</u>	<u>\$ 5,663</u>	<u>\$ 1,896</u>	<u>\$ 156,464</u>	<u>\$ 3,445</u>	<u>\$ 13,930</u>
\$ 15,134	\$ -	\$ -	\$ -	\$ -	\$ 1,473
139,700	5,663	1,896	-	3,445	11,703
-	-	-	23,103	-	-
-	-	-	-	-	-
-	-	-	-	-	754
-	-	-	-	-	-
<u>154,834</u>	<u>5,663</u>	<u>1,896</u>	<u>23,103</u>	<u>3,445</u>	<u>13,930</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	133,361	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	133,361	-	-
<u>\$ 154,834</u>	<u>\$ 5,663</u>	<u>\$ 1,896</u>	<u>\$ 156,464</u>	<u>\$ 3,445</u>	<u>\$ 13,930</u>

ABILENE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2017

Data Control Codes	281	288-00	288-01	289	
	ROTC	Early Head Start	Child & Adult Care Food Program	Summer School LEP	
ASSETS					
1110	Cash and Cash Equivalents	\$ 4,140	\$ (142,249)	\$ 30,931	\$ (4,749)
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	-	259,978	-	4,749
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	444	-	-
1300	Inventories	-	-	-	-
1410	Prepaid Expenditures	-	-	-	-
1800	Restricted Assets	-	-	-	-
1000	Total Assets	<u>4,140</u>	<u>118,173</u>	<u>30,931</u>	<u>-</u>
1700	DEFERRED OUTFLOWS OF RESOURCES				
1000a	Total Assets and Deferred Outflows	<u>\$ 4,140</u>	<u>\$ 118,173</u>	<u>\$ 30,931</u>	<u>\$ -</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ 1,801	\$ -	\$ -
2160	Accrued Wages Payable	-	97,987	5,141	-
2170	Due to Other Funds	101	4,510	-	-
2180	Due to Other Governments	7	-	-	-
2210	Accrued Expenditures	-	-	-	-
2300	Unearned Revenues	4,032	13,875	25,790	-
2000	Total Liabilities	<u>4,140</u>	<u>118,173</u>	<u>30,931</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
3410	Nonspendable - Inventories	-	-	-	-
3450	Restricted - Federal or State Funds Grant	-	-	-	-
3470	Restricted - Capital Acquisition and Contractual Obligation	-	-	-	-
3480	Restricted - Retirement of Long-Term Debt	-	-	-	-
3590	Assigned - Other	-	-	-	-
3600	Unassigned	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 4,140</u>	<u>\$ 118,173</u>	<u>\$ 30,931</u>	<u>\$ -</u>

	309	312	397	410	412	429-01
	SSA Adult Basic Education	SSA - TANF Family Assistance	Advanced Placement Incentives	Instructional Materials Allotment	CCPO	Texas Read to Succeed
\$	(35,226)	\$ (309)	\$ 4,598	\$ (59,900)	\$ 351,878	\$ 273
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	55,248	1,425	6,000	62,968	1,333	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	64,766	-	-
	-	-	-	-	-	-
	<u>20,022</u>	<u>1,116</u>	<u>10,598</u>	<u>67,834</u>	<u>353,211</u>	<u>273</u>
	-	-	-	-	-	-
\$	<u>20,022</u>	<u>1,116</u>	<u>10,598</u>	<u>67,834</u>	<u>353,211</u>	<u>273</u>
\$	515	\$	\$	\$	\$	\$
	15,218	-	-	3,068	783	-
	4,289	1,116	-	-	-	-
	-	-	-	-	-	-
	-	-	10,598	64,766	352,428	273
	<u>20,022</u>	<u>1,116</u>	<u>10,598</u>	<u>67,834</u>	<u>353,211</u>	<u>273</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	<u>20,022</u>	<u>1,116</u>	<u>10,598</u>	<u>67,834</u>	<u>353,211</u>	<u>273</u>

ABILENE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2017

Data Control Codes	429-05/08	429-06	429-07	429-09	
	High Quality Pre-Kindergarten	Mathematics Achievement Academy	Literacy Achievement Academy	Reading to Learn	
ASSETS					
1110	Cash and Cash Equivalents	\$ (108,903)	\$ 6,650	\$ 3,850	\$ 3,150
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	108,903	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid Expenditures	-	-	-	-
1800	Restricted Assets	-	-	-	-
1000	Total Assets	-	6,650	3,850	3,150
1700	DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-
1000a	Total Assets and Deferred Outflows	\$ -	\$ 6,650	\$ 3,850	\$ 3,150
LIABILITIES					
2110	Accounts Payable	-	-	-	-
2160	Accrued Wages Payable	-	-	-	-
2170	Due to Other Funds	-	-	-	-
2180	Due to Other Governments	-	-	-	-
2210	Accrued Expenditures	-	6,650	3,850	3,150
2300	Unearned Revenues	-	-	-	-
2000	Total Liabilities	-	6,650	3,850	3,150
DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Inflows of Resources	-	-	-	-
FUND BALANCES					
3410	Nonspendable - Inventories	-	-	-	-
3450	Restricted - Federal or State Funds Grant	-	-	-	-
3470	Restricted - Capital Acquisition and Contractual Obligation	-	-	-	-
3480	Restricted - Retirement of Long-Term Debt	-	-	-	-
3590	Assigned - Other	-	-	-	-
3600	Unassigned	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities, Deferred Inflows and Fund Balances	\$ -	\$ 6,650	\$ 3,850	\$ 3,150

431 Adult Basic Education State	435 State Deaf	461 Campus Activity Fund	480-00 Partners in Education Donations	481 Holland Medical	482 ATEMS Veterans Project
\$ (8,375)	\$ (88,270)	\$ 194,546	\$ 3,063	\$ 18,431	\$ 640
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,610	97,330	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,400	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>235</u>	<u>9,060</u>	<u>194,546</u>	<u>3,063</u>	<u>19,831</u>	<u>640</u>
-	-	-	-	-	-
<u>\$ 235</u>	<u>\$ 9,060</u>	<u>\$ 194,546</u>	<u>\$ 3,063</u>	<u>\$ 19,831</u>	<u>\$ 640</u>
\$ 71	\$ -	\$ -	\$ -	\$ 617	\$ -
-	9,060	-	-	-	-
127	-	-	-	-	-
-	-	-	-	-	-
37	-	-	-	-	-
-	-	-	3,063	19,214	640
<u>235</u>	<u>9,060</u>	<u>-</u>	<u>3,063</u>	<u>19,831</u>	<u>640</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	194,546	-	-	-
-	-	-	-	-	-
-	-	194,546	-	-	-
<u>\$ 235</u>	<u>\$ 9,060</u>	<u>\$ 194,546</u>	<u>\$ 3,063</u>	<u>\$ 19,831</u>	<u>\$ 640</u>

ABILENE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2017

Data Control Codes	483	484	485	487	
	Community Foundation	Texas Parks & Wildlife	Dodge Jones CHS Student Council/ ROTC Leadership Training	Dodge Jones AP	
ASSETS					
1110	Cash and Cash Equivalents	\$ 10,031	\$ -	\$ 5,830	\$ 333,816
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	2,370	-
1300	Inventories	-	-	-	-
1410	Prepaid Expenditures	-	-	-	-
1800	Restricted Assets	-	-	-	-
1000	Total Assets	<u>10,031</u>	<u>-</u>	<u>8,200</u>	<u>333,816</u>
1700	DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1000a	Total Assets and Deferred Outflows	<u>\$ 10,031</u>	<u>\$ -</u>	<u>\$ 8,200</u>	<u>\$ 333,816</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	-	-	-	5,347
2170	Due to Other Funds	-	-	-	626
2180	Due to Other Governments	-	-	-	-
2210	Accrued Expenditures	-	-	-	117,878
2300	Unearned Revenues	10,031	-	8,200	209,965
2000	Total Liabilities	<u>10,031</u>	<u>-</u>	<u>8,200</u>	<u>333,816</u>
DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
3410	Nonspendable - Inventories	-	-	-	-
3450	Restricted - Federal or State Funds Grant	-	-	-	-
3470	Restricted - Capital Acquisition and Contractual Obligation	-	-	-	-
3480	Restricted - Retirement of Long-Term Debt	-	-	-	-
3590	Assigned - Other	-	-	-	-
3600	Unassigned	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 10,031</u>	<u>\$ -</u>	<u>\$ 8,200</u>	<u>\$ 333,816</u>

488	489	492	493	494	495
Advanced Placement Dian Grave Owens	Abilene Education Foundation	Kids Learning Together	Homeless Supply Program	CHS AP Euro Club	ATEMS APS Physics Grant
\$ 149,247	\$ 10,056	\$ 199,418	\$ -	\$ 701	\$ 32
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>149,247</u>	<u>10,056</u>	<u>199,418</u>	<u>-</u>	<u>701</u>	<u>32</u>
-	-	-	-	-	-
<u>\$ 149,247</u>	<u>\$ 10,056</u>	<u>\$ 199,418</u>	<u>\$ -</u>	<u>\$ 701</u>	<u>\$ 32</u>
\$ 165	\$ -	\$ 105	\$ -	\$ -	\$ -
-	1,958	-	-	-	-
-	-	408	-	-	-
-	-	-	-	-	-
149,082	-	-	-	-	-
-	8,098	198,905	-	701	32
<u>149,247</u>	<u>10,056</u>	<u>199,418</u>	<u>-</u>	<u>701</u>	<u>32</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 149,247</u>	<u>\$ 10,056</u>	<u>\$ 199,418</u>	<u>\$ -</u>	<u>\$ 701</u>	<u>\$ 32</u>

ABILENE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2017

Data Control Codes	496	497	498	499-00	
	Regional Day School Program Deaf	The Leader in Me	Adult Education Miscellaneous	Bowie Elementary Tower Garden	
ASSETS					
1110	Cash and Cash Equivalents	\$ 251,283	\$ 9,745	\$ 12,240	\$ -
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid Expenditures	-	-	-	-
1800	Restricted Assets	-	-	-	-
1000	Total Assets	<u>251,283</u>	<u>9,745</u>	<u>12,240</u>	<u>-</u>
1700	DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-
1000a	Total Assets and Deferred Outflows	<u>\$ 251,283</u>	<u>\$ 9,745</u>	<u>\$ 12,240</u>	<u>\$ -</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	2,696	-	-	-
2170	Due to Other Funds	-	-	-	-
2180	Due to Other Governments	-	-	-	-
2210	Accrued Expenditures	-	-	-	-
2300	Unearned Revenues	248,587	9,745	12,240	-
2000	Total Liabilities	<u>251,283</u>	<u>9,745</u>	<u>12,240</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
3410	Nonspendable - Inventories	-	-	-	-
3450	Restricted - Federal or State Funds Grant	-	-	-	-
3470	Restricted - Capital Acquisition and Contractual Obligation	-	-	-	-
3480	Restricted - Retirement of Long-Term Debt	-	-	-	-
3590	Assigned - Other	-	-	-	-
3600	Unassigned	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 251,283</u>	<u>\$ 9,745</u>	<u>\$ 12,240</u>	<u>\$ -</u>

499-01	499-03	499-04	499-05	Total
New Teacher Orientation	CHS ROTC Chick-fil-A Donation	Summer Technology Camp	Coca-Cola Commissions	Nonmajor Special Revenue Funds
\$ 11	\$ 254	\$ 2,410	\$ 6,429	\$ (768,975)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	2,937,595
-	-	-	-	210,300
-	-	-	-	4,214
-	-	-	-	-
-	-	-	-	64,766
-	-	-	-	-
<u>11</u>	<u>254</u>	<u>2,410</u>	<u>6,429</u>	<u>2,447,900</u>
-	-	-	-	-
<u>\$ 11</u>	<u>\$ 254</u>	<u>\$ 2,410</u>	<u>\$ 6,429</u>	<u>\$ 2,447,900</u>
\$ -	\$ -	\$ -	\$ -	\$ 27,382
-	-	-	-	546,765
-	-	43	-	46,870
-	-	-	-	7
-	-	-	-	281,401
<u>11</u>	<u>254</u>	<u>2,367</u>	<u>6,429</u>	<u>1,217,568</u>
<u>11</u>	<u>254</u>	<u>2,410</u>	<u>6,429</u>	<u>2,119,993</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	133,361
-	-	-	-	-
-	-	-	-	-
-	-	-	-	194,546
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>327,907</u>
<u>\$ 11</u>	<u>\$ 254</u>	<u>\$ 2,410</u>	<u>\$ 6,429</u>	<u>\$ 2,447,900</u>

ABILENE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2017

EXHIBIT H-1

Data Control Codes	599	Total Nonmajor Governmental Funds
	Debt Service Fund	
ASSETS		
1110 Cash and Cash Equivalents	\$ -	\$ (768,975)
1120 Investments - Current	-	-
1220 Property Taxes - Delinquent	122,121	122,121
1230 Allowance for Uncollectible Taxes (Credit)	(31,587)	(31,587)
1240 Receivables from Other Governments	-	2,937,595
1260 Due from Other Funds	-	210,300
1290 Other Receivables	-	4,214
1300 Inventories	-	-
1410 Prepaid Expenditures	-	64,766
1800 Restricted Assets	<u>2,186,228</u>	<u>2,186,228</u>
1000 Total Assets	<u>2,276,762</u>	<u>4,724,662</u>
1700 DEFERRED OUTFLOWS OF RESOURCES	-	-
1000a Total Assets and Deferred Outflows	<u>\$ 2,276,762</u>	<u>\$ 4,724,662</u>
LIABILITIES		
2110 Accounts Payable	\$ -	\$ 27,382
2160 Accrued Wages Payable	-	546,765
2170 Due to Other Funds	153,670	200,540
2180 Due to Other Governments	103,336	103,343
2210 Accrued Expenditures	-	281,401
2300 Unearned Revenues	-	1,217,568
2000 Total Liabilities	<u>257,006</u>	<u>2,376,999</u>
DEFERRED INFLOWS OF RESOURCES		
2601 Unavailable Revenue - Property Taxes	<u>90,533</u>	<u>90,533</u>
2600 Total Inflows of Resources	<u>90,533</u>	<u>90,533</u>
FUND BALANCES		
3410 Nonspendable - Inventories	-	-
3450 Restricted - Federal or State Funds Grant	-	133,361
3470 Restricted - Capital Acquisition and Contractual Obligation	-	-
3480 Restricted - Retirement of Long-Term Debt	1,929,223	1,929,223
3590 Assigned - Other	-	194,546
3600 Unassigned	-	-
3000 Total Fund Balances	<u>1,929,223</u>	<u>2,257,130</u>
4000 Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 2,276,762</u>	<u>\$ 4,724,662</u>

ABILENE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes	203 Childcare Development Block Grant	205 Head Start	206 ESEA Title X, Pt. C Homeless	211 ESEA I, A Improving Basic Program
REVENUES:				
5700 Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	-	2,553,201	41,200	3,632,255
5020 Total Revenues	-	2,553,201	41,200	3,632,255
EXPENDITURES:				
Current:				
0011 Instruction	-	1,308,741	-	2,844,556
0012 Instructional Resources and Media Services	-	48,164	-	72,049
0013 Curriculum and Instructional Staff Development	-	307,376	-	32,342
0021 Instructional Leadership	-	9,452	-	209,995
0023 School Leadership	-	286,342	-	9,560
0031 Guidance, Counseling, and Evaluation Services	-	150,207	-	27,950
0032 Social Work Services	-	143,564	41,200	153,055
0033 Health Services	-	123,983	-	-
0034 Student (Pupil) Transportation	-	46,608	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	34,027	-	-
0061 Community Services	-	94,737	-	282,748
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
Intergovernmental:				
0099 Other Intergovernmental Charges	-	-	-	-
6030 Total Expenditures	-	2,553,201	41,200	3,632,255
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

224	225	226	242	244	255
IDEA Part B Formula	IDEA Part B Preschool	IDEA Part B Discretionary	Summer Feeding Program	Career and Technical - Basic Grant	ESEA II, A Training and Recruiting
\$ -	\$ -	\$ -	\$ 558	\$ -	\$ -
-	-	-	-	-	-
<u>3,292,709</u>	<u>115,989</u>	<u>28,156</u>	<u>227,028</u>	<u>189,347</u>	<u>828,673</u>
<u>3,292,709</u>	<u>115,989</u>	<u>28,156</u>	<u>227,586</u>	<u>189,347</u>	<u>828,673</u>
2,988,836	115,989	28,156	-	22,022	259,285
-	-	-	-	-	-
-	-	-	-	19,538	452,140
115,431	-	-	-	75	113,291
-	-	-	-	-	2,714
147,517	-	-	-	147,712	1,243
-	-	-	-	-	-
40,925	-	-	-	-	-
-	-	-	-	-	-
-	-	-	186,308	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,292,709</u>	<u>115,989</u>	<u>28,156</u>	<u>186,308</u>	<u>189,347</u>	<u>828,673</u>
-	-	-	41,278	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	41,278	-	-
-	-	-	92,083	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,361</u>	<u>\$ -</u>	<u>\$ -</u>

ABILENE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes	281	288-00	288-01	289
	ROTC	Early Head Start	Child & Adult Care Food Program	Summer School LEP
REVENUES:				
5700 Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	<u>4,462</u>	<u>2,218,843</u>	<u>154,982</u>	<u>4,749</u>
5020 Total Revenues	<u>4,462</u>	<u>2,218,843</u>	<u>154,982</u>	<u>4,749</u>
EXPENDITURES:				
Current:				
0011 Instruction	4,462	1,052,086	-	4,749
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	129,909	-	-
0021 Instructional Leadership	-	9,452	-	-
0023 School Leadership	-	345,573	-	-
0031 Guidance, Counseling, and Evaluation Services	-	78,863	-	-
0032 Social Work Services	-	253,654	-	-
0033 Health Services	-	173,575	-	-
0034 Student (Pupil) Transportation	-	118,604	-	-
0035 Food Services	-	19,947	154,982	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0061 Community Services	-	37,180	-	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
Intergovernmental:				
0099 Other Intergovernmental Charges	-	-	-	-
6030 Total Expenditures	<u>4,462</u>	<u>2,218,843</u>	<u>154,982</u>	<u>4,749</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

309	312	397	410	412	429-01
SSA Adult Basic Education	SSA - TANF Family Assistance	Advanced Placement Incentives	Instructional Materials Allotment	CCPO	Texas Read to Succeed
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	6,000	1,143,192	20,669	-
<u>698,626</u>	<u>89,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>698,626</u>	<u>89,053</u>	<u>6,000</u>	<u>1,143,192</u>	<u>20,669</u>	<u>-</u>
573,493	70,606	-	1,054,693	-	-
-	-	-	-	-	-
12,505	344	6,000	88,499	-	-
58,155	3,118	-	-	-	-
22,304	11,492	-	-	-	-
31,047	3,493	-	-	18,885	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,122	-	-	-	1,784	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>698,626</u>	<u>89,053</u>	<u>6,000</u>	<u>1,143,192</u>	<u>20,669</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ABILENE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes	429-05/08	429-06	429-07	429-09
	High Quality Pre-Kindergarten	Mathematics Achievement Academy	Literacy Achievement Academy	Reading to Learn
REVENUES:				
5700 Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	429,069	7,700	18,200	9,800
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>429,069</u>	<u>7,700</u>	<u>18,200</u>	<u>9,800</u>
EXPENDITURES:				
Current:				
0011 Instruction	246,404	-	-	-
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	114,998	7,700	18,200	9,800
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	13,488	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	-
0032 Social Work Services	54,179	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
Intergovernmental:				
0099 Other Intergovernmental Charges	-	-	-	-
6030 Total Expenditures	<u>429,069</u>	<u>7,700</u>	<u>18,200</u>	<u>9,800</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

431 Adult Basic Education State	435 State Deaf	461 Campus Activity Fund	480-00 Partners in Education Donations	481 Holland Medical	482 ATEMS Veterans Project
\$ -	\$ -	\$ 235,657	\$ 5,628	\$ 3,727	\$ -
70,581	198,352	-	-	-	-
-	-	-	-	-	-
<u>70,581</u>	<u>198,352</u>	<u>235,657</u>	<u>5,628</u>	<u>3,727</u>	<u>-</u>
33,540	198,352	-	5,628	3,727	-
-	-	-	-	-	-
6,887	-	-	-	-	-
9,813	-	-	-	-	-
15,925	-	-	-	-	-
4,416	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	220,271	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>70,581</u>	<u>198,352</u>	<u>220,271</u>	<u>5,628</u>	<u>3,727</u>	<u>-</u>
-	-	15,386	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	15,386	-	-	-
-	-	179,160	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,546</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ABILENE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes	483	484	485	487
	Community Foundation	Texas Parks & Wildlife	Dodge Jones CHS Student Council/ ROTC Leadership Training	Dodge Jones AP
REVENUES:				
5700 Local and Intermediate Sources	\$ -	\$ -	\$ 25,586	\$ 413,417
5800 State Program Revenues	-	1,323	-	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>-</u>	<u>1,323</u>	<u>25,586</u>	<u>413,417</u>
EXPENDITURES:				
Current:				
0011 Instruction	-	1,323	9,716	325,996
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	500	37,157
0021 Instructional Leadership	-	-	-	40,730
0023 School Leadership	-	-	-	3,003
0031 Guidance, Counseling, and Evaluation Services	-	-	-	6,531
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	15,370	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
Intergovernmental:				
0099 Other Intergovernmental Charges	-	-	-	-
6030 Total Expenditures	<u>-</u>	<u>1,323</u>	<u>25,586</u>	<u>413,417</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

488 Advanced Placement Dian Grave Owens	489 Abilene Education Foundation	492 Kids Learning Together	493 Homeless Supply Program	494 CHS AP Euro Club	495 ATEMS APS Physics Grant
\$ 222,500	\$ 182,530	\$ 35,416	\$ 156	\$ -	\$ -
-	-	-	-	-	-
<u>222,500</u>	<u>182,530</u>	<u>35,416</u>	<u>156</u>	<u>-</u>	<u>-</u>
222,500	-	35,416	156	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	182,530	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>222,500</u>	<u>182,530</u>	<u>35,416</u>	<u>156</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ABILENE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes	496	497	498	499-00
	Regional Day School Program Deaf	The Leader in Me	Adult Education Miscellaneous	Bowie Elementary Tower Garden
REVENUES:				
5700 Local and Intermediate Sources	\$ 52,558	\$ 331	\$ 2,451	\$ 964
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>52,558</u>	<u>331</u>	<u>2,451</u>	<u>964</u>
EXPENDITURES:				
Current:				
0011 Instruction	350	-	2,339	964
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	331	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	112	-
0031 Guidance, Counseling, and Evaluation Services	52,208	-	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
Intergovernmental:				
0099 Other Intergovernmental Charges	-	-	-	-
6030 Total Expenditures	<u>52,558</u>	<u>331</u>	<u>2,451</u>	<u>964</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

499-01	499-03	499-04	499-05	Total
New Teacher Orientation	CHS ROTC Chick-fil-A Donation	Summer Technology Camp	Coca-Cola Commissions	Nonmajor Special Revenue Funds
\$ 250	\$ 4,246	\$ 19,762	\$ -	\$ 1,205,737
-	-	-	-	1,904,886
-	-	-	-	14,079,273
<u>250</u>	<u>4,246</u>	<u>19,762</u>	<u>-</u>	<u>17,189,896</u>
-	4,246	19,762	-	11,438,093
-	-	-	-	120,213
-	-	-	-	1,244,226
-	-	-	-	569,512
-	-	-	-	710,513
-	-	-	-	852,602
-	-	-	-	645,652
-	-	-	-	338,483
-	-	-	-	165,212
-	-	-	-	361,237
-	-	-	-	235,641
-	-	-	-	-
-	-	-	-	36,933
250	-	-	-	414,915
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>250</u>	<u>4,246</u>	<u>19,762</u>	<u>-</u>	<u>17,133,232</u>
-	-	-	-	56,664
-	-	-	-	-
-	-	-	-	-
-	-	-	-	56,664
-	-	-	-	271,243
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 327,907</u>

ABILENE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2017

EXHIBIT H-2

Data Control Codes	599	Total Nonmajor Governmental Funds
Data Control Codes	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES:		
5700 Local and Intermediate Sources	\$ 7,123,772	\$ 8,329,509
5800 State Program Revenues	2,157,952	4,062,838
5900 Federal Program Revenues	-	14,079,273
5020 Total Revenues	<u>9,281,724</u>	<u>26,471,620</u>
EXPENDITURES:		
Current:		
0011 Instruction	-	11,438,093
0012 Instructional Resources and Media Services	-	120,213
0013 Curriculum and Instructional Staff Development	-	1,244,226
0021 Instructional Leadership	-	569,512
0023 School Leadership	-	710,513
0031 Guidance, Counseling, and Evaluation Services	-	852,602
0032 Social Work Services	-	645,652
0033 Health Services	-	338,483
0034 Student (Pupil) Transportation	-	165,212
0035 Food Services	-	361,237
0036 Extracurricular Activities	-	235,641
0041 General Administration	-	-
0051 Facilities Maintenance and Operations	-	36,933
0061 Community Services	-	414,915
Debt Service:		
0071 Principal on Long Term Debt	4,605,000	4,605,000
0072 Interest on Long Term Debt	4,861,725	4,861,725
0073 Bond Issuance Cost and Fees	79,833	79,833
Capital outlay:		
0081 Facilities Acquisition and Construction	-	-
Intergovernmental:		
0099 Other Intergovernmental Charges	<u>80,758</u>	<u>80,758</u>
6030 Total Expenditures	<u>9,627,316</u>	<u>26,760,548</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(345,592)</u>	<u>(288,928)</u>
OTHER FINANCING SOURCES (USES):		
7912 Sale of Real and Personal Property	<u>-</u>	<u>-</u>
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	(345,592)	(288,928)
0100 Fund Balance - September 1 (Beginning)	<u>2,274,815</u>	<u>2,546,058</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 1,929,223</u>	<u>\$ 2,257,130</u>

REQUIRED TEA SCHEDULES

ABILENE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED AUGUST 31, 2017

Last Ten Years Ended August 31	1	2	3
	Tax Rates		Assessed/ Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2008 (and prior years)	Various	Various	Various
2009	1.040000	0.125900	\$ 3,840,903,392
2010	1.040000	0.125900	3,879,552,072
2011	1.040000	0.124700	3,897,626,094
2012	1.040000	0.119900	3,955,489,744
2013	1.040000	0.112700	4,074,025,528
2014	1.040000	0.110100	4,172,275,368
2015	1.040000	0.177500	4,230,516,552
2016	1.040000	0.170600	4,280,261,809
2017 (school year under audit)	1.040000	0.164100	4,469,378,022
1000 TOTALS			

10	20	31	32	40	50
Beginning Balance September 1, 2016	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance August 31, 2017
\$ 155,438	\$	\$ 7,372	\$ 528	\$ (36,516)	\$ 111,022
31,528		1,178	142	(1,037)	29,171
41,751		2,010	243	(671)	38,827
56,650		3,718	446	(478)	52,008
60,424		4,325	499	(1,201)	54,399
69,680		13,449	1,457	8,532	63,306
97,967		30,825	3,264	27,786	91,664
245,795		100,893	17,220	5,298	132,980
737,126		414,650	68,020	(43,651)	210,805
<u>-</u>	<u>51,944,747</u>	<u>44,015,363</u>	<u>6,944,799</u>	<u>(223,536)</u>	<u>761,049</u>
\$ <u>1,496,359</u>	\$ <u>51,944,747</u>	\$ <u>44,593,783</u>	\$ <u>7,036,618</u>	\$ <u>(265,474)</u>	\$ <u>1,545,231</u>

ABILENE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2017

EXHIBIT J-5

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance with Final Budget - Positive (Negative)	
	Original	Final			
REVENUES:					
5700	Local and Intermediate Sources	\$ 7,080,670	\$ 7,150,670	\$ 7,123,772	\$ (26,898)
5800	State Program Revenues	<u>2,486,055</u>	<u>2,486,055</u>	<u>2,157,952</u>	<u>(328,103)</u>
5020	Total Revenues	<u>9,566,725</u>	<u>9,636,725</u>	<u>9,281,724</u>	<u>(355,001)</u>
EXPENDITURES:					
Debt Service:					
0071	Principal on Long Term Debt	4,605,000	4,605,000	4,605,000	-
0072	Interest on Long Term Debt	4,896,725	4,946,725	4,861,725	85,000
0073	Bond Issuance Costs and Fees	-	-	79,833	(79,833)
0099	Other Intergovernmental Charges	<u>65,000</u>	<u>85,000</u>	<u>80,758</u>	<u>4,242</u>
6030	Total Expenditures	<u>9,566,725</u>	<u>9,636,725</u>	<u>9,627,316</u>	<u>9,409</u>
1200	Net Change in Fund Balances	-	-	(345,592)	(345,592)
0100	Fund Balance - September 1 (Beginning)	<u>2,274,815</u>	<u>2,274,815</u>	<u>2,274,815</u>	<u>-</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ 2,274,815</u>	<u>\$ 2,274,815</u>	<u>\$ 1,929,223</u>	<u>\$ (345,592)</u>

FEDERAL AWARDS SECTION



**Independent Auditor’s Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

To the Board of School Trustees of the
Abilene 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 the Abilene Independent School District (the District), as of and for the year ended August 31, 2017, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated January 23, 2018.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weakness or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control that we consider to be a material weakness.

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 entity’s financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. See Finding 2017-A.

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in dark ink and is positioned above the typed text.

Abilene, Texas
January 23, 2018



**Independent Auditor’s Report on Compliance for Each Major Program
and on Internal Control over Compliance Required by the Uniform Guidance**

To the Board of School Trustees of the
Abilene Independent School District

Report on Compliance for Each Major Federal Program

We have audited Abilene 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 August 31, 2017. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the District’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) 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 August 31, 2017.

Report on Internal Control Over Compliance

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

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

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

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.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the typed name and date.

Abilene, Texas
January 23, 2018

ABILENE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED AUGUST 31, 2017

A. Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

Child Nutrition Cluster:

- CFDA 10.553 – School Breakfast Program
- CFDA 10.555 – National School Lunch Program
- CFDA 10.559 – Summer Food Service Program for Children

Special Education Cluster:

- CFDA 84.027 – IDEA-B Formula
- CFDA 84.173 – IDEA-B Preschool

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

B. Findings Related to the Financial Statements which are Required to be Reported in Accordance with *Government Auditing Standards*

Finding 2017-A:	Financial Reporting – Year End Close Process
Type of Finding:	Material Weakness

ABILENE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2017

Criteria or Specific Requirement:	Management of the District is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles (GAAP). This includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements in a timely manner.
Statement of Condition:	The District's year end close process is not effective for the District to be able to provide for the preparation of the financial statements and related financial statement disclosures being audited in a timely basis. After our audit fieldwork, we were provided over 100 adjusting entries to the District's trial balance resulting in material differences from the original trial balance that was provided to us by the District.
Questioned Costs:	None
Cause:	The District's finance personnel resources were limited during the District's yearend close and audit fieldwork as the District implemented new software during the fiscal year that required much of the finance personnel's time for the software's ongoing implementation efforts and troubleshooting. Finance supervision over the yearend close process was limited and resulted in the numerous adjusting entries noted above.
Effect:	As a result of the statement of condition noted above, the District's trial balance and internal financial statements may include material misstatements until such time as the material adjustments are noted by District personnel.
Recommendations:	We recommend the District evaluate its year end close process to identify finance personnel that could assist in identifying material adjusting entries prior to the beginning of audit fieldwork. These processes should also include preparation of and review of reconciliations over significant balance sheet accounts.
View of Responsible Officials:	The District does not take exception to the audit finding. However, the District believes conditions which lead to the audit finding would have been mitigated with proper communication from the audit firm after the prior year audit. Conditions observed by the auditor in the prior period, while not rising to the level of a material weakness or a significant deficiency, were not communicated to the district in a letter to management or otherwise during exit conference proceedings. Existing conditions, coupled with implementation of a new financial software system during the 2016-17 fiscal year are the primary factors which led to the audit finding. The District does not anticipate another financial software conversion in the near future. In addition, personnel assignments within the Finance Department have been restructured to ensure that district accounting functions are performed in an accurate and timely manner. Therefore, although the district does not take exception to the auditor's finding, it does believe the finding will prove to be an anomaly.

C. Findings and Questioned Costs for Federal Awards Required to be Reported Under the Uniform Guidance

The audit disclosed no findings and questioned costs required to be reported.

ABILENE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STATUS OF PRIOR FINDINGS
YEAR ENDED AUGUST 31, 2017

A. Findings Required to be Reported in Accordance with *Government Auditing Standards*

None

B. Findings and Questioned Costs – Major Federal Award Programs Audit

None

ABILENE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED AUGUST 31, 2017

EXHIBIT K-1

Project Number	Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Expenditures, Indirect Costs, & Refunds
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Direct Program:			
N/A	Impact Aid - P.L. 874 Title I	84.041	\$ 369,438
Passed Through Texas Workforce Commission:			
0916AEL000	Adult Education and Literacy	84.002	43,361
0916AEL001	AEL- Adult Education and Literacy	84.002	634,753
0916AELB01	AEL - Career Pathway Navigator Initiative	84.002	34,536
	Total CFDA Number 84.002A		<u>712,650</u>
0916AEL001	AEL - Temporary Assistance for Needy Families	93.558	90,858
	Total CFDA Number 93.558		<u>90,858</u>
	Total Passed Through Texas Workforce Commission		803,508
Passed Through Texas Education Agency:			
16610101221901	ESEA Title I, Part A - Improving Basic Programs	84.010	69,916
17610101221901	ESEA Title I, Part A - Improving Basic Programs	84.010	3,415,926
18610101221901	ESEA Title I, Part A - Improving Basic Programs	84.010	199,794
17610103221901	ESEA Title I, Part D, Subpart 2	84.010	17,205
	Total CFDA Number 84.010A		<u>3,702,841</u>
Special Education Cluster:			
166600012219016600	IDEA-B Formula*	84.027	96,606
176600012219016600	IDEA-B Formula*	84.027	3,183,501
186600012219016600	IDEA-B Formula*	84.027	78,080
17660011221901	IDEA-B Discretionary Deaf*	84.027	28,727
	Total CFDA Number 84.027		<u>3,386,914</u>
176610012219016610	IDEA-B Preschool*	84.173	115,384
186610012219016610	IDEA-B Preschool*	84.173	3,089
	Total CFDA Number 84.173		<u>118,473</u>
	Total Special Education Cluster		<u>3,505,387</u>
17420006221901	Carl D. Perkins Basic Grant Formula for CATE	84.048	171,965
18420006221901	Carl D. Perkins Basic Grant Formula for CATE	84.048	21,265
	Total CFDA Number 84.048		<u>193,230</u>
17694501221901	Title II, Part A - Teacher, Principal, Training & Recruitment	84.367	796,371
18694501221901	Title II, Part A - Teacher, Principal, Training & Recruitment	84.367	48,685
	Total CFDA Number 84.367		<u>845,056</u>

ABILENE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2017

EXHIBIT K-1

Project Number	Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Expenditures, Indirect Costs, & Refunds
69551502	Passed Through Texas Education Agency: Summer School LEP	84.369	\$ <u>8,244</u>
	Total Passed Through Texas Education Agency		8,254,758
00-014	Passed Through ESC Region 14: ESEA, Title X, Part C Education for the Homeless Children and Youth	84.196	<u>41,200</u>
	Total Passed Through ESC Region 14		<u>41,200</u>
	TOTAL DEPARTMENT OF EDUCATION		<u>9,468,904</u>
	<u>U.S. DEPT. OF HEALTH & HUMAN SERVICES</u>		
	Direct Program:		
06CH7058/05	Head Start	93.600	1,619,444
06CH010462-01-01	Head Start	93.600	933,757
06CH7058/05	Early Headstart	93.600	1,430,809
06CH010462-01-01	Early Headstart	93.600	<u>788,034</u>
	Total CFDA Number 93.600		<u>4,772,044</u>
	TOTAL DEPT. OF HEALTH & HUMAN SERVICES		4,772,044
	<u>U.S. DEPARTMENT OF AGRICULTURE</u>		
	Direct Program:		
01034	Summer Food Service Program for Children*/**	10.559	227,028
71401601	Passed Through Texas Education Agency: School Breakfast Program*/**	10.553	1,720,189
71301601	National School Lunch Program*/** - cash assistance	10.555	<u>5,286,128</u>
	Total Passed Through Texas Education Agency		<u>7,006,317</u>
	Passed Through the Texas Department of Agriculture: National School Lunch Program*/**		
01034	-non cash assistance	10.555	691,687
01785	Child and Adult Care Food Program	10.558	<u>154,982</u>
			846,669
	TOTAL DEPARTMENT OF AGRICULTURE		<u>8,080,014</u>

** Total Child Nutrition Cluster \$ 7,925,032

ABILENE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED AUGUST 31, 2017

EXHIBIT K-1

Project Number	Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Expenditures, Indirect Costs, & Refunds
	<u>U.S. DEPARTMENT OF DEFENSE</u>		
	Direct		
N/A	ROTC	12.000	\$ 4,462
N/A	ROTC Reimbursement	12.000	92,370
	Total CFDA Number 12.000		<u>96,832</u>
	TOTAL DEPARTMENT OF DEFENSE		<u>96,832</u>
	TOTAL FEDERAL AWARDS		<u>\$ 22,417,794</u>

* Clustered Programs as required by 2 CFR Part 200, Appendix XI, Compliance Supplement, April 2017

ABILENE INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1: The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended August 31, 2017. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. 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 position, or cash flows of the District.

Note 2: The District utilizes the fund types specified in the Resource Guide.

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

Note 3: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All federal expenditures were accounted for in the General Fund and Special Revenue Funds, components of the Governmental Fund type.

The modified accrual basis of accounting is used for the Governmental Fund Types in the fund financial statements. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grants are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly when such funds are received they are recorded as unearned revenue until earned.

Note 4: The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with provisions in 2 CFR Part 200, Appendix XI, Compliance Supplement Part 3, Section H, Period of Performance.

Note 5: Medicaid revenues are considered earned income at the local government level and thus are not included in the Schedule of Expenditures of Federal Awards. The following is a reconciliation of Federal Revenues on Exhibit C-2 to the Schedule of Expenditures of Federal Awards:

Federal Awards per Schedule of Expenditures	
of Federal Awards	\$ 22,417,794
Medical reimbursements (SHARS)	2,984,334
Qualified School Construction bond interest subsidy	280,642
Total federal program revenues - Exhibit C-2	<u>\$ 25,682,770</u>

Note 6: The District is not eligible to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance because the District has previously received a negotiated indirect cost rate for its federal awards.

ABILENE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
 AS OF AUGUST 31, 2017

EXHIBIT L-1

<u>Data Control Codes</u>		<u>Responses</u>
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?	No
SF4	Did the district receive a clean audit? Was there an unmodified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF8	Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ 1,726,718
SF11	Net Pension Assets (1920) at fiscal year-end.	\$ -
SF12	Net Pension Liabilities (2540) at fiscal year-end.	\$ 35,742,397
SF13	Pension Expense (6147) at fiscal year-end.	\$ -