

**LEANDER INDEPENDENT  
SCHOOL DISTRICT**

**Comprehensive Annual Financial Report**

**For the Year Ended August 31, 2017**

**Issued By:**

**Leander Independent School District  
Division of Finance**

**Lucas Janda  
Chief Financial Officer**

**Leander, Texas**



**LEANDER INDEPENDENT SCHOOL DISTRICT**  
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# LEANDER INDEPENDENT SCHOOL DISTRICT

## Principal Officials and Advisors

### Board of Trustees

<u>Trustee</u>	<u>Office</u>	<u>Term Expires</u>
Pamela Waggoner	President	2020
Will Streit	Vice President	2018
Don Hisle	Secretary	2018
Trish Bode	Trustee	2018
Jim MacKay	Trustee	2020
Grace S. Barber-Jordan, M. Ed	Trustee	2020
Aaron Johnson	Trustee	2018

### Administrative Staff

<u>Official</u>	<u>Position</u>
Dan Troxell, Ph.D.	Superintendent of Schools
	<u>Chief Officers</u>
Matt Smith	Staff
Matt Bentz, Ed.D.	Academics
Karie Lynn McSpadden	Human Resources
Corey Ryan	Communications
Lucas Janda	Financial
Jenny Wells Tanguma, J.D.	General Counsel
Jimmy Disler	Facilities and Operations

**CERTIFICATE OF THE BOARD**

Leander Independent School District  
Name of School District

Williamson  
County

246-913  
Co. - Dist. No.

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and approved for the fiscal year ended August 31, 2017, at a meeting of the Board of Trustees of such school district on January 18, 2018.

*Pamela Waggoner*  
President of the Board

*Don Husee*  
Secretary of the Board



January 11, 2018

Board of Trustees

Pamela Waggoner  
*President*

Will Streit  
*Vice President*

Don Hisle  
*Secretary*

Trish Bode  
*Trustee-Place 1*

Grace S. Barber-Jordan, M.Ed.  
*Trustee-Place 4*

Jim MacKay  
*Trustee-Place 5*

Aaron Johnson  
*Trustee-Place 6*



Dan Troxell, Ph.D.  
*Superintendent*

Lucas Janda  
*Chief Financial Officer*

Mrs. Pamela Waggoner, President, and  
Members of the Board of Trustees, and Citizens of  
Leander Independent School District  
P.O. Box 218  
Leander, Texas 78646-0218

Dear Mrs. Waggoner and Board Members,

The Financial Services Division is pleased to submit the Comprehensive Annual Financial Report (“CAFR”) for Leander Independent School District (the “District” or “LISD”), Leander, Texas, for the fiscal year ended August 31, 2017.

This report is published to provide the Board of Trustees (the “Board”), citizens of the District, bondholders, staff, and other interested parties with detailed information concerning the financial condition and activities of the District. Responsibility for the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

The CAFR is comprised of an introductory, financial, and statistical section. The introductory section includes this transmittal letter, a listing of the District’s Board members, and an organizational chart of the District. The financial section includes Management’s Discussion and Analysis (“MD&A”), basic financial statements and combining and individual fund statements and schedules, and other supplementary information. Also included in the financial section is the independent auditors’ report on these financial statements. The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District’s MD&A can be found immediately following the report of the independent auditor. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis relevant to a financial statement reader.

The CAFR for the year ended August 31, 2017, is prepared in accordance with generally accepted accounting principles and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (“GASB”), and other professional associations, as applicable.

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## **PROFILE OF THE GOVERNMENT**

The District is an independent reporting entity under the criteria established in section 2100 of the GASB codification. Policymaking and supervisory functions are the responsibility of, and are vested in, a seven (7) member elected Board. Based on legislative authority codified in the Texas Education Code (TEC), the trustees:

1. Have the exclusive power to govern the District
2. Can acquire and hold real and personal property, sue and be sued, and hold all rights and titles to the school property
3. Have the power to levy and collect taxes, and to issue bonds
4. Can contract for appointed officers, teachers, and other personnel as well as for goods and services
5. Have the right of eminent domain to acquire real property necessary for the District.

As an independent reporting entity, the District, through its Board, exercises control over all the activities related to public school education within its boundaries. This report includes all funds that are controlled by, or dependent upon, the Board.

The District is not included in any other governmental “reporting entity” since the Board is elected by the public and has decision-making authority.

The purpose and responsibility of the District is to provide a sound and effective educational system, offering early childhood education, pre-kindergarten, and full day kindergarten through grade twelve, for approximately 39,000 children enrolled in the public schools within its boundaries, and whereby each child has access to programs and services that are appropriate to the learner’s needs. In addition to the regular education program, the District offers comprehensive programs in the areas of gifted and talented education, vocational education, special programs for individuals with disabilities, English as a Second Language, Bilingual Education, compensatory education programs, International Baccalaureate, and Primary Years Programs, as well as an alternative high school program for drop-out intervention. A broad range of elective and extracurricular programs is also offered. Finally, support departments of the District ensure that student needs for transportation, nutrition, guidance, counseling, and facilities maintenance are addressed.

## **ECONOMIC CONDITION**

The District is located northwest of Austin, in the southwestern portion of Williamson County, with a portion of its boundaries extending into Travis County to the South. The District covers an area of approximately 200 square miles and includes the City of Leander, the City of Cedar Park, the City of Jonestown, and portions of Georgetown, Round Rock, and northwest Austin. The District has forty-two instructional campuses – six high schools, eight middle schools, twenty-six elementary schools and two alternative learning centers. In August 2017, the District opened its twenty-sixth elementary campus, Monta Jane Akin Elementary, located in Leander. Elementary #27, is slated to open in August 2019. Since

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Leander's last bond election in 2007, the district grew by 11,828 students. The school district is expected to grow by 1,200 new students annually. This past November 2017, citizens voted in favor of a \$454 million bond package to construct four new schools, improve safety and security, and funding for the district's future projected growth.

District enrollment has increased approximately 57.37% over the last ten fiscal years (2006-07 through 2016-17) and is considered a coveted suburban area with desirable esthetics. Residents are attracted by the quality of the educational system, affordability of housing, proximity to Lake Travis (a large recreational area) and the Texas hill country, and several quality-of-life factors which give the District a competitive advantage for continued development and attracting new residents. Based on the November 2017 demography report prepared for the District by Population and Survey Analysts (PASA), certain socioeconomic factors of the student population provide empirical evidence of quality of life factors. One of these factors includes having a low economically disadvantaged population where only 18.92% of students are eligible for the free/reduced lunch program, compared to 58.95% of all students in Texas. LISD ranked 4<sup>th</sup> lowest among all Austin-Round Rock Metro area schools, behind Eanes, Lake Travis, and Dripping Springs, and 1<sup>st</sup> in Texas when compared to 31 other large school districts with more than 30,000 students. Another factor is the high passage rate on the State of Texas Assessments of Academic Readiness (STAAR<sup>®</sup>) state-mandated test of 83.3%, compared to the 71.31% Statewide. This passage rate ranked LISD 6<sup>th</sup> in the State among districts with more than 20,000 students and 5<sup>th</sup> highest passage rate for students in grades 3<sup>rd</sup>-8<sup>th</sup>, out of 33 districts, in the Austin-Round Rock metro area. The STAAR program includes annual assessments for grades 3–8 in reading and mathematics; assessments in writing at grades 4 and 7; in science at grades 5 and 8; and in social studies at grade 8; and end-of-course (“EOC”) assessments for English I, English II, Algebra I, biology and U.S history. Additionally, administration of STAAR<sup>®</sup> EOC assessments for English III and Algebra II began in Spring of 2016. Other socioeconomic indicators, updated annually by the American Community Survey, show the Leander ISD population is: slightly older, with a median age of 36.4 years old compared to the Austin metro median of 34.3 years old; more educated, whereby 51% of residents have a bachelor's degree or higher, compared to the Austin metro of 43%; and a more affluent population, with a median household income level of \$102,782, compared to \$71,000 in the Austin metro; and a lower unemployment rate of 3.1% - 3.7%. The report projects enrollment will most likely reach 44,000 by the 2022-23 school year.

Aggregate property value in the District has increased approximately 64% over the past 5 fiscal periods and 103% over the past 10 fiscal periods. The District's economy is based primarily on its quality residential neighborhoods. Taxable value as of August 31, 2017 was \$23,024,385,416. The top ten taxpayers represent \$810,660,084 of total property value, of which G&I VII River Place LP, is the largest at \$134,649,936; the next largest is The Bassham Trust at \$116,295,300.

The largest employment sectors in the District, based on estimates from September 2017 American Community Survey, are the Educational Services and Health Care sector at 20% of the population; Professional, Scientific, Management, and Administrative services sector at 18%; Retail Trade at 12% and manufacturing at 10%. The District benefits by having stable employers within a commutable distance of district boundaries and the District's high academic reputation drives residency. The region boasts diversity among business leaders across industries, from federal and state governmental entities to its large number of health services and higher educational institutions (including the University of Texas at Austin with enrollment exceeding 50,000 and over 25,000 employees), tourism, financial services, and a prominent

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high-tech presence. LISD has several master-planned communities within its boundaries, which are attractive to home buyers concerned about sustainability in the midst of economic recession.

The 2010 census population for Leander and Cedar Park totaled 26,521 and 48,937 respectively. The 2016 population estimates for these areas are 42,761 for Leander and 68,918 for Cedar Park. The population of the Austin metro region surpassed 2.0 million residents in 2015, due in large part to its draw as a destination for migrating talent. Williamson County was the 16<sup>th</sup> fastest growing region in the U.S., adding just over 19,000 residents resulting in 4.0% growth from 2015, and thus bringing the population to 528,718. Travis County continues to grow, with a population of 1,199,323.

The City of Leander continues to develop a long-range economic development plan to provide employment and commercial services to serve the continued growing population. The U.S. Census Bureau named Leander the fastest-growing city in the nation from 2014 to 2015 of all cities with a population over 15,000, citing a growth rate of 10.83%. Leander was named the eighth-safest city in Texas by the website SafeWise. This past March 2017, Forbes magazine reported that Leander ranked #3 in the country in a recent study on the best small cities for families. The ranking cited Leander's connection to Austin via Capital Metro's commuter rail, the affordability of housing, the percentage of families with children and the City's growth rate. NerdWallet examined the data for 944 cities across the U.S. with populations of 25,000 to 75,000 residents to find the top options that offer the best combination of affordability, growth and prosperity, and family-friendliness and Leander ranked #3 in Best Small cities for Families. Leander continues to show very strong growth, including overall job growth. CareerTrends, a career research site by Graphiq, looked at places in the U.S. with the highest job growth. Using Local Area Unemployment Statistics from the Bureau of Labor Statistics, CareerTrends identified the city in each state that saw the greatest percent increase in the number of people employed between January 2016 and January 2017 and Leander ranked #7 in Texas. SmartAsset analyzed 87 Texas cities, and ranked Leander as #1 for Best Places to Raise a Family in Texas. In October 2015, Leander City Council approved the city's updated comprehensive plan. The plan, called "Destination Leander," is a document that outlines a vision for future development and is required by the city charter to help city leaders anticipate Leander's growth and shape future zoning decisions. The plan includes city mission statements and development goals and comments from residents about their preferences as well as a land use-map that displays desired types of development across the city, such as businesses districts as well as activity centers at the intersections of major roads. The City of Leander participates in the Austin Chamber of Commerce's Regional Partners Program which provides the City with opportunities to present available sites and facilities to prospective businesses interested in locating in Leander. The City has also contracted with the Retail Coach to develop marketing and outreach materials specifically targeted to attracting new retailers to the City. Leander continues to experience rapid growth and record home sales. Single family housing development is booming throughout the city with many residential communities in the works. The approval of new subdivisions has resulted in over 1,500 single family housing starts in 2016, which continues setting records for the city. New construction and upgrades of transportation infrastructure, including U.S. Highway 183A, State Highway 45, State Highway 29, RM 1431 and the evolution of Ronald Reagan Boulevard, have played a key role in Leander's growing appeal. Capital Metro's MetroRail line, is an integral part of the city's transit-oriented development (TOD), linking downtown Austin with the Leander Station, at U.S. 183 and FM 2243, providing commuters a more palatable option to navigating the gridlock on MoPac Expressway or I-35. The TOD is planned to be a pedestrian oriented, urban downtown destination, with a mix and integration of residential, commercial and retail uses. In May 2010, Austin Community College purchased 100 acres in the Leander TOD, and the new \$60 million ACC San Gabriel campus is currently under construction scheduled to open by Summer

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of 2018 and will serve up to 2,500 students as well as spark further development. This past May, St. David's Healthcare and city officials held a groundbreaking ceremony on an 11,200-square-foot freestanding emergency department located within Leander's transit-oriented development district near Austin Community College's future San Gabriel campus and the Capital Metro Leander station. The emergency department, which is the first phase of development of the 52-acre site, is expected to have 10-12 rooms with testing capabilities, such as radiological testing and a medical lab. A future full-service hospital is expected to hold up to 80 beds. Other developments for the City include an agreement that plans to bring Leander its first hotel, a Holiday Inn Express and most recently in November 2017, the City of Leander was named as the future home of the Texas Bullion Depository. Construction is slated to begin in early 2018 and will be the nation's first state-administered gold bullion depository operated by Lone Star Tangible Assets (LSTA).

The City of Cedar Park continues its efforts to implement a comprehensive long-term planned growth strategy. According to the City website, in November 2015, voters approved \$96.7 million in bond projects for Public Safety (Police and Fire), Transportation (Streets and Roads), Parks and Recreation and Public Library. Cedar Park has twice been named the Fourth Fastest-Growing City in the Country in recent years, with a population that has grown more than 1,000 percent since 1980 and more than doubled in the last decade. The City continues to earn various accolades. The City of Cedar Park made it on SafeHome.org's 2017 list of the Safest Cities in the US and ranked No. 5 in Texas, based on the FBI's crime report, city crime trends, law enforcement officer to citizen ratio and demographic metrics. Furthermore, Cedar Park City made the list of the Top 101 safest cities in the United States and was in the 25th Percentile. Millennial Personal Finance ranked Cedar Park 7<sup>th</sup> in its Top 150 Cities for Millennials, based on employment rate, percent of residents ages 25-34, cost of living, future job growth, transportation costs, crime and safety. Apartment List ranked Cedar Park 6<sup>th</sup> in its Top Ten Cities for Families, based on safety, housing affordability, education, quality and child friendliness. Cedar Park has ranked number 16 of WalletHub's 2016 Best Small Cities in America. WalletHub compared 1,268 small cities with populations between 25,000 and 100,000, looking at data across five key areas: affordability, economic health, education and health, quality of life, and safety. Their 30 key indicators of livability include housing costs, school-system quality, number of restaurants and bars per capita, and crime rate. Cedar Park's economic health ranks eighth, taking into account unemployment rate, percentage of residents living below poverty level, and population and income growth.

Cedar Park is a highly attractive region for business development and relocation. Cedar Park boasts an energetic and diverse mix of businesses in the software, biotech, advanced manufacturing and oil exploration industries. The City has a number of performance-based financial incentive programs available for businesses that are creating new job opportunities, expanding the local tax base and raising the local per capita income level as well as an Economic Development Department that strives to create a pro-growth environment that promotes local businesses. The Parke is the latest major retail project in Cedar Park. Endeavor Real Estate has developed a 400,000+ square foot retail center just North of Costco on the west side of 183A. The project is anchored by Whole Foods new 365 Store. Other tenants include DSW Shoes, Nordstrom Rack, Dick's Sporting Goods, Old Navy and other nationally- recognized retailers. The city has had new commercial development, in the Cedar Park Town Center adding over 161,000 square feet of restaurant and retail space, and enjoyed the opening and expansion of the following developments/businesses: Dana Corporation, a Fortune 500 Company, which has an exclusive license from Fallbrook Technologies, headquartered in Cedar Park as well, to engineer and produce their continuously

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variable planetary (CVP) technology for use in light vehicle and certain off-highway transmissions; Firefly Space Systems which designs and manufactures missiles for the deployment of low orbit satellites; Voltabox, which designs and produces high performance lithium battery packs for commercial and industrial uses; VUV Analytics which designs and manufactures scientific measuring devices; LiveOPs, a cloud based software development company; Texas Museum of Science and Technology which includes a Planetarium; Pediatric Subspecialty; and various retail projects including the shops at East Park and the Shops at Lakeline. Cedar Park Regional Medical Center boasts advanced surgical and patient facilities, emergency facilities and physicians in more than 25 specialties

District voters passed a \$454.4 bond package in November 2017, to allow the district to support growth with: four new schools in four years; the purchase of land for nine schools; expansions to Leander Middle School and Vandegrift High School; expanding space for career programs in high schools; and replacing outdated technology. To assist in determining which projects were selected for the bond proposition, the Board of Trustees formed the Bond Advisory Committee (BAC), comprised of the steering committee, volunteers prioritized needs and worked with the Superintendent, and five subcommittees, community volunteers that met and built need lists and collected community feedback. The committees, 155 volunteers in total, met from February through June, studying demographic and budget reports; speaking with staff and parents; and touring facilities. The district invited the community to provide input through the website, a 500-person phone survey and public comments at Board meetings. The community-led process prioritized items that support growth, student safety and improvements. Previously, a \$559 million bond election passed on November 6, 2007, and provided for new educational facilities, renovations and additions to existing facilities, two new stadiums, renovations to the existing stadium, replacement of school buses, replacement/additional classroom technology, and the acquisition of nine additional school sites. As of August 31, 2017, there are no remaining authorizations from the November 2007 bond sale. School buildings in the district vary in age, with 14 campuses, 35%, being built between 2007 and 2017 and the remaining 65% built between 1984 and 2006. The District has an open-door policy and actively promotes parent and patron participation in the schools. Active volunteerism continues to be a hallmark of the LISD community.

In 2012, no state accountability ratings were issued while the Texas Education Agency (TEA) worked with advisory committees to develop a new rating system based on the STAAR<sup>®</sup> program and a new distinction designations system. Under the 2013 rating system, districts and campuses were placed in two categories, "met standard" or "needs improvement", based on a performance index framework including: student achievement; student progress; closing performance gaps between low-achieving demographics; and post-secondary readiness. The 2013 ratings were a transition from a previous system in which schools were assigned one of four labels — unacceptable, acceptable, recognized and exemplary — based on measures including the district's performance on standardized tests, dropout rates and financial health. The 2014, ratings included a new postsecondary readiness measure – college-ready graduates. The 2015 system assigned one of three academic ratings to each district and campus: *Met Standard, Met Alternative Standard, or Improvement Required*. The 2015 system replaced college-ready graduates with an expanded postsecondary readiness measure that adds students who earn credit for at least two advanced/dual enrollment courses or who enroll in a sequence of career and technical education (CTE) courses. During 2016-17, state accountability measures for schools are based on performance on the State of Texas Assessment of Academic Readiness (STAAR), End-of-Course Exams, and graduation rates across four indices – student achievement, student progress, closing performance gaps and postsecondary readiness. In August of 2017, TEA announced the results from the 2016-17 state accountability system and all 39

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eligible Leander ISD schools earned the state's "Met Standard" rating. House Bill (HB) 2804, passed by the 84th Texas Legislature in 2015, created changes to the state accountability system switching from a pass/fail system to an A-F system of grading schools and districts. In January 2017, the Texas Education Agency released a provisional set of accountability ratings for school districts and campuses across the state based on a new A-F rating system using 2015-16 data. The ratings in this report were for informational purposes to meet a legislative requirement and represent work-in-progress models that are likely to change before A-F ratings become effective. House Bill (HB) 22, passed by the Texas Legislature in 2017, edited HB 2804 with ratings on the new system effective August 2018. The accountability system redesign replaces the four indices used to rate public schools with five weighted domains that will be used to evaluate districts and campuses. The new five weighted domains are very similar in title to the old four indices, the indicators and methodologies used for calculation are not equal; therefore, a side by side comparison of the indices and the domains is not applicable.

The combined budgeted expenditures for the 2016-2017 school year (General Fund, Debt Service, and Food Service) were \$422,254,319. The 2016-2017 General Fund budgeted expenditure per pupil was \$8,258. The total tax rate during 2016-2017 was \$1.51187 (\$1.04 maintenance and operations (M&O), \$0.47187 for debt service (I&S)).

The Texas School Finance System, established in 1993 as a court-ordered effort to promote equitable access to educational resources for students of rich and poor districts alike, provides state aid as a function of property wealth per student as well as average daily attendance. In a special session of the 79<sup>th</sup> Legislature in May 2006, the legislature passed House bill 1 (HB1), which significantly changed the school finance system. HB1 lowered the cap on school district M & O tax rates from \$1.50 to \$1.00 over a two-year period (plus up to 4 cents of local enrichment levy). The HB1 system is a "hold harmless" system designed to ensure that districts maintain funding equivalent to the "old law" revenue formula (target revenue per student). In essence, schools are frozen at 2005/2006 or 2006/2007 spending levels per pupil (a calculation determines which year the district is frozen - for LISD it is 2006/2007). The only "new" funding in HB1 was specifically targeted at the mandated educator salary increase (\$2,500 approved in the 79<sup>th</sup> Legislative session). The 80<sup>th</sup> Legislature, which convened on January 9, 2007, made no significant changes to the HB1, school funding formula, other than the addition of \$23.63 per weighted average daily attendance (WADA) to be allocated to educator pay increases. In spring 2009, the 81<sup>st</sup> Legislature passed HB 3646 which maintained target revenue formulas, but added a guaranteed additional \$120 per WADA and mandated half of the funding be spent on pay increases for specifically defined educator positions. The 82<sup>nd</sup> Legislative session passed Senate Bill 1 (SB1) during the special session in June 2011, reducing target revenue by approximately 10% through the 2012-13 school year, and repealing target revenue as of September 1, 2017. The 2013 legislative session resulted in no significant modifications to the underlying school finance structure. With the adoption of SB1, Texas lawmakers infused additional money into the Foundation School Program, increasing funding to the District by approximately \$4.5 million in 2013-2014. This bill did not restore the \$22 million state funding cuts suffered by the District in 2012-13. The restorations were implemented as an increase to target revenue by less than half of one percent and an increase in the basic allotment through fiscal year 2014-15. Several lawsuits emerged as a result of the funding reductions, which resulted in a ruling in 2014 that the Texas school finance system is unconstitutional. In the Spring of 2016, the Texas Supreme Court effectively ruled that the finance system, despite deep budget cuts and inequity, is not problematic enough to be deemed unconstitutional. The 84<sup>th</sup> legislative session passed House Bill 1 (HB1), which increases the basic allotment (5,140 per student in 2015-16, up from \$5,040 in 2014-15) and the Austin yield, as well as institutes changes to fractional

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funding. While HB1 results in approximately \$2.4 million of additional funding for 2015-16, it continues to be well below the funding level in place prior to the 12-13 biennium. The 86<sup>th</sup> legislature is set to convene in 2019.

## **Planning**

The Board has invested considerable energy in developing a long-term strategic plan. A number of initiatives have been enumerated and undertaken to continue the academic challenge afforded our students. Leander ISD has been applying the principles of continuous improvement for over two decades. This philosophy has equipped Leander ISD to meet the academic and financial challenges of a rapidly-growing district. Leander ISD was recently featured in the American Society for Quality's annual Pathways to Responsibility publication. In addition, Leander ISD is the educational example highlighted on the W. Edwards Deming website. The District participates in a consortium called the E3 Alliance (Education Equals Economics) with area businesses, colleges, universities, and several surrounding districts. The partnership was formed with a focus on aligning education to better equip students with the 21<sup>st</sup> century skills needed to compete in today's global economy. Additionally, a ten-year major maintenance plan is updated annually. The Board has levied \$0.02 the past couple years towards the major maintenance plan which includes a bus replacement plan, technology replacement plan, capital equipment replacement, and funds a portion of the District's self-funded property and casualty deductible fund.

LISD articulated a Mission and Purpose statement a number of years ago with active involvement of its community. Despite changes in the Board (through the election process) and significant growth in numbers of staff, this purpose statement and "Graduate Profile" has stood the test of time and become an integral part of all operations in the District. Staff is highly aware of the Mission and Purpose, which permeates decision making in all departments, campuses, and at the District level. The District uses a systems approach in developing its plans and related budget. Strategic objectives and academic excellence indicators are used to weigh the relative value of budget items. The budget is developed collaboratively and based on District-wide planning and strategy.

LISD strives to keep constancy in vision to focus our improvement efforts on a single, clearly defined target: student success.

The LISD Vision: engage, inspire, achieve for life-long success.

The LISD Goals:

1. Maximize the academic growth for each student.
2. Prepare each student for college and career success.
3. Inspire the whole child.
4. Engage each student in relevant learning.
5. Ensure a world class workforce focused on student achievement.
6. Manage district resources effectively.

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## **Accounting Systems and Budgetary Control**

Chapter 44, Subchapter A, of the Texas Education Code, sets forth budget and fiscal reporting procedures for independent school districts.

Section 44.002 PREPARATION OF BUDGET. (a) Not later than August 20 of each year, the Superintendent shall prepare, or cause to be prepared, a budget covering estimated receipts and proposed expenditures of the General Fund, Debt Service Fund, and Food Service Fund (special revenue) of the District for the next succeeding fiscal year.

Section 44.007 ACCOUNTING SYSTEM; REPORT. (a) A standard school fiscal accounting system must be adopted and installed by the Board of Trustees of each independent school district. The accounting system must conform to generally accepted accounting principles. (b) The accounting system must meet at least the minimum requirements prescribed by the State Board of Education and approved by the state auditor. (c) Records must be kept of all expenditures made and all income received during the fiscal year for which a budget is adopted. A report of the disbursements and receipts for the preceding fiscal year shall be filed with the agency on or before a date set by the State Board of Education.

In developing, evaluating, and improving the District's accounting system, consideration is given to the adequacy of internal controls. Internal controls are designed to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the District's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal, state, and local grants, the District is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to these grants. Internal control is subject to periodic reviews by management.

As a part of the District's Single Audit, tests are conducted to determine the adequacy of the internal controls as related to federal financial assistance programs as well as compliance with applicable laws and regulations. The results of the District's Single Audit for the fiscal year ended August 31, 2016, indicated no instances of material weaknesses in internal control or significant violations of applicable laws and regulations.

Information related to this Single Audit, including the schedule of expenditures of federal awards, findings and questioned costs, and the independent auditors' reports on compliance and internal control over financial reporting and compliance with requirements applicable to each major federal program and internal control over compliance are included in the federal awards section.

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During the 1999 state legislative session, a law was enacted that permits school districts in the State of Texas to opt for a fiscal year ending June 30<sup>th</sup>, rather than August 31<sup>st</sup>. The District has chosen to not exercise this option.

The District utilizes a line-item budget of proposed expenditures and the means of financing them. The emphasis of the budget process is to identify the activities requiring resources and to rank administratively the activities according to the needs of the entire District. Budgetary control is maintained at the function level by organizational units through the encumbrance of estimated purchase amounts and other expenditures prior to the execution of contracts, approval of personnel transactions, or release of purchase orders to vendors. Purchase commitments, personnel actions, or their obligations, which would result in an overrun of appropriated funds, are not released until additional appropriations are made available. Open encumbrances at year end August 31, 2016, were appropriated by the Board into the 2016-17 budget.

## **Major Initiatives**

**mLISD** - The Leander Mobile Learning Initiative, also known as mLISD, is an initiative to help students learn digitally by providing them with devices such as tablets, laptops and desktop computers. In spring 2014, trustees approved the sale of existing bonds to fund capital needs in the district, including approximately \$17.8 million for technology replacement. In January of 2015 the pilot program began with deployment of over 1600 devices to sixth graders at Henry and Canyon Ridge middle schools as well as ninth graders at Leander High School. For school year 2016-17, every middle school and high school student had the opportunity to check out a tablet through the District program.

**Advanced Programs** - LISD has worked diligently to develop and coordinate a full range of academic programs providing challenging instruction leading to advanced learning opportunities. The newest elementary campus, Camacho, is designed to be focused on STEM (science, technology, engineering and math) and encourages collaborative projects among students. The International Baccalaureate Program (IB) is a comprehensive two-year advanced academic studies program that begins in a student's junior year of high school. The program covers curriculum in six subject areas including English, Mathematics, Social Studies, Science, Foreign Language, and the Electives. Students who pursue the IB diploma program (IB DP) have taken courses equivalent to first year college courses and may receive advanced standing and/or college credit for their work. Leander High is currently the only campus with this designation. Vandegrift High School is in the Authorization phase — a process that typically takes two to three years — and upon completion will be the second LISD high school to offer the Diploma Program. This fall, 153 students will begin their ninth-grade year with the intention of becoming VHS's first IB Diploma class in 2020. Leander High School has been an IB World School since 1999. LISD also has two IB Primary Years Program campuses — Grandview and Mason elementary schools, authorized in 2012 and 2013 respectively. The Greater Austin Chamber recognized Leander ISD as having the highest college readiness rate among Austin-area school districts.

**Leadership Leander ISD** – This program provides community leaders, parents and business partners an opportunity to look at the goals, operations, and culture of Leander ISD. The Leadership class meets once a month from September through May and participants interactively explore first-hand how the District operates and offer insightful feedback that supports LISD's continuous improvement efforts. Leadership

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Leander is an ongoing tradition in the District's efforts to enhance transparency and remain engaged with our community.

**Financial Leadership LISD** – This program came about in Spring 2015, by the Board of Trustee's request, in an effort to remain transparent and engaged with our community by providing community members an inside look at the financial aspects of Leander ISD. The leadership committee meets on a monthly basis from October to May, with the Chief Financial Officer, on a variety of topics, such as: School Finance Overview, Demographer Report, Major Maintenance Plan, Annual Audit Report, Budget and related process, Debt Service Schedule, and Bond Projects. Financial Leadership LISD participants will interactively explore first-hand how school finance operates, and offer insightful feedback that supports LISD's continuous improvement efforts.

**Debt Management** – The Board continues to review the outstanding debt of the District and authorize refunding sales, when market conditions are optimal, to take advantage of debt service savings. In June 2015, and by directive of the Board, an initiative to grow out of capital appreciation bonds (CABs) and into current interest bonds (CIBS) was implemented which resulted in \$101 million of CABs being converted to CIBS.

On Sept. 23, 2016, Leander ISD received an upgraded underlying bond rating from Standard and Poor's (S&P) moving from a "AA-" with a stable outlook to "AA" with a stable outlook. S&P stated in their press release: "The rating ... reflects our view that the district will continue to maintain strong and consistent budgetary performance, which will support its very strong budget reserves and enhance the district's flexibility to address its growth-related needs or sustain operations if the tax base were to stagnate or decrease significantly. In October 2016, the District authorized a refunding and leveraged a low interest rate environment to the tune of \$336.6 million of interest savings. The refunding marks the third time this has been done in the last 18 months, with a cumulative savings to taxpayers of \$464 million.

### **Cash Management and Investments**

The District's cash and investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. As evidenced by the diversity of its investment portfolio, the District is continuing to take advantage of all investment opportunities available to it. Safety of principal will continue to be foremost in the District's investment decisions. J.P. Morgan Chase bank, N.A. was the official depository of the District, by contract, for the fiscal year ended August 31, 2017. The district maintains temporary investments in local government investment pools, including: TexPool, Local Government Investment Cooperative (LOGIC), TexStar, Texas Term, Texas Class, and Lone Star. Purchases of US Treasury and Agency securities, certificates of deposit, municipal bonds, and commercial paper, are competitively bid, and match maturities to cash flow projections. The investments purchased as well as investment pools used by the District, are authorized under the Texas Public Funds Investment Act, Section 2256.016.

### **Employees' Retirement Plan**

The District's employees participate in the Teacher Retirement System of Texas (TRS), a public employee retirement system (PERS). It is a cost-sharing multiple-employer defined benefit pension plan with one

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exception: all risks and costs are not shared by the District, but are the liability of the State of Texas. The system covers approximately 1,050 school systems and more than 500,000 members.

Under provisions in State law, plan members are required to contribute 7.7% of their annual covered salary and the State of Texas contributes an amount equal to 6.8% of the District's covered payroll. Additionally, TRS eligible employees have .65% of annual salary deducted toward TRS insurance for the benefit of the retiree's health insurance program, TRS-Care. The District's employees' contributions to the System for the years ended August 31, 2017, 2016, and 2015 were approximately \$16,961,000, \$14,871,000, and \$13,091,000, respectively, which were equal to the required contributions for the years. Required contributions made from federal grants, District contribution for TRS insurance, new member contribution for the first 90 days of employment, retiree surcharge and insurance, and from the District for salaries above the Texas statutory minimum teacher salary scale for the year ended August 31, 2017, were approximately \$4,499,000.

### **Independent Audit**

Texas Education Code Section 44.008 requires an annual audit of the books of account, financial records, and transactions of the District by an independent certified public accountant selected by the Board of Trustees. The District complied with that requirement, and the independent auditors' report has been included in this report.

## **AWARDS AND ACKNOWLEDGEMENTS**

### **GFOA Certificate of Achievement for Excellence**

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded its Certificate of Achievement for Excellence in Financial Reporting to the District for its CAFR for the fiscal year ended August 31, 2016. This was the nineteenth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **ASBO Certificate of Excellence in Financial Reporting**

The Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to the District for its CAFR for the fiscal year ended August 31, 2016. This award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by ASBO. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. This was the nineteenth consecutive year that the District has achieved this prestigious award.

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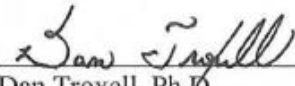
A Certificate of Excellence is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Excellence in Financial Reporting program requirements and we are submitting it to the ASBO to determine its eligibility for another certificate.

### **ASBO Meritorious Budget Awards**

The Meritorious Budget Awards (MBA) program promotes and recognizes school districts that demonstrate excellence in school budget presentation, setting a high standard for transparent budget development. The Association of School Business Officials (ASBO) International has awarded Leander Independent School District its Meritorious Budget Award for excellence in budget presentation for the 2015–2016, 2016-2017, and 2017-2018 budget years.

### **Acknowledgments**

The preparation of the CAFR on a timely basis was made possible by the dedicated service and help of our staff and we are most grateful to them. The LISD Financial Services Department, and our Sr. Director of Financial Services, Dana Paulson, devoted tremendous effort to the completion of this report. We also wish to express our sincere appreciation to the audit firm of Whitley Penn for its meticulously high standards of review and expertise. As the District's audit firm, it has our respect and admiration. Its commitment to excellence has enabled the District staff to complete the CAFR in a timely manner. Community, Board, parent, and staff commitment to student achievement and academic excellence is the hallmark of the District. It is an honor to report the results of those efforts.

  
\_\_\_\_\_  
Dan Troxell, Ph.D.  
Superintendent of Schools

  
\_\_\_\_\_  
Lucas Janda  
Chief Financial Officer

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Leander Independent School District**  
**Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**August 31, 2016**

*Christopher P. Morill*

Executive Director/CEO




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


**Leander Independent School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended August 31, 2016.**

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



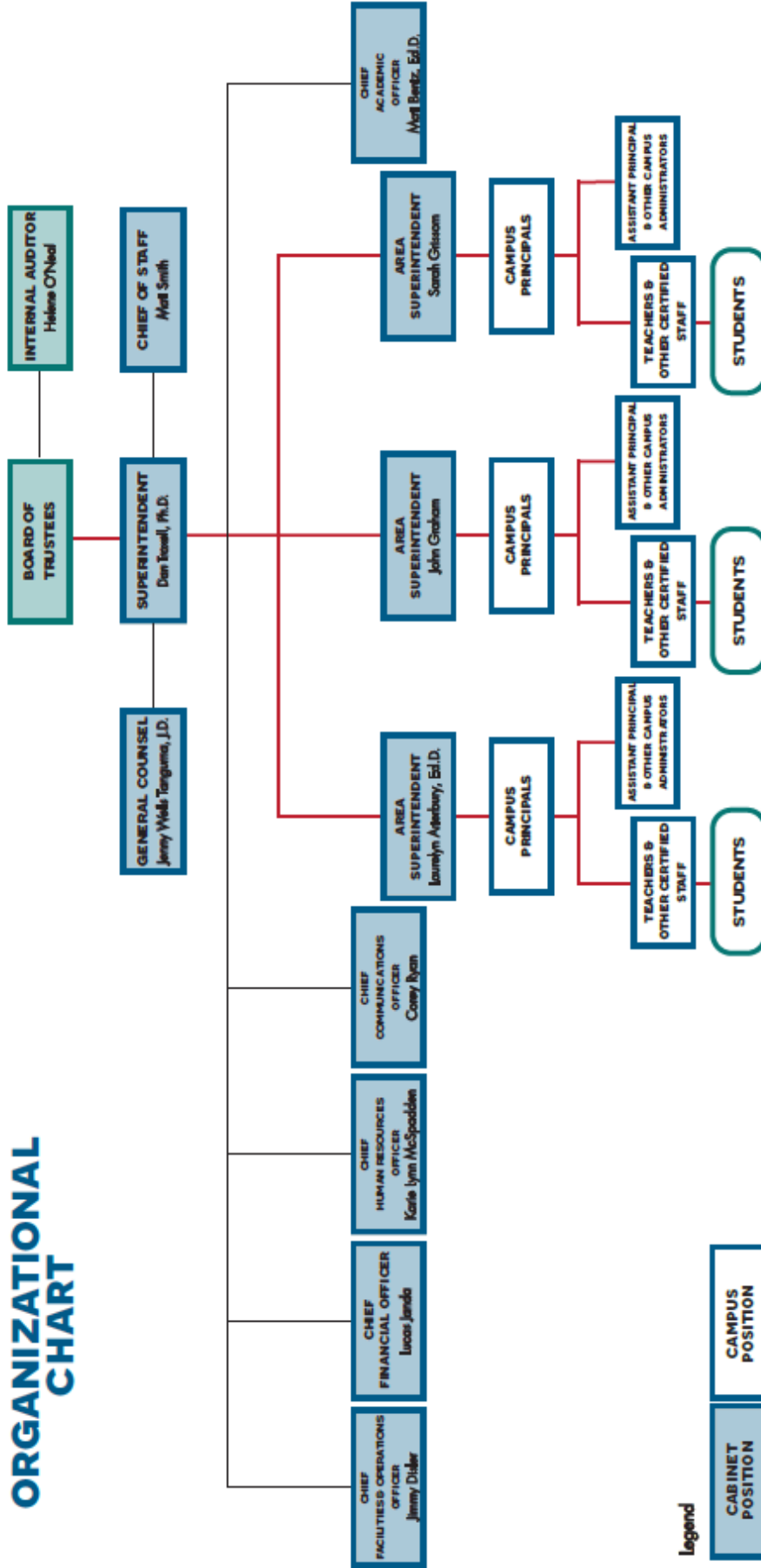
  
**Anthony N. Dragona, Ed.D., RSBA**  
President

  
**John D. Musso, CAE**  
Executive Director

# LEANDER ISD

LEADING TO A BRIGHT FUTURE

## ORGANIZATIONAL CHART



Legend



**FINANCIAL SECTION**





## REPORT OF INDEPENDENT AUDITORS

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Leander Independent School 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.

To the Board of Trustees  
Leander Independent School District

### ***Opinions***

In our opinion, the financial statements referred to in the first paragraph 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 on pages 7–14, budgetary comparison information on pages 62–63 and pension information on pages 64–66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information (as described in the accompanying table of contents) and the Other Information, such as the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 *U.S. Code of Federal Regulation* (CFR) Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* is also presented for the purposes of additional analysis and is not a required part of the basic financial statements.

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

To the Board of Trustees  
Leander Independent School District

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Austin, Texas  
January 11, 2018

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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## **LEANDER INDEPENDENT SCHOOL DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Leander Independent School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended August 31, 2017.

#### **Financial Highlights**

The liabilities and deferred inflows of the District exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$168,427,706 (net deficit), which is caused by the unrestricted net deficit amount of \$417,854,571. The unrestricted net deficit is primarily caused by the accretion payable and net pension liability which both are discussed later this document.

- The District's total net deficit was decreased by \$27,982,075.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$228,126,982, a decrease of \$29,190,790 in comparison with the prior year. The decrease in governmental fund balances was primarily due to a decrease in the fund balance of the capital projects and debt service funds in the amount of \$34,752,553 and \$6,725,053, respectively.
- As of the close of the current fiscal year, unassigned fund balance for the general fund is 41 percent of total general fund expenditures.
- The District's total bonded debt (general obligations, premiums and accretion payable) increased by \$18,980,788 (1 percent) during the current fiscal year. The District's 2016A and 2017 refundings as well as the cash defeasance decreased the general obligation bond principal and related principal by \$20.5 million. However, accretion payable increased by \$39.4 million, net of all retirements. The 2016A bonds series included premium capital appreciation bonds which caused the increase in the accretion payable figure.
- The District's net pension liability totaled \$65,322,070, an increase of \$2,254,141 in comparison to the prior year. This amount represents the District's portion of the Teacher's Retirement System ("TRS") net pension liability.

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

#### **Government-wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

The *government-wide financial statements* of the District are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the District include Instruction, Instructional Resources and Media Services, Curriculum and Instructional Staff Development, Instructional Leadership, School Leadership, Guidance, Counseling, and Evaluation Services, Social Work Services, Health Services, Student Transportation, Food Services, Cocurricular/ Extracurricular Activities, General Administration, Facilities Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Community Services, Interest on Long-term Debt, Bond Issuance Costs and Fees, Facilities Repairs and Maintenance, and Other Intergovernmental Charges.

**Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains individual governmental funds for general, debt service, and capital projects funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund and capital projects fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the financial statements. The District adopts an annual appropriated budget for its general fund, debt service fund, and child nutrition special revenue fund.

**Proprietary Fund**

The District maintains four individual internal service funds for worker's compensation, property and casualty, health insurance and repairs. *Internal service funds*, one type of proprietary fund, are an accounting device used to accumulate and allocate costs internally among the District's various funds and functions. Because this service predominantly benefits governmental functions, it has been included within *governmental activities* in the government-wide financial statements.



**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

The District does not maintain any enterprise funds, which is a second type of proprietary fund. Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail.

**Fiduciary Fund**

The fiduciary funds are used to account for resources held for the benefit of students and employees. The District's *agency fund* is used to account for resources held in a custodial capacity by the District and consists of funds that are the property of students or others. The fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the District's own programs. The funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The required supplementary information relates to comparison of the original adopted budget, the final amended budget, and the actual amounts for the fiscal year. This is required supplementary information for the general fund and any major special revenue funds. The general fund and child nutrition funds are presented as required supplementary information.

**Other Information**

The combining and individual fund statements and schedules and other supplementary information are presented immediately following the required supplementary information.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows by \$168,427,706 at the close of the most recent fiscal year.

One of the largest portions of the District's net position, \$220,523,525, reflects its investment in capital assets (e.g., land, buildings and improvements, furniture and equipment, construction in progress), less any outstanding related debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

As of August 31, 2017 the District's net position included the following:

	<b>Governmental Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Current and other assets	\$ 259,838,523	\$ 301,023,051	\$ 259,838,523	\$ 301,023,051
<b>Noncurrent Assets:</b>				
Capital assets net of depreciation	1,074,646,365	1,063,753,550	1,074,646,365	1,063,753,550
<b>Total Assets</b>	<b>1,334,484,888</b>	<b>1,364,776,601</b>	<b>1,334,484,888</b>	<b>1,364,776,601</b>
Deferred outflows of resources	199,507,762	121,635,152	199,507,762	121,635,152
<b>Total Deferred Outflows of Resources</b>	<b>199,507,762</b>	<b>121,635,152</b>	<b>199,507,762</b>	<b>121,635,152</b>
Current liabilities	24,537,941	85,035,979	24,537,941	85,035,979
Long term liabilities	1,667,060,421	1,593,106,092	1,667,060,421	1,593,106,092
<b>Total Liabilities</b>	<b>1,691,598,362</b>	<b>1,678,142,071</b>	<b>1,691,598,362</b>	<b>1,678,142,071</b>
Deferred inflows of resources	10,821,994	4,679,463	10,821,994	4,679,463
<b>Total Deferred Inflows of Resources</b>	<b>10,821,994</b>	<b>4,679,463</b>	<b>10,821,994</b>	<b>4,679,463</b>
<b>Net Position:</b>				
Net investment in capital assets	220,523,525	149,199,539	220,523,525	149,199,539
Restricted	28,903,340	35,301,315	28,903,340	35,301,315
Unrestricted	(417,854,571)	(380,910,635)	(417,854,571)	(380,910,635)
<b>Total Net Position</b>	<b>\$ (168,427,706)</b>	<b>\$ (196,409,781)</b>	<b>\$ (168,427,706)</b>	<b>\$ (196,409,781)</b>

Net position is restricted for various purposes as follows:

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
Food service	\$ 944,182	\$ 16,798
Debt service	27,905,627	35,254,025
Endowments	24,391	30,264
Federal/State Grants	29,140	228
	<b>\$ 28,903,340</b>	<b>\$ 35,301,315</b>

The balance of unrestricted net position is a negative \$417,854,571. This balance includes the net pension liability and accretion payable. The District had a positive change to fund balance in that it decreased the overall net deficit by \$27,982,075.

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Comparative Schedule of Changes in Net Position**  
**For the Years Ended August 31, 2017 and 2016**

	Governmental Activities		Total	
	2017	2016	2017	2016
<b>Program Revenues</b>				
Charges for services	\$ 14,415,072	\$ 13,930,802	\$ 14,415,072	\$ 13,930,802
Operating grants and contributions	41,372,352	43,634,419	41,372,352	43,634,419
<b>General Revenues</b>				
Property taxes	307,374,114	276,650,489	307,374,114	276,650,489
State Aid - Formula Grants	74,506,113	85,132,979	74,506,113	85,132,979
Grants and contributions not restricted	105,469		105,469	
Interest earnings	4,099,437	1,494,598	4,099,437	1,494,598
Miscellaneous	79,934		79,934	
<b>Total Revenues</b>	<b>441,952,491</b>	<b>420,843,287</b>	<b>441,952,491</b>	<b>420,843,287</b>
<b>Expenses</b>				
Instruction	211,551,126	204,353,772	211,551,126	204,353,772
Instructional resources and media services	4,381,600	4,221,161	4,381,600	4,221,161
Curriculum and staff development	9,767,818	8,858,332	9,767,818	8,858,332
Instructional leadership	3,836,840	3,006,532	3,836,840	3,006,532
School leadership	18,174,227	17,367,818	18,174,227	17,367,818
Guidance, counseling, and evaluation services	14,382,622	12,822,883	14,382,622	12,822,883
Social work services	1,161,133	994,864	1,161,133	994,864
Health services	2,739,414	2,567,972	2,739,414	2,567,972
Student transportation	10,654,901	10,152,114	10,654,901	10,152,114
Food service	14,607,540	14,604,752	14,607,540	14,604,752
Extracurricular activities	14,143,002	12,439,430	14,143,002	12,439,430
General administration	6,490,724	10,253,268	6,490,724	10,253,268
Facilities maintenance and operations	32,590,130	30,892,050	32,590,130	30,892,050
Security and monitoring services	1,702,995	1,421,971	1,702,995	1,421,971
Data processing services	8,384,174	7,791,682	8,384,174	7,791,682
Community services	2,449,250	2,490,819	2,449,250	2,490,819
Interest on long-term debt	47,452,180	58,464,443	47,452,180	58,464,443
Debt issuance costs and fees	2,678,511	1,172,225	2,678,511	1,172,225
Facilities repairs and maintenance	4,582,037	5,671,008	4,582,037	5,671,008
Payments related to shared services arrangements	236,300	272,700	236,300	272,700
Payments to Juvenile Justice Alternative				
Education Programs	210,524	167,940	210,524	167,940
Other intergovernmental charges	1,793,368	1,729,323	1,793,368	1,729,323
<b>Total Expenses</b>	<b>413,970,416</b>	<b>411,717,059</b>	<b>413,970,416</b>	<b>411,717,059</b>
Increase (Decrease) in Net Position	27,982,075	9,126,228	27,982,075	9,126,228
<b>Beginning Net Position</b>	<b>(196,409,781)</b>	<b>(205,536,009)</b>	<b>(196,409,781)</b>	<b>(205,536,009)</b>
<b>Ending Net Position</b>	<b>\$ (168,427,706)</b>	<b>\$ (196,409,781)</b>	<b>\$ (168,427,706)</b>	<b>\$ (196,409,781)</b>

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Governmental Activities**

Governmental activities increased the District's net position (or decreased its net deficit) by \$27,982,075. Revenues are generated primarily from three sources. Property taxes, state-aid formula grants, and operating grants and contributions represent 96 percent of total revenues. The remaining 1 percent is generated from charges for services, investment earnings, and miscellaneous revenues.

	<b>Total Revenues</b>	<b>% of Total Revenues</b>
Property taxes	\$ 307,374,114	70%
State Aid - Formula Grants	74,506,113	17%
Operating grants and contributions	41,477,821	9%
Charges for services	14,415,072	3%
Other revenue	4,179,371	1%
<b>Total Revenues</b>	<b>\$ 441,952,491</b>	<b>100%</b>

The primary functional expenses of the District are instruction, facilities maintenance and operations and food service, which represent 70 percent of total expenses. The remaining individual functional categories of expenses are each less than 4 percent of total expenses.

	<b>Total Expenses</b>	<b>% of Total Expenses</b>
Instruction	\$ 211,551,126	51%
Facilities maintenance and operations	32,590,130	8%
Interest expense	47,452,180	11%
Other expenses	122,376,980	30%
<b>Total Expenses</b>	<b>\$ 413,970,416</b>	<b>100%</b>

**Financial Analysis of the Government's Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$228,126,982, a decrease of \$29,190,790 in comparison with the prior year. The decrease in ending governmental fund balances is primarily due to proceeds the use of the bond proceeds in the capital projects funds. On November 2, 2016, the District issued \$190,508,363 of Unlimited Tax Refunding Bonds, Series 2016A, to advance refund \$296,885,618 of previously issued District bonds in order to lower its overall debt service requirements. The District made a \$10,000,000 contribution in connection with the refunding which attributed to the overall decrease in fund balance of \$6,725,053.

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

The *general fund* is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$119,935,661, while total fund balance reached \$149,473,791. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 41 percent of total general fund expenditures, while total fund balance represents 51 percent of that same amount. The fund balance of the District's general fund increased by \$12,266,158 during the current fiscal year. The increase is attributable to lower expenditures than budgeted in instruction and facilities maintenance.

The *debt service fund* has a total fund balance of \$28,544,170, all of which is restricted for the retirement of funded indebtedness. The net decrease in fund balance during the current year of \$6,725,053 was in line with budgeted expectations for the repayment of debt.

The *capital projects fund* has a total fund balance of \$47,899,113, all of which is restricted for construction. The net decrease in fund balance during the current year of \$34,752,553 is a result of facilities and acquisition expenditures with bond funds.

**General Fund Budgetary Highlights**

Consistent with its budget development procedures, the Board appropriates funds for expected enrollment estimates. Over the course of the year, the District revised its budget several times. All other variances between the General Fund original budget and final amended budget are due to amending the budget to more closely estimate actual revenues and expenditures.

	<b>Budget</b>	
	<b>Original</b>	<b>Final Amended</b>
Total revenues	\$ 294,966,340	\$ 310,231,595
Total expenditures	313,619,478	314,254,018
	<u>\$ (18,653,138)</u>	<u>\$ (4,022,423)</u>

**Capital Assets and Long-term Liabilities**

**Capital Assets**

The District's investment in capital assets for its governmental type activities as of August 31, 2017, includes land, buildings and improvements, furniture and equipment, and construction in progress. The investment in capital assets for the current year was \$1,074,646,365. The following table summarizes the investment in capital assets as of August 31, 2017 and 2016.

	<b>2017</b>	<b>2016</b>
Land	\$ 186,419,000	\$ 185,000,175
Buildings and improvements	1,090,819,183	1,058,718,821
Vehicles/Furniture and Equipment	47,639,431	44,869,239
Construction in progress	4,215,199	5,872,916
<b>Total</b>	<u>1,329,092,813</u>	<u>1,294,461,151</u>
Accumulated depreciation	<u>(254,446,448)</u>	<u>(230,707,600)</u>
<b>Net capital assets</b>	<u>\$ 1,074,646,365</u>	<u>\$ 1,063,753,551</u>

Additional information on the District's capital assets can be found in Note 4 to the financial statements.

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Long-term Liabilities**

At the end of the current fiscal year, the District had \$1,598,752,972 in bonded debt (including accretion payable) outstanding, an increase of \$18,980,788 over the previous year. The District's bonds are sold with an "AAA" rating and are guaranteed through the Texas Permanent School Fund Guarantee Program. The underlying rating of the bonds from Standard and Poor's is "AA".

Changes in general obligation bonds, for the year ended August 31, 2017, are as follows:

	<b>Balance September 1, 2016</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance August 31, 2017</b>
General obligation bonds	\$ 1,032,727,819	\$ 244,233,363	\$ (284,263,148)	\$ 992,698,034
For issuance premiums/discounts	51,030,342	25,125,810	(5,564,808)	70,591,344
Accretion payable	496,014,023	93,168,941	(53,719,370)	535,463,594
Self-insurance claims and judgments	2,665,000	22,787,616	(22,467,237)	2,985,379
	<u>\$ 1,582,437,184</u>	<u>\$ 385,315,730</u>	<u>\$ (366,014,563)</u>	<u>\$ 1,601,738,351</u>

Additional information on the District's long-term liabilities can be found in the Note 7 to the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

The single biggest factor that influenced the development of the 2017-18 budget was the significant decline in state aid, due to the increase in property values. The significant increase in property value will allow the District to remain on Formula Funding, which allows the district to retain additional tax collections. HB 22 does not provide financial benefit to the District for the upcoming biennium.

The District planned for an additional 1,178 students in enrollment (prorated for half-time pre-kindergarten enrollment) while developing its 2017-18 budget. The 85th Legislature did not increase the basic allotment but the Austin yield was increased, however there is no significant impact on Leander ISD. The District has continued to be fiscally conservative, allowing us to continue to contribute to the General Fund balance.

A General Fund budget of \$326,278,032 was adopted on August 17, 2017, of which approximately 85.7% was for personnel costs. The General Fund revenue was \$318,177,729, thus, \$8,100,303 under estimated General Fund budget.

**Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, and 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 Office of the Chief Financial Officer, Leander Independent School District, P.O. Box 218, Leander, TX 78646-0218.

## **BASIC FINANCIAL STATEMENTS**

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**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**August 31, 2017**

*Exhibit A-1*

<b>Data Control Codes</b>	<b>Governmental Activities</b>
<b>Assets</b>	
1110 Cash and cash equivalents	\$ 14,142,894
1120 Current investments	234,017,648
1225 Property taxes receivables, net	2,528,773
1240 Due from other governments	6,627,927
1250 Accrued interest	332,461
1290 Other receivables, net	494,898
1300 Inventories	533,432
1410 Prepaid items	104,359
<b>Capital assets not subject to depreciation:</b>	
1510 Land	186,419,000
1580 Construction in progress	4,215,199
<b>Capital assets net of depreciation:</b>	
1520 Buildings and improvements, net	867,529,423
1531 Vehicles, net	9,401,546
1539 Furniture and Equipment, net	7,081,197
1810 Restricted Cash	24,391
1990 Other assets	1,031,740
<b>1000 Total Assets</b>	<u>1,334,484,888</u>
<b>Deferred outflows of resources</b>	
1700 Deferred charge on refunding	161,267,425
1705 Deferred outflows - pension	38,240,337
<b>Total deferred outflows of resources</b>	<u>199,507,762</u>
<b>Liabilities</b>	
2110 Accounts payable	5,560,736
2140 Interest payable	1,427,799
2150 Payroll deductions and withholdings	4,141,963
2160 Accrued wages payable	7,408,526
2180 Due to other governments	254,020
2190 Due to student groups	1,246
2200 Accrued expenses	4,426,655
2300 Unearned revenue	1,316,996
<b>Noncurrent Liabilities:</b>	
2501 Due within one year	47,366,035
2502 Due in more than one year	1,554,372,316
2540 Net pension liability	65,322,070
<b>2000 Total Liabilities</b>	<u>1,691,598,362</u>
<b>Deferred Inflows of Resources</b>	
2605 Deferred inflows - pension	10,821,994
<b>Deferred Inflows of Resources</b>	<u>10,821,994</u>
<b>Net Position</b>	
3200 Net investment in capital assets	220,523,525
<b>Restricted for:</b>	
3820 Federal and state programs	29,140
3840 Food service	944,182
3850 Debt service	27,905,627
3880 Scholarships - Expendable	3,889
3885 Scholarships - Nonexpendable	20,502
3900 Unrestricted	(417,854,571)
<b>3000 Total Net Position</b>	<u>\$ (168,427,706)</u>

See Notes to the Financial Statements

**LEANDER INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES**

*For the Year Ended August 31, 2017*

<b>Data Control Codes</b>	<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenue</b>	
			<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>
	<b>Governmental activities:</b>			
11	Instruction	\$ 211,551,126	\$ 3,364,638	\$ 20,664,789
12	Instructional resources and media services	4,381,600	2,254	284,972
13	Curriculum and staff development	9,767,818	2,924	1,470,168
21	Instructional leadership	3,836,840		227,720
23	School leadership	18,174,227	704	1,041,009
31	Guidance, counseling, and evaluation services	14,382,622		1,871,985
32	Social work services	1,161,133	152	56,363
33	Health services	2,739,414	33	4,980,368
34	Student transportation	10,654,901		391,866
35	Food service	14,607,540	8,027,654	5,405,785
36	Extracurricular activities	14,143,002	1,735,954	2,933,017
41	General administration	6,490,724	69,762	323,684
51	Facilities maintenance and operations	32,590,130	1,210,759	722,528
52	Security and monitoring services	1,702,995	44	11,878
53	Data processing services	8,384,174		308,251
61	Community services	2,449,250	194	441,669
72	Interest on long-term debt	47,452,180		
73	Debt issuance costs and fees	2,678,511		
81	Facilities planning and repairs	4,582,037		
93	Payments related to shared services arrangements	236,300		236,300
95	Payments to Juvenile Justice Alternative Education Programs	210,524		
99	Other intergovernmental charges	1,793,368		
<b>TG</b>	<b>Total governmental activities</b>	<u>413,970,416</u>	<u>14,415,072</u>	<u>41,372,352</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
- TR** Total general revenues
- CN** Change in net position
- NB** **Net position - beginning**
- NE** **Net position - ending**

See Notes to the Financial Statements

*Exhibit B-1*

**Net (Expense)  
Revenue and  
Changes in Net  
Position**

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**Primary Government**

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**Governmental  
Activities**

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\$	(187,521,699)
	(4,094,374)
	(8,294,726)
	(3,609,120)
	(17,132,514)
	(12,510,637)
	(1,104,618)
	2,240,987
	(10,263,035)
	(1,174,101)
	(9,474,031)
	(6,097,278)
	(30,656,843)
	(1,691,073)
	(8,075,923)
	(2,007,387)
	(47,452,180)
	(2,678,511)
	(4,582,037)
	(210,524)
	(1,793,368)
	<hr/>
	(358,182,992)
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	211,500,477
	95,873,637
	74,506,113
	105,469
	4,099,437
	79,934
	<hr/>
	386,165,067
	<hr/>
	27,982,075
	(196,409,781)
	<hr/>
\$	(168,427,706)
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**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**August 31, 2017**

<b>Data Control Codes</b>	<b>General Fund</b>	<b>Debt Service</b>	<b>Capital Projects</b>
<b>Assets</b>			
1110 Cash and temporary investments	\$ 8,914,222	\$ 8,658	\$ 504,469
1120 Investments	148,355,260	28,474,527	50,958,825
<b>Receivables:</b>			
1220 Property taxes - delinquent	2,196,592	996,640	
1230 Allowance for uncollectible taxes (credit)	(457,075)	(207,384)	
1240 Receivables from other governments	5,673,377	4,323	
1250 Accrued interest	264,070	24,892	43,499
1260 Due from other funds	12,292,158		
1290 Other receivables	292,751	33,310	
1300 Inventories, at cost	370,142		
1410 Prepaid items	103,203		
1810 Restricted cash			
1990 Other assets			
<b>1000 Total Assets</b>	<b>\$ 178,004,700</b>	<b>\$ 29,334,966</b>	<b>\$ 51,506,793</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>			
<b>Liabilities</b>			
2110 Accounts payable	\$ 2,375,799	\$ 350	\$ 1,884,939
2140 Interest payable			
2150 Payroll deduction and withholdings payable	4,141,963		
2160 Accrued wages payable	7,256,818		1,503
2170 Due to other funds	10,628,765	268	
2180 Payable to other governments	245,901	922	
2190 Due to student and employee groups	1,246		
2200 Accrued expenditures	2,025,808		1,721,238
2300 Unearned revenues	115,092		
<b>2000 Total Liabilities</b>	<b>26,791,392</b>	<b>1,540</b>	<b>3,607,680</b>
<b>Deferred Inflows of Resources</b>			
2600 Unavailable revenues - property taxes	1,739,517	789,256	
<b>Total Deferred Inflows of Resources</b>	<b>1,739,517</b>	<b>789,256</b>	
<b>Fund Balance</b>			
<b>Non-Spendable</b>			
3410 Inventories	370,142		
3430 Prepaid items	103,203		
<b>Restricted</b>			
3450 Federal/State funds grant restrictions			
3470 Capital acquisitions and contractual obligations			47,899,113
3480 Debt service		28,544,170	
3490 Other restricted			
<b>Committed</b>			
3545 Other purposes	11,763,510		
<b>Assigned</b>			
3590 Other purposes	17,301,275		
3600 Unassigned	119,935,661		
<b>3000 Total fund balances</b>	<b>149,473,791</b>	<b>28,544,170</b>	<b>47,899,113</b>
<b>4000 Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 178,004,700</b>	<b>\$ 29,334,966</b>	<b>\$ 51,506,793</b>

See Notes to the Financial Statements

*Exhibit C-1*

<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ 3,739,524	\$ 13,166,873
487,855	228,276,467
	3,193,232
	(664,459)
950,227	6,627,927
	332,461
41,920	12,334,078
50,062	376,123
163,290	533,432
1,156	104,359
24,391	24,391
<u>1,031,740</u>	<u>1,031,740</u>
<u>\$ 6,490,165</u>	<u>\$ 265,336,624</u>
\$ 1,299,649	\$ 5,560,737
	4,141,963
150,205	7,408,526
1,552,272	12,181,305
7,197	254,020
	1,246
69,030	3,816,076
<u>1,201,904</u>	<u>1,316,996</u>
<u>4,280,257</u>	<u>34,680,869</u>
	<u>2,528,773</u>
	<u>2,528,773</u>
	370,142
	103,203
973,322	973,322
	47,899,113
	28,544,170
24,391	24,391
1,212,195	12,975,705
	17,301,275
	<u>119,935,661</u>
<u>2,209,908</u>	<u>228,126,982</u>
<u>\$ 6,490,165</u>	<u>\$ 265,336,624</u>

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**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO**  
**STATEMENT OF NET POSITION**  
*August 31, 2017*

*Exhibit C-2*

<b>Data Control Codes</b>	<b>Total fund balance, governmental funds</b>	
		228,126,982
	Amounts reported for governmental activities in the statement of net position are different because:	
<b>1</b>	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets at historical cost, net of accumulated depreciation, where applicable	1,074,646,365
<b>2</b>	Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, these property taxes and related penalty and interest amounts (net of allowance for uncollectible accounts).	2,528,773
<b>3</b>	Deferred loss on refunding	161,267,425
<b>4</b>	Deferred outflows related to TRS pension	38,240,337
	Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
<b>5</b>	General obligation bonds	(992,698,034)
<b>6</b>	Premiums on issuance	(70,591,344)
<b>7</b>	Accrued interest payable	(1,427,799)
<b>8</b>	Accretion payable - capital appreciation bonds	(535,463,594)
<b>9</b>	Net pension liability	(65,322,070)
<b>10</b>	Deferred inflow for pension investment earnings and proportionate share	(10,821,994)
<b>11</b>	Addition of Internal Service fund net position	3,087,247
<b>19</b>	<b>Total net position-governmental activities</b>	<u>\$ (168,427,706)</u>

See Notes to the Financial Statements

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUNDS**  
*For the Year Ended August 31, 2017*

<b>Data Control Codes</b>	<b>General Fund</b>	<b>Debt Service</b>	<b>Capital Projects</b>
<b>Revenues</b>			
5700 Local, intermediate, and out-of-state	\$ 220,693,274	\$ 97,047,290	\$ 642,959
5800 State program revenues	86,231,206	1,746,578	
5900 Federal program revenues	5,504,507		
<b>5020 Total revenues</b>	<u>312,428,987</u>	<u>98,793,868</u>	<u>642,959</u>
<b>Expenditures</b>			
<b>Current:</b>			
0011 Instruction	176,329,722		
0012 Instruction resources and media services	3,334,462		
0013 Curriculum and instructional staff development	8,316,971		
0021 Instructional leadership	3,586,585		
0023 School leadership	16,677,049		
0031 Guidance, counseling and evaluation services	12,490,825		
0032 Social work services	1,128,874		
0033 Health services	2,526,704		
0034 Student transportation	9,457,627		33,172
0035 Food services	670,412		
0036 Extracurricular activities	9,595,697		
0041 General administration	6,095,809		
0051 Facilities maintenance and operations	31,695,045		
0052 Security and monitoring services	1,538,814		
0053 Data processing services	8,509,557		9,337
0061 Community services	2,000,478		
<b>Debt service:</b>			
0071 Principal on long-term debt		34,180,501	
0072 Interest on long-term debt		80,800,398	
0073 Debt issuance costs and fees		2,678,511	
<b>Capital outlay:</b>			
0081 Facilities acquisition and construction	1,000		35,353,003
<b>Intergovernmental:</b>			
0093 Payments related to shared services arrangements			
0095 Payments to Juvenile Justice Alt. Ed. Prgm.	210,524		
0099 Other intergovernmental charges	1,793,368		
<b>6030 Total Expenditures</b>	<u>295,959,523</u>	<u>117,659,410</u>	<u>35,395,512</u>
1100 Excess (deficiency) of revenues over expenditures	<u>16,469,464</u>	<u>(18,865,542)</u>	<u>(34,752,553)</u>
<b>Other Financing Sources (Uses)</b>			
7901 Refunding bonds issued		244,233,363	
7912 Sale of real or personal property	52,553		
7915 Transfers in			
7916 Premium or discount on issuance of bonds		104,726,876	
8911 Transfers out	(4,229,359)		
8949 Other uses	(26,500)	(336,819,750)	
<b>7080 Total other financing sources and uses</b>	<u>(4,203,306)</u>	<u>12,140,489</u>	
1200 Net change in fund balances	12,266,158	(6,725,053)	(34,752,553)
<b>0100 Fund Balance - September 1 (Beginning)</b>	<u>137,207,633</u>	<u>35,269,223</u>	<u>82,651,666</u>
<b>3000 Fund Balance - August 31 (Ending)</b>	<u>\$ 149,473,791</u>	<u>\$ 28,544,170</u>	<u>\$ 47,899,113</u>

See Notes to the Financial Statements



*Exhibit C-3*

<b>Total Nonmajor Funds</b>	<b>Total Governmental Funds</b>
\$ 12,818,761	\$ 331,202,284
3,638,491	91,616,275
12,248,561	17,753,068
<u>28,705,813</u>	<u>440,571,627</u>
9,967,806	186,297,528
153,389	3,487,851
1,093,710	9,410,681
47,881	3,634,466
63,208	16,740,257
1,148,518	13,639,343
	1,128,874
16,921	2,543,625
	9,490,799
13,078,341	13,748,753
2,518,332	12,114,029
27,050	6,122,859
6,858	31,701,903
5,353	1,544,167
	8,518,894
327,011	2,327,489
	34,180,501
	80,800,398
	2,678,511
	35,354,003
236,300	236,300
	210,524
	1,793,368
<u>28,690,678</u>	<u>477,705,123</u>
<u>15,135</u>	<u>(37,133,496)</u>
	244,233,363
	52,553
11,457	11,457
	104,726,876
	(4,229,359)
<u>(5,934)</u>	<u>(336,852,184)</u>
<u>5,523</u>	<u>7,942,706</u>
20,658	(29,190,790)
<u>2,189,250</u>	<u>257,317,772</u>
<u>\$ 2,209,908</u>	<u>\$ 228,126,982</u>

**LEANDER INDEPENDENT SCHOOL DISTRICT**

*Exhibit C-4*

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

*For the Year Ended August 31, 2017*

<u>Data Control Codes</u>		
	Net change in fund balances - total governmental funds (from C-3)	\$ (29,190,790)
	Amounts reported for <i>governmental activities</i> in the statement of activities (B-1) are different because:	
	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
1	Governmental funds capital outlays	35,735,417
2	Governmental activities depreciation expense	(24,835,802)
3	Net effect of other retirements and adjustments to capital assets	(6,800)
4	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(888,866)
5	Repayment of bond principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	34,180,502
	Proceeds from issuance of long-term debt is reported as an other financing source in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long-term liabilities and amounts paid to refunding agents are treated as a decrease in long-term liabilities.	
6	Proceeds from issuance of regular bonds	(244,233,363)
7	Premium on issuance of regular bonds	(25,125,810)
8	Accretion at issuance for premium capital appreciation bonds	(79,601,066)
9	Amounts placed in escrow for refundings	369,885,484
10	Accretion payable retirements	16,294,499
11	Accretion additions	(13,567,875)
12	Pension contributions made after the net pension liability date are reported as expenditures in the governmental funds and are reported as deferred outflows on the face of the statement of net position	6,014,926
	Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
13	Increase in interest payable not recognized in fund statements	(345,922)
14	Amortization of deferred charges on refunding and premiums	2,193,514
15	Pension expense for the pension plan measurement year	(11,253,929)
16	Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities (see D-2).	(7,272,044)
	<b>Change in net position of governmental activities (see B-1)</b>	<u>\$ 27,982,075</u>

See Notes to the Financial Statements

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
*August 31, 2017*

*Exhibit D-1*

<b>Data Control Codes</b>		<b>Governmental Activities - Internal Service Fund</b>
	<b>Assets</b>	
	<b>Current Assets:</b>	
1110	Cash and cash equivalents	\$ 6,717,202
	<b>Receivables:</b>	
1260	Due from other funds	2,000,000
1290	Other receivables	118,775
	<b>Total Current Assets</b>	<u>8,835,977</u>
1000	<b>Total Assets</b>	<u>8,835,977</u>
	<b>Liabilities</b>	
	<b>Current Liabilities:</b>	
2110	Accounts payable	612,372
2123	Claims and judgments	2,983,585
2170	Due to other funds	2,152,773
	<b>Total Current Liabilities</b>	<u>5,748,730</u>
2000	<b>Total Liabilities</b>	<u>5,748,730</u>
	<b>Net Position</b>	
3200	Investment in capital assets	
3900	Unrestricted net position	3,087,247
3000	<b>Total Net Position</b>	<u><u>\$ 3,087,247</u></u>

See Notes to the Financial Statements.

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
*For the Year Ended August 31, 2017*

*Exhibit D-2*

<u>Data Control Codes</u>	<u>Governmental Activities - Internal Service Fund</u>
<b>Operating Revenues</b>	
5749 Miscellaneous revenue from local sources	\$ 22,787,616
5020 <b>Total Operating Revenues</b>	<u>22,787,616</u>
<b>Operating Expenses</b>	
6100 Payroll costs	407,787
6200 Purchased and contracted services	127,468
6300 Supplies and materials	5,744
6400 Claims expense and other operating expenses	29,518,661
6030 <b>Total Operating Expenses</b>	<u>30,059,660</u>
1200 <b>Operating Income</b>	<u>(7,272,044)</u>
<b>Non-Operating Revenues (Expenses)</b>	
7955 Investment earnings	73,828
<b>Total Non-operating Revenues (Expenses)</b>	<u>73,828</u>
Income before Transfers	(7,198,216)
<b>Transfers</b>	
7915 Transfers in	4,217,902
<b>Total Transfers</b>	<u>4,217,902</u>
1200 Change in Net Position	(2,980,314)
0100 <b>Net Position - September 1 (Beginning)</b>	6,067,561
3300 <b>Net Position - August 31 (Ending)</b>	<u>\$ 3,087,247</u>

See Notes to the Financial Statements.

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended August 31, 2017

*Exhibit D-3*

	<b>Governmental Activities - Internal Service Fund</b>
	<u>                    </u>
<b>Cash Flows from Operating Activities:</b>	
Cash received from user charges	\$ 23,213,143
Cash payments for insurance claims	(28,920,390)
Cash payments to suppliers for goods and services	(467,933)
Cash payments to employees	(407,787)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>(6,582,967)</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>	
Advances from other funds	4,211,057
<b>Net Cash Provided by (Used for) Non-Capital Financing Activities</b>	<u>4,211,057</u>
<b>Cash Flows from Investing Activities:</b>	
Interest on investments	73,828
<b>Net Cash Provided by Investing Activities</b>	<u>73,828</u>
Net Increase in Cash and Cash Equivalents	(2,298,082)
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>9,015,284</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$ 6,717,202</u></u>
<b>Reconciliation to Balance Sheet</b>	
Cash and Cash Equivalents Per Cash Flow	\$ 6,717,202
Cash and Cash Equivalents per Balance Sheet	<u>\$ 6,717,202</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>	
Operating Income (Loss)	\$ (7,272,044)
Change in Assets and Liabilities:	
Decrease (increase) in Receivables	425,527
Increase (decrease) in Accounts Payable	(188,035)
Increase (decrease) in Claims Payable	451,585
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u><u>\$ (6,582,967)</u></u>

See Notes to the Financial Statements.

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
*August 31, 2017*

*Exhibit E-1*

<u>Data Control Codes</u>		<u>Agency Fund</u>
	<b>Assets</b>	
	Current Assets	
1110	Cash and cash equivalents	\$ 1,001,442
<b>1000</b>	<b>Total Assets</b>	<u>\$ 1,001,442</u>
	<b>Liabilities</b>	
	Current Liabilities	
2190	Due to others	\$ 1,001,442
<b>2000</b>	<b>Total Liabilities</b>	<u>\$ 1,001,442</u>

See Notes to the Financial Statements

**Note 1 - Summary of Significant Accounting Policies**

**A. Reporting Entity**

The Leander Independent School District (District) is governed by a seven-member Board of Trustees (Board), which has governance responsibilities over all activities related to public elementary and secondary education within the District. Because members of the Board are elected by the public; have authority to make decisions; appoint management and significantly influence operations; and have primary accountability for fiscal matters; the District is not included in any other governmental reporting entity. There are no component units included within the reporting entity.

The accounting policies of the District comply with the rules prescribed by the Texas Education Agency's (TEA) Financial Accountability System Resource Guide. These accounting policies conform to generally accepted accounting principles applicable to state and local governments.

**B. 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 non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

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 students or users 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 the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. 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.

The fiduciary fund financial statements reflect the District's agency fund, reporting only assets and liabilities, and are reported on the accrual basis of accounting.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Grant revenues 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 cash is received by the District.

The District 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 *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- The *capital projects fund* is used to account for proceeds from sales of bonds and other revenues to be used for authorized construction and technology projects/enhancements.

The District reports the following nonmajor governmental fund:

- The *special revenue funds* are used to account for resources restricted to, or designated for specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a special revenue fund. Generally, unused balances are returned to the grantor at the close of the specified project periods.
- The *permanent fund* is used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used to pay scholarships.

Additionally, the District reports the following fund types:

- The *agency fund* is used to account for assets held by the District as an agent for student organizations. The fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operation.
- The *internal service fund* accounts for worker's compensation, property and casualty insurance, health services and repairs provided to employees of the District on a cost reimbursement basis.

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



**Note 1 - Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

Amounts reported as *program revenues* include 1) charges to students or users for goods, services, or privileges provided and 2) operating grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and investment income.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges to the funds and/or employees for self-funded health services. Operating expenses for the internal service fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

**D. Implementation of New Standards**

The applicable provisions of the new standards are summarized below. The applicable provisions of these new standards are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

GASB Statement No 77, Tax Abatement Disclosures, requires disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. The District did not enter into such agreements and no disclosures are required in the current fiscal year.

GASB Statement No. 82, Pension Issues-An amendment of GASB Statements No. 67, No. 68 and No. 73, addresses the presentation of payroll-related measures in required supplementary information, selection of assumptions and the treatment of deviations from the guidance in an actuarial standard of practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee contribution requirements.

GASB Statement No. 86, establishes accounting and financial reporting for in-substance defeasance transactions in which cash and other monetary assets acquired with only existing resources—that is, resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the purpose of extinguishing debt. The District entered in a one cash defeasance for which this statement applies and is further discussed in Note 7 - Long-Term Debt.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**E. Deposits and Investments**

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

Investments for the District are reported at fair value. The funds of the District must be deposited and invested under the terms of a depository contract, the contents of which are set out in the Depository Contract Law. The depository bank may either place approved pledged securities for safekeeping and trust with the District's agent bank or file a corporate surety bond 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 FDIC insurance. The depository cash balances were covered by FDIC insurance and by collateral held by the District's agent in the District's name.

The District categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The District's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79 *Certain Investment Pools and Pool Participants*.

**F. 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). All other outstanding balances between funds are reported as "due to/from other funds."

Property tax receivables include unpaid property taxes at year-end and are shown net of an allowance for uncollectibles. Allowances for uncollectible taxes receivable are based on the District's historical experience in collecting property taxes. Revenues from property taxes are recognized when levied to the extent they are available. The District considers property taxes as available when collected. However, not all outstanding property taxes are expected to be collected within one year of the date of the financial statements. Property values are determined by the Williamson County Central Appraisal District as of January 1 of each year. The amount of net assessed values for fiscal year 2017 (tax year 2016) were \$20.12 billion. Prior to July 1 of each year, the District must adopt its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy.

The District's combined tax rate for fiscal year was \$1.51190 which included \$1.040000 for maintenance and operations and \$0.471900 for debt service. Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. The total levy for the 2017 fiscal year was \$305,591,127. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of July 1 of each year.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**G. Inventories and Prepaid Items**

Inventories consisting of supplies and materials are valued at weighted average cost and they include maintenance, transportation, office and instructional supplies, and food service commodities. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Food service commodity inventory is recorded at fair market value on the date received. Commodities are recognized as revenues in the period received when all the eligibility requirements are met. Commodity inventory items are recorded as expenditures when distributed to user locations. A portion of fund balance is classified as non-spendable to reflect minimum inventory quantities considered necessary for the District's continuing operations.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**H. Capital Assets**

Capital assets, which include land, construction in progress, buildings and improvements, furniture and equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost that equals or exceeds \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings and improvements, and furniture 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	50
Building improvements	20
Vehicles	5-15
Furniture and equipment	5

**I. Compensated Absences**

Compensated absences are absences for which employees will be paid, such as sick and vacation leave. Per the District's employee handbook, accrued leave are a benefit that is available to the employee while in the employment of the District is terminated with the district, the employee does not receive any compensation for accrued local leave days or for accrued state leave days. However, accrued state leave days may be transferred between districts. As such, there is no liability recorded at the fund or government-wide financial statements.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**J. Long-term Obligations**

The District's long-term obligations consist of bonded indebtedness, health insurance, compensated absences and net pension liability. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium 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. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund.

The current requirements for compensated absences are accounted for in the general fund. The requirements for health insurance are accounted for in the internal service fund.

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category:

- Deferred outflows of resources for refunding - Reported in the government-wide statement of net position, this deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred outflows of resources for pension – Reported in the government-wide statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of 1) differences between projected and actual earnings on pension plan investments; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) changes in the District's proportional share of pension liabilities. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five year period. The remaining pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**K. Deferred Outflows/Inflows of Resources (continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category:

- Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows of resources for pension - Reported in the government wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions; 2) differences between expected and actual actuarial experiences and 3) changes in the District's proportional share of pension liabilities. These pension related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

**L. Pensions**

The fiduciary net position of the Teacher Retirement System ("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.

**M. Fund Equity**

The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance – amounts that are not in spendable form or are required to be maintained intact. As such, the inventory and prepaid items have been properly classified in the Governmental Funds Balance Sheet (Exhibit C-1).

Restricted fund balance – amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors. The fund balances for the Debt Service Fund, Capital Projects Fund, Child Nutrition Fund, Permanent Fund and other grant funds are classified as restricted.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**M. Fund Equity (continued)**

Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. the Board of Trustees). To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. A fund balance commitment is further indicated in the budget document as a commitment of the fund. Note 9 provides more detail on the District’s commitments of fund balance.

Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official or body to which the Board of Trustees delegates the authority. Per Policy CE local, assigned fund balance amounts are established by the Superintendent or his designee. Note 9 provides more detail on the District’s assignments of fund balance.

Unassigned fund balance – amounts that are available for any purpose. Positive numbers are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

**N. Net Position**

Net Position on the Statement of Net Position includes the following:

- Net investment in capital assets - this component of net position consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt will be included in this component of net position.
- Restricted for federal and state programs - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, which are restricted by federal and state granting agencies.
- Restricted for Debt Service - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The assets arise from bond issuances which have constraints placed on them by the bond covenants for the purpose of future debt service payments.
- Restricted for Other Purposes - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, which are restricted for local grants.
- Unrestricted net position - this component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**O. Data Control Codes**

The Data Control Codes refer to the account code structure prescribed by the Texas Education Agency (TEA) in the Financial Accountability System Resource Guide. TEA requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide database for policy development and funding plans.

**P. Use of Estimates**

The presentation 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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Note 2 - Deposits and Investments**

**Cash Deposits:** The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities are approved by the Texas Education Agency and shall be 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. At August 31, 2017, the carrying value of the District's cash deposits (including certificates of deposit) was \$16,995,527 while the bank balance was \$17,146,158. The District's cash deposits at August 31, 2017, were entirely covered by FDIC insurance and pledged collateral held by the District's agent in the name of the District.

**Investments:** The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. The District further limits its investments to obligations of the U.S. Treasury or the State of Texas, certain U.S. Agencies, certificates of deposit, collateralized mortgage obligations, no-load money market mutual funds, certain municipal securities, qualified commercial paper, repurchase agreements, or investment pools.

**Note 2 - Deposits and Investments (continued)**

**Local Government Investment Pools**

For the year ended August 31, 2017, the District invested in the Texas Association of School Board's Lone Star Investment Pool (LSIP), TexPool and Texas TERM (Daily), Texas CLASS, TexSTAR and LOGIC.

LSIP is a Texas public investment pool sponsored by the Texas Association of School Boards (TASB) for investment of funds by state and local government entities, primarily local school districts. The Board has entered into an agreement with First Public, LLC (First Public), a Texas limited liability company and a member of the National Association of Securities Dealers, Securities Investor Protection Corporation, and Municipal Securities Rulemaking Board, pursuant to which First Public serves as administrator of LSIP's operations. American Beacon Advisors, Fort Worth, Texas, and Standish Mellon Asset Management Company, LLC, Pittsburgh, Pennsylvania, provide investment management services to LSIP regarding the investment and reinvestment of the pool's assets. The fund's credit quality is excellent as its portfolio is composed of U. S. government and U. S. agency securities. Investments in LSIP provide for investment in securities with maturities and returns generally greater than money market instruments. LSIP is marked-to-market daily to maintain an accurate net asset value. The District's amortized cost in LSIP is the same as the value of the pool shares.

TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (Trust Company) to provide a safe environment for the placement of local government funds in Authorized short-term, fully-collateralized investments, including direct obligations of, or obligations guaranteed by, the United States or State of Texas or their agencies; federally insured certificates of deposit issued by Texas banks or savings and loans; and fully collateralized direct repurchase agreements secured by United States Government agency securities and placed through a primary government securities dealer. The Trust Company was incorporated by the State Treasurer by authority of the Texas Legislature as a special purpose trust company with direct access to the services of the Federal Reserve Bank to manage, disburse, transfer, safekeep, and invest public funds and securities more efficiently and economically. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. TexPool operates in a manner consistent with the Security and Exchange Commission's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than fair value to report net position to compute share prices. The amortized cost of the position in TexPool is the same as the value of TexPool shares. Accordingly, the District's investments in TexPool are stated at cost, which approximates fair value.

Texas TERM, also known as Texas Daily, is a local government investment pool created by Texas local governments to provide investment programs tailored to the needs of local governments. PFM Asset Management LLC acts as the Investment adviser/administrator of the pool. The program administrator is Cutwater Investor Services Corp. The District's investments in Texas TERM are stated at cost, which approximates fair value.

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



**Note 2 - Deposits and Investments (continued)**

**Local Government Investment Pools (continued)**

Texas Short Term Asset Reserve Program (“TEXSTAR”) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code (the “PFIA”).

These two acts provide for the creation of public funds investment pools (including TEXSTAR) and authorize eligible governmental entities (“Participants”) to invest their public funds and funds under their control through the investment pools. J.P. Morgan Investment Management Inc. (“JPMIM” or the “investment manager”) and Hilltop Securities Inc. (“HTS”) serve as co-administrators for TexSTAR under an agreement with the TexSTAR board of directors (the “Board”). JPMIM provides investment management services, and FirstSouthwest, a Division of HTS, provides participant services and marketing. Custodial, fund accounting and depository services are provided by JPMorgan Chase Bank, N.A. and/or its subsidiary J.P. Morgan Investor Services Co. Transfer agency services are provided by Boston Financial Data Services, Inc. (“BFDS” or the “Transfer Agent”). Each of JPMIM, HTS, BFDS, and JPMorgan Chase Bank, N.A. may provide certain services, including those described herein, through the use of subcontractors or delegates.

Local Government Investment Cooperative (LOGIC) (the “Pool”) was organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, and operates as a public funds investment pool under the Public Funds Investment Act. LOGIC is organized and existing as a business trust under the laws of the State of Texas with all Participant funds and all investment assets held and managed in trust by a Board of Trustees for the benefit of the Participants. The Board of Trustees is LOGIC’s governing body and is comprised of employees, officers or elected officials of Participant Government Entities or individuals who do not have a business relationship with the Pool and are qualified to advise it. A maximum of two advisory board members represent the Co-Administrators of the Pool.

LSIP, TexPool and Texas TERM (Daily), Texas CLASS, TexSTAR and LOGIC are currently rated AAAM by Standard and Poor’s. This rating indicates excellent safety and a superior capacity to maintain principal value and limit exposure to loss.

**Note 2 - Deposits and Investments (continued)**

At August 31, 2017, the District's cash and investment balances and the weighted average maturity of these investments were as follows:

	<u>Carrying Value</u>	<u>Weighted Average Maturity (Days)</u>
<b>Governmental Activities</b>		
Cash and deposits	\$ 14,167,285	N/A
Certificates of deposit	<u>1,827,000</u>	100
<i>Investments</i>		
Local Government Investment Pools		
Logic	43,085,295	32
TexPool	121,647	32
TexStar	4,281	28
Texas CLASS	1,523	42
Texas TERM (Daily)	15,494,838	41
Lone Star	<u>24,502,102</u>	22
	<u>83,209,686</u>	
Investment Securities		
Commercial Paper	103,473,351	59
Municipal Bonds	<u>45,507,811</u>	128
	<u>148,981,162</u>	
<b>Total Investments</b>	<u>234,017,848</u>	63
<b>Total Governmental Activities</b>	<u>248,185,133</u>	
<b>Fiduciary Funds</b>		
Cash and Deposits	<u>1,001,442</u>	N/A
<b>Total Fiduciary Funds</b>	<u>1,001,442</u>	
<b>Total</b>	<u>\$ 249,186,575</u>	

**Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District monitors interest rate risk utilizing weighted average maturity analysis. In accordance with its investment policy, the District reduces its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio as a whole to no more than 360 days.

The District's investments all have maturities less than one year.

**Credit Risk:** State law and the District's investment policy limits investments in all categories to top ratings issued by nationally recognized statistical rating organizations. The District's investments in Lone Star Corporate Overnight Plus Fund, TexPool and Texas TERM were rated AAAM by Standard and Poor's. The District's investment in Agency Securities were rated AA+ by Standard and Poor's.

**Note 2 - Deposits and Investments (continued)**

**Concentration of Credit Risk:** The District’s investment policy does not require the investment portfolio to be diversified in terms of investment instruments, maturity scheduling, and financial institutions in order to reduce the risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer. The District’s investments in the LSIP, Commercial Paper, LOGIC, Texas Daily and Municipal Bonds were 10 percent, 44 percent, 18 percent, 7 percent and 19 percent, respectively, of the District’s total investments.

The investments securities are reported by the District at fair value, while the investment pools are reported at amortized cost. The amount of investment earnings during the year ended August 31, 2017 was \$4,099,437 .

The District reports its local government investment pools at amortized cost as permitted by GASB Statement No. 79 *Certain External Investment Pools and Pool Participants*. In addition, all of the local government investment pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. The three pools do not impose any liquidity fees or redemption gates.

The District’s U.S. Municipal Bonds are reported at fair value using Level 2 inputs. Certificate of Deposits are reported at fair value using Level 1 inputs.

**Note 3 - Receivables**

Receivables as of August 31, 2017, for the District's individual major and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>
Property Taxes	\$ 2,196,592	\$ 996,640	\$	\$	\$	\$ 3,193,232
Due from other governments	5,673,377	4,323		950,227		6,627,927
Interest	264,070	24,892	43,499			332,461
Other	292,751	33,310		50,062	118,775	494,898
Gross Receivables	8,426,790	1,059,165	43,499	1,000,289	118,775	10,648,518
Less allowance for doubtful accounts	(457,075)	(207,384)				(664,459)
<b>Net Total Receivables</b>	<u>\$ 7,969,715</u>	<u>\$ 851,781</u>	<u>\$ 43,499</u>	<u>\$ 1,000,289</u>	<u>\$ 118,775</u>	<u>\$ 9,984,059</u>

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the fiscal year 2017, the various components of unearned revenues reported in the governmental funds were as follows:

	<u>Unearned</u>
Instructional materials allotment	\$ 1,193,136
Unearned state and local revenue	123,860
	<u>\$ 1,316,996</u>

**Note 4 - Capital Assets**

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

	<b>Balance September 1, 2016</b>	<b>Additions</b>	<b>(Retirements) and Transfers</b>	<b>Balance August 31, 2017</b>
Capital assets, not being depreciated				
Land	\$ 185,000,175	\$ 1,418,826	\$	\$ 186,419,001
Construction in progress	5,872,916	2,430,103	(4,087,820)	4,215,199
<b>Total Capital assets, not being depreciated</b>	<b>190,873,091</b>	<b>3,848,929</b>	<b>(4,087,820)</b>	<b>190,634,200</b>
Capital assets, being depreciated				
Buildings and improvements	1,058,718,821	28,210,543	3,889,820	1,090,819,184
Vehicles	21,583,210	707,491	(681,583)	21,609,118
Furniture and equipment	23,286,029	2,968,454	(224,171)	26,030,312
<b>Total Capital assets, being depreciated</b>	<b>1,103,588,060</b>	<b>31,886,488</b>	<b>2,984,066</b>	<b>1,138,458,614</b>
Less accumulated depreciation for:				
Buildings and improvements	(202,014,520)	(21,473,241)	198,000	(223,289,761)
Vehicles	(11,653,500)	(1,228,855)	674,783	(12,207,572)
Furniture and equipment	(17,039,580)	(2,133,706)	224,171	(18,949,115)
<b>Total Accumulated depreciation</b>	<b>(230,707,600)</b>	<b>(24,835,802)</b>	<b>1,096,954</b>	<b>(254,446,448)</b>
<b>Governmental Capital Assets</b>	<b>\$ 1,063,753,551</b>	<b>\$ 10,899,615</b>	<b>\$ (6,800)</b>	<b>\$ 1,074,646,366</b>

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

<b>Function</b>	<b>Depreciation Expense</b>
Instruction	\$ 15,339,383
Instructional resources and media services	741,193
Instructional leadership	46,681
School leadership	556,506
Guidance, counseling and evaluation services	61,869
Health services	56,928
Student transportation	1,173,461
Food Services	1,111,858
Extracurricular activities	1,838,874
General administration	100,803
Plant maintenance and operations	2,799,815
Security and monitoring services	147,220
Data processing services	861,211
<b>Total</b>	<b>\$ 24,835,802</b>

The District has active construction projects as of August 31, 2017. As of the end of the current fiscal year, the District's commitments relates to the Security Vestibules totaling \$1,785,436.

**Note 5 - Other Assets**

During fiscal year 2012, the District made an initial deposit of \$1,031,740 to its food service management company to pay vendors on behalf of the District. The initial deposit should can be returned to the District or carried forward.

**Note 6 - Interfund Receivables, Payables, and Transfers**

Interfund balances consist of short-term lending/borrowing arrangements that result primarily from payroll, warehouse ordering and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. Additionally, some lending/borrowing may occur between two or more nonmajor governmental funds.

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

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Net</u>
<b>Governmental Activities:</b>			
General Fund	\$ 12,292,158	\$ 10,628,765	\$ 1,663,393
Debt Service		268	(268)
Nonmajor Governmental Funds	41,920	1,552,272	(1,510,352)
Internal service funds	2,000,000	2,152,773	(152,773)
<b>Total Governmental Activities</b>	<u>\$ 14,334,078</u>	<u>\$ 14,334,078</u>	<u>\$</u>

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without a requirement for repayment.” The following is a summary of the District’s transfers for the fiscal year ended August 31, 2017:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund	Internal Service Fund	\$ 4,217,902
General Fund	Nonmajor Governmental Fund	11,457
		<u>\$ 4,229,359</u>

Interfund transfers in the amount of \$4,229,359 were made from the general fund to an internal service fund in the amount of \$4,217,902 for opt out and deductible costs and \$11,457 to Child Nutrition Fund.

**Note 7 - Long-term Liabilities**

The District has entered into a continuing disclosure undertaking to provide annual reports and material event notices to the State Information Depository of Texas through the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of Leander Independent School District.

**Changes in Long-term Liabilities**

Long-term liability activity for the fiscal year ended August 31, 2017, was as follows:

	<u>Balance</u> <u>September 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>August 31, 2017</u>	<u>Due Within</u> <u>One Year</u>
General obligation bonds	\$ 1,032,727,819	\$ 244,233,363	\$ (284,263,148)	\$ 992,698,034	\$ 23,843,627
For issuance premiums/discounts	51,030,342	25,125,810	(5,564,808)	70,591,344	
Accretion on capital appreciation bonds	496,014,023	93,168,941	(53,719,370)	535,463,594	20,537,029
Self-insurance claims and judgments	2,665,000	22,787,616	(22,467,237)	2,985,379	2,985,379
	<u>\$ 1,582,437,184</u>	<u>\$ 385,315,730</u>	<u>\$ (366,014,563)</u>	<u>\$ 1,601,738,351</u>	<u>\$ 47,366,035</u>

**General Obligation Bonds**

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These are issued as current interest bonds and term bonds with various amounts of principal maturing each year.

General obligation bonds currently outstanding are as follows:

<u>Series</u>	<u>Original Issuance</u> <u>Amount</u>	<u>Interest Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	<u>Debt</u> <u>Outstanding</u>
2003	\$ 75,234,391	2.50 - 5.17	2022	\$ 2,989,388
2006	151,579,916	4.13 - 5.25	2018	2,185,000
2009	27,575,000	2.00 - 5.00	2034	590,000
2010 Refunding	20,741,435	0.50 - 4.60	2024	2,068,185
2010	66,950,000	2.00 - 5.00	2040	11,105,000
2010A	52,632,358	1.68 - 5.53	2030	14,305,681
2011	48,960,000	2.00 - 4.00	2021	21,175,000
2012A	25,943,262	3.35 - 4.34	2034	25,881,718
2013A	158,946,117	3.72 - 4.46	2034	134,804,084
2013B	45,379,854	3.41 - 3.59	2024	37,870,770
2014A	16,295,000	2.00 - 5.00	2019	1,140,000
2014D	129,389,999	0.30 - 4.89	2043	114,996,323
2014E	22,800,000	2.50 - 5.00	2035	2,140,000
2015A	252,802,885	0.76 - 5.00	2042	250,352,357
2015B	39,799,201	1.83 - 5.00	2034	39,799,201
2016	88,534,239	1.43 - 5.00	2040	87,089,239
2016A	190,508,363	1.00 - 4.06	2049	190,481,088
2017A	53,725,000	3.50-5.00	2045	53,725,000
				<u>\$ 992,698,034</u>

**Note 7 - Long-term Liabilities (continued)**

Debt service requirements to maturity are as follows:

<b>Year Ending August 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Totals</b>
2018	\$ 23,843,627	\$ 54,137,360	\$ 77,980,987
2019	38,895,434	58,210,392	97,105,826
2020	33,286,322	60,606,920	93,893,242
2021	28,183,549	67,516,090	95,699,639
2022	24,009,380	71,198,262	95,207,642
2023	30,211,671	64,793,241	95,004,912
2024	28,288,606	66,597,056	94,885,662
2025	22,577,713	73,294,520	95,872,233
2026	33,992,503	62,279,209	96,271,712
2027	34,028,659	62,363,625	96,392,284
2028	27,040,928	66,383,572	93,424,500
2029	35,269,806	57,481,777	92,751,583
2030	31,502,455	61,331,545	92,834,000
2031	34,373,040	58,642,556	93,015,596
2032	28,879,167	64,330,720	93,209,887
2033	30,405,787	63,076,205	93,481,992
2034	23,359,094	69,782,943	93,142,037
2035	9,286,700	83,860,001	93,146,701
2036	8,925,776	84,346,028	93,271,804
2037	46,120,914	47,024,963	93,145,877
2038	48,105,250	48,469,287	96,574,537
2039	49,948,296	46,614,991	96,563,287
2040	51,924,391	44,625,181	96,549,572
2041	50,173,653	46,354,870	96,528,523
2042	8,582,341	84,561,982	93,144,323
2043	2,450,377	90,692,941	93,143,318
2044	6,992,595	85,180,693	92,173,288
2045	41,965,000	9,213,188	51,178,188
2046	37,435,000	7,103,750	44,538,750
2047	39,095,000	5,443,950	44,538,950
2048	40,830,000	3,709,600	44,539,600
2049	42,715,000	1,897,350	44,612,350
	<u>\$ 992,698,034</u>	<u>\$ 1,771,124,768</u>	<u>\$ 2,763,822,802</u>

**Note 7 - Long-term Liabilities (continued)**

Certain bond series included capital appreciation bonds and are listed below. The bonds mature variously through 2044.

<b>Series</b>	<b>Accreted Value as of August 31, 2017</b>	<b>Principal</b>	<b>Accretion as of 8/31/2017</b>	<b>Maturity Dates</b>
2016A	\$ 80,248,399	\$ 406,088	\$ 79,842,311	2018-2044
2016	108,781,786	23,059,239	85,722,547	2020-2030
2015A	95,747,185	10,352,357	85,394,828	2018-2036
2015B	96,800,417	799,201	96,001,216	2018-2029
2014D	171,799,456	114,996,322	56,803,134	2018-2043
2013A	76,660,975	41,559,084	35,101,891	2018-2025
2013B	40,623,503	16,390,771	24,232,732	2018-2022
2012A	69,104,688	25,881,718	43,222,970	2024-2034
2010A	25,766,680	14,305,651	11,461,029	2018-2021
2010	15,571,553	2,068,184	13,503,369	2018-2024
2009	1,582,197	590,000	992,197	2018
2003	6,174,758	2,989,388	3,185,370	2022
	<u>\$ 788,861,597</u>	<u>\$ 253,398,003</u>	<u>\$ 535,463,594</u>	

**Advanced and Current Refunding and Cash Defeasance**

In October 2016, the District issued Unlimited Tax Refunding Bonds, Series 2016A in the amount of \$190,508,363. The series contained both current interest and premium capital appreciation bonds with interest rates ranging from 1.00 to 4.06 percent.

\$4.6 million of the Series 2016A proceeds were used to refund Series 2007 Building and Refunding Bonds. Because the refunded bonds had a call date of December 6, 2016, this portion of the transaction was considered a current refunding. The deposit was accounted for as a debt service expenditure. The bonds are considered defeased and the liability for these bonds have been removed from the statement of net position.

The 2016A bonds also refunded Series 2014C Building Bonds, which had a call date of August 15, 2024. An additional deposit of \$292.3 million was placed in an irrevocable trust with an escrow agent to provide funds for future debt service payment on the refunded bonds and were accounted for as an Other Financing Use. The reacquisition price (\$292.3 million) exceeded the net carrying amount of the old 2014C debt (\$214.2 million) by \$78.2 million. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The bonds are considered defeased and the liability for these bonds have been removed from the statement of net position.

The 2016A refunding bonds were issued to reduce debt service payments in the future. The transaction resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$53.1 million.



**Note 7 - Long-term Liabilities (continued)**

**Advanced and Current Refunding and Cash Defeasance (continued)**

In June 2017, the District issued *Unlimited Tax Refunding Bonds, Series 2017A* in the amount of \$53,725,000 with interest rates ranging from 3.50 to 5.00 percent.

\$19.7 million of the Series 2017A proceeds were used to refund of Series 2008 Building and Refunding Bonds and portions of 2011 and 2016A Refunding Bonds. Because the refunded bonds had a call date within 90 days of the 2017 issuance date, this portion of the transaction was considered a current refunding. The deposit was accounted for as a debt service expenditure.

The 2017A bonds also refunded portions of 2013A Refunding and 2014E Building Refunding. An additional deposit of \$40.4 million was placed in an irrevocable trust with an escrow agent to provide funds for future debt service payment on the refunded bonds and were accounted for as an Other Financing Use. The reacquisition price (\$40.4 million) exceeded the net carrying amount of the old debt (\$38.6 million) by \$1.8 million. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The bonds are considered defeased and the liability for these bonds have been removed from the statement of net position.

The 2017A refunding bonds were issued to reduce debt service payments in the future. The transaction resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$5.4 million.

On August 10, 2017, the District entered into an escrow agreement and placed \$12,870,525 (\$12,473,501 in securities and \$397,024 in cash) in an irrevocable trust using existing resources that existed separate from the proceeds of refunding debt. The cash with the escrow agent will be used solely for satisfying scheduled principal redemption premium and interest on portions of Series 2008, 2010, 2010A, 2012A and 2014D. The District will reduce its aggregate debt service requirements in the years subsequent to the redemption date and increase the District's capacity to pay debt service on the school building bonds that may be issued in the future. The total principal of \$4.8 million was refunded. The defeased debt also included capital appreciation bonds and related accumulated accretion. The debt services requirements for all of the series total \$14.3 million.

**Prior Years' Refunding of Long-Term Debt**

In prior years, the District defeased, certain general obligation debt by placing the proceeds of the new bonds in an irrevocable trust, to provide for all future debt service payments on the refunded debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements. At August 31, 2017, defeased debt outstanding totals \$225,124,162.

**Note 8 - Revenues from Local, Intermediate, and Out-of-State Sources**

During the current year, revenues from local and intermediate sources consisted of the following:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
Property Taxes	\$ 207,598,545	\$ 95,817,126	\$	\$	\$	\$ 303,415,671
Penalties, interest and other tax related revenue	830,520	333,935				1,164,455
Investment Income	2,520,975	896,229	603,739	4,405	73,828	4,099,176
Co-curricular student activities				3,268,671		3,268,671
Tuition and fees	1,733,353					1,733,353
Food Sales				8,025,510		8,025,510
Other	8,009,881		39,220	1,520,175		9,569,276
	<u>\$ 220,693,274</u>	<u>\$ 97,047,290</u>	<u>\$ 642,959</u>	<u>\$ 12,818,761</u>	<u>\$ 73,828</u>	<u>\$ 331,276,112</u>

**Note 9 - Fund Balance Commitments and Assignments**

The District has several commitments in the General Fund and nonmajor special revenue fund that have been approved through a board resolution and are listed below.

<u>Purpose</u>	<u>Commitments</u>	
	<u>General Fund</u>	<u>Nonmajor Fund</u>
Land/Hail Repairs	\$ 783,416	\$
Major Maintenance	8,671,644	
Capital Replacement/Copier	2,308,450	
Campus Activity Fund		755,443
Other donations		477,254
	<u>\$ 11,763,510</u>	<u>\$ 1,232,697</u>

The General Fund is the only fund with assignments totaling \$17,301,275, which includes assignments for encumbrances and next year's budgeted deficit of \$9,200,972 and \$8,100,303, respectively.

**Note 10 - General Fund Federal Source Revenues**

<u>Program or Source</u>	<u>CFDA #</u>	<u>Amount</u>
MAC	93.778	\$ 45,607
School Health and Related Service (SHARS)	N/A	4,763,901
JROTC	N/A	129,513
Child Nutrition Indirect Costs	10.553/10.555	480,000
National Wildlife Refuge Fund	15.659	85,486
		<u>\$ 5,504,507</u>

**Note 11 - Defined Benefit Retirement Plan**

The District participates in a cost-sharing multi-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, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

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

**Pension Plan Fiduciary Net Position**

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

**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 cost of living adjustments (COLAs) can be granted by the Texas Legislature as noted in the Plan description in (A) above.

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.

**Note 11 - Pension Information (continued)**

**Contributions**

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

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

	<b>Contribution Rates</b>	
	<b>Plan Fiscal Year</b>	
	<b>2016</b>	<b>2017</b>
Member (Employee)	7.2%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
District	6.8%	6.8%

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). Contributions and pension expense for all contributors were as follows:

	<b>Measurement</b>	<b>Fiscal</b>
	<b>Year (2016)</b>	<b>Year (2017)</b>
	<b>Contributions</b>	<b>TR</b>
	<b>Required and</b>	<b>S</b>
	<b>Made</b>	<b>Contributions</b>
Member (Employee)	\$ 14,871,217	\$ 16,961,364
Non-Employer Contributing Entity (State)	11,360,068	11,706,985
District	5,482,238	6,014,926

**Note 11 - Pension Information (continued)**

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

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

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

- When employing a retiree of the 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, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

**Actuarial Assumptions**

The total pension liability in the August 31, 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
Discount Rate	8.00%
Long-term expected Investment Rate of Return	8.00%
Inflation	2.5%
Salary Increases	3.5% to 9.5%
Payroll Growth Rate	2.5%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

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

**Note 11 - Pension Information (continued)**

**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.

**Discount Rate**

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 below:

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

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

**Note 11 - Pension Information (continued)**

**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.

	Discount Rate		
	Current		
	1% Decrease (7%)	Discount Rate (8%)	1% Increase (9%)
District's proportional share of the net pension liability	\$ 101,096,560	\$ 65,322,070	\$ 34,978,071

**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 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportion of the net pension liability	0.1729%
District's proportionate share of the net pension liability	\$ 65,322,070
State's proportionate share of the net pension liability associated with the District	<u>134,842,251</u>
	<u>\$ 200,164,321</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 0.1729% which was an increase from its proportion measured as of August 31, 2015 of 0.17842%.

**Changes since the Prior Actuarial Valuation**

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

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

**Note 11 - Pension Information (continued)**

For the year ended August 31, 2017, the District recognized pension expense of \$11,253,929 and revenue of \$13,993,410 for support provided by the State.

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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,024,238	\$ 1,950,479
Changes of assumptions	1,990,899	1,810,641
Net difference between projected and actual earnings on pension plan investments	12,587,652	7,056,314
Changes in proportion and differences between District contributions and proportionate share of contributions	16,622,622	4,560
District contributions subsequent to the measurement date	6,014,926	
Total	<u>\$ 38,240,337</u>	<u>\$ 10,821,994</u>

The \$6,014,926 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2017. The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended August 31,</b>	
2018	\$ (3,858,892)
2019	(3,858,892)
2020	(7,387,049)
2021	(3,587,801)
2022	(2,448,518)
Thereafter	(262,265)
	<u>\$ (21,403,417)</u>



**Note 12 - Retiree Health Plan**

**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 the Teacher Retirement System of Texas (TRS). TRS-Care Retire Plan provides health care coverage for certain person (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 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 writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, [www.trs.state.tx.us](http://www.trs.state.tx.us), under the TRS Publications heading. The Texas Legislature determines the funding of benefits and has no continuing obligation to provide benefits beyond each fiscal year. Currently, the benefits of TRS-Care are financed through a combination of retiree premiums and percentage of payroll contributions from active employees, school districts, and the State of Texas.

**Benefit Provisions and Service Requirements**

Retirees can receive a free basic level of coverage and optional coverage is also available. All dependent coverage is optional. Basic coverage is a comprehensive major medical group health insurance plan. Generally, TRS public school retirees with more than 10 years of service and their dependents are eligible for this insurance coverage.

**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. The State of Texas contribution rate was 1.00% of public school payroll for the period September 2013 through August 2016. Active public school employee contribution rates were 0.65% of public school payroll, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2017, 2016, and 2015. 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. For staff members funded by federal programs, the federal programs are required to contribute 1.00%. The District contributed 100% of the annual required contribution for fiscal year 2017, 2016, and 2015.

Contributions made by the State, District and staff members for the fiscal year August 31, 2017, June 30, 2016, and 2015 are as follows:

<u>Fiscal Year</u>	<u>State TRS Care Contributions Made on Behalf Of the District</u>	<u>District Required Contributions To TRS Care</u>	<u>Staff Members' Contributions To TRS Care</u>	<u>Covered Payroll</u>
2017	\$ 929,425	\$ 1,273,812	\$ 1,432,098	\$ 220,323,677
2016	929,418	1,135,999	1,342,521	206,541,692
2015	879,256	1,074,607	1,270,011	195,386,308

**Note 12 - Retiree Health Plan (continued)**

For the current fiscal year and each of the past two fiscal years, the District’s actual contributions were equal to 100 percent of the required contributions. The contributions made by the state on behalf of the District have been recorded in the governmental funds financial statements of the District as both state revenues and expenditures. These contributions are the legal responsibility of the State.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended August 31, 2017, June 30, 2016, and 2015, the subsidy payments received by TRS-Care on behalf of the District were \$662,576, \$611,744, and \$803,613, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statement of the District.

**Note 13 - Risk Management**

**Property/Liability**

The District is exposed to various risks of loss related to property/liability losses for which the District carries commercial insurance. Settled claims have not exceeded insurance limits for the past three years

**Health Insurance**

The District operates a self-insured worker’s compensation and health fund. Liabilities of the funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities also include an estimated amount for claims that have been incurred but not reported (IBNRs).

The result of the process to estimate the claims liability is based on the District’s historical experience. There were no significant reductions in insurance coverage from the prior period.

The worker’s compensation program’s claim administrator, TASB, and the District use the historical/projected gross payroll to perform a loss analysis and thus determine the IBNR. The district had a loss limit of \$600,000 for fiscal year 2017.

Changes in the balances of worker’s compensation claims liabilities during the past two years are as follows:

<b>Fiscal Year</b>	<b>Beginning of Year Accrual</b>	<b>Current Year Estimates</b>	<b>Claims Payments</b>	<b>End of Year Accrual</b>
2017	\$ 1,046,000	\$ 6,963,325	\$ 6,716,740	\$ 1,292,585
2016	1,054,000	581,000	589,000	1,046,000

The District contracts with Blue Cross Blue Shield Texas for medical plan claims administration and Express Scripts for pharmacy claims administration.

<b>Fiscal Year</b>	<b>Beginning of Year Accrual</b>	<b>Current Year Estimates</b>	<b>Claims Payments</b>	<b>End of Year Accrual</b>
2017	\$ 1,486,000	\$ 26,664,681	\$ 26,459,681	\$ 1,691,000
2016	1,469,000	\$ 23,030,775	23,013,775	1,486,000

**Note 14 - Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management and the District's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

**Note 15 - Arbitrage**

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five year anniversary date of the bond issue. The District has estimated that it has no arbitrage liability as of August 31, 2017.

**Note 16 - Deferred Compensation Plan**

The District offers its employees a deferred compensation plan established in accordance with Internal Revenue Code Section 457. Assets and income of the District's plan are held in annuity contracts with an independent trustee for the exclusive benefit of participants and their beneficiaries. Accordingly, the plan's assets and liabilities are not recorded in the District's basic financial statements.

**Note 17 - Subsequent Events**

Voters passed a \$454 million bond package in November 2017.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
For the Year Ended August 31, 2017

*Exhibit G-1*

Data Control Codes	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
5700 Local revenues	\$ 210,466,137	\$ 220,464,604	\$ 220,081,832	\$ (382,772)
5800 State program revenues	79,925,203	84,294,505	86,231,206	1,936,701
5900 Federal program revenues	4,575,000	5,472,486	5,504,507	32,021
<b>5020 Total revenues</b>	<b>294,966,340</b>	<b>310,231,595</b>	<b>311,817,545</b>	<b>1,585,950</b>
<b>Expenditures</b>				
<b>Current:</b>				
0011 Instruction	185,181,202	179,465,917	176,329,722	3,136,195
0012 Instruction resources and media services	3,393,021	3,428,604	3,334,462	94,142
0013 Curriculum and instructional staff development	7,837,520	8,662,709	8,316,971	345,738
0021 Instructional leadership	3,002,585	3,641,507	3,586,585	54,922
0023 School leadership	17,309,990	16,769,814	16,677,049	92,765
0031 Guidance, counseling and evaluation services	12,876,922	12,533,344	12,490,825	42,519
0032 Social work services	1,215,464	1,178,584	1,128,874	49,710
0033 Health services	2,689,431	2,744,180	2,526,704	217,476
0034 Student transportation	9,332,243	11,150,550	9,457,627	1,692,923
0035 Food services	0	1,178,396	670,412	507,984
0036 Extracurricular activities	9,536,038	10,005,861	9,595,697	410,164
0041 General administration	6,419,071	6,538,714	6,095,809	442,905
0051 Facilities maintenance and operations	34,369,223	37,012,055	31,695,045	5,317,010
0052 Security and monitoring services	1,600,342	2,471,250	1,538,814	932,436
0053 Data processing services	14,773,750	12,626,071	8,509,557	4,116,514
0061 Community services	1,900,214	2,263,000	2,000,478	262,522
<b>Capital Outlay:</b>				
0081 Facilities acquisition and construction		1,000	1,000	
<b>Intergovernmental:</b>				
0091 Contracted instructional services		500,000		500,000
0095 Juvenile justice alternative education	330,625	230,625	210,524	20,101
0099 Payments to appraisal district	1,851,837	1,851,837	1,793,368	58,469
<b>6030 Total Expenditures</b>	<b>313,619,478</b>	<b>314,254,018</b>	<b>295,959,523</b>	<b>18,294,495</b>
1100 Excess (deficiency) of revenues over expenditures	(18,653,138)	(4,022,423)	15,858,022	19,880,445
<b>Other Financing Sources (Uses)</b>				
7912 Sale of property	15,000	51,500	52,553	1,053
8911 Transfers out		(4,257,402)	(4,229,359)	28,043
8949 Other uses	(50,000)	(26,500)		26,500
<b>7080 Total other financing sources and uses</b>	<b>(35,000)</b>	<b>(4,232,402)</b>	<b>(4,176,806)</b>	<b>55,596</b>
1200 Net change in fund balances	(18,688,138)	(8,254,825)	11,681,216	19,936,041
<b>0100 Fund balances - beginning</b>	<b>137,207,633</b>	<b>137,207,633</b>	<b>137,207,633</b>	
<b>3000 Fund balances - ending</b>	<b>\$ 118,519,495</b>	<b>\$ 128,952,808</b>	<b>\$ 148,888,849</b>	<b>\$ 19,936,041</b>

See Notes to Required Supplementary Information

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY BUDGET TO ACTUAL INFORMATION**  
*For the Fiscal Year Ended August 31, 2017*

*Exhibit G-2*

Budgets are prepared annually for the General Fund, Debt Service Fund, and Food Service Fund (special revenue fund) on the modified accrual basis, which is consistent with generally accepted accounting principles. A formal budget is prepared by August 20 and is adopted by the Board at a public meeting after ten days' public notice of the meeting has been given. The legal level of control for budgeted expenditures is the function level within the budgeted funds. Amendments to the budget are required prior to expending amounts greater than the budgeted amounts at the function level. Budgets are controlled at the departmental or campus level, the same level at which responsibility for operations is assigned. The budget was amended by the Board as needed throughout the year.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or provided for in the subsequent year's budget. Encumbrances outstanding of \$9,200,972 at August 31, 2017 were provided for in the subsequent year's budget and are included in assigned fund balance in the General Fund at year-end.

Required Supplementary Information

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY  
Teacher Retirement System of Texas  
Last Four Measurement Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>District's proportion of the net pension liability</b>	<b>0.1729%</b>	<b>0.17842%</b>	<b>0.09821%</b>	<b>0.09525%</b>
District's proportionate share of the net pension liability	\$ 65,322,070	\$ 63,067,929	\$ 26,233,303	\$ 31,242,342
State's proportionate share of the net pension liability associated with the District	<u>134,842,251</u>	<u>125,776,447</u>	<u>110,491,620</u>	<u>135,633,099</u>
Total	<u>\$ 200,164,321</u>	<u>\$ 188,844,376</u>	<u>\$ 136,724,923</u>	<u>\$ 166,875,441</u>
District's covered-employee payroll (for Measurement Year)	\$ 206,543,377	\$ 195,387,528	\$ 188,747,330	\$ 183,481,971
District's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	31.6%	32.3%	13.9%	17.03%
Plan fiduciary net position as a percentage of the total pension liability *	78.00%	78.43%	83.25%	78.17%
Plan's net pension liability as a percentage of covered-employee payroll *	92.75%	91.94%	72.90%	93.10%

The amounts presented for each Plan year which ends the preceding August 31 of the District's fiscal year.

Net pension liability is calculated using an new methodology and will be presented prospectively in accordance with GASB 68.



**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS**

**Teachers Retirement System of Texas  
Last Seven Fiscal Years**

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Contractually required contributions	\$ 6,024,959	\$ 5,492,271	\$ 5,227,756	\$ 2,695,814	\$ 2,451,103	\$ 2,102,124	\$ 2,559,257
Contributions in relation to the contractual required contributions	(6,024,959)	(5,492,271)	(5,227,756)	(2,695,814)	(2,451,103)	(2,102,124)	(2,559,257)
Contribution Deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 220,323,676	\$ 206,543,314	\$ 195,386,264	\$ 188,747,330	\$ 183,481,971	\$ 175,800,540	\$ 181,312,629
Contributions as a percentage of covered employee payroll	2.73%	2.66%	2.68%	1.43%	1.34%	1.20%	1.41%

**Notes to Required Supplementary Information**

Effective September 1, 2014, employers who did not contribute Social Security for TRS-eligible employees were required to contribute an additional 1.5% of TRS-eligible compensation which nearly doubled the District's contributions into the Plan. Because the District's proportional share of the plan is determined by its proportional share of contributions, the District recognized a corresponding increase in its share of net pension liability.

**Changes of Assumptions**

New actuarial assumptions were adopted by the Teacher Retirement System of Texas' Board of Trustees on September 24, 2015 and are effective with the valuation as of August 31, 2015. The major assumptions changes were the adoption of the use of generational mortality for the purpose of predicting future mortality improvement and the reduction in the inflation rate from 3.00% to 2.50%.

**Changes of Benefit Terms**

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

**OTHER SUPPLEMENTARY INFORMATION**

**NON MAJOR GOVERNMENTAL FUNDS  
FUND DESCRIPTIONS**

These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Special Revenue Funds account for all designated purpose monies received in the form of federal, state, or local grants. These grants, referred to as projects, are awarded to the District for the purpose of accomplishing specified educational tasks; therefore, revenue and expenditures are recorded by project or similar group of projects related by funding, to accomplish the purpose of accounting for each grant. Special Revenue Funds maintained by the District include the following:

<b>Fund Number</b>	<b>Fund Name &amp; Description</b>
211	<u>Title 1 Grants to Local Educational Agencies</u> – This fund is used to account for funds allocated to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children.
220	<u>Adult Education – Basic Grants to States</u> - This fund is used to account for funds granted to provide or support programs for adult education and literacy services to adults who are beyond compulsory school age attendance, and do not have a high school diploma, or lack sufficient mastery of basic educational skills to function effectively in society, or are unable to speak, read or write the English language, and are not enrolled in school.
223	<u>Temporary Assistance for Needy Families</u> – This fund is used to account for funds granted to design and operate programs to help needy families achieve self-sufficiency by reducing the dependency of needy parents by promoting job preparation, work, and marriage.
224	<u>Special Education Grants to States</u> – This fund is used to account for funds to operate educational programs for handicapped children.
225	<u>Special Education Preschool Grants</u> – This fund is used to account for funds for preschool handicapped children.
240	<u>National School Breakfast and Lunch Program</u> – This fund classification is to be used for programs using federal reimbursement revenues originating from the United States Department of Agriculture.
242	<u>Summer Food Service Program for Children</u> – This fund is used to account for funds received from the Texas Department of Agriculture that are awarded for meals provided to the community based on the average number of daily participants.
244	<u>Career and Technical Education</u> – Basic Grants to States – This fund is used to account for funds provided for vocational education programs not funded by the Foundation School Program Act.
255	<u>Improving Teacher Quality State Grants</u> – This fund is used to account for funds granted to school districts to increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools.

**NON MAJOR GOVERNMENTAL FUNDS  
FUND DESCRIPTIONS (Continued)**

- 263            English Language Acquisition State Grants – This fund is used to account for funds granted to improve the education of limited English proficient children by assisting the children to learn English and meet challenging State academic content and student academic achievement standards.
- 288            Grants for State Assessments and Related Activities – This fund is used to account for funds for summer school programs for LEP students only if a bilingual program is part of the standard curriculum.
- 289            WIA Dislocated Worker Formula Grants – This fund is used to account for funds granted to reemploy dislocated workers, improve the quality of the workforce, and enhance the productivity and competitiveness of the nation’s economy by providing workforce investment activities that increase the employment, retention, and earnings of participants, and increase occupational skill attainment by the participants.
- 385            Visually Impaired – This fund is used to account for State supplemental visually impaired monies.
- 397            Advanced Placement Initiative – This fund is used to account for funds awarded to school districts under the Texas Advance Placement Award Incentive Program.
- 410            Instructional Materials Allotment – This fund is used to account for funds awarded to school districts for the purchase of instructional materials, technological equipment, and technology-related services.
- 427            Apprenticeship Training Program – This fund is used to account for State funds granted to provide on-the-job-training, preparatory instruction, supplementary instruction or related instruction in a trade that has been certified as an apprentice occupation by the Bureau of Apprenticeship Training of the United States Department of Labor.
- 429            State Funded – This fund is used to account for funds that are received from the State that are not listed elsewhere.
- 461            Campus Activity – This fund is used to account for transactions related to a principal’s activity fund if the monies generated are not subject to recall by the board in the General Fund.
- 479            Scholarship – This fund is used to account for scholarships established to assist individual students in furthering the student’s higher education.
- 499            Donation – This fund is used to account for donations made by individuals or businesses for use by the District for specific purposes.
- 819            Permanent fund for scholarships where the corpus is not expendable

**LEANDER INDEPENDENT SCHOOL DISTRICT**

*COMBINING BALANCE SHEET*

*ALL NONMAJOR GOVERNMENTAL FUNDS*

*August 31, 2017*

	211	220	223
<b>Data Control Codes</b>	<b>ESEA Title I, A - Improving Basic Ed.</b>	<b>Adult Basic Education (ABE)</b>	<b>TANF</b>
<b>Assets</b>			
1110 Cash and temporary investments	\$	\$	\$
1120 Investments			
<b>Receivables:</b>			
1240 Receivables from other governments	160,745	2,795	
1260 Due from other funds			
1290 Other receivables			
1310 Inventories, at cost			
1410 Prepaid items			
1810 Restricted cash			
1990 Other assets			
<b>1000 Total Assets</b>	<b>\$ 160,745</b>	<b>\$ 2,795</b>	<b>\$</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
2110 Accounts payable	\$ 975	\$	\$
2150 Payroll deduction and withholdings payable			
2160 Accrued wages payable	178		
2170 Due to other funds	159,592	2,795	
2180 Due to other governments			
2200 Accrued expenditures			
2300 Unearned revenues			
<b>2000 Total Liabilities</b>	<b>160,745</b>	<b>2,795</b>	
<b>Fund Balance:</b>			
<b>Restricted:</b>			
3450 Federal/State funds grant restrictions			
3480 Other purposes			
<b>Committed:</b>			
3545 Other purposes			
3600 Unassigned			
<b>3000 Total Fund Balances</b>			
<b>4000 Total Liabilities and Fund Balance</b>	<b>\$ 160,745</b>	<b>\$ 2,795</b>	<b>\$</b>

224	225	240	242	244	255
IDEA B - Formula	IDEA B - Preschool	National School Breakfast and Lunch	Summer Feeding Program	Vocational Ed. - Basic	ESEA Title II, A - Training and Recruiting
\$	\$	\$ 559,419 487,855	\$ 25,549	\$	\$
431,933	4,611	81,101 32,573 4,031 163,290	119	13,980	41,441
		1,031,740			
<u>\$ 431,933</u>	<u>\$ 4,611</u>	<u>\$ 2,360,009</u>	<u>\$ 25,668</u>	<u>\$ 13,980</u>	<u>\$ 41,441</u>
\$ 38,047	\$	\$ 440,961	\$	\$	\$
10,917 382,739	4,611	133,710 846,060	14,073	13,980	38,366
230		6,691			3,075
<u>431,933</u>	<u>4,611</u>	<u>1,427,422</u>	<u>14,073</u>	<u>13,980</u>	<u>41,441</u>
		932,587	11,595		
		932,587	11,595		
<u>\$ 431,933</u>	<u>\$ 4,611</u>	<u>\$ 2,360,009</u>	<u>\$ 25,668</u>	<u>\$ 13,980</u>	<u>\$ 41,441</u>

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**ALL NONMAJOR GOVERNMENTAL FUNDS**  
**August 31, 2017**

<b>Data Control Codes</b>	<b>263</b>	<b>288</b>	<b>289</b>
<b>Data Control Codes</b>	<b>ESEA Title III, A - English Lang. Acquisition</b>	<b>Grants for State Assessments and Related Activities</b>	<b>WIA Dislocated Worker Formula Grants</b>
<b>Assets</b>			
1110	Cash and temporary investments	\$	\$ 199
1120	Investments		\$
<b>Receivables:</b>			
1240	Receivables from other governments		
1260	Due from other funds	9,065	
1290	Other receivables		
1310	Inventories, at cost		
1410	Prepaid items		
1810	Restricted cash		
1990	Other assets		
<b>1000</b>	<b>Total Assets</b>	<b>\$ 9,065</b>	<b>\$ 199</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
2110	Accounts payable	\$ 943	\$
2150	Payroll deduction and withholdings payable		\$
2160	Accrued wages payable		
2170	Due to other funds	925	
2180	Due to other governments	7,197	
2200	Accrued expenditures		
2300	Unearned revenues		
<b>2000</b>	<b>Total Liabilities</b>	<b>9,065</b>	
<b>Fund Balance:</b>			
<b>Restricted:</b>			
3450	Federal/State funds grant restrictions		199
3480	Other purposes		
<b>Committed:</b>			
3545	Other purposes		
3600	<b>Unassigned</b>		
<b>3000</b>	<b>Total Fund Balances</b>		<b>199</b>
<b>4000</b>	<b>Total Liabilities and Fund Balance</b>	<b>\$ 9,065</b>	<b>\$ 199</b>



385	397	410	427	429	461
State Supplemental Visually Impaired	Advanced Placement Incentive	Instructional Materials Allotment	Texas Workforce Apprenticeship Grant	Combination State Funded Special Revenue Fund	Campus Activity Fund
\$	\$ 33,124	\$ 1,856,257	\$	\$	\$ 832,265
		109,667		103,954	
					333
<u>\$</u>	<u>\$ 33,124</u>	<u>\$ 1,965,924</u>	<u>\$</u>	<u>\$ 103,954</u>	<u>\$ 832,598</u>
\$	\$ 4,183	\$ 772,788	\$	\$ 413	\$ 39,224
				1,704	
				79,609	8,783
				12,082	29,148
		1,193,136			
	4,183	1,965,924		93,808	77,155
	28,941				
				10,146	755,443
	28,941			10,146	755,443
<u>\$</u>	<u>\$ 33,124</u>	<u>\$ 1,965,924</u>	<u>\$</u>	<u>\$ 103,954</u>	<u>\$ 832,598</u>

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**ALL NONMAJOR GOVERNMENTAL FUNDS**  
**August 31, 2017**

	479	499	819
<b>Data Control Codes</b>	<b>Scholarships</b>	<b>Donations for Secondary School Activities/Clubs</b>	<b>Permanent Fund</b>
<b>Assets</b>			
1110 Cash and temporary investments	\$	\$ 432,711	\$
1120 Investments			
<b>Receivables:</b>			
1240 Receivables from other governments			
1260 Due from other funds		163	
1290 Other receivables		45,698	
1310 Inventories, at cost			
1410 Prepaid items		1,156	
1810 Restricted cash	20,502		3,889
1990 Other assets			
<b>1000 Total Assets</b>	<b>\$ 20,502</b>	<b>\$ 479,728</b>	<b>\$ 3,889</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
2110 Accounts payable	\$	\$ 2,115	\$
2150 Payroll deduction and withholdings payable			
2160 Accrued wages payable		3,696	
2170 Due to other funds		739	
2180 Due to other governments			
2200 Accrued expenditures		17,804	
2300 Unearned revenues		8,768	
<b>2000 Total Liabilities</b>		<b>33,122</b>	
<b>Fund Balance:</b>			
<b>Restricted:</b>			
3450 Federal/State funds grant restrictions			
3480 Other purposes	20,502		3,889
<b>Committed:</b>			
3545 Other purposes		446,606	
3600 Unassigned			
<b>3000 Total Fund Balances</b>	<b>20,502</b>	<b>446,606</b>	<b>3,889</b>
<b>4000 Total Liabilities and Fund Balance</b>	<b>\$ 20,502</b>	<b>\$ 479,728</b>	<b>\$ 3,889</b>

**Total  
Nonmajor  
Governmental  
Funds**

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\$ 3,739,524  
487,855  
  
950,227  
41,920  
50,062  
163,290  
1,156  
24,391  

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1,031,740  

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**\$ 6,490,165**

\$ 1,299,649  
  
150,205  
1,552,272  
7,197  
69,030  

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1,201,904  

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4,280,257

973,322  
24,391  
  
1,212,195  

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2,209,908  

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**\$ 6,490,165**

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
*For the Year Ended August 31, 2017*

<b>Data Control Codes</b>		<b>211</b>	<b>220</b>	<b>223</b>
		<b>ESEA Title</b>	<b>Adult Basic</b>	
		<b>I, A -</b>	<b>Education</b>	
		<b>Improving</b>	<b>(ABE)</b>	<b>TANF</b>
		<b>Basic Ed.</b>		
<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$	\$	\$
5800	State program revenues			
5900	Federal program revenues	1,566,343	32,502	8,951
<b>5020</b>	<b>Total Revenues</b>	<u>1,566,343</u>	<u>32,502</u>	<u>8,951</u>
<b>Expenditures</b>				
<b>Current:</b>				
0011	Instruction	1,333,509		8,951
0012	Instruction resources and media services			
0013	Curriculum and instructional staff development	46,803		
0021	Instructional leadership	7,750	32,502	
0023	School leadership	2,208		
0031	Guidance, counseling and evaluation services			
0033	Health services	1,008		
0035	Food service			
0036	Extracurricular activities			
0041	General administration			
0051	Facilities maintenance and operations			
0052	Security and monitoring services			
0061	Community services	175,065		
<b>Intergovernmental:</b>				
0093	Payments related to shared services arrangement			
<b>6030</b>	<b>Total Expenditures</b>	<u>1,566,343</u>	<u>32,502</u>	<u>8,951</u>
1100	Excess (deficiency) of revenues over expenditures			
<b>Other Financing Sources (Uses)</b>				
7915	Transfers in			
8949	Other uses			
<b>7080</b>	<b>Total other financing sources and uses</b>			
1200	Net change in fund balances			
<b>0100</b>	<b>Fund balance - September 1 (beginning)</b>			
<b>3000</b>	<b>Fund balance - August 31 (ending)</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>

224	225	240	242	244	255
IDEA B - Formula	IDEA B - Preschool	National School Breakfast and Lunch	Summer Feeding Program	Vocational Ed. - Basic	ESEA Title II, A - Training and Recruiting
\$	\$	\$ 8,036,624 68,192	\$ 119	\$	\$
5,041,509	45,799	4,805,058	52,535	180,976	230,750
5,041,509	45,799	12,909,874	52,654	180,976	230,750
3,887,949	30,550			87,211	
282,094 3,495	7,178			93,765	227,444
519,640 10,126	8,071				
		13,020,988	57,353		
101,905					3,306
236,300					
5,041,509	45,799	13,020,988	57,353	180,976	230,750
		(111,114)	(4,699)		
		11,457			
		11,457			
		(99,657)	(4,699)		
		1,032,244	16,294		
\$	\$	\$ 932,587	\$ 11,595	\$	\$

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
*For the Year Ended August 31, 2017*

<b>Data Control Codes</b>	<b>263</b>	<b>288</b>	<b>289</b>
	<b>ESEA Title III, A - English Lang. Acquisition</b>	<b>Grants for State Assessments and Related Activities</b>	<b>WIA Dislocated Worker Formula Grants</b>
<b>Revenues</b>			
5700	Local, intermediate, and out-of-state	\$	\$
5800	State program revenues		
5900	Federal program revenues	199,540	75,278
<b>5020</b>	<b>Total Revenues</b>	<u>199,540</u>	<u>75,278</u>
<b>Expenditures</b>			
<b>Current:</b>			
0011	Instruction	58,462	72,873
0012	Instruction resources and media services		
0013	Curriculum and instructional staff development	120,939	2,405
0021	Instructional leadership	3,681	
0023	School leadership	758	
0031	Guidance, counseling and evaluation services		
0033	Health services	1,842	
0035	Food service		
0036	Extracurricular activities		
0041	General administration		
0051	Facilities maintenance and operations		
0052	Security and monitoring services		
0061	<b>Community services</b>	13,858	
<b>Intergovernmental:</b>			
0093	Payments related to shared services arrangement		
<b>6030</b>	<b>Total Expenditures</b>	<u>199,540</u>	<u>75,278</u>
1100	Excess (deficiency) of revenues over expenditures		(29)
<b>Other Financing Sources (Uses)</b>			
7915	Transfers in		
8949	Other uses		
<b>7080</b>	<b>Total other financing sources and uses</b>		
1200	Net change in fund balances		(29)
<b>0100</b>	<b>Fund balance - September 1 (beginning)</b>		<u>228</u>
<b>3000</b>	<b>Fund balance - August 31 (ending)</b>	<u>\$</u>	<u>\$ 199</u>

385	397	410	427	429 Combination State Funded Special Revenue Fund	461 Campus Activity Fund
State Supplemental Visually Impaired	Advanced Placement Incentive	Instructional Materials Allotment	Texas Workforce Apprenticeship Grant		
\$ 18,130	\$ 49,710	\$ 700 3,147,924	\$ 130,946	\$ 223,589	\$ 1,210,162
<u>18,130</u>	<u>49,710</u>	<u>3,148,624</u>	<u>130,946</u>	<u>223,589</u>	<u>1,210,162</u>
15,081		3,148,274	130,946	163,373	588,172
	37,665			40,000	134,339
				5,571	174,279
1,079					41,988
1,970					9,041
					1,975
				1,036	181,924
		350			
					780
					2,630
				14,262	11,558
<u>18,130</u>	<u>37,665</u>	<u>3,148,624</u>	<u>130,946</u>	<u>224,242</u>	<u>1,146,686</u>
	<u>12,045</u>			<u>(653)</u>	<u>63,476</u>
	12,045			(653)	63,476
	16,896			10,799	691,967
<u>\$</u>	<u>\$ 28,941</u>	<u>\$</u>	<u>\$</u>	<u>\$ 10,146</u>	<u>\$ 755,443</u>

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
*For the Year Ended August 31, 2017*

Data Control Codes		479	499	819
		Scholarships	Donations for Secondary School Activities/Clubs	Permanent Fund
<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ 4	\$ 3,570,895	\$ 257
5800	State program revenues			
5900	Federal program revenues			
<b>5020</b>	<b>Total Revenues</b>	<u>4</u>	<u>3,570,895</u>	<u>257</u>
<b>Expenditures</b>				
<b>Current:</b>				
0011	Instruction		433,106	
0012	Instruction resources and media services		19,050	
0013	Curriculum and instructional staff development		61,138	
0021	Instructional leadership		453	
0023	School leadership		12,683	
0031	Guidance, counseling and evaluation services		610,687	
0033	Health services			
0035	Food service			
0036	Extracurricular activities		2,335,372	
0041	General administration		26,700	
0051	Facilities maintenance and operations		6,078	
0052	Security and monitoring services		2,723	
0061	Community services	200	6,857	
<b>Intergovernmental:</b>				
0093	Payments related to shared services arrangement			
<b>6030</b>	<b>Total Expenditures</b>	<u>200</u>	<u>3,514,847</u>	
1100	Excess (deficiency) of revenues over expenditures	<u>(196)</u>	<u>56,048</u>	<u>257</u>
<b>Other Financing Sources (Uses)</b>				
7915	Transfers in			
8949	Other uses	(5,934)		
<b>7080</b>	<b>Total other financing sources and uses</b>	<u>(5,934)</u>		
1200	Net change in fund balances	(6,130)	56,048	257
<b>0100</b>	<b>Fund balance - September 1 (beginning)</b>	<u>26,632</u>	<u>390,558</u>	<u>3,632</u>
<b>3000</b>	<b>Fund balance - August 31 (ending)</b>	<u>\$ 20,502</u>	<u>\$ 446,606</u>	<u>\$ 3,889</u>



**Total Nonmajor  
Governmental  
Funds**

\$ 12,818,761  
3,638,491  
12,248,561  
28,705,813

9,967,806  
153,389  
1,093,710  
47,881  
63,208  
1,148,518  
16,921  
13,078,341  
2,518,332  
27,050  
6,858  
5,353  
327,011

236,300  
28,690,678

15,135

11,457  
(5,934)  
5,523

20,658  
2,189,250

\$ 2,209,908

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
*For the Year Ended August 31, 2017*

*Exhibit H-3*

	<b>Balance September 1, 2016</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance August 31, 2017</b>
<b>Student Activities</b>				
<b>Assets</b>				
Current Assets				
Cash and cash equivalents	\$ 932,494	\$ 3,279,661	\$ 3,210,713	\$ 1,001,442
Other receivables	490		490	
<b>Total Assets</b>	<u>\$ 932,984</u>	<u>\$ 3,279,661</u>	<u>\$ 3,211,203</u>	<u>\$ 1,001,442</u>
<b>Liabilities</b>				
Current Liabilities				
Accounts payable	\$ 1,352	\$	\$ 1,352	\$
Due to others	931,632	3,279,661	3,209,851	1,001,442
<b>Total Liabilities</b>	<u>\$ 932,984</u>	<u>\$ 3,279,661</u>	<u>\$ 3,211,203</u>	<u>\$ 1,001,442</u>

## **REQUIRED TEA SCHEDULES**

**LEANDER INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**

*For the Year Ended August 31, 2017*

<b>Last Ten Fiscal Years</b>	<b>1</b>		<b>2</b>	<b>3</b>	<b>10</b>
	<b>Tax Rates</b>			<b>Net Assessed/Appraised Value For School Tax Purposes</b>	<b>Beginning Balance 9/1/2016</b>
	<b>Maintenance</b>	<b>Debt Service</b>			
2008 and prior	Various	Various		Various	\$ 277,914
2009	1.040000	0.339200		12,975,358,031	94,245
2010	1.040000	0.382300		13,380,787,015	126,712
2011	1.040000	0.414800		13,112,801,276	164,338
2012	1.040000	0.459800		13,394,748,031	223,244
2013	1.040000	0.471900		13,882,440,268	259,534
2014	1.040000	0.471900		14,861,601,627	346,636
2015	1.040000	0.471900		16,824,986,410	414,139
2016	1.040000	0.471900		18,615,795,435	1,263,294
2017	1.040000	0.471900 Rollbacks		20,212,390,171	
					941,753
<b>1000 Totals</b>					<b>\$ 4,111,809</b>
9000	Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code				\$

*Exhibit J-1*

<b>20</b>	<b>31</b>	<b>32</b>	<b>40</b>	<b>50</b>
<b>Current Year's Total Levy</b>	<b>Maintenance Total Collections</b>	<b>Debt Service Total Collections</b>	<b>Entire Year's Adjustments</b>	<b>Ending Balance 8/31/2017</b>
\$	\$ 20,824	\$ 4,368	\$ (18,095)	\$ 234,627
	7,155	2,334	299	85,055
	18,089	4,940	(48)	103,635
	52,132	20,793	47,826	139,239
	110,551	48,876	91,364	155,181
	45,653	20,715	21,908	215,074
	52,002	23,596	(23,988)	247,050
	(85,963)	(39,005)	(237,599)	301,508
	463,473	210,301	(171,230)	418,290
305,591,127	209,417,211	95,023,059		1,150,857
	1,161,027	516,426	878,416	142,716
<u>\$ 305,591,127</u>	<u>\$ 211,262,155</u>	<u>\$ 95,836,402</u>	<u>\$ 588,853</u>	<u>3,193,232</u>
<u>\$</u>	<u></u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

**LEANDER INDEPENDENT SCHOOL DISTRICT**

*Exhibit J-2*

**BUDGETARY COMPARISON SCHEDULE**

**DEBT SERVICE FUND**

*For the Year Ended August 31, 2017*

Data Control Codes		Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
		Original	Final		
<b>Revenues</b>					
5700	Local and intermediate sources	\$ 96,581,711	\$ 97,026,899	97,047,290	\$ 20,391
5800	State program revenues	1,436,577	1,746,578	1,746,578	
<b>5020</b>	<b>Total Revenues</b>	<u>98,018,288</u>	<u>98,773,477</u>	<u>98,793,868</u>	<u>20,391</u>
<b>Expenditures</b>					
<b>Debt Service:</b>					
0071	Principal on long-term debt	34,180,501	34,180,501	34,180,501	
0072	Interest on long-term debt	61,313,242	80,800,398	80,800,398	
0073	Debt issuance costs and fees	1,961,522	2,678,511	2,678,511	
<b>6030</b>	<b>Total Expenditures</b>	<u>97,455,265</u>	<u>117,659,410</u>	<u>117,659,410</u>	
1100	Excess (deficiency) of revenues over expenditures	563,023	(18,885,933)	(18,865,542)	20,391
<b>Other Financing Sources (Uses)</b>					
7901	Refunding Bonds Issued	190,508,362	244,233,363	244,233,363	
7916	Premium or discount on issuance of bonds	98,338,778	104,726,876	104,726,876	
8949	Payment to Bond Refunding Escrow Agent	(296,885,618)	(336,953,162)	(336,819,750)	133,412
<b>7080</b>	<b>Total other financing sources and uses</b>	<u>(8,038,478)</u>	<u>12,007,077</u>	<u>12,140,489</u>	<u>133,412</u>
1200	Net change in fund balances	(7,475,455)	(6,878,856)	(6,725,053)	153,803
<b>0100</b>	<b>Fund balances - beginning</b>	<u>35,269,223</u>	<u>35,269,223</u>	<u>35,269,223</u>	
<b>3000</b>	<b>Fund balances - ending</b>	<u>\$ 27,793,768</u>	<u>\$ 28,390,367</u>	<u>\$ 28,544,170</u>	<u>\$ 153,803</u>

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**CHILD NUTRITION PROGRAM FUND**  
*For the Year Ended August 31, 2017*

*Exhibit J-3*

<b>Data Control Codes</b>		<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Positive (Negative)</b>
		<b>Original</b>	<b>Final</b>		
	<b>Revenues</b>				
5700	Local revenues	\$ 8,149,250	\$ 8,159,960	\$ 8,036,624	\$ (123,336)
5800	State program revenues	69,199	355,193	68,192	(287,001)
5900	Federal program revenues	4,872,649	5,491,945	4,805,058	(686,887)
<b>5020</b>	<b>Total Revenues</b>	<u>13,091,098</u>	<u>14,007,098</u>	<u>12,909,874</u>	<u>(1,097,224)</u>
	<b>Expenditures</b>				
	<b>Current:</b>				
0035	Food services	13,091,098	14,523,098	13,020,988	1,502,110
<b>6030</b>	<b>Total Expenditures</b>	<u>13,091,098</u>	<u>14,523,098</u>	<u>13,020,988</u>	<u>1,502,110</u>
1100	Excess (deficiency) of revenues over expenditures		(516,000)	(111,114)	404,886
	<b>Other Financing Sources (Uses)</b>				
7915	Transfers in		16,000	11,457	27,457
<b>7080</b>	<b>Total other financing sources and uses</b>		<u>16,000</u>	<u>11,457</u>	<u>27,457</u>
1200	Net change in fund balances		(500,000)	(99,657)	432,343
<b>0100</b>	<b>Fund balances - beginning</b>	<u>1,032,244</u>	<u>1,032,244</u>	<u>1,032,244</u>	
<b>3000</b>	<b>Fund balances - ending</b>	<u>\$ 1,032,244</u>	<u>\$ 532,244</u>	<u>\$ 932,587</u>	<u>\$ 432,343</u>

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**STATISTICAL SECTION**  
*(Unaudited)*

*Statistical Tables are used to provide detailed data on the physical, economic, social and political characteristics of a government. They are intended to provide financial report users with a broader and more complete understanding of the government and its financial affairs than it is possible from the basic financial statements.*

*The District's Statistical Tables usually cover ten fiscal years and often present data from outside the accounting records. The tables are unaudited due to the nature of the information contained therein.*

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## **FINANCIAL TRENDS**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Governmental Activities:</b>				
Net investment in Capital Assets	\$ 220,523,525	\$ 149,199,539	\$ 121,415,838	\$ 94,800,066
Restricted for:				
Debt Service	27,905,627	35,254,025	25,409,489	23,443,705
Child Nutrition	944,182	504	671,943	2,402,575
Expendable Endowments	20,502	3,632	3,597	3,406
Non-Expendable Endowments	3,889	26,632	26,625	26,420
Other Federal Programs	29,140	16,522	63,549	69,735
Unrestricted	(417,854,571)	(380,910,635)	(353,127,050)	(300,860,151)
<b>Total Governmental Activities Net Position (1)</b>	<u>\$ (168,427,706)</u>	<u>\$ (196,409,781)</u>	<u>\$ (205,536,009)</u>	<u>\$ (180,114,244)</u>

Note: The District implemented GASB 68 and GASB 71 in fiscal year 2015. Prior years were not restated.

Source: Statement of Net Position

(1) Negative total net position includes accretion of interest on Capital Appreciation Bonds

*Table 1*

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$	83,219,211	\$ 87,660,600	\$ 95,778,234	\$ 84,884,696	\$ 79,640,670	\$ 83,509,569
	20,908,461	17,645,819	14,831,258	17,843,112	25,282,354	36,265,231
	2,296,583	2,358,342	3,568,064	3,780,036	3,554,979	3,362,987
	4,030	3,505	3,544	3,181	3,095	5,239
	26,614	26,576	26,842	27,401	27,452	30,814
	61,730	77,980	57,957	-	-	-
	<u>(273,192,127)</u>	<u>(254,737,444)</u>	<u>(238,046,413)</u>	<u>(208,228,415)</u>	<u>(177,283,738)</u>	<u>(140,156,774)</u>
\$	<u>(166,675,498)</u>	<u>\$ (146,964,622)</u>	<u>\$ (123,780,514)</u>	<u>\$ (101,689,989)</u>	<u>\$ (68,775,188)</u>	<u>\$ (16,982,934)</u>

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**EXPENSES, PROGRAM REVENUES, AND NET REVENUE (EXPENSE)**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Expenses</b>			
<b>Governmental Activities:</b>			
Instruction	\$ 211,551,126	\$ 204,353,772	\$ 191,283,752
Instructional Resources and Media Services	4,381,600	4,221,161	3,743,354
Curriculum and Instructional Staff Development	9,767,818	8,858,332	8,141,930
Instructional Leadership	3,836,840	3,006,532	2,511,159
School Leadership	18,174,227	17,367,818	15,559,311
Guidance, Counseling, and Evaluation Services	14,382,622	12,822,883	10,732,074
Social Work Services	1,161,133	994,864	831,951
Health Services	2,739,414	2,567,972	2,146,733
Student Transportation	10,654,901	10,152,114	9,130,755
Food Services	14,607,540	14,604,752	14,076,420
Cocurricular/Extracurricular Activities	14,143,002	12,439,430	11,356,463
General Administration	6,490,724	10,253,268	10,803,951
Plant Repairs and Maintenance	32,590,130	30,892,050	29,499,196
Security and Monitoring Services	1,702,995	1,421,971	1,285,832
Data Processing Services	8,384,174	7,791,682	7,056,659
Community Services	2,449,250	2,490,819	2,195,070
Interest on Long-term Debt	47,452,180	58,464,443	49,909,874
Debt Issuance Costs and Fees	2,678,511	1,172,225	3,190,779
Facilities Acquisition and Construction	4,582,037	5,671,008	3,224,314
Payments related to shared services arrangements	236,300	272,700	250,972
Payments to Juvenile Justice Alternative Education Programs	210,524	167,940	381,000
Other Intergovernmental Charges	1,793,368	1,729,323	1,848,153
<b>Total Governmental Activities Expenses</b>	<u>413,970,416</u>	<u>411,717,059</u>	<u>379,159,702</u>

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Program Revenues</b>			
<b>Governmental Activities:</b>			
<b>Charges for Services:</b>			
Instruction	\$ 3,364,638	\$ 854,696	\$ 779,398
Instructional resources and media services	2,254		
Curriculum and staff development	2,924	2,937	8,327
Instructional leadership	704	-	-
Guidance Counseling, and evaluation services			
Social work services	152	-	-
Health services	33	-	-
Student transportation	-	1,179	70
Food services	8,027,654	7,998,953	7,617,275
Extracurricular activities	1,735,954	1,003,672	1,034,232
General administration	69,762	667,165	844,516
Facilities maintenance and operations	1,210,759	1,259,903	1,225,735
Security and monitoring services	44	132,945	120,241
Data processing services	-	1,050,083	233,749
Community services	194	959,269	800,967
Operating grants and contributions	41,372,352	43,634,419	34,845,312
<b>Total Governmental Activities Program Revenues</b>	<u>55,787,424</u>	<u>57,565,221</u>	<u>47,509,822</u>
<b>Net (Expense)/Revenue</b>	(358,182,992)	(354,151,838)	(331,649,880)

Source: Statement of Activities

Table 2

	2014	2013	2012	2011	2010	2009	2008
\$	174,123,354	\$ 165,195,224	\$ 157,896,605	\$ 161,987,784	\$ 154,725,940	\$ 149,951,538	\$ 131,560,648
	3,773,390	3,744,247	3,966,222	4,880,786	6,016,288	5,542,114	5,020,010
	7,511,960	7,727,835	6,154,478	8,226,478	9,071,655	8,046,269	6,619,753
	2,085,729	1,955,334	1,778,202	1,991,863	1,938,874	1,903,213	1,770,414
	14,663,169	14,508,650	13,855,626	13,457,133	12,803,981	12,118,329	10,959,278
	10,730,298	10,454,955	9,871,671	10,581,857	10,535,915	9,886,921	8,680,201
	930,017	730,002	715,047	414,698	471,680	409,897	353,568
	1,967,970	1,992,816	1,815,497	1,847,174	1,863,894	1,670,355	1,332,043
	9,476,330	9,005,065	8,818,669	8,555,690	8,296,935	7,579,396	7,362,206
	14,169,857	13,128,966	14,743,366	13,782,076	12,178,202	11,118,845	10,097,739
	11,271,878	11,141,290	10,292,962	10,337,421	8,433,061	6,851,648	5,844,387
	8,755,481	8,330,525	7,414,667	8,437,942	10,739,976	4,070,465	3,939,841
	27,174,653	27,112,070	27,525,860	29,872,544	26,936,305	25,711,301	21,824,594
	1,244,285	1,347,849	1,128,152	1,280,285	1,150,034	1,068,408	963,638
	7,450,414	8,271,581	8,583,779	9,046,005	8,524,907	9,939,706	8,614,906
	2,128,074	2,070,567	1,964,126	1,908,623	2,017,852	1,685,733	1,404,922
	62,024,481	64,936,733	71,913,866	64,711,102	63,706,901	62,647,659	48,803,640
	6,321,608	4,425	4,675	4,556	5,403	4,099	4,689
	6,959,693	2,342,717	4,284,611	3,356,098	7,218,073	9,649,105	9,695,189
	96,165	108,180	191,737	175,932	236,526	122,915	-
	271,900	211,272	222,522	231,082	236,751	248,714	194,268
	1,612,651	1,356,932	1,311,959	1,328,932	1,330,485	1,241,949	1,123,514
	374,743,357	355,677,235	354,454,299	356,416,061	348,439,638	331,468,579	286,169,448

	2014	2013	2012	2011*	2010	2009	2008
\$	651,249	\$ 564,224	\$ 1,224,764	\$ 1,283,885	\$ 1,291,339	\$ 1,101,979	\$ 988,754
	3,284	2,725	5,125	1,700	5,571	-	-
	-	-	-	-	-	-	11,829
	-	-	-	-	-	-	-
	-	5,114	2,358	519	3,481	-	41,874
	8,293,723	7,344,600	7,725,687	7,910,675	7,418,642	7,186,510	6,646,181
	864,051	921,957	627,068	579,136	479,832	411,254	326,021
	777,310	529,289	675,341	541,415	936,692	426,776	227,520
	1,214,230	1,117,510	1,095,744	690,865	677,819	488,392	578,646
	105,023	127,571	-	-	-	-	-
	-	-	-	-	-	-	-
	873,364	770,644	671,946	636,073	429,929	335,118	299,352
	33,166,589	30,141,588	33,587,244	41,863,571	35,400,402	23,085,421	22,263,256
	45,948,823	41,525,222	45,615,277	53,507,839	46,643,707	33,035,450	31,383,433
	(328,794,534)	(314,152,013)	(308,839,022)	(302,908,222)	(301,795,931)	(298,433,129)	(254,786,015)

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Net (Expense)/Revenue</b>	\$ (358,182,992)	\$ (354,151,838)	\$ (331,649,880)
<b>General Revenues and Other Changes in Net Position</b>			
<b>Governmental Activities:</b>			
Property Taxes	307,374,114	276,650,489	249,529,850
State Aid - Formula Grants - Unrestricted	74,506,113	85,132,979	85,335,809
Investment Earnings	4,099,437	1,494,598	878,984
Grants and contributions not restricted	105,469	-	-
Miscellaneous	79,934	-	-
Gain (loss) on sale of capital assets	-	-	-
Special Items:			
Extraordinary item - insurance proceeds	-	-	-
Other	-	-	-
<b>Total Primary Government</b>	<u>386,165,067</u>	<u>363,278,066</u>	<u>335,744,643</u>
<b>Change in Net Position</b>			
Governmental Activities	<u>\$ 27,982,075</u>	<u>\$ 9,126,228</u>	<u>\$ 4,094,763</u>
<b>Total Primary Government</b>	<u>\$ 27,982,075</u>	<u>\$ 9,126,228</u>	<u>\$ 4,094,763</u>



**Table 3**

<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ (328,794,534)	\$ (314,152,013)	\$ (308,839,022)	\$ (302,908,222)	\$ (301,795,931)	\$ (298,433,129)	\$ (254,786,015)
223,181,609	206,371,624	196,216,713	186,375,914	185,336,260	173,502,823	150,502,006
89,152,470	87,262,175	88,519,416	93,196,361	77,698,282	67,255,436	69,523,389
907,348	764,915	918,745	892,069	1,244,769	5,835,780	14,275,687
-	-	-	-	-	-	-
114,361	42,423	40	-	151,709	46,836	45,982
-	-	-	(63,138)	-	-	(128,268)
-	-	-	-	4,450,110	-	-
-	-	-	416,491	-	-	-
<u>313,355,788</u>	<u>294,441,137</u>	<u>285,654,914</u>	<u>280,817,697</u>	<u>268,881,130</u>	<u>246,640,875</u>	<u>234,218,796</u>
<u>\$ (15,438,746)</u>	<u>\$ (19,710,876)</u>	<u>\$ (23,184,108)</u>	<u>\$ (22,090,525)</u>	<u>\$ (32,914,801)</u>	<u>\$ (51,792,254)</u>	<u>\$ (20,567,219)</u>
<u>\$ (15,438,746)</u>	<u>\$ (19,710,876)</u>	<u>\$ (23,184,108)</u>	<u>\$ (22,090,525)</u>	<u>\$ (32,914,801)</u>	<u>\$ (51,792,254)</u>	<u>\$ (20,567,219)</u>

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>
<b>General Fund (2)</b>			
Nonspendable- inventories	\$ 370,142	\$ 436,687	\$ 392,114
Nonspendable - prepaid assets	103,203	89,651	138,224
Committed to land acquisition & hail damage	783,416	783,416	783,416
Committed to major maintenance	8,671,644	12,215,537	13,067,375
Committed to copier	-	-	-
Committed to capital replacement	2,308,450	2,508,450	3,193,770
Assigned to approved purchase orders	9,200,972	4,922,444	2,074,142
Assigned to subsequent year's budget deficit	8,100,303	18,688,138	13,363,234
Unassigned	119,935,661	97,563,310	87,836,469
<b>Total General Fund</b>	<u>\$ 149,473,791</u>	<u>\$ 137,207,633</u>	<u>\$ 120,848,744</u>
<b>All Other Governmental Funds</b>			
Nonspendable- inventories	-	-	-
Nonspendable - prepaid assets	-	-	-
Nonspendable - other assets (2)	-	1,031,740	1,031,740
Restricted for debt service	28,544,170	35,269,223	25,657,936
Restricted for authorized construction	47,899,113	82,651,666	145,033,739
Restricted for food service	\$ 944,182	504	671,943
Restricted for other nonmajor special revenue funds	29,140	16,522	63,549
Restricted for endowments	24,391	30,264	30,222
Committed to other nonmajor special revenue funds	1,212,195	1,082,525	895,982
<b>Total All Other Governmental Funds</b>	<u>\$ 78,653,191</u>	<u>\$ 120,110,139</u>	<u>\$ 173,419,177</u>

(1) Beginning with fiscal years 2011, GASB Statement No. 54 provides more clearly defined fund balance categories

(2) The proceeds from the other asset is related to the Child Nutrition Fund's restricted fund balance.

Years prior to 2017 were not restated.

Table 4

2014 (1)	2013 (1)	2012 (1)	2011 (1)	2010	2009	2008
\$ 367,064	\$ 489,904	\$ 372,281	\$ 466,295	\$ 380,234	\$ 428,138	\$ 380,533
146,166	67,566	56,986	55,066	62,688	-	-
783,416	1,443,018	1,457,761	2,582,290	4,450,410	300	300
13,597,371	11,248,780	9,809,684	7,523,200	7,471,552	6,634,677	5,577,495
-	-	-	-	1,659,356	1,846,582	1,356,421
3,193,770	3,193,770	3,256,770	3,602,058	2,954,990	3,100,382	4,261,397
1,798,662	3,138,105	2,042,944	1,643,064	2,551,962	2,292,585	1,776,934
2,709,952	10,000,000	6,324,874	-	-	-	-
85,028,684	65,942,361	68,471,594	63,256,156	49,423,921	46,414,053	50,532,371
<u>\$ 107,625,085</u>	<u>\$ 95,523,504</u>	<u>\$ 91,792,894</u>	<u>\$ 79,128,129</u>	<u>\$ 68,955,113</u>	<u>\$ 60,716,717</u>	<u>\$ 63,885,451</u>
-	-	-	45,074	46,897	12,609	53,719
-	413,627	-	202,453	129,070	-	-
1,031,740	1,031,740	1,031,740	-	-	-	-
23,798,811	20,989,715	17,836,270	15,117,334	18,105,520	24,615,320	35,563,184
219,537,614	62,028,017	70,990,638	100,568,852	157,351,317	181,696,351	344,274,564
1,370,835	851,216	1,326,602	3,320,537	3,604,069	3,542,370	2,838,170
69,735	61,730	77,980	57,957	-	-	-
29,826	30,644	30,081	30,386	30,582	30,547	36,053
778,415	587,004	634,012	491,969	-	-	-
<u>\$ 246,633,074</u>	<u>\$ 86,139,559</u>	<u>\$ 92,078,079</u>	<u>\$ 120,073,605</u>	<u>\$ 179,923,451</u>	<u>\$ 211,175,874</u>	<u>\$ 385,179,150</u>

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS REVENUE**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

<b>Local Sources</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Taxes	\$ 308,262,980	\$ 276,058,692	\$ 249,836,765
Interest and other income	4,025,348	1,494,598	878,984
Food service sales	8,025,510	7,998,953	7,617,275
Other revenue	10,888,446	11,222,869	9,546,691
Total Local Sources	331,202,284	296,775,112	267,879,715
<b>State Sources</b>			
State aid	74,482,422	85,132,979	85,335,809
Food service	68,192	331,658	312,097
State grants and other	17,065,661	16,599,879	15,752,099
Total State Sources	91,616,275	102,064,516	101,400,005
<b>Federal Sources</b>			
Federal grants	12,895,475	11,299,397	10,619,747
Food services	4,857,593	4,341,685	4,598,345
Total Federal Sources	17,753,068	15,641,082	15,218,092
Total Revenues	\$ 440,571,627	\$ 414,480,710	\$ 384,497,812

Source: Statement of Revenues, Expenditures, and Change in Fund Balance

**Table 5**

	<b>Fiscal Year</b>					
<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 221,937,084	\$ 206,270,249	\$ 196,108,562	\$ 186,654,645	\$ 185,294,767	\$ 173,764,251	\$ 150,435,277
907,348	764,915	918,745	1,762,379	1,604,388	6,500,171	16,144,651
8,293,723	7,344,600	7,725,687	7,910,675	7,418,642	7,186,510	6,646,181
10,024,006	8,536,238	8,259,329	6,443,534	6,347,898	4,043,982	3,530,966
241,162,161	222,916,002	213,012,323	202,771,233	200,665,695	191,494,915	176,757,075
89,152,470	87,262,175	88,519,416	93,196,361	77,698,282	69,080,529	71,250,725
291,514	365,176	220,870	300,783	280,037	240,753	223,522
14,013,686	11,468,980	12,568,293	13,352,946	11,228,278	10,082,392	9,583,403
103,457,670	99,096,331	101,308,579	106,850,090	89,206,597	79,403,674	81,057,650
9,640,685	9,386,401	12,055,969	20,026,824	16,973,711	5,586,417	4,786,514
4,786,220	4,490,477	4,785,170	4,602,769	4,121,524	3,452,748	3,062,529
14,426,905	13,876,878	16,841,139	24,629,593	21,095,235	9,039,165	7,849,043
<b>\$ 359,046,736</b>	<b>\$ 335,889,211</b>	<b>\$ 331,162,041</b>	<b>\$ 334,250,917</b>	<b>\$ 310,967,526</b>	<b>\$ 279,937,754</b>	<b>\$ 265,663,768</b>

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## **REVENUE CAPACITY**

The schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Current:			
Instruction	\$ 186,297,528	\$ 182,642,492	\$ 180,432,829
Instructional resources and media services	3,487,851	3,415,833	3,132,951
Curriculum and staff development	9,410,681	8,542,647	8,251,475
Instructional leadership	3,634,466	2,840,043	2,503,247
School leadership	16,740,257	16,136,601	15,340,549
Guidance, counseling, and evaluation services	13,639,343	12,254,891	10,839,122
Social work services	1,128,874	958,895	842,365
Health services	2,543,625	2,404,282	2,130,918
Student transportation	9,490,799	10,704,109	9,155,929
Food service	13,748,753	14,136,746	13,639,613
Extracurricular activities	12,114,029	10,755,675	9,953,429
General administration	6,122,859	5,531,760	5,423,494
Plant maintenance and operations	31,701,903	28,422,133	27,668,849
Security and monitoring services	1,544,167	1,386,047	1,225,492
Data processing services	8,518,894	6,994,388	7,258,997
Community services	2,327,489	2,397,900	2,225,150
Debt Service:			
Principal on long-term debt	34,180,501	36,102,192	38,139,913
Interest on long-term debt	80,800,398 (1)	40,858,246	32,821,763
Other debt service	2,678,511	1,172,225	3,190,779
Facilities and acquisition	35,354,003	58,058,526	84,522,384
Intergovernmental:			
Contracted instructional services between schools	-	-	250,972
Payments related to shared services arrangements	236,300	272,700	381,000
Other intergovernmental charges	2,003,892	1,897,263	1,848,153
<b>Total primary government expenses</b>	<u>\$ 477,705,123</u>	<u>\$ 447,885,594</u>	<u>\$ 461,179,373</u>
Debt service as a percentage of noncapital expenditures	26%	19.64%	18.84%

(1) Includes current refunding and cash defeasance for FY 2017

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances



**Table 6**

<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 163,106,852	\$ 153,447,936	\$ 147,946,435	\$ 151,265,673	\$ 145,010,264	\$ 141,258,709	\$ 125,040,135
3,153,107	3,125,787	3,380,795	4,301,480	5,500,139	5,095,603	4,679,270
7,511,960	7,727,835	6,154,478	8,226,478	9,071,655	8,046,269	6,614,429
2,039,754	1,909,359	1,732,101	1,946,117	1,893,743	1,863,134	1,735,636
14,225,657	14,072,789	13,430,027	13,034,879	12,457,563	11,803,799	10,736,982
10,677,188	10,401,969	9,822,914	10,533,576	10,492,614	9,850,140	8,650,921
930,017	730,002	715,047	414,698	471,680	409,897	353,568
1,920,363	1,945,360	1,769,984	1,802,199	1,823,032	1,635,006	1,305,429
10,084,737	8,436,382	8,516,249	10,850,342	8,109,016	9,307,367	9,030,999
13,451,033	12,401,379	14,059,330	13,098,233	11,613,499	10,738,092	9,699,459
9,787,983	9,751,279	8,960,708	8,963,874	7,720,260	6,168,591	5,340,911
4,812,698	4,651,947	4,477,164	4,809,882	5,108,516	4,947,851	4,989,976
25,258,915	25,184,090	25,358,582	27,883,654	25,094,677	24,175,202	20,794,747
1,143,555	1,247,476	1,029,104	1,182,843	1,061,581	996,206	903,839
6,865,166	6,928,601	7,439,021	8,481,234	7,800,046	12,807,109	12,798,150
2,128,074	2,070,567	1,964,126	1,908,623	2,017,852	1,685,733	1,404,922
24,538,593	21,495,021	22,676,100	28,308,103	31,395,623	25,268,872	17,770,663
38,089,194	39,964,912	34,856,682	27,229,120	25,070,864	29,356,313	18,131,423
6,321,608	4,425	950,327	1,645,921	1,440,941	362,381	2,644,239
44,951,776	7,286,896	26,946,818	54,868,288	91,167,039	178,547,935	152,668,735
96,165	108,180	191,737	175,932	236,526	122,915	-
271,900	211,272	222,522	231,082	236,751	248,714	194,268
1,612,651	1,356,932	1,311,959	1,328,932	1,330,485	1,241,949	1,123,514
<u>\$ 392,978,946</u>	<u>\$ 334,460,396</u>	<u>\$ 343,912,210</u>	<u>\$ 382,491,163</u>	<u>\$ 406,124,366</u>	<u>\$ 485,937,787</u>	<u>\$ 416,612,215</u>
17.86%	18.38%	18.12%	17.08%	17.66%	17.64%	13.49%

**LEANDER INDEPENDENT SCHOOL DISTRICT*****OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCE******LAST TEN FISCAL YEARS***

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Excess (deficiency) of revenue over (under) expenditures	\$ (37,133,496)	\$ (33,404,884)	\$ (76,681,561)
Other Financing Sources (Uses)			
Face amount of bonds	244,233,363	88,534,239	315,402,086
Premium on bonds	104,726,876	93,682,715	127,494,958
Payment to refunded bond escrow agent	(336,852,184)	(182,539,393)	(422,078,000)
Transfers in	11,457	1,011,906	3,862
Transfers out	(4,229,359)	(4,108,803)	(4,006,823)
Sale of capital assets	52,553	36,476	12,215
Other	-	(162,405)	(136,974)
Total other financing sources and uses	<u>7,942,706</u>	<u>(3,545,265)</u>	<u>16,691,323</u>
Special Items:			
Extraordinary Items	-	-	-
Other	-	-	-
<b>Net change in fund balances</b>	<u><u>\$ (29,190,790)</u></u>	<u><u>\$ (36,950,149)</u></u>	<u><u>\$ (59,990,238)</u></u>

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances

**Table 7**

<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ (33,932,210)	\$ 1,428,815	\$ (12,750,169)	\$ (48,240,248)	\$ (95,156,836)	\$ (206,000,034)	\$ (150,948,447)
538,380,132	-	25,943,262	101,592,358	87,691,435	27,575,000	276,122,094
140,295,828	-	60,776,276	60,998,410	46,779,856	361,898	29,061,358
(470,298,784)	-	(85,722,819)	(162,083,416)	(62,987,419)	-	(11,072,418)
-	776	1,632	-	954,742	2,500,000	-
(3,890,390)	(3,682,539)	(3,604,487)	(2,419,556)	(4,844,752)	(2,089,158)	(2,000,000)
40,520	45,038	25,544	59,131	98,776	46,567	77,291
-	-	-	-	-	-	-
204,527,306	(3,636,725)	(2,580,592)	(1,853,073)	67,692,638	28,394,307	292,188,325
-	-	-	-	4,450,110	-	-
-	-	-	416,491	-	-	-
<u>\$ 170,595,096</u>	<u>\$ (2,207,910)</u>	<u>\$ (15,330,761)</u>	<u>\$ (49,676,830)</u>	<u>\$ (23,014,028)</u>	<u>\$ (177,605,727)</u>	<u>\$ 141,239,878</u>

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended 8-31	Real Property		Personal Property	
	Taxable	Estimated	Taxable	Estimated
	Assessed Value	Actual Value	Assessed Value	Actual Value
2008	\$ 10,845,923,830	\$ 13,017,700,409	\$ 424,255,004	\$ 424,255,004
2009	12,550,019,188	14,906,524,207	425,238,843	425,238,843
2010	12,856,767,273	15,354,570,726	524,019,742	524,019,742
2011	12,541,764,443	15,087,772,839	571,036,833	571,036,833
2012	12,927,894,003	15,607,621,505	466,854,028	466,854,028
2013	13,341,457,093	16,107,384,833	540,983,175	540,983,175
2014	14,313,730,114	17,197,380,547	547,871,513	547,871,513
2015	14,043,010,402	17,288,739,734	644,486,809	644,486,809
2016	17,918,848,740	21,737,031,601	696,946,695	696,946,695
2017	20,181,912,125	24,180,038,930	705,562,456	705,562,456

Source: Travis and Williamson County Appraisal Districts

*Table 8*

<b>Exemptions Real Property</b>	<b>Total</b>		<b>Total Tax Rate</b>	<b>Ratio of Total Assessed to Total Estimated Actual Value</b>
	<b>Taxable Assessed Value</b>	<b>Estimated Actual Value</b>		
\$ 2,171,776,579	\$ 11,270,178,834	\$ 13,441,955,413	1.3334	84%
2,356,505,019	12,975,258,031	15,331,763,050	1.3792	85%
2,497,803,453	13,380,787,015	15,878,590,468	1.4223	84%
2,546,008,396	13,112,801,276	15,658,809,672	1.4548	84%
2,679,727,502	13,394,748,031	16,074,475,533	1.4998	83%
2,765,927,740	13,882,440,268	16,648,368,008	1.5119	83%
2,883,650,433	14,861,601,627	17,745,252,060	1.5119	84%
3,245,729,332	16,824,986,410	20,070,715,742	1.5119	84%
3,818,182,861	18,615,795,435	22,433,978,296	1.5119	83%
3,998,126,805	20,887,474,581	24,885,601,386	1.5119	84%

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**PROPERTY TAX RATES - DIRECT AND MAJOR OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended 8-31	School District			City of Austin	BHC MUD	City of Cedar Park	City of Leander
	M & O	I & S	Total				
2008	1.0058	0.3276	1.3334	0.40340	0.85990	0.50807	0.60759
2009	1.0400	0.3392	1.3792	0.40120	0.84600	0.48900	0.60259
2010	1.0400	0.3823	1.4223	0.42090	0.84600	0.48900	0.60042
2011	1.0400	0.4148	1.4548	0.45710	0.84600	0.49350	0.65042
2012	1.0400	0.4598	1.4998	0.48110	0.86600	0.49350	0.67042
2013	1.0400	0.4719	1.5119	0.50290	0.86600	0.49350	0.67042
2014	1.0400	0.4719	1.5119	0.50270	0.86600	0.49250	0.66792
2015	1.0400	0.4719	1.5119	0.48090	0.84230	0.48500	0.65292
2016	1.0400	0.4719	1.5119	0.45890	0.82700	0.47950	0.63292
2017	1.0400	0.4719	1.5119	0.44180	0.80100	0.47000	0.59900

**Note: Rates are per \$100 of assessed valuation.**  
 \*\* NW Austin MUD #1 dissolved for tax year 2010

**Source: Travis County Tax Assessor Collector**  
**Williamson County Tax Office**

*Table 9*

<b>Travis County</b>	<b>Travis County WC&amp;ID #17</b>	<b>Wm. County</b>	<b>Wm. County Vista Oaks MUD #9</b>	<b>Wmson/ Travis County MUD #1</b>	<b>Travis County ESD #1</b>	<b>River Place MUD</b>	<b>NW Austin MUD #1</b>
0.42160	0.61500	0.45910	0.75080	0.71700	0.10000	0.35000	0.27500
0.41220	0.54940	0.43943	0.74000	0.72250	0.10000	0.35000	0.25250
0.42150	0.52490	0.46000	0.74000	0.71400	0.10000	0.33500	0.24270
0.46580	0.52480	0.46000	0.74000	0.66400	0.10000	0.33500	**
0.48550	0.52000	0.45769	0.74000	0.66200	0.10000	0.33500	**
0.50010	0.49260	0.44903	0.74000	0.65700	0.10000	0.33500	**
0.49460	0.44980	0.44903	0.73000	0.61500	0.10000	0.33500	**
0.45630	0.42850	0.44653	0.66590	0.54000	0.10000	0.31290	**
0.41690	0.37510	0.44153	0.61000	0.51000	0.10000	0.23130	**
0.38380	0.05990	0.47653	0.54500	0.46620	0.10000	0.20700	**

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**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**TEN LARGEST TAXPAYERS**  
**CURRENT AND NINE YEARS AGO**

*Table 10*

Name	Rank	Type of Business	Percentage of 2016		Rank	Percentage of 2008	
			Assessed Valuation	Total Assessed Valuation		Assessed Valuation	Total Assessed Valuation
G&I VII River Place LP	1	Land/Improvements	\$ 134,649,936	0.64%			
The Bassham Trust	2	Land/Improvements	116,295,300	0.56%			
BRE RC 1890 Ranch TX LP	3	Land/Improvements	103,059,341	0.49%			
Cedar Park Health Systems	4	Healthcare	85,592,361	0.41%	3	\$ 86,979,442	0.71%
Minnesota Mining and Manufacturing Co.	5	Research & Development	80,578,795	0.39%	4	73,871,091	0.61%
Sir Steiner Ranch Apartments LLC	6	Apartment Complex	73,600,000	0.35%			
Tintara Canyon Creek 2013 LP	7	Land/Improvements	59,229,797	0.28%			
RRE Riverlodge Holdings LLC	8	Land/Improvements	57,200,000	0.27%			
Bell Fund V Four Points LLC	9	Land/Improvements	51,452,800	0.25%			
Steiner Ranch Residences LLC	10	Land/Improvements	49,001,754	0.23%			
Inland Western Cedar Park 1890 Ranch LP					8	37,534,519	0.31%
Austin 2222 Venture ILP							
G&I VII Four Points LP							
Preserve at Four Points LLC							
MLIC Asset Holdings LLC							
SVF Vistas LLC					10	30,778,600	0.25%
Canyon Creek TL3 LLC							
Amaravathi Limited Partnership					2	103,203,592	0.85%
Fund IX CL Austin					7	39,579,632	0.32%
Hart Promesa LLC							
SuddenLink Communications							
1890 Ranch LTD					9	34,749,227	0.29%
H. L. Chapman Pipeline Const. Inc.							
H. E. Butt Inc.							
The Bassham Trust-Verandah at Grandview Hills					6	41,626,555	0.34%
The Bassham Trust-Sonterra Apartments							
1890 Carsow East Ltd.							
Taylor Woodrow Communities							
River Place Pointe LP					1	119,896,294	0.98%
LNR Grandview Limited Ptnrsh					5	48,358,339	0.40%
			<b>\$ 810,660,084</b>	<b>3.88%</b>		<b>\$ 616,577,291</b>	<b>5.06%</b>

Source: Travis County Tax Office  
Williamson County Tax Office

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended 8-31	(1) Total Current Tax Levy	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years and Cumulative Adjustments (2)	Total Collections to Date	
		Amount Collected	Percent of Levy	Amount Collected	YTD Amount	Percent of Levy Collected
2008 *	\$ 147,031,050	\$ 145,456,623	98.93%	\$ 1,514,983	\$ 146,971,606	99.96%
2009	172,663,519	170,703,883	98.87%	1,874,581	172,578,464	99.95%
2010	184,376,375	182,389,634	98.92%	1,883,106	184,272,740	99.94%
2011	185,353,018	183,682,527	99.10%	1,531,252	185,213,779	99.92%
2012	195,066,426	193,530,527	99.21%	1,380,718	194,911,245	99.92%
2013	204,693,137	203,471,251	99.40%	1,006,783	204,478,034	99.89%
2014	219,851,575	218,606,875	99.43%	908,020	219,514,895	99.85%
2015	247,605,347	246,520,797	99.56%	783,043	247,303,840	99.88%
2016	273,848,686	272,585,392	99.54%	845,035	273,430,427	99.85%
2017	305,591,127	304,440,270	99.62%	-	304,440,270	99.62%

(1) Total tax levy, net of adjustments.

(2) Collections in subsequent years are net of supplements and adjustments in subsequent years.

(3) Includes delinquent rollback taxes.

\* Last year Leander ISD tax office was in operation

\*\* Includes \$2.3 million in rollback tax collections

\*\*\* Includes in excess of \$1 million in rollback tax collections

Source: Williamson and Travis County Tax Offices

*Table 11*

		<u>Delinquent Tax (All Years) this Fiscal Year (3)</u>			
<u>Outstanding Delinquent Tax for Tax Year</u>	<u>Outstanding Delinquent Taxes as Percent of Tax Levy</u>	<u>Delinquent Amount Collected</u>	<u>Delinquent Collections as Percent of Current Tax Levy</u>	<u>Outstanding Tax Balances at Fiscal Year End</u>	
\$ 59,444	0.04%	\$ 3,483,426	2.37%	\$ 3,297,808	
85,055	0.05%	1,727,342	1.00%	3,144,876	
103,635	0.06%	1,546,540	0.84%	3,489,823	
139,239	0.08%	1,745,825	0.94%	3,325,319	
155,181	0.08%	1,346,817	0.69%	3,450,141	
215,103	0.11%	1,661,111	0.81%	3,564,473	
336,680	0.15%	3,330,209 **	1.51%	3,839,668	
301,507	0.12%	2,195,671 ***	0.89%	3,478,542	
418,259	0.15%	2,428,160 ***	0.89%	4,111,808	
1,150,857	0.38%	2,658,255 ***	0.87%	3,193,231	

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## **DEBT CAPACITY**

The schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

*Table 12*

<b>Fiscal Year Ended 8-31</b>	<b>General Obligation Bonds</b>	<b>Amounts Available for Retirement of Bonds</b>	<b>Net Bonded Debt</b>	<b>Personal Income</b>	<b>Population</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
2008	\$ 1,175,523,351 *	\$ 35,563,184	\$ 1,139,960,167	\$ 2,389,272,072	99,427	49.20%	11,823
2009	1,211,553,630 *	24,615,320	1,186,938,310	2,910,490,891	101,563	41.63%	11,929
2010	1,289,894,717 *	18,105,520	1,271,789,197	2,898,551,925	99,045	44.50%	13,023
2011	1,280,878,934 *	15,117,334	1,265,761,600	3,224,993,744	102,956	39.72%	12,441
2012	1,288,423,426 *	17,836,270	1,270,587,156	3,432,329,600	107,200	37.54%	12,019
2013	1,289,143,423 *	20,989,715	1,268,153,708	3,610,856,865	111,615	35.70%	11,550
2014	1,535,205,557 *	23,798,811	1,511,406,746	4,122,385,485	120,845	37.24%	12,704
2015	1,576,316,429 *	25,657,936	1,550,658,493	4,096,501,560	124,920	38.48%	12,619
2016	1,579,772,184 *	35,245,025	1,544,527,159	5,652,278,764	160,094	27.95%	9,868
2017	1,598,752,972 *	27,905,627	1,570,847,345	6,343,864,113	174,373	25.20%	9,169

**Ratio of (net) general bonded debt to estimated actual value of property:** 8%

\* General Obligation Bonds amount includes accretion on capital appreciation bonds.

Population & Per Capita Source: US Census QuickFacts & Population and Survey Analysts (PASA) - Leander ISD Oct 2015 report

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**AUGUST 31, 2017**

*Table 13*

<b>Taxing Body</b>	<b>Gross Debt Outstanding</b>	<b>Outstanding As of</b>	<b>Percent Overlapping</b>	<b>Share of Debt</b>
Austin CCD	\$ 297,583,965	08/31/17	11.57%	\$ 34,430,465
City of Austin	1,465,564,994	08/31/17	1.90%	27,845,735
Avery Ranch Rd Dist #1	\$7,755,000	08/31/17	58.24%	4,516,512
Blockhouse Creek MUD	12,500,000	08/31/17	100.00%	12,500,000
City of Cedar Park	190,160,000	08/31/17	90.79%	172,646,264
City of Jonestown	1,715,000	08/31/17	28.85%	494,778
City of Leander	136,085,000	08/31/17	100.00%	136,085,000
Palmera Ridge MUD	2,100,000	08/31/17	100.00%	2,100,000
Parkside at Mayfield Ranch MUD	26,270,000	08/31/17	100.00%	26,270,000
Ranch at Cypress Creek MUD #1	2,045,000	08/31/17	100.00%	2,045,000
River Place MUD	1,355,000	08/31/17	100.00%	1,355,000
Travis County	684,531,179	08/31/17	4.75%	32,515,231
Travis County ESD #1	780,000	08/31/17	25.98%	202,644
Travis County ESD #6	3,795,000	08/31/17	26.65%	1,011,368
Travis County Healthcare District	10,380,000	08/31/17	5.42%	562,596
Travis County MUD #1	12,055,000	08/31/17	100.00%	12,055,000
Travis County WC&ID #17 (Steiner R&	73,422,593	08/31/17	100.00%	73,422,593
Vista Oaks MUD	2,945,000	08/31/17	100.00%	2,945,000
Williamson County	872,279,942	08/31/17	23.01%	200,711,615
Williamson County MUD #13	23,720,000	08/31/17	100.00%	23,720,000
Williamson-Travis MUD #1	3,495,000	08/31/17	100.00%	3,495,000
<b>Total net overlapping debt</b>	<b>\$ 3,830,537,673</b>			<b>\$ 770,929,799</b>
<b>Leander ISD</b>	<b>\$ 1,598,752,972</b>	<b>08/31/17</b>		<b>\$ 1,598,752,972</b>
<b>Total Direct and Overlapping Debt</b>				
<b>(11.34% of Taxable Assessed</b>				
<b>Valuation - \$13,590 per capita) \$5,429,290,645</b>				
				<b>\$2,369,682,771</b>

Source: Municipal Advisory Council of Texas

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## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

The schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

**LEANDER INDEPENDENT SCHOOL DISTRICT**

**DEMOGRAPHIC STATISTICS**

**LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended 31-Aug</b>	<b>Estimated School District Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Austin/San Marcos Metropolitan Statistical Area</b>			
				<b>(A) Labor Force</b>	<b>(A) Employment</b>	<b>(A) Unemployment</b>	<b>(A) Percent Unemployed</b>
2008	99,427	\$ 2,389,272,072	\$ 24,030	858,696	826,818	32,712	3.8%
2009	101,563	2,910,490,891	28,657	883,791	830,755	53,036	6.0%
2010	99,045	2,898,551,925	29,265	905,901	840,812	65,089	7.2%
2011	102,956	3,224,993,744	31,324	912,773	848,243	64,530	7.1%
2012	107,200	3,432,329,600	32,018	952,918	893,694	59,224	6.2%
2013	111,615	3,610,856,865	32,351	979,829	927,370	52,459	5.4%
2014	120,845	4,122,385,485	34,113	1,019,696	972,993	46,703	4.6%
2015	124,920	4,096,501,560	32,793	1,054,708	1,018,185	36,523	3.5%
2016	160,094	5,652,278,764	35,306	1,093,587	1,058,592	34,994	3.2%
2017	174,373	6,343,864,113	36,381	1,128,233	1,090,346	37,887	3.4%

(A) Source: Texas Workforce Commission

Table 14

<b>Austin/San Marcos Metropolitan Statistical Area</b>				
(A)	(A)	(A)	(A)	(A)
<u>Manufacturing</u>	<u>Construction</u>	<u>Trades</u>	<u>Government</u>	<u>Other</u>
57,958	50,017	137,742	159,125	405,917
54,492	45,625	137,408	165,875	407,650
46,983	39,450	131,225	168,792	398,550
47,908	38,600	136,717	157,425	399,167
51,175	41,117	139,908	168,008	432,983
51,133	44,158	149,650	167,850	457,383
52,950	46,283	157,642	170,400	485,008
57,700	51,342	160,808	170,950	523,067
56,575	59,483	170,783	173,358	558,308
56,783	61,367	172,908	180,258	583,850

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE**  
**LAST TEN FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Instruction	3,321.84	3,292.09	3,208.37	3,024.28
Instructional Resources and Media Services	48.00	45.00	43.88	42.75
Curriculum and Staff Development	85.92	96.41	91.72	85.41
Instructional Leadership	33.50	27.50	27.50	26.50
School Leadership	304.75	283.00	276.63	266.75
Guidance, Counseling, and Evaluation Services	195.00	163.00	152.20	160.20
Social Work Services	15.00	11.00	10.00	11.00
Health Services	51.50	48.00	44.00	44.00
Student Transportation	201.72	193.41	188.96	188.33
Food Service	241.48	254.57	245.66	237.12
Extracurricular Activities	29.02	24.00	22.00	22.00
General Administration	70.50	60.03	60.50	63.00
Plant Maintenance and Operations	374.45	322.25	337.25	336.25
Security and Monitoring Services	7.00	6.00	6.00	7.00
Data Processing Services	56.75	54.25	54.75	55.25
Community Services	34.00	35.00	35.00	34.00
Facilities and Acquisition	4.30	5.50	5.50	5.50
<b>Total</b>	<u>5,074.73</u>	<u>4,921.01</u>	<u>4,809.92</u>	<u>4,609.34</u>

Source: Leander ISD Human Resources Department

*Table 15*

<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
3,126.32	3,032.66	2,715.77	2,641.78	2,436.70	2,135.78
42.00	46.00	70.00	72.00	83.00	72.25
86.41	70.00	90.83	94.00	86.00	74.25
25.50	22.50	28.00	28.00	27.00	22.20
268.00	263.75	252.50	245.00	227.00	223.50
155.20	147.00	156.50	155.00	150.00	142.54
11.00	8.00	7.00	7.00	7.00	6.00
43.00	40.00	40.00	41.00	37.00	30.00
175.36	162.84	160.90	156.90	142.40	109.00
227.59	207.58	297.00	213.96	142.26	84.00
20.00	19.00	19.00	19.00	16.00	44.37
61.50	55.00	63.00	63.00	63.50	62.15
338.25	304.00	318.25	322.00	278.00	271.50
6.00	5.00	4.00	3.00	3.00	3.00
54.75	69.50	61.15	62.00	42.00	39.50
34.00	35.00	34.00	37.00	35.00	28.00
6.00	6.00	6.00	8.00	8.00	5.85
<b>4,680.88</b>	<b>4,493.83</b>	<b>4,323.90</b>	<b>4,168.64</b>	<b>3,783.86</b>	<b>3,353.89</b>

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**

*Table 16*

<b>Fiscal Year Ended 31-Aug</b>	<b>General Governmental Expenditures</b>	<b>Average Daily Attendance</b>	<b>Average Daily Membership</b>	<b>Per Pupil Expenditure</b>	<b>Peak Enrollment</b>	<b>Percent Change</b>	<b>Teaching Staff</b>	<b>Pupil-Teacher Ratio</b>	<b>Percentage of Students Free or Reduced Meals</b>
2008	\$ 195,457,942	25,132	26,443	\$ 7,392	26,538	8.50%	1,877	14:1	17.20
2009	214,659,293	26,954	28,364	7,568	28,410	7.05%	2,011	14:1	19.10
2010	221,638,783	28,788	30,321	7,310	30,400	7.00%	2,086	14:1	22.60
2011	229,813,884	30,495	32,034	7,174	32,090	5.56%	2,206	14:1	22.50
2012	224,273,109	31,693	33,179	6,759	33,268	3.67%	2,159	15:1	22.00
2013	239,076,788	32,619	34,265	6,977	34,275	3.03%	2,231	15:1	21.90
2014	247,201,837	33,747	35,355	6,992	35,370	3.19%	2,301	15:1	18.90
2015	260,392,852	34,436	36,105	7,212	36,202	2.35%	2,362	15:1	19.70
2016	277,638,991	35,472	37,068	7,490	37,171	2.68%	2,445	15:1	18.60
2017	295,958,947	36,529	38,130	7,762	38,270	2.96%	2,529	15:1	18.90

Source: ADA - Texas Education Agency (TEA) Summary of Finance  
ADM - TEA Texas Academic Performance Report (formerly AEIS Report)  
Peak Enrollment - Leander ISD PEIMS  
Teaching Staff - TEA Staff FTE & Salary Report  
Free/Reduced - TEA Texas Academic Performance Report (formerly AEIS Report)

**LEANDER INDEPENDENT SCHOOL DISTRICT**

**PRINCIPAL EMPLOYERS**

August 31, 2017

Table 17

<u>Name</u>	<u>2017</u>			<u>2008</u>	
	<u>Rank</u>	<u>Employees</u>	<u>%</u>	<u>Rank</u>	<u>Employees</u>
Leander ISD	1	5,075	9%		
H.E. Butt Grocery	2	980	2%	2	730
3M Company	3	800	1%	1	950
Wal-Mart	4	700	1%	3	380
Cedar Park Regional Medical Center	5	600	1%		
National Oilwell Varco	6	429	1%		
City of Cedar Park	7	415	1%		
Target	8	400	1%	6	200
Home Depot	9	300	1%	7	160
ETS-Lindgren	10	270	0%		
BMC Corporation					
HL Chapman Pipeline Construction					
Walgreens				5	200
Featherlite Texas Quarries Division				8	130
SAS Institute Inc.				9	110
Randall's Grocery				10	75
CVS Pharmacy Drug Store					
M.D. Totco Instrumentation				4	230
Albertson's Grocery					
Schlumberger Technology					
Condea Vista Co. R&D					
<b>Total Employment</b>		<u>81,871</u>			<u>3,165</u>

City of Leander, City of Cedar Park

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## **OPERATING INFORMATION**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**TEACHER BASE SALARIES**  
**LAST TEN FISCAL YEARS**

*Table 18*

<b>Fiscal Year Ended 8-31</b>	<b>Minimum Salary</b>	<b>Maximum Salary</b>	<b>Average Salary</b>
2008	\$ 40,200	\$ 60,325	\$ 46,178
2009	41,200	60,602	47,158
2010	42,000	61,427	47,975
2011	42,500	62,975	48,497
2012	42,000	62,975	48,314
2013	42,500	63,935	48,784
2014	42,750	63,935	48,974
2015	43,075	63,159	49,277
2016	43,700	64,434	49,712
2017	44,900	64,099	50,468

Source: Leander ISD Human Resources Department,  
Texas Education Agency PEIMS Division

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

*Table 19*  
*Page 1 of 6*

School	Year	Fiscal Year										
		Opened	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Whitestone</b>	1991											
Square Feet		77,315	77,315	77,315	77,315	77,315	77,315	77,315	77,315	77,315	77,315	77,315
Portables		9,216	9,216	9,216	9,216	9,216	9,216	9,216	6,144	6,144	6,144	1,536
Capacity		800	800	800	800	800	800	800	800	800	800	800
Enrollment		748	730	802	833	797	787	776	776	784	622	
<b>Faubion</b>	1993											
Square Feet		73,397	73,397	73,397	73,397	73,397	73,397	73,397	73,397	73,397	73,397	73,397
Portables		3,072	3,072	3,072	3,072	3,072	3,072	3,072	3,072	3,072	3,072	3,072
Capacity		800	800	800	800	800	800	800	800	800	800	800
Enrollment		471	522	532	580	581	571	602	599	606	645	
<b>Block House Creek</b>	1987											
Square Feet		82,479	82,479	82,479	82,479	82,479	82,479	82,479	82,479	82,479	82,479	82,479
Portables		7,680	7,680	7,680	7,680	7,680	7,680	7,680	7,680	7,680	7,680	7,680
Capacity		800	800	800	800	800	800	800	800	800	800	800
Enrollment		656	641	653	653	692	686	734	764	763	823	
<b>Cypress</b>	1988											
Square Feet		83,122	83,122	83,122	83,122	83,122	83,122	83,122	83,122	83,122	83,122	83,122
Portables		6,144	6,144	6,144	6,144	6,144	6,144	6,144	6,144	6,144	6,144	6,144
Capacity		800	800	800	800	800	800	800	800	800	800	800
Enrollment		728	752	745	758	749	767	819	841	804	708	
<b>Mason</b>	1994											
Square Feet		89,000	89,000	89,000	89,000	89,000	89,000	89,000	89,000	89,000	89,000	89,000
Portables		6,144	6,144	6,144	6,144	6,144	6,144	6,144	6,144	6,144	6,144	6,144
Capacity		800	800	800	800	800	800	800	800	800	800	800
Enrollment		609	602	627	638	657	687	713	691	683	671	
<b>Giddens</b>	1996											
Square Feet		91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000
Portables		3,072	3,072	3,072	3,072	3,072	3,072	3,072	3,072	3,072	3,072	3,072
Capacity		800	800	800	800	800	800	800	800	800	800	800
Enrollment		533	556	533	532	546	570	572	562	559	636	
<b>Steiner Ranch</b>	1996											
Square Feet		92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000
Portables		3,072	3,072	3,072	3,072	3,072	3,072	3,072	3,072	3,072	3,072	3,072
Capacity		800	800	800	800	800	800	800	800	800	800	800
Enrollment		604	632	651	674	723	727	753	759	839	794	
<b>Naumann</b>	1998											
Square Feet		95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000
Portables		10,752	10,752	10,752	10,752	10,752	10,752	10,752	10,752	10,752	10,752	10,752
Capacity		800	800	800	800	800	800	800	800	800	800	800
Enrollment		472	469	497	736	757	812	756	716	758	987	
<b>Bagdad</b>	1999											
Square Feet		95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000
Portables		4,608	4,608	4,608	4,608	4,608	4,608	4,608	4,608	4,608	4,608	4,608
Capacity		800	800	800	800	800	800	800	800	800	800	800
Enrollment		619	568	553	596	596	584	557	582	598	689	

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

*Table 19*  
*Page 2 of 6*

<b>School</b>	<b>Year</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Elementary</b>	<b>Opened</b>										
<b>Cox</b>	2001										
Square Feet		95,298	95,298	95,298	95,298	95,298	95,298	95,298	95,298	95,298	95,298
Portables		12,288	12,288	12,288	12,288	12,288	12,288	12,288	12,288	12,288	6,144
Capacity		800	800	800	800	800	800	800	800	800	800
Enrollment		674	682	705	776	782	811	711	683	1,002	933
<b>Bush</b>	2002										
Square Feet		97,643	97,643	97,643	97,643	97,643	97,643	97,643	97,643	97,643	97,643
Portables		9,216	9,216	9,216	9,216	9,216	9,216	9,216	9,216	9,216	4,608
Capacity		800	800	800	800	800	800	800	800	800	800
Enrollment		795	834	862	816	841	896	862	820	1,034	862
<b>Knowles</b>	2003										
Square Feet		96,670	96,670	96,670	96,670	96,670	96,670	96,670	96,670	96,670	96,670
Portables		7,680	7,680	7,680	7,680	7,680	7,680	7,680	7,680	7,680	7,680
Capacity		800	800	800	800	800	800	800	800	800	800
Enrollment		657	710	792	700	679	639	624	635	660	751
<b>Deer Creek</b>	2004										
Square Feet		98,075	98,075	98,075	98,075	98,075	98,075	98,075	98,075	98,075	98,075
Portables		7,680	7,680	7,680	7,680	7,680	7,680	7,680	7,680	7,680	10,752
Capacity		800	800	800	800	800	800	800	800	800	800
Enrollment		673	675	727	759	765	748	778	810	812	1,021
<b>Pleasant Hill</b>	2004										
Square Feet		98,075	98,075	98,075	98,075	98,075	98,075	98,075	98,075	98,075	98,075
Portables		6,144	6,144	6,144	6,144	6,144	6,144	6,144	6,144	6,144	9,216
Capacity		800	800	800	800	800	800	800	800	800	800
Enrollment		823	843	841	741	733	730	721	679	650	1,009
<b>Rutledge</b>	2005										
Square Feet		100,472	100,472	100,472	100,472	100,472	100,472	100,472	100,472	100,472	100,472
Portables		9,216	9,216	9,216	9,216	9,216	9,216	9,216	9,216	9,216	3,072
Capacity		800	800	800	800	800	800	800	800	800	800
Enrollment		804	795	762	757	717	731	729	661	971	824
<b>Plain</b>	2006										
Square Feet		108,414	108,414	108,414	108,414	108,414	108,414	108,414	108,414	108,414	108,414
Portables		0	0	0	0	0	0	0	0	0	0
Capacity		800	800	800	800	800	800	800	800	800	800
Enrollment		710	648	846	812	772	787	784	712	608	508
<b>Winkley</b>	2006										
Square Feet		108,414	108,414	108,414	108,414	108,414	108,414	108,414	108,414	108,414	108,414
Portables		0	0	0	0	0	0	0	0	0	0
Capacity		800	800	800	800	800	800	800	800	800	800
Enrollment		652	680	778	838	783	730	807	800	699	579

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

*Table 19*  
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<b>School</b>	<b>Year</b>										
<b>Elementary</b>	<b>Opened</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Riverplace</b>	2007										
Square Feet		108,414	108,414	108,414	108,414	108,414	108,414	108,414	108,414	108,414	108,414
Portables		0	0	0	0	0	0	0	0	0	0
Capacity		800	800	800	800	800	800	800	800	800	800
Enrollment		815	764	800	794	783	785	670	672	664	557
<b>Grandview Hills</b>	2008										
Square Feet		119,160	119,160	119,160	119,160	119,160	119,160	119,160	119,160	119,160	0
Portables		0	0	0	0	0	0	0	0	0	7,680
Capacity		800	800	800	800	800	800	800	800	800	800
Enrollment		483	464	478	499	519	510	561	510	359	251
<b>Parkside</b>	2009										
Square Feet		111,585	111,585	111,585	111,585	111,585	111,585	111,585	111,585	111,585	NA
Portables		0	0	0	0	0	0	0	0	0	NA
Capacity		800	800	800	800	800	800	800	800	800	NA
Enrollment		1135	935	836	826	732	663	682	630	535	NA
<b>Westside</b>	2009										
Square Feet		112,270	112,270	112,270	112,270	112,270	112,270	112,270	112,270	112,270	NA
Portables		0	0	0	0	0	0	0	0	0	NA
Capacity		800	800	800	800	800	800	800	800	800	NA
Enrollment		557	566	559	767	736	725	721	712	599	NA
<b>Ronald Reagan</b>	2010										
Square Feet		112,270	112,270	112,270	112,270	112,270	112,270	112,270	112,270	NA	NA
Portables		6144	6144	6144	6144	6144	6144	0	0	NA	NA
Capacity		800	800	800	800	800	800	800	800	NA	NA
Enrollment		874	881	891	962	899	820	862	818	NA	NA
<b>River Ridge</b>	2010										
Square Feet		110,840	110,840	110,840	110,840	110,840	110,840	110,840	110,840	NA	NA
Portables		3072	3072	3072	3072	3072	0	0	0	NA	NA
Capacity		800	800	800	800	800	800	800	800	NA	NA
Enrollment		730	782	812	956	875	793	680	522	NA	NA
<b>Reed</b>	2014										
Square Feet		122,788	122,788	122,788	NA	NA	NA	NA	NA	NA	NA
Portables		0	0	0	NA	NA	NA	NA	NA	NA	NA
Capacity		800	800	800	NA	NA	NA	NA	NA	NA	NA
Enrollment		746	723	684	NA	NA	NA	NA	NA	NA	NA
<b>Camacho</b>	2015										
Square Feet		110,840	110,840	NA	NA	NA	NA	NA	NA	NA	NA
Portables		0	0	NA	NA	NA	NA	NA	NA	NA	NA
Capacity		800	800	NA	NA	NA	NA	NA	NA	NA	NA
Enrollment		707	599	NA	NA	NA	NA	NA	NA	NA	NA
<b>Akin</b>	2017										
Square Feet		110,840	NA	NA	NA	NA	NA	NA	NA	NA	NA
Portables		0	NA	NA	NA	NA	NA	NA	NA	NA	NA
Capacity		800	NA	NA	NA	NA	NA	NA	NA	NA	NA
Enrollment		0	NA	NA	NA	NA	NA	NA	NA	NA	NA

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

*Table 19*  
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<b>School</b>	<b>Year</b>										
<b>Middle</b>	<b>Opened</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Cedar Park</b>	1995										
Square Feet		175,245	175,245	175,245	175,245	175,245	175,245	175,245	175,245	175,245	158,498
Portables		9,216	9,216	9,216	9,216	9,216	9,216	9,216	9,216	9,216	15,360
Capacity		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment		1,410	1,417	1,396	1,385	1,394	1,343	1,314	1,272	1,269	1,247
<b>Leander</b>	1996										
Square Feet		155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000
Portables		9,216	9,216	9,216	9,216	9,216	9,216	7,680	7,680	7,680	9,216
Capacity		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment		979	919	862	844	871	808	808	754	743	663
<b>Running Brushy</b>	2000										
Square Feet		158,625	158,625	158,625	158,625	158,625	158,625	158,625	158,625	158,625	158,625
Portables		4,608	4,608	4,608	4,608	4,608	4,608	4,608	4,608	4,608	4,608
Capacity		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment		1,254	1,271	1,282	1,274	1,261	1,237	1,131	1,126	1,121	1,105
<b>Henry</b>	2003										
Square Feet		164,444	164,444	164,444	164,444	164,444	164,444	164,444	164,444	164,444	164,444
Portables		3,072	3,072	3,072	3,072	3,072	3,072	3,072	3,072	3,072	0
Capacity		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment		1,326	1,306	1,243	1,301	1,308	1,518	1,388	1,290	1,260	1,135
<b>Canyon Ridge</b>	2004										
Square Feet		171,452	171,452	171,452	171,452	171,452	171,452	171,452	171,452	171,452	171,452
Portables		0	0	0	0	0	0	0	0	0	0
Capacity		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment		1,327	1,284	1,270	1,218	1,095	972	884	1,194	1,061	893
<b>Wiley</b>	2006										
Square Feet		176,564	176,564	176,564	176,564	176,564	176,564	176,564	176,564	176,564	176,564
Portables		0	0	0	0	0	0	0	0	0	0
Capacity		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment		989	951	967	985	958	1,278	1,229	1,074	825	723
<b>Four Points</b>	2011										
Square Feet		178,849	178,849	178,849	178,849	178,849	178,849	178,849	NA	NA	NA
Portables		0	0	0	0	0	0	0	NA	NA	NA
Capacity		1,200	1,200	1,200	1,200	1,200	1,200	1,200	NA	NA	NA
Enrollment		734	741	678	641	635	615	555	NA	NA	NA
<b>Stiles</b>	2012										
Square Feet		177,370	177,370	177,370	177,370	177,370	NA	NA	NA	NA	NA
Portables		0	0	0	0	0	NA	NA	NA	NA	NA
Capacity		1,200	1,200	1,200	1,200	1,200	NA	NA	NA	NA	NA
Enrollment		1,171	1,047	950	842	666	NA	NA	NA	NA	NA

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

*Table 19*  
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School High Schools	Year Opened	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Leander</b>	1984										
Square Feet		360,957	360,957	360,957	360,957	360,957	360,957	360,957	360,957	360,957	346,020
Portables		10,752	10,752	10,752	10,752	10,752	10,752	10,752	10,752	10,752	10,752
Capacity		2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Enrollment		2,118	2,187	2,084	1,990	1,928	1,926	2,043	2,198	2,348	2,266
<b>Cedar Park</b>	1998										
Square Feet		374,785	374,785	374,785	374,785	374,785	374,785	374,785	374,785	374,785	366,721
Portables		4,608	4,608	4,608	4,608	4,608	4,608	4,608	4,608	4,608	4,608
Capacity		2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Enrollment		2,016	1,949	1,866	1,840	1,778	1,792	1,937	2,021	2,395	2,310
<b>Vista Ridge</b>	2003										
Square Feet		427,106	427,106	427,106	427,106	427,106	427,106	427,106	427,106	415,249	407,102
Portables		0	0	0	0	0	0	0	0	0	0
Capacity		2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Enrollment		2,356	2,250	2,111	1,978	1,869	1,776	1,862	1,960	2,007	2,167
<b>Rouse</b>	2008										
Square Feet		437,194	437,194	437,194	437,194	437,194	437,194	437,194	437,194	437,194	NA
Portables		0	0	0	0	0	0	0	0	0	NA
Capacity		2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	NA
Enrollment		1,990	2,391	2,329	2,126	2,047	1,843	1,296	832	371	NA
<b>Vandegrift</b>	2010										
Square Feet		397,183	397,183	397,183	397,183	397,183	397,183	397,183	178,849	NA	NA
Portables		3,014	3,014	3,014	3,014	3,014	3,014	0	0	NA	NA
Capacity		1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,200	NA	NA
Enrollment		2,463	2,255	2,061	1,875	1,691	1,455	975	559	NA	NA
									(in Middle School #7 facility)		
<b>Glenn</b>	2016										
Square Feet		473,754	NA	NA	NA	NA	NA	NA	NA	NA	NA
Portables		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Capacity		2,400	NA	NA	NA	NA	NA	NA	NA	NA	NA
Enrollment		665	NA	NA	NA	NA	NA	NA	NA	NA	NA

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

*Table 19*  
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<b>Schools</b>	<b>Year Opened</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>New Hope</b>	Portables										
Square Feet		3,072	3,072	3,072	3,072	3,072	3,072	3,072	3,072	3,072	3,072
Capacity		50	50	50	50	50	50	50	50	50	50
Enrollment		46	37	37	43	46	41	27	29	39	44
<b>LEO</b>											
Square Feet		47,637	47,637	47,637	47,637	47,637	47,637	47,637	47,637	47,637	47,637
Capacity		308	308	308	308	308	308	308	308	308	308
Enrollment		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>South PAC</b>											
Square Feet		33,994	33,994	33,994	33,994	33,994	33,994	33,994	33,994	33,994	33,994
Capacity		800	800	800	800	800	800	800	800	800	800
<b>North PAC</b>											
Square Feet		46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000
Capacity		800	800	800	800	800	800	800	800	800	800
<b>Other</b>											
<b>Administration</b>											
Square Feet		23,365	23,365	23,365	23,365	23,365	23,365	23,365	23,365	23,365	23,365
<b>Plant Services</b>											
Square Feet		30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
<b>Transportation</b>											
Square Feet		23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
<b>Technology Center</b>											
Square Feet		27,553	27,553	27,553	27,553	27,553	27,553	27,553	27,553	27,553	27,553
<b>Other Administration</b>											
Square Feet		6,312	6,312	6,312	6,312	6,312	6,312	6,312	6,312	6,312	6,312
Portables		12,288	12,288	12,288	12,288	12,288	12,288	12,288	12,288	12,288	12,288
<b>Regional Stadium-Gupton</b>											
Capacity	2010	10,212	10,212	10,212	10,212	10,212	10,212	10,212	NA	NA	NA
<b>Monroe Stadium</b>											
Capacity	2009	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	NA	NA
<b>Bible Stadium</b>											
Capacity	2009	10,212	10,212	10,212	10,212	10,212	10,212	10,212	10,212	NA	NA



**FEDERAL AWARDS SECTION**

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Leander 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 11, 2018.

### **Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control. Described in the accompanying schedule of findings and questioned costs as Finding # 2017-001 that we consider to be a significant deficiency.

To the Board of Trustees  
Leander Independent School District

### **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 non-compliance that is required to be reported under *Government Auditing Standards*.

### ***District's Response to Findings***

The District's response to the findings identified in our audit are 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.

*Whitley Penn LLP*

January 11, 2018  
Austin, Texas

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE *UNIFORM GRANT GUIDANCE***

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

**Report on Compliance for Each Major Federal Program**

We have audited Leander 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* 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.

To the Board of Trustees  
Leander Independent School District

### ***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.

### **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item #2017-002. Our opinion on each major federal program is not modified with respect to this matter.

The District's response to the noncompliance findings identified in our audit are described in the corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item #2017-002.

To the Board of Trustees  
Leander Independent School District

The District's response to the internal control over compliance findings identified in our audit are described in the corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

*Whitley Penn LLP*

January 11, 2018  
Austin, Texas

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*For the Year Ended August 31, 2017*

**I. Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness (es) identified?	No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	Yes; Finding #2017-001
Noncompliance material to the financial statements noted?	No

**Federal Awards**

Internal controls over major programs:	
Material weakness (es) identified?	No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	Yes; Finding #2017-002
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	None

Identification of Major Programs:

<b>Name of Federal Program</b>	<b>CFDA Number</b>
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**U.S. Department of Agriculture**

**Child Nutrition Cluster**

School Breakfast Program	10.553
National School Lunch Program	10.555
National School Lunch Program – USDA Commodities	10.555
Summer Food Service Program For Children	10.559

**U.S. Department of Education**

Title I, Part A – Improving Basic Programs	84.010A
Title III, Part A – English Language Acquisition Grants	84.365A

Dollar threshold used to distinguish Between Type A and Type B federal programs:	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
*For the Year Ended August 31, 2017*

**II. Financial Statement Findings**

<b>Finding # 2017-001 – Supporting Documentation for Attendance Changes</b>	
<b>Criteria:</b>	Per sections 2.3.5 and 3.6.3 of the Texas Education Agency’s Student Attendance Accounting Handbook (SAAH), school districts must maintain proper documentation when changing a student’s attendance record from “Absent” to “Present” for Foundation School Program (FSP) funding purposes. Moreover, once the Teacher Membership Report and Campus Recap is signed by each campus principal, it is sent to central administration for reconciliation with the District Recap. The PEIMS Coordinator reviews the district reconciliation.
<b>Condition:</b>	We requested a change report for four campuses’ attendance changes that occurred during fiscal year 2017. We tested a total of 25 transactions across all four campuses. For two of the four campuses selected for tested, we noted nine (9) changes that were not supported by documentation. The other two campuses were able to provide supporting documentation. In addition, during our walkthrough of the attendance procedures, we noted that the campuses are performing their reconciliations and forwarded it to central administration. However, we were unable to view documentation evidencing the central administration’s review of such data.
<b>Cause:</b>	Due to high turnover at certain campuses, documentation for attendance changes at year-end was not located. In addition, the District doesn’t have a procedure to document its district reconciliation.
<b>Effect:</b>	The District is not in compliance with the Texas Education Agency’s SAAH’s documentation requirements and the lack of documentation could negatively affect the District’s FSP funding levels. The District has not maintained documentation to evidence its compliance with the SAAH requirement for a district-wide reconciliation.
<b>Recommendation:</b>	The District should ensure that all attendance changes are properly documented, maintained by the campuses, and is readily available for audit purposes. In addition, the District should perform its District-wide reconciliation as required by the SAAH and maintain documentation evidencing the reconciliation has been done.
<b>Views of Responsible Officials</b>	The District agrees with the finding and shall view this as an opportunity for improvement by updating our practices to address this topic.

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
*For the Year Ended August 31, 2017*

**III. Federal Awards Findings and Questioned Costs**

<b>Finding # 2017-002 Child Nutrition Cluster (CFDA 10.553/10.555/10.559) – Internal Controls over Compliance: Requirements A and B Allowable/Unallowable Activities and Cost Principles</b>	
Criteria:	The Uniform Guidance (2 CFR 200) requires that expenditures charged to a federal program are allowable and reasonable and necessary. In addition, the Texas Department of Agriculture’s Administrator’s Resource Manual (ARM), Chapter 14 stipulates that while catering expenditures are allowable in the Child Nutrition Program, catering revenue must cover those expenditures.
Condition:	We selected 40 transactions for our tests of controls and compliance over the federal program in question. We noted eight transactions totaling \$3,487 that were for unallowable entertainment. In addition, the District does not have a system in place to determine that catering expenses are offset by sufficient catering revenue. These unallowable expenditures when projected to the same expenditure type are under \$25,000. In addition, the District reclassified \$570 of those expenditures into the General Fund
Questioned Costs:	None.
Effect:	The District is not in compliance with the Uniform Guidance and the Texas Department of Agriculture’s ARM.
Cause:	Internal controls were not effective in detecting these unallowable costs and the District does not have a system to track catering revenue and expenditures to ensure that catering operations are self-sustained.
Recommendation:	The District should ensure that federal program expenditures are reasonable and necessary and allowable per federal and state regulations.
Views of Responsible Officials	The District agrees with the finding and shall view this as an opportunity for improvement by updating our practices to address this topic.

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended August 31, 2017

Exhibit K-1

(2A) Pass Through Entity Identifying Number	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	District Fund Number	(2) Federal CFDA Number	Total Awards Expended
<b>U.S. Department of Agriculture</b>				
<b><u>Child Nutrition Cluster:</u></b>				
<b>Passed Through the Texas Education Agency :</b>				
<b><u>Cash Assistance:</u></b>				
71301701	National School Lunch Program	240, 199	10.555	\$ 3,367,804
71401701	School Breakfast Program	240, 199	10.553	762,163
<b>Total Passed Through the Texas Education Agency</b>				4,129,967
<b>Passed Through the Texas Department of Agriculture</b>				
<b><u>Noncash Assistance:</u></b>				
246913	National School Lunch Program (Commodities)	240	10.555	1,155,091
<b><u>Cash Assistance:</u></b>				
246913	Summer Food Service Program for Children	242	10.559	52,535
<b>Total Child Nutrition Cluster</b>				5,337,593
<b>Total U.S. Department of Agriculture</b>				5,337,593
<b>U.S. Department of Education</b>				
<b>Passed through Texas Education Agency:</b>				
17610101246913	Title I, Part A, Improving Basic Programs	211	84.010A	1,566,343
17420006246913	Career and Technical Education - Basic Grants to States	244	84.048A	180,976
17694501246913	Title II, Part A - TPTR	255	84.367A	230,750
17671001246913	Title III, Part A - English Language Acquisition State Grants	263	84.365A	199,540
69551602	Summer School LEP	288	84.369A	9,320
51061201	Advanced Placement Initiatives	289	84.330B	2,405
<b><u>Special Education Cluster:</u></b>				
176600012469136600	IDEA Part B, Formula	224	84.027A	5,041,509
176610012469136610	IDEA Part B, Preschool	225	84.173A	45,799
<b>Total Special Education Cluster</b>				5,087,308
<b>Total Passed through Texas Education Agency</b>				7,276,642
<b>Passed through Texas Workforce Commission</b>				
1516AEL002	Adult Education - Basic Grants to States	220	84.002A	32,502
<b>Total Passed through Texas Workforce Commission</b>				32,502
<b>Total U.S. Department of Agriculture</b>				7,309,144
<b>U.S. Department of Labor</b>				
<b>Passed through Texas Workforce Commission:</b>				
1517ATP000	WIA Dislocated Worker Formula Grants	289	17.278	72,873
<b>Total U.S. Department of Labor</b>				72,873
<b>U.S. Department of the Interior</b>				
<b>Passed Through Travis County Tax Assessor</b>				
Federal Funding in Liew of Taxes	National Wildlife Refuge Fund	199	15.659	85,486
<b>Total U.S. Department of the Interior</b>				85,486
<b>U.S. Department of Health and Human Services</b>				
<b>Passed Through Passed Through Texas Health and Human Services Commission</b>				
DE-EE0002564	Medical Assistance Program	199	93.778	45,607
1517ATP000	Temporary Assistance for Needy Families	223	93.558	8,951
<b>Total U.S. Department of Health and Human Services</b>				54,558
<b>Total Expenditures of Federal Awards</b>				\$ 12,859,654

**Note 1 - Summary of Significant Accounting Policies**

The District accounts for all awards under federal programs in the General and Special Revenue Funds in accordance with the Texas Education Agency's *Financial Accountability System Resource Guide*. These programs are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Federal grant funds 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 revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods.

All federal grants are subject to review by the grantor agencies. Any expenditures identified by the grantor agencies as disallowed could require reimbursement to the grantor agency from the District's general fund.

**Note 2 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the District under programs of the federal government for the year ended August 31, 2017. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

**Note 3 - Reconciliation to Basic Financial Statements**

The following is a reconciliation of expenditures of federal awards program per the Schedule of Expenditures of Federal Awards ("SEFA") and expenditures reported on the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Exhibit C-3):

Total Federal Revenues per Exhibit C-3	\$ 17,753,068
SHARS	(4,763,901)
JROTC	(129,513)
Total per the Schedule of Expenditures of Federal Awards	<u>\$ 12,859,654</u>

**LEANDER INDEPENDENT SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
*For the Year Ended August 31, 2017*

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, “The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings.” The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit’s schedule of findings and questioned costs and
- All audit findings reported in the prior audit’s summary schedule of prior audit findings except audit findings listed as corrected.

The Summary Schedule of Prior Audit Findings for the year ended August 31, 2017, has been prepared to address these requirements.

**I. Prior Audit Findings**

None Noted

**LEANDER INDEPENDENT SCHOOL DISTRICT**

***CORRECTIVE ACTION PLAN***

*For the Year Ended August 31, 2017*

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, “At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports.”

The Corrective Action Plan for the year ended August 31, 2017, has been prepared to address these requirements.

<b>Findings #2017-001</b>	
<b>Corrective Action:</b>	District shall document all changes in accordance with TEA guidelines.
<b>Responsible Party:</b>	Lucas Janda
<b>Estimated Completion Date:</b>	August 31, 2018

<b>Findings #2017-002</b>	
<b>Corrective Action:</b>	Food Service Management Company will comply with federal guidelines.
<b>Responsible Party:</b>	Jimmy Disler
<b>Estimated Completion Date:</b>	August 31, 2018

**DO NOT BIND IN REPORT**

Schedule L-1 – Required Responses to Selected School FIRST Indicators

SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	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.	\$535,463,594
SF11	Net Pension Assets (1920) at fiscal year-end.	\$ 0
SF12	Net Pension Liabilities (2540) at fiscal year-end.	\$167,504,016
SF13	Pension Expense (6147) at fiscal year-end.	