

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2015





Texas Comptroller  
Leadership Circle



**Laredo Independent School District  
Comprehensive Annual Financial Report  
For the Year Ended  
August 31, 2015**

**Prepared by:**

**Division of Finance**

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# INTRODUCTORY SECTION





**LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR FISCAL YEAR ENDED AUGUST 31, 2015**

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Dr. A. Marcus Nelson  
Superintendent of Schools



1702 Houston St. • Laredo, Texas 78040 • Ph. 956-273-1070

*Board of Trustees  
2015-2016*

January 7, 2016



Dr. Cecilia M. Moreno  
President, District 5

Board of Trustees and Taxpayers of  
Laredo Independent School District  
1702 Houston Street  
Laredo, Texas 78040

Dear Board Members and Taxpayers:



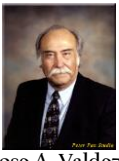
Hector J. Noyola  
Vice President, District 3

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the Laredo Independent School District (the “District”) for the fiscal year ended August 31, 2015. The report was prepared by the District’s Division of Finance. The basic financial statements have been audited by the independent accounting firm of Pattillo, Brown and Hill, L.L.P., whose report is included herein. The financial data appearing in this report has been prepared in accordance with generally accepted accounting principles and reporting standards as promulgated by the Governmental Accounting Standards Board (“GASB”).



Jesus Martinez  
Secretary, District 2

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material respects and is presented in a manner which daily sets forth the financial position and results of operations of the District. Furthermore, we believe that all disclosures necessary to enable the reader to gain the maximum understanding of the District’s financial activities have been included.



Jose A. Valdez  
Trustee, District 1

United States generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement 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 auditors.

***Reporting Entity***



Ricardo Garza  
Trustee, District 5

The District is an independent school district, founded in 1882, governed by a seven-member Board of Trustees (the “Board”). The Board has governance responsibility over all activities related to public school education within the District. The District is not included in any other governmental reporting entity as defined by Governmental Accounting Standards Board Statement No. 14. As required by GAAP, the financial statements of the reporting entity include those of the District (the primary government) and its component unit in conformity with GASB Statement No. 14, The Financial Reporting Entity. The District is not reporting component units.



Hector J. Garcia  
Trustee, District 6

The Board is required to adopt an initial budget for the fiscal year no later than August 31 preceding the beginning of the fiscal year on September 1. This annual budget serves as the foundation for the District’s financial planning and control. The budget is prepared and approved at least at the fund and function levels to comply with the state’s legal level of control mandates.

***Services Provided***



Jose R. Perez, Jr.  
Trustee, District 7

The District provides a safe learning environment that ensures a quality education. Beginning with the 20 elementary schools, four middle schools, and extending through the four high schools (including Early College High School), students study the essential elements of language arts, reading, science, mathematics, art, music, physical education and computer literacy. In addition, in the four middle schools a diversified group of elective subjects is added to the required studies, including, career studies, art, band, choir, orchestra, mariachi band and a foreign language. Similar individual educational needs continue at the four high schools.

Additionally, the District has a communication and fine arts magnet school that offers our students comprehensive courses of study in the areas of communication, dance, music, theatre arts, and visual arts with emphasis on creative development and artistic performance; a health and science magnet school that offers our students a wide range of health and science courses to prepare them for related careers; and a technology and engineering magnet school that offers our students courses of study towards industry certifications to prepare them for related careers.

The District also has an alternative education school and a non-traditional high school to serve the at-risk population.

### ***Enrollment***

Our enrollment for school year 2014-2015 was 24,705 students of which 5,858 students were enrolled at the high school level, 4,896 at the middle school level, and 13,951 at the elementary level.

Over 92% of our students are classified as economically disadvantaged, 42% as Bilingual, 8% as Special Education, and 6% participate in Gifted and Talented courses. In addition, 22% of high school students take Career and Technology courses.

### ***Mission Statement***

The mission of the District is to ensure that all students achieve their potential and graduate as bilingual, bi-literate, and be responsible adults with the skills to succeed in higher education, the workforce, or the military.

### ***District Goals***

- Goal I:** The school district will continue to develop, implement and monitor a quality educational program including curriculum, instruction, assessment and professional development which considers the specific needs of each Laredo Independent School District student and the community, supports high academic standards, and addresses state and federal accountability requirements.
- Goal II:** The school district will provide all students with a safe and nurturing learning environment that promotes attendance, character building and high achievement.
- Goal III:** The school district will encourage and promote a climate that engages families in the education of their children and establish a process that cultivates open and timely communication with our public.
- Goal IV:** The school district shall implement a Health and Wellness Program designed to improve the general health of children and adults by promoting practices that lead to living healthy, active lifestyles.
- Goal V:** The school district will continue to seek all possible avenues to contain and/or reduce costs of all initiatives in order to best represent the financial interests of the taxpayers. In addition, the school district will effectively manage financial resources, and conduct program evaluations that will support providing quality educational experiences for LISD students.
- Goal VI:** The Human Resources will actively pursue and hire highly qualified personnel and provide support that encourage growth, improvement and increased student achievement.
- Goal VII:** The Plant Facilities Department will ensure that students and staff are provided with quality support services as well as secure, properly maintained, energy efficient facilities that are conducive to academic achievement.

### ***Achievements***

The District received its thirteenth Superior rating on the School FIRST (Financial Integrity Rating System of Texas) financial accountability system for the fiscal year ending August 31, 2014. The rating system was established during the 77<sup>th</sup> Legislative session. School districts received their first official rating by TEA in August 2003 for the fiscal year 2001-2002.

### ***Economic Condition and Outlook***

Laredo Independent School District is located in the heart of the City of Laredo and encompasses approximately 13 square miles. On January 2010, the Metropolitan Statistical Area (MSA) reported population at about 236,091 for Laredo. With over 500,000 living across the river in Nuevo Laredo, both cities have a combined population of 736,091. Our District is an inner city district which serves the community of Laredo and Webb County. While the District serves a population slightly over 100,000, we expect enrollment to remain relatively constant over the next several years at about 24,000. Average daily

attendance (ADA) drives school funding and it has remained flat on an average annual basis of about 95%. The district continues to work with students to reduce truancy rates.

Laredo, Texas, best known for its geographic location as the number one port along the US and Mexico Border, with one international airport, one rail bridge and four vehicles bridges (two for commercial and three for private vehicles), is in the center of a vibrant era. This era includes the passage of the North American Free Trade Agreement, which has enhanced trade between the United States and Mexico, providing for a growing tax base and attracting new industries in the City. The Port of Laredo crosses over \$180.1 billion in imports and exports. With IH-35 bisecting the city, all the industrial parks and logistical centers are within five miles. However, due to an increase in property exemptions and reductions, the District has experienced a slender decline in net taxable property values. The District's matured base is mostly built so increases to its values in the future will come from revaluations and revitalization projects. The top 10 taxpayers account for about 7% of the assessed values.

The District's financial position has experienced surpluses over the past years and the District reserves most of the excess revenues for property acquisition, construction and other capital improvements. The fund balance remains stable and it is an indicator of sound financial management mainly attributed to the enforcement of efficiency measures reflected in the improvement plans, in the application of staffing formulas, and in the elimination of costs not aligned with academic achievement and funding sources.

### ***Financial Policies and Long-Term Financial Planning***

The Superintendent's office and the executive staff oversee and coordinate all the elements involved in the strategic and financial planning process of the District. The planning process begins with demographic projections of student growth and the needs for classroom space. The District's student population experiences no annual growth as the District boundaries are locked. The classroom environment is determined by the Division of Curriculum and Instruction in their strategic planning for meeting the educational needs of our students and community. The educational planning process identifies the financial needs of the District and determines the proper allocation of District resources.

The District is towards the end of construction projects in which every school will either be renovated or newly constructed. The construction projects began in 1999 with the sale of \$144,000,000 of bonds. With the addition of more bond sales, it reached \$419,230,133 in original general obligation bond issues in year 2007. In July 2014, the District issued \$67,940,000 for new projects. The estimated final completion date for these projects is August 2017.

The Board approved policy establishing a capital improvement plan as a tool to assess long-term capital project requirements. This plan will assist the district in the prioritizing and financing of upcoming improvement projects. In addition, the capital improvement policy will prove beneficial during the assessment of the District's financial management by the credit agencies. The District plans to earmark annually \$1,000,000 for facility improvements and \$500,000 for equipment upgrades/replacements.

It is the responsibility of the Division of Finance to oversee all finance related issues, including the investment of construction funds and other funds for maximization of interest earnings, and to provide financial status reports to the Board with the objective of assisting in the accountability and decision-making process.

### ***Other Information***

#### **The Accounting System and Budgetary Control**

The Division of Finance is responsible for providing all District financial services including financial accounting and reporting, payroll and accounts payable disbursement functions, cash and investment management, debt management budgeting, procurement, tax office collections, self-funded health plan management, federal programs, and special financial and policy analyses to District management. The Chief Financial Officer, appointed by the Superintendent, has oversight responsibility for the division's operations.

The District's computer hardware includes file servers as well as numerous personal computers and laptops. The Alio software is used and deployed on an Oracle database and runs on Windows servers. The District utilizes Weidenhammer who develops and support the Alio suite of financial and human resources software, which includes a system of internal accounting controls. Such controls have been designed and are continually being reevaluated to provide reasonable, but not absolute, assurance for the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability over the District's assets.

The District also operates a student accountability system supported by the District's Information Technology Department. This system services all campuses of the District. The applications being used are attendance, grades and report cards, student tracking, and all other information required by the State of Texas.

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 this framework and are believed to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Accounting records for governmental fund types are maintained on a modified accrual basis with revenues recorded when services or goods are received and the liabilities are incurred. Accounting records for trust funds are maintained on the accrual basis.

The annual operating budget or financial plan is proposed by the Superintendent and enacted by the Board after public discussion. The site-based decision making process, as mandated by the education code, is the cornerstone of all LISD budgetary decisions. Each campus must have a Site-Based Decision Making (SBDM) committee made up of the campus principal, teachers, parents, and administrators. Their role is to build consensus and support all efforts consistent with reaching the campus goals and objectives. SBDM committee members, department directors and administrators are involved in the budgetary cycle.

Subsequent budget amendments must be approved by the Board for the General Fund Budget. For Special Revenue Funds, budget amendments are subject to the approval by the granting agency. A summary of all amendments is presented to the Board on a monthly basis. All departments are required to operate within their budgetary constraints. The operating budgets are amended prior to expenditure, and the accounting system provides a strong budgetary control over expenditures.

### ***Independent Audit***

The Texas Education Agency requires that an annual audit of the books of account, financial records, and transactions of all administrative departments of the school district be performed by an independent certified public accountant(s). The firm of Pattillo, Brown and Hill, L.L.P., was selected by the District and approved by the Board. In addition to meeting the requirements set forth in the state and local policies, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1984, as amended, and related OMB Circular A-133. The auditor's report on the basic financial statements and schedules are included in a separate report. The auditor's report related specifically to the single audit is included in the Single Audit section of the report.

### ***Awards***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended August 31, 2014. This was the seventeenth consecutive year that the District has achieved this prestigious award. In order to be awarded this Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. 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 comprehensive annual financial report 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.

In addition, GFOA awarded the District the Distinguished Budget Presentation Award for the fiscal period September 1, 2013 thru August 31, 2014. The primary purpose of this document is to provide timely and useful information concerning the past, current, and projected financial status of the District. The budget's main focus is the improvement of the instructional program with the fiscal resources available to the District. We believe our budget continues to conform to the GFOA's requirements and we will continue to submit it to this organization for evaluation and suggestions for improvement.

The Comptroller of Public Accounts in Texas launched a program to encourage local governments to meet a standard for financial transparency online. The program consists of Texas governments opening its books to the public by providing clear and consistent pictures of spending and sharing information in a user-friendly format that lets taxpayers access more detail. In April 7, 2015, the District was recognized with the Platinum Texas Comptroller Leadership Circle. The designation is valid for one year.



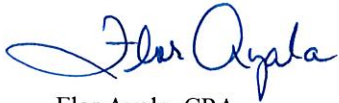
*Acknowledgments*

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff in the Division of Finance and the leadership of the Superintendent.

We would also like to acknowledge the thorough professional and timely manner in which the audit was conducted by our independent auditors, Pattillo, Brown and Hill, L.L.P.

Furthermore, we would like to especially acknowledge the President of the Board and the Board of Trustees who have consistently supported the school district's goals of excellence in all aspects of financial management.

Sincerely,

A handwritten signature in blue ink that reads "Flor Ayala". The signature is fluid and cursive, with a large initial "F" and "A".

Flor Ayala, CPA  
Chief Financial Officer

**LAREDO INDEPENDENT SCHOOL DISTRICT  
DISTRICT OFFICIALS, STAFF & CONSULTANTS  
AUGUST 31, 2015**

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**ELECTED OFFICIALS**

Board of Trustees	Length of Service	Occupation
Jesus Martinez President	7 Years	Retired
Jose A. Valdez Vice-President	18 Years	Retired
Ricardo Garza Secretary	4 Years	Business Owner – Twins Mechanical, Inc.
Hector J. Noyola Trustee	1 Years	Executive Director - Boys and Girls Clubs of Laredo
Dr. Cecilia May Moreno Trustee	5 Years	Retired, Webb County Purchasing Agent
Hector Garcia Trustee	5 Years	Assistant General Manager - La Posada
Jose R. Perez Trustee	7 Years	Retired

**APPOINTED OFFICIALS**

A. Marcus Nelson, Ed.D.....	Superintendent of Schools
Flor Ayala, CPA .....	Chief Financial Officer
David Garza.....	Executive Director for Human Resources
Maggie Martinez.....	Executive Director for Student Services
Roberta Ramirez .....	Executive Director for Curriculum & Instruction
Angel Velasquez.....	Executive Director for Plant Facilities & Support Services

**CONSULTANTS & ADVISORS**

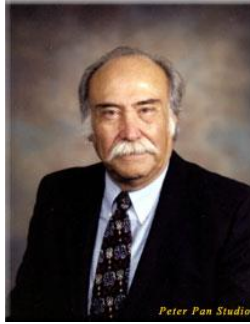
Financial Advisor .....	Estrada-Hinojosa & Company, Inc. Dallas and San Antonio, Texas
Bond Counsel .....	J. Cruz & Associates, LLC Laredo, Texas
Co-Bond Counsel .....	Winstead PC San Antonio, Texas
Certified Public Accountants .....	Pattillo, Brown & Hill, L.L.P. Brownsville, Texas
General Counsel .....	Kazen, Meurer & Perez, Attorneys-at-Law Laredo, Texas

# LAREDO INDEPENDENT SCHOOL DISTRICT

## Board of Trustees August 31, 2015



**Jesus Martinez**  
President  
District 2



**Jose A. Valdez**  
Vice-President  
District 1



**Ricardo Garza**  
Secretary  
District 4



**Hecto J. Noyola**  
Trustee  
District 3



**Dr. Cecilia May Moreno**  
Trustee  
District 2



**Hector Garcia**  
Trustee  
District 6



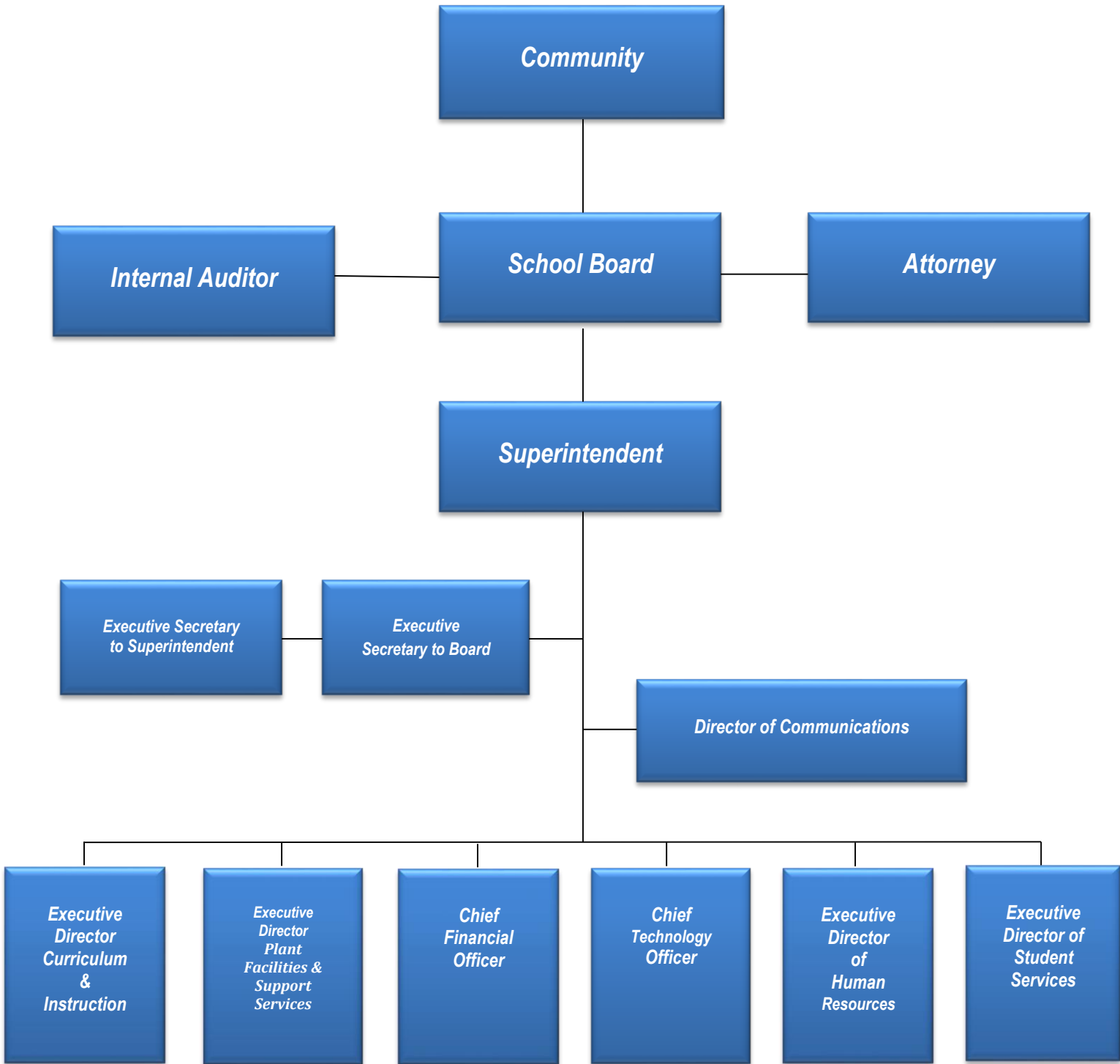
**Jose R. Perez**  
Trustee  
District 7

## Superintendent of Schools



**Dr. A. Marcus Nelson**  
August 3, 2009 to Present

**LAREDO INDEPENDENT SCHOOL DISTRICT**  
**Organizational Chart**  
**August 31, 2015**





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Laredo Independent School District  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**August 31, 2014**

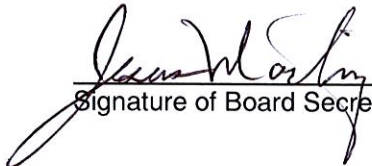
Executive Director/CEO

**CERTIFICATE OF BOARD**

---

<b>Laredo Independent School District</b>	<b>Webb</b>	<b>240-901</b>
<hr/> <i>Name of School District</i>	<hr/> <i>County</i>	<hr/> <i>County District Number</i>

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one)  approved  disapproved for the year ended August 31, 2015 at a meeting of the Board of Trustees of such school district on the 14<sup>th</sup> day of January, 2016.

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

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

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

# FINANCIAL SECTION







INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Laredo Independent School District  
Laredo, 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 Laredo Independent School District (the "District"), as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

The District's 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.

***Auditors' Responsibility***

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Laredo Independent School District as of August 31, 2015, and the respective changes in financial position and, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

---

**RIO GRANDE VALLEY, TX**  
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Brownsville, Texas 78520  
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**TEMPLE, TX**  
254.791.3460

**WACO, TX**  
254.772.4901  
**ALBUQUERQUE, NM**  
505.266.5904

  
**Governmental Audit  
Quality Center**

### *Emphasis of Matter*

As discussed in Note I to the financial statements, in 2015, the District adopted new accounting guidance prescribed by GASB Statement No. 68 for its pension plan – a multiple-employer, cost-sharing, defined benefit pension plan that has a special funding situation. Because GASB Statement No. 68 implements new measurement criteria and reporting provisions, significant information has been added to the Government-Wide Statements. Exhibit A-1 discloses the District's Net Pension Liability and some deferred resource outflows and deferred resource inflows related to the District's pension plan. Exhibit B-1 discloses the adjustment to the District's Beginning Net Position. Our opinion is not modified with respect to the matter.

### *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 17 through 26 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 Laredo Independent School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements 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 purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and was derived from and relates 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 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. 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 December 29, 2015 on our consideration of the Laredo Independent School 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 Laredo Independent School District's internal control over financial reporting and compliance.

Patullo, Brown & Hill, C.P.A.

Brownsville, Texas  
December 29, 2015

# LAREDO INDEPENDENT SCHOOL DISTRICT MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

This section of the Laredo Independent School District’s annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year ended August 31, 2015. This discussion has been prepared by management and should be read in conjunction with the audited financial statements and related footnote disclosures.

## FINANCIAL HIGHLIGHTS

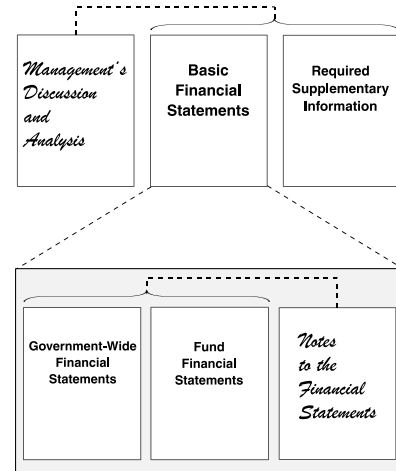
- The assets and deferred outflows of resources of the District exceeded its liabilities by \$217,623,755 (*net position*). Of this amount, \$55,542,755 represents unrestricted net position, which may be used to meet the government’s ongoing obligations to citizens and creditors.
- The District’s total net position decreased by \$21,897,674 or 9% mainly because of the prior period adjustment of \$30,521,429 for the initial Net Pension Liability recorded during the current period. The result of operations did result in an increase of \$8,999,771. The total fund balance of the General Fund increased from \$81,701,149 to 85,538,715, an increase of \$3,837,566.
- The District had a total long-term debt outstanding (not including amortization of premium) of \$258,491,891, a decrease of \$19,178,550. Current funds and savings were used to provide resources for certain projects included in the Capital Improvement Plan.
- At the close of the fiscal year ended August 31, 2015, the District’s governmental funds reported combined fund balances of \$160,386,065, a decrease of \$27,934,724 compared to last year. Approximately 39% or \$62,652,991 is available for spending at the government’s discretion (*unassigned fund balance*).
- The total of committed, assigned and unassigned components of fund balance for the general fund was \$78,057,806, or approximately 36% of total general fund expenditures.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



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



Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District government covered and the types of information contained. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

Type of Statements	District-Wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<b>Scope</b>	Entire district, except fiduciary activities	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities of the district that operate like a business, such as self-insurance funds	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
<b>Required financial statements</b>	<ul style="list-style-type: none"> <li>Statement of Net Position</li> <li>Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>Balance Sheet</li> <li>Statement of Revenues, Expenditures &amp; Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>Statement of Net Position</li> <li>Statement of Revenues, Expenses &amp; Changes in Fund Balance</li> <li>Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>Statement of Net Position</li> </ul>
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Type of asset/liability information</b>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long term; The district’s funds do not currently contain nonfinancial assets, though they can	All assets and liabilities, both short-term and long-term; The district’s funds do not currently contain nonfinancial assets, though they can
<b>Type of inflow/outflow information</b>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid.

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

### Government-wide Statements

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

The two government-wide statements report the District’s net assets and how they have changed. Net Position - the difference between the District’s assets and liabilities - is one way to measure the District’s financial health or position.

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

The government-wide financial statements of the District include the *Governmental activities*. Most of the District’s basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services and general administration. State aid, property taxes and grants finance most of these activities.

## Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has the following kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

As presented, the District maintains 41 individual governmental 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, the Debt Service Fund and the Capital Projects Fund. The following are considered major funds for fiscal year ended 2015: General Fund and EDA 2014 Bond Series. Data from the other 39 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor funds is provided in the form of combining statements elsewhere in this report.

- *Proprietary funds*—When a District charges other District funds for the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the District's internal service fund is included within the governmental activities reported in the district-wide statements, but provides more detail and additional information, such as cash flows. The District uses the internal service fund to report activities that relate to the District's self-insured health plan. The District implemented the self-insured plan in fiscal year ended 2014.
- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

## Notes to the Financial Statements

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

## Required Supplementary Information and Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning budget to actual presentations for the General Fund in accordance with State Board of Education rules. The Schedule of the District's Proportionate Share of the Net Pension Liability and the Schedule of District Contributions related to the Teacher Retirement System of Texas are also included as Required Supplementary Information. In addition, budget to actual presentations for the Food Service Fund and the Debt Service Fund are included in the TEA Required Schedules section.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the Required Supplementary Information.

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was \$217,623,755 on August 31, 2015 (See Table A-1), of which unrestricted net assets (the net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements) equaled \$55,542,611, a decrease of \$35,175,212 from the prior year due primarily by a prior period adjustment needed to record the initial Net Pension Liability required to improve the decision usefulness of information in governmental financial reports. The net position over time serves as a useful indicator of the District's financial position.

Table A-1  
Laredo Independent School District's Net Position

	Governmental Activities		Percentage Change
	2015	Restated 2014	
Current assets and other assets	\$ 190,021,363	\$ 214,766,151	-12%
Capital assets, net	377,104,107	357,611,121	5%
Total assets	<u>567,125,470</u>	<u>572,377,272</u>	<u>-1%</u>
Total deferred outflows of resources	14,602,360	4,559,967	69%
Current liabilities	25,461,777	23,335,545	9%
Non-Current liabilities	329,610,624	313,262,191	5%
Total liabilities	<u>355,072,401</u>	<u>336,597,736</u>	<u>5%</u>
Total deferred inflows of resources	9,031,674	818,074	91%
Net position:			
Net investment in capital assets	151,104,801	138,879,715	9%
Restricted	10,976,343	9,923,891	11%
Unrestricted	55,542,611	90,717,823	-39%
Total net position	<u>\$ 217,623,755</u>	<u>\$ 239,521,429</u>	<u>-9%</u>

The District's current assets of \$187,992,066 were sufficient to cover current liabilities (to include debt due within one year) of \$41,840,567. This represents a current ratio of 4.54, which means that for every dollar the District owed there was \$4.54 available in current assets. By using the same formula and reducing current assets by the inventory amount, the quick ratio (acid test) decreased slightly to 4.51, which indicated a low risk of running out of working capital of \$164,559,586 to meet current obligations and operating expenses.

Capital assets, which consisted of the District's land, buildings and improvements, construction-in-progress and equipment, represent about 67% of total assets. The decrease in current and other assets was mainly due to the drawdown of cash for construction related payments.

Ninety three percent of the District's largest liability was for the repayment of general obligation bonds. Other liabilities, representing about 7% of the District's total liabilities, consist almost entirely of payables on accounts and salaries and benefits. The debt to worth ratio, also called the leverage ratio, was 167%. This represented high debt financing which adds a level of risk, especially by creditors. However, the level of risk can be balanced with the State Aid the District continues to qualify at an approximate rate of 73% of the annual general obligation debt payment.

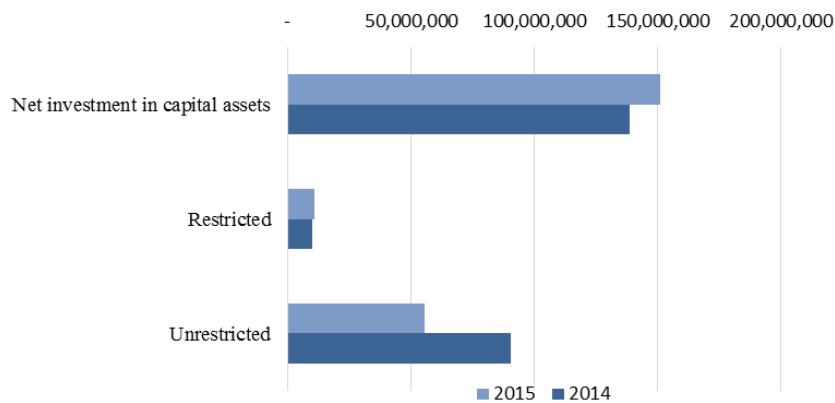
The largest portion at 69% of the District's net position was represented by investments in capital assets (e.g., land, buildings, machinery, equipment, and vehicles. All related outstanding debt that was used to acquire these assets is reduced from the calculation and any unspent bond proceeds are added to the calculation. The District acquired these assets to provide public education services to the public. Accordingly, these assets are not available for future spending. Although investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to

liquidate the associated liabilities. The components in net position for the prior year were restated due to misclassification errors. The misclassification errors did not impact the total net position. The Unrestricted portion decreased due to the prior year adjustment in the amount of \$30,897,445 to record the initial Net Pension Liability required under GASB 68.

An additional portion of the net position (5.04%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$55,542,611 is unrestricted and may be used to meet the government’s ongoing obligations.

The District reported positive balances in all categories of net position. The same situation held true for the prior fiscal year.

Table A-1(a)  
Laredo Independent School District Net Position



**Governmental Activities**

Governmental activities increased the District’s net assets by \$8,999,771. However, this increase was reduced by a prior period adjustment of \$30,897,445 due to new reporting requirements under Government Accounting Standards Board (GASB) Statement No. 68. Since this year was the initial implementation of the new standard, the District needed to record the retroactive effect of recognizing the District’s share of the net pension liability of the Teacher Retirement System of Texas. See Note O of the notes to the financial statements for more details about the defined benefit pension plan.

Overall, total revenues were greater than expenses because of the increase in basic allotment from the State, the increase to the enrichment pennies (Austin Yield), and increased funding as a result of increased participation in various student programs. Also, the self-fund health plan generated \$1,283,227 in net income in its second year of implementation. These profits were credited to the functions that received benefits as part of the consolidation process of the governmental activities. In addition, property taxes increased by \$3,141,175 because the interest and sinking tax rate increased by .1368 to .378 from .234. The increase was necessary in order to make the first bond payment on Series 2014 since no State Aid was available for the first payment. The interest and sinking tax rate will be reduced in future years, especially as State Aid becomes available.

The prior year general revenues were restated to reclassify \$1,355,482 from State aid to grants and contributions – unrestricted. This error did not cause an impact to net position and does not require a prior year adjustment.

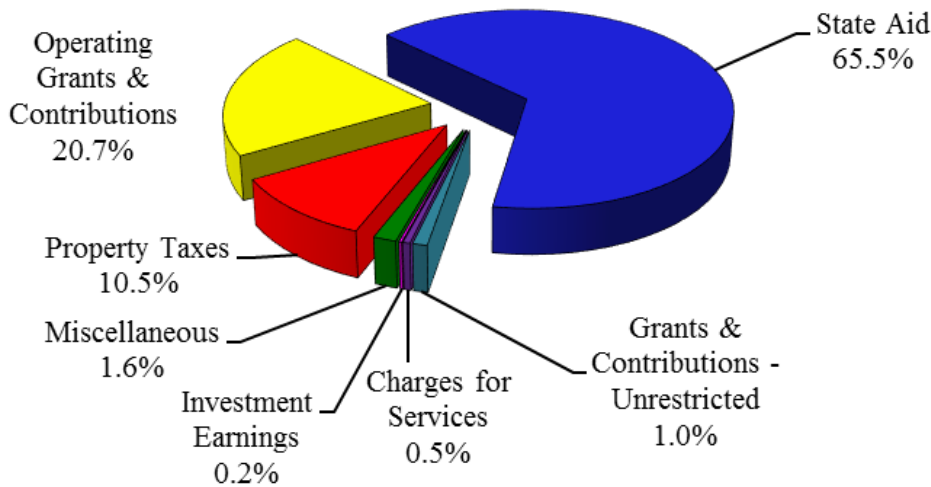


Table A-2  
Laredo Independent School District's Changes in Net Assets

	Governmental Activities		Percentage Change
	2015	Restated 2014	
Revenues:			
Program revenues:			
Charges for services	\$ 1,363,293	\$ 1,389,124	-2%
Operating grants and contributions	56,404,405	59,480,070	-5%
General revenues:			
Property taxes	28,660,088	25,518,913	12%
State aid	178,306,378	169,677,509	5%
Grants and contributions - unrestricted	2,757,397	2,789,961	-1%
Investment earnings	548,472	374,341	47%
Miscellaneous	4,379,618	5,453,682	-20%
Special Item	-	109,849	100%
Total Revenues	<u>272,419,651</u>	<u>264,793,449</u>	<u>3%</u>
Expenses			
Instruction	140,705,290	142,552,448	-1%
Instructional resources and media services	4,258,320	4,176,228	2%
Curriculum and staff development	3,386,737	4,487,817	-25%
Instructional leadership	3,519,444	3,498,834	1%
School leadership	13,128,484	12,764,478	3%
Guidance, counseling, and evaluation services	8,403,036	8,119,158	3%
Social work services	1,672,827	1,529,866	9%
Health services	3,219,722	3,251,157	-1%
Student transportation	4,968,215	4,173,383	19%
Food services	20,444,766	18,234,193	12%
Extracurricular activities	5,077,865	4,893,908	4%
General administration	5,906,408	6,573,738	-10%
Plant maintenance and operations	23,146,357	21,627,117	7%
Security and monitoring services	5,750,694	5,366,645	7%
Data processing services	5,986,245	4,454,289	34%
Community service	2,144,279	1,926,382	11%
Interest on long-term debt	10,916,641	9,811,292	11%
Bond Issuance Cost and Fees	657,048	1,801,763	-64%
Payments related to shared services arrangements	6,000	6,000	0%
Payments to Juvenile Justice Alt. Education Program	121,502	184,386	-34%
Total Expenses	<u>263,419,880</u>	<u>259,433,082</u>	<u>2%</u>
Increase in net position	8,999,771	5,360,367	68%
Net assets at beginning of year	<u>239,521,429</u>	<u>237,132,011</u>	<u>1%</u>
Prior period adjustment	(30,897,445)	(2,970,949)	-100%
Net assets at end of year	<u>\$ 217,623,755</u>	<u>\$ 239,521,429</u>	<u>-9%</u>

The following chart highlights the District's revenues by funding source for the governmental activities. As illustrated, State Aid comprised 63% of the total revenues.

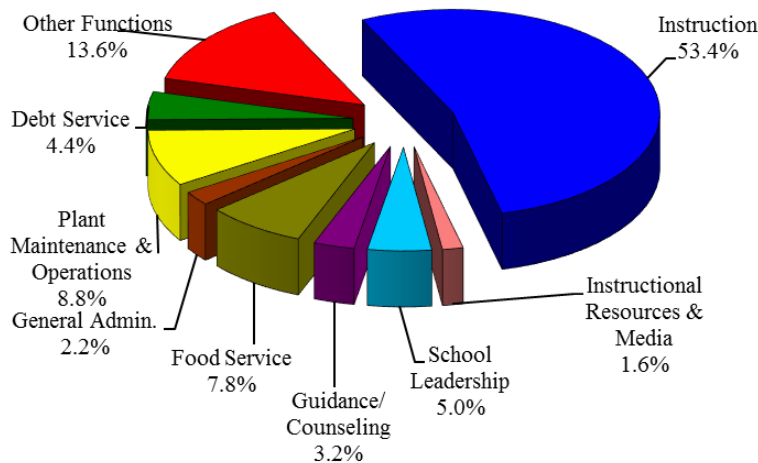
Figure A-3 District's Total Revenues



Total revenues were \$272,419,651. Total revenues for the District’s governmental activities increased by \$7,626,202 or 3%. The increase was attributed to the increase in the basic allotment from the State, increase in student participation in career and technology education and special education programs, and property taxes. Those increases were offset by major funding decrease in federal funds revenues of \$3,075,665 because of the expiration of two grants under the Texas Title I Priority Schools (TTIPS) program worth over \$3,683,383. The decrease in miscellaneous revenues compared to the previous year was due to the use of those funds in instructional programs which shifted those revenues into program revenues. Investment earnings increased by \$174,131 or 47% compared to last year’s amount of \$374,341. While the District’s investments continue to outperform the rolling three and six months treasury yields, the increase is mainly attributed to the new bond proceeds in Series 2014 that were invested while projects get constructed.

The chart below presents the cost of each of the District’s largest functions. Of the total expenses, instructional services represent the largest dollar expense at \$140,705,290 or 55%, followed by plant maintenance & operations at \$23,146,357 or 9%.

Figure A-4 - District's Functional Expenses



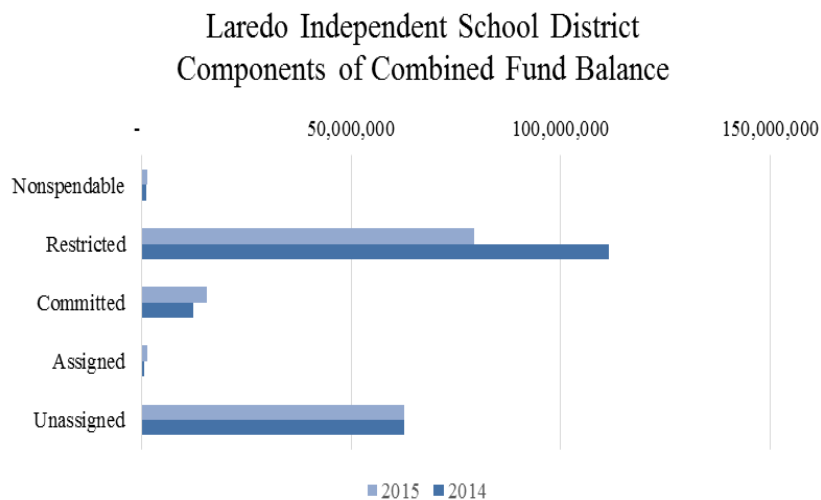
Total expenses were \$263,419,880. Total expenses increased by \$3,986,798 or 2%. The increase in expenses was attributed to increases in payroll costs in a combination of salary increases, pension costs, and additional personnel, as well as costs associated with districtwide capital improvement projects and equipment.

### 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 government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose.

As of the end of the fiscal year, the District’s governmental funds reported combined ending fund balances of \$160,386,065 a decrease of \$27,934,724 in comparison with the prior year. The decrease was mainly due to the use of bond proceeds for construction projects. Of the combined fund balance, \$62,652,991 constituted unassigned fund balance, which did not change from the previous year. The remainder of fund balance is either nonspendable, restricted, committed or assigned to indicate that it is 1) not in spendable form such as inventories \$1,431,972; 2) legally required to be maintained intact such as Federal and State Grants \$3,328,310, capital acquisition and contractual obligations \$68,500,586, the retirement of long term debt \$5,317,675, administrative building funded with the Webb County Permanent School Fund \$2,330,358; 3) committed for a particular purpose for administrative building \$8,652,336, canopies \$932,000, E-Rate projects \$1,613,885, projector and camera equipment \$4,059,989, middle school band uniforms \$180,000, campus activity \$366,907; and 4) assigned for a particular purpose such as outstanding obligations for incomplete school capital projects which will roll to the next fiscal year \$897,673 and balances in special revenue funds from the advertisement account \$51,275 for the maintenance of the jumbotron/school projects and the balance in the Performance Arts Center account \$70,108 for the purchase of Christmas decorations.

The District acquired the City of Laredo Civic Center (Performance Arts Center), accounted under a special revenue fund, which required the additional staff, plus maintenance and operations costs. The total cost from the general fund to maintain the properties was \$614,189. Only \$192,376 was generated in revenues to support the operations of the properties with total costs of \$736,457.



*General Fund.* 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 \$62,652,991, while total fund balance reached \$85,538,715. 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 29% of total general fund expenditures while total fund balance represents 40% of total general fund expenditures.

The unassigned fund balance gives the District a balance that is the equivalent of 106 days of expenditures based on 360 days of operations at an average daily rate of \$592,746. This fund balance is adequate to minimize the likelihood of the District entering the short-term debt market to pay for current operating expenditures. The District continues to maintain the two month minimum expenditures required by the District’s policy in the amount of \$40 million. The

unassigned fund balance is also useful in supporting supplemental programs without interruption while the District waits for state and federal reimbursements.

The fund balance of the general fund increased by \$3,837,566 during the fiscal year. The increase is due to our revenues being greater than expenditures generated primarily by the following that were not in the budget: an insurance recovery of \$455,869, Webb County PSD payment of \$1,068,692, E-Rate reimbursement of \$375,000, State Aid of \$1,120,489.

The capital projects fund, a major fund, had a \$16,060,117 decrease in fund balance during the fiscal year. The large decrease was caused by the spending of resources obtained through the issuance of long term debt in the prior period for capital acquisition and construction. That is, the fund balance that resulted from the previous long-term debt issuance was spent down during the fiscal year period presented as the related capital projects progressed.

*Debt Service Fund.* The Debt Service Fund ended with a fund balance of \$5,317,675 some of which was reserved for the payment of an outstanding \$8,000,000 Qualified Zone Academy Limited Maintenance Tax Note due to mature on October 3, 2021. The increase in fund balance during the current year in the Debt Service fund was \$1,216,550. The increase was mainly due to adjustments in state aid by the Texas Education Agency as a result of prior year overpayments.

The District received funding and will continue to receive funding under the Instructional Facilities Allotment (IFA) and Existing Debt Allotment (EDA) program to assist with the debt service payment on qualifying bonds. The State provides a guaranteed yield of \$35 per penny of tax effort per unweighted average daily attendance, which translates to about 73% in state aid for the annual debt payments. Since not all of our debt qualifies, we use maintenance and operations (M&O) to pay for the lease revenue bonds, loans or notes.

The increase in the principal and interest costs was due to the Series 2014 bond issued in late fiscal year 2014.

Laredo Independent School District's Analysis of Debt Service Funds

	Debt Service Fund		
	2015	2014	Percent Change
<b>Revenues</b>			
Property taxes	\$ 7,861,746	\$ 5,076,908	54.85%
State program revenues	18,158,248	14,572,358	24.61%
Total revenues	<u>26,019,994</u>	<u>19,649,266</u>	<u>32.42%</u>
<b>Expenditures by function</b>			
Principal long term debt	14,711,406	13,234,622	11.16%
Interest on long term debt	10,849,966	9,035,619	20.08%
Other fees	657,048	1,053,937	-38%
Total expenditures	<u>26,218,420</u>	<u>23,324,178</u>	<u>12.41%</u>
Other financing sources (uses)	<u>1,414,976</u>	<u>2,769,432</u>	<u>-48.91%</u>
	1,414,976	2,769,432	-48.91%
Net change in fund balance	1,216,550	(905,480)	-234.35%
Fund balance, beginning	<u>4,101,125</u>	<u>5,006,606</u>	<u>-18.09%</u>
Fund balance, ending	<u>\$ 5,317,675</u>	<u>\$ 4,101,126</u>	<u>29.66%</u>

*Child Nutrition Fund.* The Child Nutrition Fund has a total fund balance of \$3,846,338, a decrease of \$921,433 from the prior year and enough to maintain within the required three month average fund balance minimum. The child nutrition program cannot exceed a three month average expenditures in the fund balance calculated at \$4,953,091.

The CNP program spent \$779,732 in kitchen equipment for the new VMT Magnet School and the newly redesigned Nixon High School in an attempt to reduce its fund balance.

Laredo Independent School District's Analysis of Child Nutrition Funds

	2015	2014	% Change
Local Sources	\$ 255,796	\$ 377,731	-32.3%
State Program Revenues	98,786	97,022	1.8%
Federal Program Revenues	18,536,349	16,936,477	9.4%
Total revenues	<u>18,890,931</u>	<u>17,411,230</u>	<u>8.5%</u>
Expenditures by function			
Food Service	18,607,389	17,235,408	8.0%
Facilities Maintenance and Operations	295,735	291,842	1.3%
Facilities Acquisition and Construction	909,240	129,508	602.1%
Total Expenditures	<u>19,812,364</u>	<u>17,656,758</u>	<u>12.2%</u>
Net change in fund balance	(921,433)	(245,528)	275.3%
Fund balance, beginning	4,767,771	5,013,299	-4.9%
Fund balance, ending	<u>\$ 3,846,338</u>	<u>\$ 4,767,771</u>	<u>-19.3%</u>

The increase in federal revenues was attributed to the continued effort by Child Nutrition Program (CNP) staff to encourage students to eat the nutritious meals through the Fresh Fruits and Vegetables Program via a USDA grant for 20 elementary schools and higher reimbursements for daily meals due to a change in program provisions which favored the District. In addition, there was an increase in the breakfast in the class participation. The increase in costs were attributed to personnel salaries, purchase of food items, non-food items and supplies associated with the daily food operations to feed the students.

*Capital Projects Fund.* The District's Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities, specifically projects funded by bonds approved by the voters. The decrease in fund balances of \$33,046,348 over last year was attributable mostly to costs related to three major construction projects. The Nixon High School Redesign and VMT Magnet School were completed during the summer and bond proceeds from the 2005 Series and the 2006 Series were mainly used to fund the two projects; therefore, the capital project fund balances were reduced for those Series. The District also had an ongoing construction project to rebuild the Zachry Elementary School. The proceeds from the EDA 2014 Series were used.

**Business-type Activities**

The District uses the internal service fund to report activities that relate to the District's self-insured health plan. The District's self-funded plan is designed to provide quality, cost-effective health benefits to eligible employees. In its second year of implementation, the plan generated \$1,283,277 in net earnings at the end of the fiscal year. The net earnings will be reserved to offset future costs and/or spikes in utilization. The total net position for the plan is \$4,105,425.

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

**General Fund Budgetary Highlights**

*Variances – Original and Final Budget*

In general, the variances between the original and final budget are attributable to the timing and length of the budget preparation process. The original budget was prepared approximately nine months prior to the final budget approved

in August 2015. The final budget reflects all budget revisions made throughout the fiscal year to adjust for known facts. Consequently, when the original budget is compared to the final budget, it would be expected that significant variances can occur.

The most significant fund for the District is the General Fund, funded primarily through state aid and property tax revenue. Over the course of the year, the District revised its budget several times and the original budget had a change of \$11,770,486, as of the final amended budget. The activities are listed below.

#### Revenues

- Increase to the Foundation School Program for the Special Education and Career and Technology Education Program, \$2,002,601.
- Increase to appropriate the Equipment Assistance Grant, \$65,835.
- Increase appropriation of ERATE revenues received, \$163,068

#### Expenditures

- Increase for the capital improvement plan, \$1,500,000
- Increase for the Board of Trustees discretionary funds at \$75,000 each board member
- Increase to purchase four buses, \$500,000
- Increase to purchase projectors/printers, \$400,000
- Increase to purchases for VMT instruments, \$180,000
- Increase to the Career and Technology Education Program, \$35,000 for each high school, \$105,000
- Increase to fund outstanding safety access control systems, \$617,873.
- Increase to fund Urbahn Building Remodel, \$300,000
- Increase to fund Music Instruments, \$904,101
- Increase to fund Maintenance & Operations Department, \$200,000
- Increase to fund HVAC systems - Nixon Cafeteria, \$148,500
- Increase to fund VMT Furniture and Equipment, \$150,000
- Increase to fund Facilities Signage, \$50,000
- Increase to fund the purchase of furniture at Zachry Elementary School, \$250,000
- Increase to fund daily operations and to purchase VMT cafeteria equipment, point of sale computers, milk boxes, menu boards, time clocks, breakfast carts, truck wraps and miscellaneous contracted services, \$2,340,879
- Increase to payroll and TRS, miscellaneous contracted services, food items and non-food items, cafeteria tables, commercial steamers, cambros (mobile hot/cold), and commercial ice makers, \$1,191,964
- Increase to appropriate the Equipment Assistance Grant, \$65,835.
- Increase appropriation of ERATE revenues received, \$109,830.

#### *Variances – Final Budget and Actual Results*

The significant budgetary variances between the final amended budget and the actual results are listed below.

#### Revenues

- The increase of \$1,218,506 in state revenues was due to an increase in the District's Special Education population and an increase in the full time equivalent students for Career and Technology.
- The increase in local revenues of \$1,608,693 was due to the Webb County Permanent School Fund.
- The increase in local revenues of \$647,895 was due to the E-Rate Reimbursements for telephone cost.
- The increase in federal revenue of \$848,548 was due to an increase in participation in the Child Nutrition program.

#### Expenditures

- The District did not complete the renovations to the Jose A Valdez non-traditional high school in the amount of \$104,420.
- The District did not complete the basketball court at Santo Niño Elementary School in the amount of \$72,400.
- The District did not complete the E-rate wiring projects at various sites in the amount of \$3,776,832.
- The District did not complete the purchase of Zachry Elementary School furniture and equipment, in the amount of \$457,837.
- The District had salary savings of approximately of \$1,700,000.

- The District had savings in electricity, water, and telephone expenditures in the estimated amount of \$500,000.

Other Sources and (Uses)

- The District did not complete the E-Rate budgeted projects in the amount of \$2,264,507.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The Capital Projects Funds are used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students in the District. At the end of 2015, the District had invested \$541,902,940 in a broad range of capital assets, including land, equipment, buildings and improvements. (See Table A-3.) This amount represented a net increase (including additions and deductions) of 19,492,986 or 5.5% over the previous year. The increase in buildings and improvements was due to the completion of Nixon High School at a cost of \$39,315,732 and Vidal M. Trevino Magnet School at a cost of \$21,849,551. Those two projects were moved from construction in progress to building and improvements. The construction projects Zachry Elementary School and the Final Phase of the Lamar Middle School were in progress.

Table A-3  
Laredo Independent School District's Capital Assets

	2015	2014	Percentage Change
Land	\$ 19,372,448	\$ 19,339,798	0.2%
Buildings and improvements	466,974,591	405,777,681	15.1%
Equipment	37,753,715	35,363,068	6.8%
Construction in progress	17,802,186	48,357,838	-63.2%
Totals at historical cost	<u>541,902,940</u>	<u>508,838,385</u>	<u>6.5%</u>
Total accumulated depreciation	<u>164,798,833</u>	<u>151,227,264</u>	<u>9.0%</u>
Net capital assets	<u>\$ 377,104,107</u>	<u>\$ 357,611,121</u>	<u>5.5%</u>

The District's fiscal year 2015 capital budget projects had unspent proceeds and interest earnings of \$66,925,162 which will be used for the completion of projects related to Zachry Elementary School, the rehabilitation of the Performance Arts Center, final phase of Lamar Middle School and other capital improvements. More detailed information about the District's capital assets is presented in the notes to the financial statements (Note G).

**Long Term Debt**

At year-end, the District had loans, bonds, and compensated absences outstanding as shown in Table A-4. The table indicates a decrease of \$11,221,029 or 3.6% compared to the previous year. More detailed information about the District's debt is presented in the notes to the financial statements (Note K).

Table A-4  
Laredo Independent School District's Long-Term Debt

	2015	2014	Percentage Change
Loans payable	\$ 8,000,000	\$ 8,000,000	0.0%
Bonds payable	291,774,065	303,118,431	-3.7%
Compensated absences	2,566,186	2,442,849	5.0%
Total long term debt payable	<u>\$ 302,340,251</u>	<u>\$ 313,561,280</u>	<u>-3.6%</u>

**Bond Ratings:**  
The District's bonds carry AAA rating with underlying ratings as follows: Moody's Investor Services A1, Fitch's AA- and Standard & Poor's AA-.

There was a decrease of \$11,344,366 or 3.7% in debt outstanding related to bonds. In May 27, 2015, the District issued bonds with a Par Amount of \$68,560,000 to refund previously issued bonds in the Series 2005 and Series 2006 with an aggregate Par Amount of \$74,895,000. The net present value savings were \$8,835,332 or 11.79% which translates to annual savings of \$747,335. The increase in the compensated absences was due to an increase in number of employees meeting the criteria for liability.

On June 9, 2014, Standard and Poor's Rating Services raised our underlying credit rating from A+ to AA-, while a stable outlook was affirmed. The increase was partially due to the implementation of written policy aligned with the credit agency's measures. The last time there was a change in our credit rating was on January 29, 2010, when S&P upgraded Laredo ISD's rate from an A to A+. In the same year on April 30, 2010, Laredo ISD's rate from Fitch was revised from A to AA-. A credit rating is a score that shows the capacity of the issuer (district) to meet its financial obligations (payments) to the investors (buyers). It is a financial indicator to potential investors that help us achieve lower interest rate costs.

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

The District's board members considered many factors when setting the fiscal year 2015-16 budget and tax rates. Some of these factors were the district needs, the campus needs, appraised values, and the Laredo economy. The following factors listed below are highlights of the budget.

- The District experienced a reduction in net taxable value of \$65,321,664 or 3.04% due to an increase in the state homestead exemptions. Senate Bill 1 increased the state homestead exemption from \$15,000 to \$25,000, with expected savings to the average homeowner of approximately \$125 per year. The District will be held harmless under this bill and any revenue loss will be made up by the State.
- The Board of Trustee approved a decrease in the Interest and Sinking tax rate of 1.53, from .3708 to .3555.
- The District opted to move 5.81 "copper" pennies over to the compressed rate in order to reduce the fractionally-funded penalty imposed against the Basic Allotment. This movement generated approximately \$4,380,824 in state aid.
- The District's fiscal year 2015-16 refined average daily attendance (ADA) was estimated at 22,400, compared to last year's actual 22,357.
- The basic allotment increased from \$5,040 to \$5,104, which can cause an increase in state aid of approximately \$3,428,004.

The Board of Trustees approved a balanced budget for the Fiscal Year Ending August 31, 2016. The health insurance employer and employee contribution remained constant. Included in the budget is a step and a \$1,500 increase for full-time classroom teachers, librarians, school nurses, and any other positions on a teacher salary schedule. The aggregate cost of this salary increase was approximately \$3,378,108. In addition, the Board of Trustees increased the athletic stipends for a total estimated cost of \$243,108. Professional employees were approved a 2% increase from the midpoint for an approximate amount of \$611,298. Para-professional employees were approved a 6% increase from the midpoint for an approximate amount of \$1,976,924. The total cost of these salary increases was approximately \$2,588,222.

### **CONTACTING THE DISTRICT'S DIVISION OF FINANCE**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability and transparency for the money it receives. If you have questions about this report or need additional financial information, please contact the District's Division of Finance at (956) 273-1043.



# **BASIC FINANCIAL STATEMENTS**



LAREDO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
AUGUST 31, 2015

EXHIBIT A-1

Data Control Codes	Primary Government  Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 139,588,052
1120 Current Investments	33,130,981
1220 Property Taxes Receivable (Delinquent)	3,346,589
1230 Allowance for Uncollectible Taxes	(2,434,054)
1240 Due from Other Governments	11,559,499
1250 Accrued Interest	279,604
1290 Other Receivables, net	593,471
1300 Inventories	1,431,972
1410 Prepayments	495,952
Capital Assets:	
1510 Land	19,372,448
1520 Buildings, Net	328,573,936
1530 Furniture and Equipment, Net	11,355,537
1580 Construction in Progress	17,802,186
1910 Long Term Investments	2,029,297
1000 Total Assets	567,125,470
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1701 Deferred Charge for Refunding	7,539,184
1705 Deferred Outflow Related to TRS	7,063,176
1700 Total Deferred Outflows of Resources	14,602,360
<b>LIABILITIES</b>	
2110 Accounts Payable	11,385,741
2140 Interest Payable	844,439
2150 Payroll Deductions & Withholdings	1,473,932
2160 Accrued Wages Payable	7,637,499
2180 Due to Other Governments	887,393
2200 Accrued Expenses	814,275
2300 Unearned Revenue	2,418,498
Noncurrent Liabilities	
2501 Due Within One Year	16,378,790
2502 Due in More Than One Year	285,961,461
2540 Net Pension Liability (District's Share)	27,270,373
2000 Total Liabilities	355,072,401
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2602 Deferred Gain on Refunding	689,587
2605 Deferred Inflow Related to TRS	8,342,087
2600 Total Deferred Inflows of Resources	9,031,674
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	151,104,801
3820 Restricted for Federal and State Programs	3,328,310
3850 Restricted for Debt Service	5,317,675
3860 Restricted for Capital Projects	2,330,358
3900 Unrestricted	55,542,611
3000 Total Net Position	\$ 217,623,755

The notes to the financial statements are an integral part of this statement.

LAREDO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2015

EXHIBIT B-1

Data Control Codes	1	Program Revenues		6
Codes	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities

**Primary Government:**

GOVERNMENTAL ACTIVITIES:

11 Instruction	\$ 140,705,290	\$ -	\$ 23,747,621	\$ (116,957,669)
12 Instructional Resources and Media Services	4,258,320	-	542,574	(3,715,746)
13 Curriculum and Staff Development	3,386,737	-	2,866,337	(520,400)
21 Instructional Leadership	3,519,444	-	1,037,042	(2,482,402)
23 School Leadership	13,128,484	-	841,200	(12,287,284)
31 Guidance, Counseling and Evaluation Services	8,403,036	-	2,292,885	(6,110,151)
32 Social Work Services	1,672,827	-	185,815	(1,487,012)
33 Health Services	3,219,722	-	1,199,798	(2,019,924)
34 Student (Pupil) Transportation	4,968,215	-	219,279	(4,748,936)
35 Food Services	20,444,766	229,878	19,450,769	(764,119)
36 Extracurricular Activities	5,077,865	243,410	567,501	(4,266,954)
41 General Administration	5,906,408	7,005	258,905	(5,640,498)
51 Facilities Maintenance and Operations	23,146,357	-	836,688	(22,309,669)
52 Security and Monitoring Services	5,750,694	-	349,875	(5,400,819)
53 Data Processing Services	5,986,245	-	207,547	(5,778,698)
61 Community Services	2,144,279	883,000	1,794,569	533,290
72 Debt Service - Interest on Long Term Debt	10,916,641	-	-	(10,916,641)
73 Debt Service - Bond Issuance Cost and Fees	657,048	-	-	(657,048)
93 Payments related to Shared Services Arrangements	6,000	-	6,000	-
95 Payments to Juvenile Justice Alternative Ed. Prg.	121,502	-	-	(121,502)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 263,419,880	\$ 1,363,293	\$ 56,404,405	(205,652,182)

Data Control Codes	General Revenues:	
	Taxes:	
MT	Property Taxes, Levied for General Purposes	21,127,655
DT	Property Taxes, Levied for Debt Service	7,532,433
SF	State Aid - Formula Grants	178,306,378
GC	Grants and Contributions not Restricted	2,757,397
IE	Investment Earnings	548,472
MI	Miscellaneous Local and Intermediate Revenue	4,379,618
TR	Total General Revenues	214,651,953
CN	Change in Net Position	8,999,771
NB	Net Position - Beginning	239,521,429
PA	Prior Period Adjustment	(30,897,445)
NE	Net Position--Ending	\$ 217,623,755

The notes to the financial statements are an integral part of this statement.

LAREDO INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2015

Data Control Codes	10 General Fund	60 EDA 2014 Series	Other Funds	Total Governmental Funds
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ 75,075,159	\$ 41,876,688	\$ 15,572,241	\$ 132,524,088
1120 Investments - Current	9,069,650	20,000,000	4,061,331	33,130,981
1220 Property Taxes - Delinquent	2,722,795	-	623,794	3,346,589
1230 Allowance for Uncollectible Taxes (Credit)	(1,980,354)	-	(453,700)	(2,434,054)
1240 Receivables from Other Governments	8,283,105	-	3,276,394	11,559,499
1250 Accrued Interest	84,921	142,000	52,683	279,604
1260 Due from Other Funds	3,830,715	41	1,080,947	4,911,703
1290 Other Receivables	584,386	-	4,250	588,636
1300 Inventories	1,431,972	-	-	1,431,972
1410 Prepayments	495,952	-	-	495,952
1900 Other Assets	2,029,297	-	-	2,029,297
1000 Total Assets	<u>\$ 101,627,598</u>	<u>\$ 62,018,729</u>	<u>\$ 24,217,940</u>	<u>\$ 187,864,267</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ 5,347,313	\$ 1,674,756	\$ 3,752,052	\$ 10,774,121
2150 Payroll Deductions and Withholdings Payable	1,473,932	-	-	1,473,932
2160 Accrued Wages Payable	6,736,971	-	900,528	7,637,499
2170 Due to Other Funds	1,343,383	-	3,567,776	4,911,159
2180 Due to Other Governments	-	-	887,393	887,393
2300 Unearned Revenues	444,843	-	436,720	881,563
2000 Total Liabilities	<u>15,346,442</u>	<u>1,674,756</u>	<u>9,544,469</u>	<u>26,565,667</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601 Unavailable Revenue - Property Taxes	742,441	-	170,094	912,535
2600 Total Deferred Inflows of Resources	<u>742,441</u>	<u>-</u>	<u>170,094</u>	<u>912,535</u>
<b>FUND BALANCES</b>				
Nonspendable Fund Balance:				
3410 Inventories	1,431,972	-	-	1,431,972
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	2,787,511	-	540,799	3,328,310
3470 Capital Acquisition and Contractual Obligation	-	60,343,973	8,156,613	68,500,586
3480 Retirement of Long-Term Debt	-	-	5,317,675	5,317,675
3490 Administration Building WCPSD	2,330,358	-	-	2,330,358
Committed Fund Balance:				
3510 Construction	9,584,336	-	-	9,584,336
3545 Other Committed Fund Balance	5,853,874	-	366,907	6,220,781
Assigned Fund Balance:				
3590 Other Assigned Fund Balance	897,673	-	121,383	1,019,056
3600 Unassigned Fund Balance	62,652,991	-	-	62,652,991
3000 Total Fund Balances	<u>85,538,715</u>	<u>60,343,973</u>	<u>14,503,377</u>	<u>160,386,065</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 101,627,598</u>	<u>\$ 62,018,729</u>	<u>\$ 24,217,940</u>	<u>\$ 187,864,267</u>

The notes to the financial statements are an integral part of this statement.

LAREDO INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
AUGUST 31, 2015

<b>Total Fund Balances - Governmental Funds</b>	\$ 160,386,065
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.	4,105,425
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$508,838,385 and the accumulated depreciation was (\$151,227,264). In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.	47,443,177
3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2015 capital outlays and debt principal payments is to increase net position.	49,090,804
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68 in the amount of \$27,270,373, a Deferred Resource Inflow related to TRS in the amount of \$8,342,087 and a Deferred Resource Outflow related to TRS in the amount of \$7,063,176. This amounted to a decrease in Net Position in the amount of \$28,549,284.	(28,549,284)
5 The 2015 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(15,764,967)
6 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.	912,535
<b>19 Net Position of Governmental Activities</b>	<u>\$ 217,623,755</u>

The notes to the financial statements are an integral part of this statement.

LAREDO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2015

EXHIBIT C-3

Data Control Codes	10 General Fund	60 EDA 2014 Series	Other Funds	Total Governmental Funds
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 27,026,446	\$ 182,516	\$ 9,584,339	\$ 36,793,301
5800 State Program Revenues	169,281,280	-	18,810,763	188,092,043
5900 Federal Program Revenues	21,121,903	-	26,435,135	47,557,038
5020 Total Revenues	<u>217,429,629</u>	<u>182,516</u>	<u>54,830,237</u>	<u>272,442,382</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
0011 Instruction	114,872,320	-	17,774,117	132,646,437
0012 Instructional Resources and Media Services	3,956,820	-	338,864	4,295,684
0013 Curriculum and Instructional Staff Development	584,959	-	2,846,883	3,431,842
0021 Instructional Leadership	2,661,890	-	853,313	3,515,203
0023 School Leadership	13,037,129	-	161,810	13,198,939
0031 Guidance, Counseling and Evaluation Services	6,597,451	-	1,959,662	8,557,113
0032 Social Work Services	1,588,139	-	110,648	1,698,787
0033 Health Services	2,193,636	-	1,088,143	3,281,779
0034 Student (Pupil) Transportation	4,301,082	-	6,216	4,307,298
0035 Food Services	18,607,389	-	818,893	19,426,282
0036 Extracurricular Activities	4,570,295	-	470,621	5,040,916
0041 General Administration	5,832,992	-	76,531	5,909,523
0051 Facilities Maintenance and Operations	22,073,464	-	652,116	22,725,580
0052 Security and Monitoring Services	4,503,891	-	197,586	4,701,477
0053 Data Processing Services	4,292,044	498,889	40,646	4,831,579
0061 Community Services	313,690	-	1,854,270	2,167,960
<b>Debt Service:</b>				
0071 Principal on Long Term Debt	-	-	14,711,406	14,711,406
0072 Interest on Long Term Debt	-	-	10,849,966	10,849,966
0073 Bond Issuance Cost and Fees	-	-	657,048	657,048
<b>Capital Outlay:</b>				
0081 Facilities Acquisition and Construction	3,279,756	15,743,744	15,959,827	34,983,327
<b>Intergovernmental:</b>				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	6,000	6,000
0095 Payments to Juvenile Justice Alternative Ed. Prg.	121,502	-	-	121,502
6030 Total Expenditures	<u>213,388,449</u>	<u>16,242,633</u>	<u>71,434,566</u>	<u>301,065,648</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,041,180</u>	<u>(16,060,117)</u>	<u>(16,604,329)</u>	<u>(28,623,266)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
7911 Capital Related Debt Issued (Regular Bonds)	-	-	68,560,000	68,560,000
7915 Transfers In	2,743,529	-	1,340,623	4,084,152
7916 Premium or Discount on Issuance of Bonds	-	-	10,466,511	10,466,511
8911 Transfers Out (Use)	(2,947,143)	-	(1,137,009)	(4,084,152)
8949 Payment to Escrow due to Refunding	-	-	(78,337,969)	(78,337,969)
7080 Total Other Financing Sources (Uses)	<u>(203,614)</u>	<u>-</u>	<u>892,156</u>	<u>688,542</u>
1200 Net Change in Fund Balances	3,837,566	(16,060,117)	(15,712,173)	(27,934,724)
0100 Fund Balance - September 1 (Beginning)	<u>81,701,149</u>	<u>76,404,090</u>	<u>30,215,550</u>	<u>188,320,789</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 85,538,715</u>	<u>\$ 60,343,973</u>	<u>\$ 14,503,377</u>	<u>\$ 160,386,065</u>

The notes to the financial statements are an integral part of this statement.

LAREDO INDEPENDENT SCHOOL DISTRICT  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED AUGUST 31, 2015

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	(27,934,724)
The District uses internal service funds to charge the costs of certain activities, such as self-insurance health plan, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net position.		1,283,227
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2015 capital outlays and debt principal payments is to increase net position.		49,090,804
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.		(15,764,967)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.		(22,730)
The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 8/31/2014 caused the change in the ending net position to increase in the amount of \$4,868,826. The District recorded their proportionate share of the pension expense during the measurement period as part of the net pension liability. The amounts expensed for FY2015 were \$4,236,221 for pension expense columns 6 - 12 from TRS data and the amounts de-expended for the net deferred resource inflow recognized by TRS in the measurement period were \$1,715,556. This caused a net decrease in the change in net position of \$2,520,665. The impact of all of these is to increase the change in net position by \$2,348,161.		2,348,161
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>8,999,771</b>

The notes to the financial statements are an integral part of this statement.



LAREDO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
AUGUST 31, 2015

	Governmental Activities -
	Health Plan Internal Service Fund
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 7,063,964
Due from Other Funds	400
Other Receivables	4,835
Total Assets	<u>7,069,199</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	611,620
Due to Other Funds	944
Accrued Expenses	814,275
Unearned Revenues	1,536,935
Total Liabilities	<u>2,963,774</u>
<b>NET POSITION</b>	
Unrestricted Net Position	<u>4,105,425</u>
Total Net Position	<u><u>\$ 4,105,425</u></u>

The notes to the financial statements are an integral part of this statement.

LAREDO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2015

	Governmental Activities -
	Health Plan Internal Service Fund
<hr/>	
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 19,110,114
Total Operating Revenues	19,110,114
OPERATING EXPENSES:	
Other Operating Costs	17,826,887
Total Operating Expenses	17,826,887
Operating Income	1,283,227
Total Net Position - September 1 (Beginning)	2,822,198
Total Net Position - August 31 (Ending)	\$ 4,105,425

The notes to the financial statements are an integral part of this statement.

LAREDO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2015

	Governmental Activities -
	Health Plan Internal Service Fund
<hr/>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 24,607,075
Cash Payments for Insurance Claims	(14,984,818)
Cash Payments for Suppliers	(2,558,293)
Net Cash Provided by Operating Activities	<hr/> 7,063,964 <hr/>
Net Increase in Cash and Cash Equivalents	7,063,964
Cash and Cash Equivalents at Beginning of Year	<hr/> - <hr/>
Cash and Cash Equivalents at End of Year	\$ 7,063,964 <hr/> <hr/>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income:	\$ 1,283,227
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Receivables	6,930,751
Increase (decrease) in Accounts Payable	(52,585)
Increase (decrease) in Payroll Deductions	(13,481)
Increase (decrease) in Due from Other Funds	(1,415,720)
Increase (decrease) in Accrued Expenses	331,772
Net Cash Provided by Operating Activities	<hr/> \$ 7,063,964 <hr/> <hr/>

The notes to the financial statements are an integral part of this statement.

LAREDO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2015

	Agency Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 425,551
Total Assets	<u>\$ 425,551</u>
LIABILITIES	
Accounts Payable	\$ 3,010
Due to Student Groups	422,541
Total Liabilities	<u>\$ 425,551</u>

The notes to the financial statements are an integral part of this statement.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

**A. Summary of Significant Accounting Policies**

The basic financial statements of Laredo Independent School District (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) applicable to governmental units in conjunction with the Texas Education Agency’s *Financial Accountability System Resource Guide* (“Resource Guide”). The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

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

1. Reporting Entity

The Board of School Trustees (“Board”), a seven member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is appointed and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (“TEA”) or to the State Board of Education are reserved to the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state, and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental “reporting entity” as defined by the GASB in its Statement No.14, *The Financial Reporting Entity*, and GASB Statement No.61, *The Financial Reporting Entity: Omnibus*. The District has not component Units.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and statement of activities include the financial activities of the overall government, except for fiduciary activities. Since the resources in the Fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function. Indirect cost expenditures are determined by applying approved indirect cost rates to actual applicable expenditures of federally funded grant programs and therefore are included as an element of functional expenses. Indirect cost revenues are reported in the General Fund.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

**A. Summary of Significant Accounting Policies (Continued)**

Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

The fund financial statements provide information about the District's Governmental and Fiduciary Funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

b. Fund Accounting

Major Governmental funds

- General Fund - District's primary operating fund: This classification must be used to account for funds in which the local governing board designates. It accounts for all financial resources of the District except those required to be accounted for in another fund.
- EDA 2014 Bond Series - Capital Projects Funds: The District accounts for proceeds from long-term debt financing (including the sale of bonds) and revenues and expenditures related to authorized construction and other capital asset acquisitions in this fund. The Board approves project budgets, not annual appropriated budgets.

Fiduciary Funds

Agency Funds: These Fiduciary funds are used to account for assets secured by the District to serve as a trustee or as an agent for activities from student groups and other resources held in custodial nature (assets equal liabilities). Agency Funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, scholarships and/or other governmental units. These Fiduciary Funds consist of District Student Activity Funds, Donations and Scholarship Funds. Agency funds have no measurement focus.

Fiduciary Fund Financial Statement is referenced as Exhibit E-1.

Proprietary Funds

Internal Service Fund: Revenues and expenses related to services provided to organizations within the District on a cost-reimbursement basis and are accounted for in an Internal Service Fund. The Internal Service Fund accounts for the operations of the self-funded health insurance program.

c. Measurement Focus, Basis of Accounting

Government-wide Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

**A. Summary of Significant Accounting Policies (Continued)**

Governmental fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Grant and similar revenues, revenues received from the State of Texas, 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.

Unavailable revenue from property taxes arises only under modified accrual basis of accounting. The governmental funds report this unavailable revenue as a deferred inflow of resources, which is recognized as revenue in the period the amounts become available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources. Furthermore, committed fund balances are reduced first, followed by assigned amounts and then unassigned amounts where expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

**3. Financial Statement Amounts**

**a. Deposits**

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

The funds of the District must be deposited and invested under the terms of a depository contract, 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 Federal Deposit Insurance Corporation insurance.

**b. Inventories and Prepaid Items**

Inventories of supplies on the balance sheet are carried at cost, which is determined principally by the average cost method, while investments of food commodities are recorded at market values supplied by the United States Department of Agriculture (USDA). Inventories are considered expenditures or expenses as they are consumed. Supplies are used for almost all functions of activity, while food commodities are used only in the food service program. Although commodities are received at no cost, their fair market value is supplied by the USDA and recorded as inventory and unearned revenues when received.

LAREDO INDEPENDENT SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2015

**A. Summary of Significant Accounting Policies (Continued)**

When requisitioned, inventory and unearned revenues are relieved, expenditures are changed, and revenue is recognized for an equal amount. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenditures.

c. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General Fund are \$1,980,354 and \$453,700 for the Debt Service Fund which is based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. Land and Construction in Progress are not depreciated.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (Years)
Buildings	15 – 30
Furniture and Equipment	3 – 15
Vehicles	7 – 10

e. Receivable and Payable Balances

The District believes sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances. There are no significant receivables which are not scheduled for collection within one year of year-end.

f. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation.



LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

**A. Summary of Significant Accounting Policies (Continued)**

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement.

All other inter-fund transactions are treated as transfers. Transfers In and Transfers Out are presented gross on the governmental fund financial statements. The effect of interfund activity has been eliminated from the government-wide financial statements.

g. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the District's management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Significant assumptions are required in the calculation of the revenue from the Foundation School Program. It is possible this estimate could be revised in the near term and that the revision could be material.

h. Data Control Codes

Data Control Codes appear in the rows and above the columns of certain financial statements. TEA requires the display of these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

i. Budgets

The budget was prepared for adoption for all required governmental fund Types. The following procedures are followed in establishing the budgetary data:

- 1) Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days of the public notice for the meeting has been provided.
- 3) Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end. During the year, several amendments were necessary.

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund, Debt Service, and the General Fund - Food Service. The Special Revenue Funds and Capital Projects Funds adopt project-length budgets which do not correspond to the District's fiscal year. Each annual budget is presented on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States of America. The budget was properly amended throughout the year by the Board.

LAREDO INDEPENDENT SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2015

**A. Summary of Significant Accounting Policies (Continued)**

Each budget is controlled by the budget coordinator at the expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year-end. Budget information is summarized next:

	Original Budget	Increase/(Decrease)	Amended Budget
General Fund	\$195,747,969	\$5,940,304	\$201,688,273
General Fund – Child Nutrition	18,418,013	3,598,678	22,016,691
Debt Service Fund	25,583,548	688,542	26,272,090

It is noted that during this audited year, the budget appropriations in General Fund were increased to appropriate committed fund balance to fund the capital improvement plan in the amount of \$1,500,000, to fund board member discretionary funds in the amount of \$525,000, to fund the purchase of four buses in the amount of \$500,000, to fund the purchase of projectors and printers in the amount of \$400,000, to fund the purchase of Vidal M. Trevino Magnet School music instruments in the amount of \$180,000, and to fund the purchase of Career and Technology equipment in the amount of \$105,000. Additionally, budget appropriations in the General Fund were increased to appropriate assigned fund balance for the outstanding purchase orders for the access control system project in the amount of \$617,873. Furthermore, budget appropriations in the General Fund were increased to appropriate additional foundation revenue to fund the purchase of music instruments in the amount of \$904,101, to fund the purchase of furniture and equipment at Vidal M. Trevino Magnet School in the amount of \$150,000, to fund the purchase of furniture at Zachry Elementary School in the amount of \$250,000, to fund additional maintenance and operations supplies in the amount of \$200,000, to fund the remodeling and wiring of the Urbahn Building in the amount of \$300,000, to fund the purchase of naming facilities signage in the amount of \$50,000, and to fund the purchase of a HVAC system at Nixon H.S. in the amount of \$148,500. Lastly, budget appropriations in the General Fund (E-Rate) contracted services were increased due to the additional revenues received in the amount of \$109,830. Budget appropriations in Child Nutrition Program were increased to appropriate unassigned fund balance for one time expenditures in the amount of \$531,347 to fund building improvements for CNP Warehouse and Vidal M. Trevino Magnet School, \$2,147,964 to fund CNP daily operations, to fund the purchase of equipment and furniture in the amount of \$853,532, and to appropriate revenues and expenditures for 2014 National School Lunch Program Equipment Assistance Grant in the amount of \$65,835. Debt Service Fund had an increased in budget appropriations in the amount of \$688,542 for the issuance of new refunding bond.

j. Encumbrances

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31. However, encumbrances outstanding at year end, not otherwise restricted or committed, are reported as assignments of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

**A. Summary of Significant Accounting Policies (Continued)**

Significant encumbrances included in governmental fund balances are as follows:

	Encumbrances included in:		
	Restricted	Other Assigned	Total
	Fund Balance	Fund Balance	
General Fund	\$ -	\$ 897,673	\$ 897,673
EDA 2014 Bond Series	3,434,957	-	3,434,957
Non Major Governmental Funds	10,246,560	-	10,246,560
Total	\$ 13,681,517	\$ 897,673	\$ 14,579,190

k. Arbitrage Payable

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income received at yields that exceed the issuer's tax exempt borrowing rates. The Treasury requires payment for each issue every five years. The estimated liability is updated annually for all tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. There is no District liability as of August 31, 2015.

l. Unearned Revenues

Unearned revenues arise principally from amounts received from the state that relate to the subsequent fiscal year.

m. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond 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 issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

n. 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 qualifies for reporting in this category.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

**A. Summary of Significant Accounting Policies (Continued)**

It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the reacquisition price over the carrying value of the refunded debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred outflows of resources for pension are reported in the government-wide financial statement of net position. Deferred outflows result from pension plan contributions made after the measurement date of the net pension liability. Deferred outflows also include the District's proportionate share of the deferred outflows of resources of the TRS plan. These deferred outflows include the differences between expected and actual economic experience and changes in actuarial assumptions. The deferred outflows of resources related to the District's contributions which are subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The other pension related deferred outflows will be amortized over the expected remaining service lives of all employees.

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. Accordingly, the District reports a deferred gain on refunding and Deferred Inflow related to TRS in the government-wide statement of net position, and unavailable revenue-property taxes in the governmental balance sheet.

A deferred gain on refunding results from the difference in the carrying value of refunded debt over its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources for pension are reported in the government-wide financial statement of net position. These deferred inflows result primarily from differences between projected and actual earnings on pension plan investments. These amounts will be amortized over a closed five year period.

Unavailable revenue-property taxes is deferred and recognized as an inflow of resources in the period that the amounts become available. These are reported as deferred inflows of resources at the fund level and are recognized as revenues at the government-wide level.

**o. Investment Policy**

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

**A. Summary of Significant Accounting Policies (Continued)**

The term “short-term” refers to investments which have a remaining term of one year or less at time of purchase.

The term “nonparticipating” means that the investment’s value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public funds investment pools in Texas (“Pools”) are established under the authority of the Inter-local Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Act (the “Act”), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares. As of August 31, the District invested part of its money with Texas DAILY and TexPool, which hold an AAAM rating from Standard and Poor’s (S&P).

The District’s investments in Pools are reported at an amount determined by the fair value per share of the pool’s underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one, which is not registered with the Securities and Exchange Commission (“SEC”) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940.

p. Fund Balance and Net Position

Governmental fund Financial Statements

The District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54 are Nonspendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

**A. Summary of Significant Accounting Policies (Continued)**

In accordance with GASB 54, the District classifies governmental fund balances as follows:

**Nonspendable** - includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories and prepaid items.

**Restricted** - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes Federal, State and local grants, contractual obligations for personal property, bond proceeds, and retirement of long term debt.

**Committed** - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal action of the highest level of decision making authority. Committed fund balance is reported pursuant to resolution passed by the District's Board of Trustees. This classification includes construction projects not funded by bonded debt, retirements of loans or notes committed by the Board, equipment not funded by bonded debt and local Special Revenue funds.

**Assigned** - includes fund balance amounts that are self-imposed by the District to be used for a particular purpose. As per the District's policy, fund balance can only be assigned by the District Board of Trustees. This classification includes construction and encumbrances.

**Unassigned** - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes. In this category funds are available for appropriation at Board's discretion as per Fund Balance policy.

**Government-Wide Financial Statements**

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

**Net Investment in Capital Assets** - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt net of premiums and discounts, excluding unspent proceeds that are directly attributable to the acquisition, construction or improvement of these capital assets.

**Restricted for Federal and State Programs** - the component of net position that reports the difference between assets and liabilities for all state and federal programs.

**Restricted for Debt Service** - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by law.

**Restricted for Capital Projects** - the component of net position that accounts for the difference between assets and liabilities for all district construction projects.

**Unrestricted** - the difference between the assets and liabilities that is not reported in any of the classifications above.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

**A. Summary of Significant Accounting Policies (Continued)**

q. Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District adopted GASB statement No. 68, *Accounting and Financial Reporting for Pensions*. The objective of the statement is to establish standards of accounting and financial reporting for defined pensions and defined contribution pensions provided to the employees of state and local government employers through pension plans that are administered through trusts or equivalent arrangements that meet the following characteristics:

- Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain mentioned above.

The adoption of GASB Statement No. 68 has resulted in the restatement of the District's beginning net position of the government-wide financial statements to reflect the reporting of its proportionate shares of the collective (TRS) pension expense, collective (TRS) deferred outflows of resources and deferred inflows of resources related to pensions and a net pension liability for its qualified pension plan and the recognition of pension expense in accordance with the provision of the Statement. The Statement requires numerous new pension disclosures in the notes to the financial statements and two new 10-year, pension-related charts as required supplementary information.

**B. Reconciliation of Government –Wide and Fund Financial Statements**

1. Explanation of certain differences between the governmental fund balance sheet and the Government-Wide Statement of Net Position:

The governmental funds balance sheet includes a reconciliation between fund balance of the total governmental funds and net assets of the governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains: "Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements."

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

**B. Reconciliation of Government –Wide and Fund Financial Statements (Continued)**

The details of the \$49,090,804 difference are as follows:

Assets:

Increase in Land	\$ 32,650	
Increase in Buildings and Improvements	61,196,910	
Increase in Furniture and Equipment	2,390,647	
Depreciation on disposed Buildings	529,391	
Depreciation on disposed Furniture and Equipment	1,664,007	
Decrease in Construction in Progress	<u>(30,555,653)</u>	
Subtotal		\$ 35,257,952

Deferred outflows of Resources:

Increase in Deferred Charge for refunding	2,630,869
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Long - Term Liabilities:

Increase in termination benefits & compensated absences	(123,337)	
Increase in Interest payable	(68,305)	
Principal Payments on bonds payable	12,843,549	
Increase for the Unlimited Tax School Refunding Bonds, Series 2015	(68,560,000)	
Increase in premium for the Unlimited Tax School Refunding Bonds, Series 2015	(10,466,511)	
Decrease due to refunding 2005 and 2006 Series Bonds	74,895,000	
Decrease on unamortized premium for the 2006 Series Bonds	409,584	
Amortization of premium on bonds	<u>2,222,743</u>	
Subtotal		11,152,723

Deferred inflows of Resources:

Decrease in Deferred Gain for refunding	49,260
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Net Adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 49,090,804</u></u>
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2. The \$49,090,804 amount applies to the reconciliation of the total net change in fund balances in the governmental funds and change in net position in the governmental activities.

**C. Compliance and Accountability**

Excess Actual Over Budget

For the year ended August 31, 2015, appropriations exceeded expenditures in all legally budgeted funds.



LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**D. Deposits and Investments**

Custodial Credit Risk-Deposits: The District’s funds are required to be deposited and invested under the terms of a depository contract. The depository bank places for safekeeping and trust with the District’s agent bank approved pledged securities and letters of credit in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank’s dollar amount of Federal Deposit Insurance Corporation (“FDIC”) insurance.

The carrying amount of the District’s deposits and investments are as follows:

Cash in Bank or On Hand - Primary Government	\$	76,795,275
Cash Equivalents		
Investment Pools Accounts:		
TexasDAILY	59,017,670	
TexPool	3,775,107	
Current Investments		
Certificates of Deposit:		
Comerica Bank	29,069,650	
Discount Notes:		
Federal Home Loan Discount Note	4,061,331	
Total Cash Equivalents and Current Investments		95,923,758
Long Term Investments		2,029,297
Total Deposits and Investments - Primary Government	\$	174,748,330

Deposits:

At August 31, 2015, the District’s bank deposits (cash and interest bearing accounts) were \$141,514,168. The District’s cash deposits at August 31, 2015 and during the year ended August 31, 2015, were entirely covered by FDIC insurance, by pledged collateral held by the District’s agent bank in the District’s name and letters of credit from the Federal Home Loan Bank.

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

- a. Depository: BBVA Compass Bank
- b. The total collateral amount at the highest combined balance on deposits was \$126,750,000 which is the sum of seven letters of credit plus the FDIC coverage.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$106,675,662 and occurred during the month of November 2014.
- d. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

**D. Deposits and Investments (Continued)**

Investments:

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act (“Act”) requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, the state of Texas, (2) certificates of deposit and Share Certificates, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

External Investment Pool-Primary Government:

The District's investments in investment pools, which are exempt from regulation by the Securities and Exchange Commission, have as one of their objectives the maintenance of a stable net asset value of \$1.00. The book value of the position in the pools is the same as the number of the shares in each pool; the market value of a share should approximately equal the book value of a share.

Texas DAILY is a portfolio established by Texas Term Advisory Board pursuant to the provisions of the Texas TERM Common Investment Contract that established the Pool. Texas DAILY is a local government investment portfolio established to allow school districts and other governmental entities in Texas to pool their funds for investment under the provisions of the Inter local Cooperation Act, Chapter 791 of the Texas Government Code, the PFIA and other similar cooperative statutes and under the statutes governing investment of funds by those local governments.

TexPool is a local government investment pool created on behalf of Texas entities whose investment objectives are preservation and safety of principal, liquidity and yield consistent with the Public Funds Investment Act. Pursuant to subchapter G of chapter 404, the Comptroller of Public Accounts administers the Texas Local Government Investment Pools (the “TexPool Portfolios”) as public funds investment pools through the Texas Treasury Safekeeping Trust Company (the “Trust Company”). The Trust Company is a special-purpose trust company authorized to receive, transfer, and disburse money and securities as provided by statute or belonging to the state, agencies, and local political subdivisions and other organizations created on behalf of the state or agency or political subdivision of the state. The Comptroller and the Trust Company have contracted with Federated Investors, Inc. (“Federated”), as administrator and investment manager for the TexPool Portfolios.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

**D. Deposits and Investments (Continued)**

*Credit Risk.* In accordance with state law and the District's investment policy, investments in investment pools must be rated at least AAA or have an equivalent rating, commercial paper must be rated at least A-1,P-1, or have an equivalent rating, and obligations of states, agencies, counties, and cities must be rated at least A or its equivalent. As of August 31, 2015, Texas Daily and Texpool were rated AAAM by Standard and Poor's (S&P). The District did not have any investments in commercial paper as of August 31, 2015. The District's investments in bonds of Federal Home Loan Bank (FHLB) were rated AAA by S&P.

*Concentration of Credit Risk.* The District places no limit on the amount the District may invest in any one issuer, rather investments are governed by the objectives of preservation and safety of principal, liquidity, and yield. In addition, the investment portfolio is diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer. The District's investments are allocated as follows: FHLB (2.32%), Texas Daily (34.93%), TexPool (2.16%), Comerica CDs (16.64%) and BBVA Compass (43.95%).

*Interest Rate Risk.* In accordance with state law and the District's investment policy, the District does not purchase any investments with maturities greater than two and a half (2.5) years for its Operating Funds.

The investment maturities in the following table reflect the maturity date of the investments in each category due 12 months from the balance sheet date. The District uses its investments in the investment pools, certificates of deposits and a discount note to further mitigate interest rate risk.

The District's investments at August 31, 2015 are shown below:

	Investment Maturities in Years		
Investment	Fair Value	Less than 1 Year	1 to 2 Years
Agency Bonds & Discount Notes			
FHLB Note	\$ 4,061,331	\$ 4,061,331	\$ -
	4,061,331	4,061,331	-
Investment Pools			
Texpool	3,775,107	3,775,107	
Texas Daily	59,017,670	59,017,670	-
	62,792,777	62,792,777	-
Certificates of Deposit			
Comerica	31,098,947	29,069,650	2,029,297
	31,098,947	29,069,650	2,029,297
Total Fair Value	\$ 97,953,055	\$ 95,923,758	\$ 2,029,297

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

**E. Due to and from Other Governments and Agencies**

The District participates in a variety of federal, state, and local programs from which it receives grants to partially or fully finance certain activities. Amounts due to and from federal, state, and local governments as of August 31, 2015 are summarized below and are reported on the government-wide statement of net position.

	Due to Other Governments	Due from Other Governments
<b><u>General Funds:</u></b>		
General Fund	\$ -	\$ 7,724,487
Food Service Fund	-	558,618
<b>Total General Funds</b>	-	8,283,105
 <b><u>Nonmajor Governmental funds:</u></b>		
ESEA I, A Improving Basic Program	-	2,145,272
ESEA Title I Part C Migrant	-	66,265
IDEA - Part B Formula	-	436,262
IDEA - Part B Preschool	-	3,175
IDEA - Part B Discretionary	-	76,058
IDEA - Part B Deaf	-	3,212
Career and Technical - Basic Grant	-	11,734
IDEA Part C Deaf - Early Intervention	-	767
ESEA II, A Training and Recruiting	-	365,958
Title III, A English Lang. Acquisition	-	159,110
Title I – Priority Schools	-	144
Aware Grant	-	657
OCDETF Grant	-	7,780
Debt Service Fund	887,393	-
<b>Total Nonmajor Governmental funds</b>	887,393	3,276,394
 <b>Total Governmental funds</b>	\$ 887,393	\$ 11,559,499

**F. Interfund Balances and Activities**

1. Interfund Receivables and Interfund Payables

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts due are scheduled to be repaid within one year. Interfund balances between governmental funds, and Proprietary Funds are eliminated in the statement of net position and reported as internal balances.

LAREDO INDEPENDENT SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2015

**F. Interfund Balances and Activities (Continued)**

The composition of interfund balances at August 31, 2015 consisted of the following:

	Interfund Receivables	Interfund Payables
<b><u>Governmental funds:</u></b>		
General Fund	\$ 3,830,715	\$ 1,343,383
EDA 2014 Series	41	-
Nonmajor Governmental funds	1,080,947	3,567,776
<b>Total Governmental funds</b>	4,911,703	4,911,159
 <b><u>Proprietary Fund:</u></b>		
Health Insurance Internal Service Fund	400	944
 <b>Total – All Funds</b>	\$ 4,912,103	\$ 4,912,103

2. Transfers To/From Other Funds

Transfers between the Special Revenue Funds, Capital Projects Funds, and the General Fund are to account for the District’s local share of grant funds. Transfers to the Debt Service Fund are related to amounts to cover interest and principal on debt. Transfers to and from other funds at August 31, 2015 consisted of the following:

Transfers From	Transfers To	Amount	Purpose
General Fund	Debt Service	\$ 726,434	Transfer for principal costs and local contributions.
General Fund	Athletics Program	1,151,520	Transfer to cover athletic costs for the District.
General Fund	Civic Center	614,189	Transfer to cover civic center costs for the District.
General Fund	E-Rate	455,000	Transfer to cover local 10% share of grant and items ineligible for E-Rate.
Capital Projects	E-Rate	1,137,009	Transfer to cover local 10% share of grant and items ineligible for E-Rate.
		\$ 4,084,152	

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**G. Capital Assets**

Capital asset activity for the year ended August 31, 2015 was as follows:

	Beginning Balances	Additions	Dispositions and Adjustments	Ending Balances
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 19,339,798	\$ 32,650	\$ -	\$ 19,372,448
Construction in Progress	48,357,838	31,783,633	62,339,285	17,802,186
Total capital assets not being depreciated	67,697,636	31,816,283	62,339,285	37,174,634
Capital assets being depreciated:				
Buildings and Improvements	405,777,681	62,339,285	1,142,375	466,974,591
Equipment	35,363,068	4,068,258	1,677,611	37,753,715
Total capital assets being depreciated	441,140,749	66,407,543	2,819,986	504,728,306
Less accumulated depreciation:				
Building and Improvements	125,907,330	13,022,716	529,391	138,400,655
Equipment	25,319,934	2,742,251	1,664,007	26,398,178
Total accumulated depreciation	151,227,264	15,764,967	2,193,398	164,798,833
Total capital assets being depreciated, net	289,913,485	50,642,576	626,588	339,929,473
Governmental activities capital assets, net	<u>\$ 357,611,121</u>	<u>\$ 82,458,859</u>	<u>\$ 62,965,873</u>	<u>\$ 377,104,107</u>

Depreciation was charged to the following functions as follows:

	Totals
Instruction	\$ 8,079,069
Instruction Resources and Media Services	24,349
Instructional Leadership	69,192
School Leadership	139,669
Guidance, Counseling & Evaluation Services	5,277
Health Services	6,633
Transportation	1,348,170
Food Service	1,582,103
Athletics	87,613
General Administration	88,071
Plan Maintenance and Operations	1,066,849
Security and Monitoring Services	1,393,004
Data Processing Services	1,856,150
Parental Involvement	18,818
Total Depreciation	<u>\$ 15,764,967</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

**H. Unearned Revenues**

Unearned revenues at August 31, 2015 consisted of the following:

<b><u>General Funds:</u></b>	
Food Service Fund	\$367,192
Escrow Taxes	<u>77,650</u>
<b>Total General Funds</b>	<b>444,842</b>
<b><u>Nonmajor Governmental funds:</u></b>	
Life Skills Program	209,640
State Textbook Fund	188,853
Equitable Sharing Program	36,835
Crime Stoppers Others/Local	<u>1,393</u>
<b>Total Nonmajor Governmental funds</b>	<b>436,721</b>
<b>Total Governmental funds</b>	<b><u>881,563</u></b>
<b>Proprietary Fund</b>	
Health Insurance Internal Service Fund	<u>1,536,935</u>
<b>Total – All Funds</b>	<b><u>\$ 2,418,498</u></b>

**I. Loans Payable**

The District may borrow money for the purpose of paying maintenance expenses and may evidence those loans with negotiable notes. The District pledged proceeds of its maintenance tax to secure maintenance tax notes for the purpose of financing the renovation and equipment of qualified zone academies, within the meaning of section 1397(d) of the Internal Revenue Code of 1986, located within the District in accordance with the provisions of Section 45.108, Texas Education Code, as amended.

A Qualified Zone Academy Limited Maintenance Tax Note of \$8,000,000 was entered into on October 3, 2005, for the purpose of financing the construction of academics for three middle schools and two high schools. The loan has an interest rate of 0% and an original term of sixteen years. The principal payment of \$8,000,000 is due to mature on October 3, 2021. In connection with the Qualified Zone Academy Limited Maintenance Tax Note, within the Interest and Sinking Fund, there shall be established a “Cumulative Sinking Fund Deposit Account”; provided however that the Cumulative Sinking Fund Deposit Account shall at all times be maintained by the District with, and held by, the Registrar.

LAREDO INDEPENDENT SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2015

**I. Loans Payable (continued)**

The following is a summary of loan transaction of the District for the year ending August 31, 2015.

Description	Balance Outstanding 9/1/2014	Issued Current Year	Retired Current Year	Balance Outstanding 8/31/2015	Amounts Due Within One Year
Note - October 3, 2005	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000	\$ -
	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000	\$ -

No interest was paid during the year on loans. All loans are funded from Maintenance and Operations (M&O) tax.

The following is a schedule of the required payments for these loans:

Year Ending August 31,	Principal	Interest	Total
2016	\$ -	\$ -	\$ -
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021-2025	8,000,000	-	8,000,000
	\$ 8,000,000	\$ -	\$ 8,000,000

The future sinking fund requirements for the Qualified Zone Academy Limited Maintenance Tax Note of \$8,000,000 are as follows:

Year Ending August 31,	Amount
2016	\$ 389,887
2017	389,887
2018	389,887
2019	389,887
2020	389,887
2021-2025	389,887
Total	\$2,339,322



LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

**J. Long-Term Obligations**

The District issues general obligation bonds for the governmental activities to provide funds for the acquisition and construction of major capital facilities. The bonds are supported by a pledge of the District's full faith and credit and require a levy and collection of taxes without limitation as to rate or amount on all property subject to taxation by the District sufficient in amount to pay the principal and interest on such bonds as they become due. The indentures also require that a Debt Service Fund be created and administered by the District solely for paying principal and interest when due.

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

Bonded indebtedness of the District reflected in the General Long Term Debt and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. Total principal amount of Tax Bond indebtedness cannot exceed 10 percent of the taxable assessed valuation of property in the School District.

The District issued 2015 Series \$68,560,000 in public improvement bonds with interest rates ranging from 2.0% to 5.0%. The proceeds were used to advance refund \$74,895,000 of outstanding 2005 Series and 2006 Series public improvement bonds which had interest rates ranging from 4.00% to 5.00%. The net proceeds of \$78,692,624 (including a \$10,466,511 premium and after payment of \$333,887 in underwriting fees) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 2005 Series and 2016 Series public improvement bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$3,797,624. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The District advance refunded the 2005 Series and 2006 Series public improvement bonds to reduce its total debt service payments over 15 years by \$10,464,878 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$8,835,332.

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2015 are as follows:

Interest paid on bonded indebtedness during the current year was \$10,849,965.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**J. Long-Term Obligations (continued)**

Description	Rate Payable	Original Issue	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<i>Unlimited Tax Refunding Bonds, Series 2001:</i>							
Capital Appreciation	5.00-5.375%	\$ 2,509,910	\$ 8,775,579	\$ 903,037	\$ -	\$ 9,678,616	\$ 920,573
<i>Unlimited Tax Refunding Bonds, Series 2005:</i>							
Current Interest	3.00-5.00%	51,120,000	40,795,000	-	40,795,000	-	-
Capital Appreciation	5.152%	3,024,784	-	-	-	-	-
<i>Unlimited Tax School Building Bonds, Series 2005:</i>							
Current Interest	5.00%	17,370,000	-	-	-	-	-
Capital Appreciation	3.39-5.18%	42,485,846	3,599,862	160,138	3,760,000	-	-
<i>Unlimited Tax School Building Bonds, Series 2006:</i>							
Current Interest	4.125-5.00%	56,950,000	43,115,000	-	40,950,000	2,165,000	2,165,000
<i>Unlimited Tax Refunding Bonds, Series 2010:</i>							
Current Interest	4.00-5.00%	18,420,000	18,420,000	-	-	18,420,000	-
<i>Unlimited Tax Refunding Bonds, Series 2011:</i>							
Current Interest	2.00-5.00%	18,415,000	12,600,000	-	1,975,000	10,625,000	900,000
<i>Unlimited Tax School Building Bonds, Series 2013:</i>							
Current Interest	4.00-5.00%	43,425,000	41,205,000	-	1,980,000	39,225,000	2,055,000
<i>Unlimited Tax School Building Bonds, Series 2014:</i>							
Current Interest	4.00-5.00%	67,160,000	67,160,000	-	-	67,160,000	2,240,000
<i>Unlimited Tax School Refunding Bonds, Series 2014:</i>							
Current Interest	4.00%	11,310,000	11,310,000	-	-	11,310,000	-
Capital Appreciation	9.63-9.68%	22,690,000	22,690,000	2,123,275	-	24,813,275	3,015,000
<i>Unlimited Tax School Refunding Bonds, Series 2015:</i>							
Current Interest	2.00-5.00%	65,560,000	-	68,560,000	1,465,000	67,095,000	1,905,000
<b>TOTALS</b>		<b>\$ 420,440,540</b>	<b>\$ 269,670,441</b>	<b>\$ 71,746,451</b>	<b>\$ 90,925,000</b>	<b>\$ 250,491,891</b>	<b>\$ 13,200,573</b>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2015

**J. Long-Term Obligations (continued)**

The following is a schedule of the required payments for these general obligation bonds:

Year Ending August 31,	Capital Appreciation			
	Principal	Bond	Interest	Total
2016	\$ 13,200,573	\$ 2,911,858	\$ 13,737,690	\$ 26,938,263
2017	13,188,573	2,637,447	13,744,540	26,933,113
2018	13,265,764	2,392,719	13,655,099	26,920,863
2019	16,545,000	212,258	10,384,462	26,929,462
2020	17,030,000	193,629	9,890,963	26,920,963
2021-2025	89,185,000	734,672	40,234,936	129,419,936
2026-2030	59,105,000	209,401	18,007,793	77,112,793
2031-2035	19,680,000	-	2,520,000	22,200,000
	<u>\$ 241,199,910</u>	<u>\$ 9,291,984</u>	<u>\$ 122,175,483</u>	<u>\$ 363,375,393</u>

Capital Appreciation Bonds

The total accretion of discount on capital appreciation bonds that is included in the August 31, 2015 ending balance of \$250,491,891 is \$9,291,984.

Defeased Bonds

In prior years, the District defeased certain general obligation bonds by placing the bond proceeds in an irrevocable trust for all future debt service payments on the refunded bonds. Accordingly, the trust accounts for the assets and liabilities for the defeased bonds and are not included in the District's financial statements. At August 31, 2015, approximately \$74,895,000 million of the 2005 and 2006 series bond issues were outstanding, but considered defeased.

Maturity Date	Unlimited Tax Refunding Bonds, Series	Unlimited Tax School Building Bonds, Series
	2005	2006
8/1/2016	\$ 2,245,000	\$ -
8/1/2017	2,355,000	2,275,000
8/1/2018	2,445,000	2,365,000
8/1/2019	6,470,000	2,465,000
8/1/2020	4,065,000	2,570,000
8/1/2021	4,265,000	2,700,000
8/1/2022	4,480,000	2,820,000
8/1/2023	4,715,000	2,950,000
8/1/2024	4,965,000	3,080,000
8/1/2025	-	3,220,000
8/1/2026	-	3,365,000
8/1/2027	-	3,515,000
8/1/2028	-	3,690,000
8/1/2029	-	3,875,000
Total	<u>\$ 36,005,000</u>	<u>\$ 38,890,000</u>

**LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015**

**K. Changes in Long-Term Liabilities**

Long-term liability activity for the governmental activities for the year ended August 31, 2015, was as follows:

Description	Balance Outstanding 9/1/2014	Issued/Increase Current Year	Retired/Decrease Current Year	Balance Outstanding 8/31/2015	Amounts Due Within One Year
<b>Loans Payable</b>					
Loans	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000	\$ -
General Obligation Bonds	269,670,441	71,746,451	90,925,000	250,491,891	13,200,573
Bonds Premium Amortization - Net	33,447,990	10,466,511	2,632,327	41,282,174	2,808,433
<b>Total Bonds and Loans Payable</b>	<b>303,118,431</b>	<b>82,212,962</b>	<b>93,557,327</b>	<b>291,774,065</b>	<b>16,009,006</b>
<b>Other Liabilities</b>					
Compensated Absences	2,442,849	493,121	369,784	2,566,186	369,784
<b>Total Other Liabilities</b>	<b>2,442,849</b>	<b>493,121</b>	<b>369,784</b>	<b>2,566,186</b>	<b>369,784</b>
<b>Total Governmental Activities</b>					
Long-term Liabilities	\$ 313,561,280	\$ 82,706,083	\$ 93,927,111	\$ 302,340,251	\$ 16,378,790

General Operating Fund is used to liquidate the liability for compensated absences.

**L. Major Sources of Revenue from Local and Intermediate Sources**

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

	General Fund	694-EDA Bond Series	Other Governmental Funds	Total
Property Taxes	\$21,390,683	\$ -	\$ 7,537,864	\$28,928,547
Penalties & Interest	579,776	-	160,866	740,642
Investment Income	188,799	182,516	177,157	548,472
Rental of Facilities & Insurance	462,913	-	189,433	652,346
Co-curricular	463,024	-	-	463,024
Webb County Permanent Fund	1,068,693	-	-	1,068,693
E-Rate Reimbursements	1,795,963	-	-	1,795,963
Webb County Headstart Program	375,000	-	-	375,000
Miscellaneous	701,595	-	1,519,019	2,220,614
	<u>\$27,026,446</u>	<u>\$ 182,516</u>	<u>\$ 9,584,339</u>	<u>\$36,793,301</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2015

**M. Accumulated State Personal and Sick Leave Benefits**

Buy back of accrued sick leave at retirement – The District buys back accrued unused sick leave from employees when they retire from the District with full benefits under the Teacher Retirement System. Buy back of accrued leave is at the rates established in the District's approved Pay Plan, without local increments. This one-time-only benefit is available to employees who have served at least ten consecutive years in the District; however, the plan applies also to employees who die while employed in the District, regardless of the length of their employment, with payment made to the designated beneficiary.

*Rate for professional employees* – A professional employee who retires meeting the eligibility criteria specified above shall be paid for accumulated leave up to a maximum of 40 days of state leave, of which 5 days are at 100%, 10 days at 75%, and 25 days at 50% of the daily rate of pay; in addition, 40 days of local sick leave are at \$100 per day.

*Rate for para-professional and auxiliary employees* – A paraprofessional or auxiliary employee who retires meeting the eligibility criteria specified above shall be paid for accumulated leave to a maximum of 80 days of leave, of which the first 10 days are at 100%, the next 15 days are at 75%, and the next 55 days are at 50% of the daily rate of pay.

As of August 31, 2015, the balance for the State Personal and Sick Leave is \$2,566,186. The estimated amount due within a year totals to \$369,784. The General Fund and Special Revenue Funds, if allowed, are expected to pay for these.

**N. Risk Financing Activities**

The District is exposed to various risks of loss related to torts, theft, damage, or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2015, the District purchased commercial insurance to cover these risks. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

**Workers' Compensation**

The District was self-insured for workers' compensation claims in fiscal years 2002, 2003, and 2004. The liabilities reported are based on claims outstanding incurred through August 31, 2015 and are based on cost estimates. The District accounts for claim payments in the General Fund.

A summary of the workers' compensation claims aggregate for prior and current year is presented below:

Year	Beginning of Fiscal Year Liability	Current Year Claims &/or changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2013-2014	\$82,177	-	\$4,228	\$77,949
2014-2015	\$77,949	-	-	\$77,949

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

**N. Risk Financing Activities (continued)**

**Health Insurance**

The claims for the health insurance liability of \$814,275 reported in the Internal Service Fund at August 31, 2015 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the Fund's claims liability amounts are as follows:

	2014	2015
Beginning of year liability	\$ -	\$ 482,503
Current year claims	12,507,305	14,794,083
Changes in estimates	482,503	331,772
Claims payments	(12,507,305)	(14,794,083)
End of year liability	\$ 482,503	\$ 814,275 <sup>1</sup>

<sup>1</sup> Claim liabilities are due within one year of the date of net position.

**O. Defined Benefit Pension Plan**

**Plan Description.** The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, 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.

LAREDO INDEPENDENT SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2015

**O. Defined Benefit Pension Plan (Continued)**

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

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

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

	<b>Contribution Rates</b>	
	<b>2014</b>	<b>2015</b>
Member	6.4%	6.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
2014 Employer Contributions		\$ 2,588,325
2014 Member Contributions		\$ 9,384,759
2014 NECE On-Behalf Contributions		\$ 7,459,891

LAREDO INDEPENDENT SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2015

**O. Defined Benefit Pension Plan (Continued)**

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

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

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

In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

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

Valuation Date	8/31/2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 years
Asset Valuation Method	5 years Market Value
Discount Rate	8.00%
Long-term expected Investment Rate of Return*	8.00%
Salary Increases*	4.25% to 7.25%
Weighted-Average at Valuation Date	5.55%
Payroll Growth Rate	3.50%

\*Includes Inflation of 3%



LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

**O. Defined Benefit Pension Plan (Continued)**

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

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

Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return*
<b>Global Equity</b>			
U.S.	18%	7.0%	1.4%
Non-U.S. Developed	13%	7.3%	1.1%
Emerging Markets	9%	8.1%	0.9%
Directional Hedge Funds	4%	5.4%	0.2%
Private Equity	13%	9.2%	1.4%
<b>Stable Value</b>			
U.S. Treasuries	11%	2.9%	0.3%
Absolute Return	0%	4.0%	0.0%
Stable Value Hedge Funds	4%	5.2%	0.2%
Cash	1%	2.0%	0.0%
<b>Real Return</b>			
Global Inflation Linked Bonds	3%	3.1%	0.0%
Real Assets	16%	7.3%	1.5%
Energy and Natural Resources	3%	8.8%	0.3%
Commodities	0%	3.4%	0.0%
<b>Risk Parity</b>			
Risk Parity	5%	8.9%	0.4%
Alpha			1%
<b>Total</b>	100%		9%

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

LAREDO INDEPENDENT SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2015

**O. Defined Benefit Pension Plan (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 2014 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
Proportionate share of the net pension liability:	\$48,730,502	\$27,270,373	\$11,222,193

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At August 31, 2014, the District reported a liability of \$27,270,373 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 27,270,373
State's proportionate share that is associated with the District	<u>78,764,172</u>
Total	<u>\$ 106,034,545</u>

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

At August 31, 2014 the employer's proportion of the collective net pension liability was 0.10020927%. Since this is the first year of implementation, the District does not have the proportion measured as of August 31, 2013. The change in proportion was immaterial and therefore disregarded this year.

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

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

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

For the year ended August 31, 2014, the District recognized pension expense of \$7,281,601 and revenue of \$7,281,601 for support provided by the State.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

**O. Defined Benefit Pension Plan (Continued)**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	\$ 421,745	\$ -
Changes in actuarial assumptions	1,772,605	-
Differences between projected and actual investment earnings	-	8,334,939
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	-	7,148
Total	<u>\$ 2,194,350</u>	<u>\$ 8,342,087</u>

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

<u>Year ended August 31,</u>	<u>Pension Expense Amount</u>
2015	\$ (1,714,755)
2016	(1,714,755)
2017	(1,714,755)
2018	(1,714,755)
2019	368,980
Thereafter	342,303

At August 31, 2015, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Total net amounts per August 31, 2014 measurement date	\$ 2,194,350	\$ 8,342,087
Contributions paid to TRS subsequent to the measurement date	4,868,826	-
Total	<u>\$ 7,063,176</u>	<u>\$ 8,342,087</u>

**P. Health Care Coverage**

For the term effective 9/1/14-8/31/15, the District was self-funded with BCBS of Texas as the medical provider. BCBS of Texas, the districts medical provider as well as the local servicing agency, Laurel Insurance Agency, contracted by BCBS of Texas, administered and serviced the group health insurance program. The District maintains both aggregate and individual stop-loss coverage for catastrophic losses exceeding \$200,000 per claim.

The District contributed \$336.17 for all Teacher Retirement System (TRS) qualified employees towards the cost of participation in the Preferred Provider Organization (PPO) medical insurance program.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

**P. Health Care Coverage (Continued)**

There are four (4) insurance plan options (Basic, Low, High, and State Comparable) as well as options of the four (4) tier coverage levels (Employee Only, Employee & Spouse, Employee & Children, Employee & Family) within each option. The District also offered continued coverage in accordance with federal law to all employees and dependents that are no longer eligible for coverage, but meet COBRA requirements.

The District's health insurance program has been very efficient and successful in that the District has been able to provide employees different choices of plans and levels of benefits which are in compliance with the TRS Comparability Program. Employee participation in the District's medical insurance is estimated at 2,935 or 79% of the eligible employee base of 3,693, as of May 31, 2015, and is considered moderately high. Upon review by TRS, via the mandatory comparability reporting requirements, it was determined that the District satisfied all of the reporting requirements of the Education Code for the 2012-2013 comparability study. It was determined that our District makes available to the employees group health coverage that is comparable to the basic health coverage; provided to state employees under the Texas Employees Uniform Group Insurance Benefits Act.

**Q. Commitments and Contingencies**

1. Contingencies

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

2. Litigation

The District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, the outcome of any present legal proceedings will not have any material adverse effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying financial statements for such contingencies.

LAREDO INDEPENDENT SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2015

**R. Construction Commitments**

As of August 31, 2015, the District was obligated under the terms of various agreements for the construction of the following projects:

Project Name	Contract Amount	Paid to Date	Commitment Balance Remaining	Retainage Payable Amount
New School Construction/Renovation	\$ 30,743,174	\$ 25,728,908	\$ 5,014,266	\$ 2,809,203
Environmental Services	672,971	104,203	568,768	-
Portable Rentals	769,030	568,676	200,354	-
Electrical Services	943,032	625,043	317,989	-
Architect Services	1,638,155	449,039	1,189,117	-
Total	<u>\$ 34,766,362</u>	<u>\$ 27,475,868</u>	<u>\$ 7,290,494</u>	<u>\$ 2,809,203</u>

**S. Shared Service Arrangements**

The Laredo Independent School District (LISD) participates in the Regional Day School Program for the Deaf (RDSPD), a shared service arrangement with school districts: United Independent School District (UISD), Jim Hogg County Independent School District (JHCISD), Webb Consolidated Independent School District (WCISD) and Gateway Academy (Charter School). The District is acting as the fiscal agent for the parties involved. The purpose of the Laredo Independent School District RDSPD is to serve students who are auditory impaired and between the ages of 0 and 21. Funding for the LISD RDSPD is provided by TEA and by the member Districts. Revenue from the respective member Districts is presented below:

LISD	\$ 262,748
UISD	440,834
JHCISD	16,002
WCISD	3,266
GATEWAY	<u>1,947</u>
	<u>\$ 724,797</u>

As a fiscal agent, LISD RDSPD is responsible for reporting all financial activities of the shared service arrangement. The District accounts for the activity in Special Revenue Fund 435.

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

**T. Fund Balance**

As of August 31, 2015, the District has classified its Committed and Assigned Fund Balances as follows:

	<b>General</b>	<b>Special</b>	<b>Total</b>
	<b><u>Fund</u></b>	<b><u>Revenue Funds</u></b>	<b><u>Governmental</u></b>
			<b><u>Funds</u></b>
<b><u>Committed Fund Balance</u></b>			
<i>Committed Fund Balance - Construction</i>			
Administration Bldg WCPSF	\$ 8,652,336	\$ -	\$ 8,652,336
Canopies	<u>932,000</u>	-	<u>932,000</u>
<b><i>Total Committed Fund Balance - Construction</i></b>	<b><u><u>\$ 9,584,336</u></u></b>	<b><u><u>\$ -</u></u></b>	<b><u><u>\$ 9,584,336</u></u></b>
 <i>Other Committed Fund Balance</i>			
E-Rate Projects	\$ 1,613,885	\$ -	\$ 1,613,885
Technology	269,677	-	269,677
Projectors	3,090,312	-	3,090,312
Cameras	700,000	-	700,000
Band Uniforms	180,000	-	180,000
Campus Activity Funds	<u>-</u>	<u>366,907</u>	<u>366,907</u>
<b><i>Total Other Committed Fund Balance</i></b>	<b><u><u>\$ 5,853,874</u></u></b>	<b><u><u>\$ 366,907</u></u></b>	<b><u><u>\$ 6,220,781</u></u></b>
 <b><u>Assigned Fund Balance</u></b>			
<i>Other Assigned Fund Balance</i>			
Outstanding Encumbrances	\$ 897,673	\$ -	\$ 897,673
School Projects	-	51,275	51,275
District-Wide Projects	<u>-</u>	<u>70,108</u>	<u>70,108</u>
<b><i>Total Other Assigned Fund Balance</i></b>	<b><u><u>\$ 897,673</u></u></b>	<b><u><u>\$ 121,383</u></u></b>	<b><u><u>\$ 1,019,056</u></u></b>

**U. Prior Period Adjustment**

During fiscal year 2015, the District adopted GASB Statement No. 68 for Accounting and Reporting for Pensions. With GASB 68, the District must assume their proportionate share of the Net Pension Liability of the Teacher Retirement System of Texas. Adoption of GASB 68 required a prior period adjustment to report the effect of GASB 68 retroactively. The amount of the prior period adjustment is \$30,897,445. The restated beginning net position is \$208,623,984.

Correction of an Error

During the prior period, there were classification errors in the net position section and revenues section of the financial statements. The classification errors have no effect on the Total Net Position in the Statement of Net Position and no effect on the Change in Net Position in the Statement of Activities. No prior period adjustment is required.

**REQUIRED SUPPLEMENTARY  
INFORMATION**





LAREDO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
<b>REVENUES:</b>					
5700	Total Local and Intermediate Sources	\$ 24,563,445	\$ 24,726,513	\$ 27,026,446	\$ 2,299,933
5800	State Program Revenues	165,157,017	167,159,618	169,281,280	2,121,662
5900	Federal Program Revenues	20,578,113	20,643,948	21,121,903	477,955
5020	Total Revenues	210,298,575	212,530,079	217,429,629	4,899,550
<b>EXPENDITURES:</b>					
<b>Current:</b>					
0011	Instruction	113,745,606	116,286,019	114,872,320	1,413,699
0012	Instructional Resources and Media Services	4,043,607	4,076,327	3,956,820	119,507
0013	Curriculum and Instructional Staff Development	890,481	733,007	584,959	148,048
0021	Instructional Leadership	2,798,051	2,805,374	2,661,890	143,484
0023	School Leadership	13,246,790	13,117,004	13,037,129	79,875
0031	Guidance, Counseling and Evaluation Services	6,539,570	6,673,523	6,597,451	76,072
0032	Social Work Services	1,551,982	1,687,962	1,588,139	99,823
0033	Health Services	2,216,587	2,263,238	2,193,636	69,602
0034	Student (Pupil) Transportation	3,748,352	4,670,242	4,301,082	369,160
0035	Food Services	18,062,986	20,702,423	18,607,389	2,095,034
0036	Extracurricular Activities	4,377,723	4,812,459	4,570,295	242,164
0041	General Administration	6,630,816	6,222,183	5,832,992	389,191
0051	Facilities Maintenance and Operations	22,820,086	22,214,596	22,073,464	141,132
0052	Security and Monitoring Services	4,000,776	4,664,928	4,503,891	161,037
0053	Data Processing Services	4,298,246	4,590,220	4,292,044	298,176
0061	Community Services	318,743	419,743	313,690	106,053
<b>Capital Outlay:</b>					
0081	Facilities Acquisition and Construction	4,665,580	7,555,716	3,279,756	4,275,960
<b>Intergovernmental:</b>					
0095	Payments to Juvenile Justice Alternative Ed. Prg.	210,000	210,000	121,502	88,498
6030	Total Expenditures	214,165,982	223,704,964	213,388,449	10,316,515
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,867,407)	(11,174,885)	4,041,180	15,216,065
<b>OTHER FINANCING SOURCES (USES):</b>					
7915	Transfers In	4,976,516	5,076,516	2,743,529	(2,332,987)
8911	Transfers Out (Use)	(2,915,623)	(3,015,623)	(2,947,143)	68,480
7080	Total Other Financing Sources (Uses)	2,060,893	2,060,893	(203,614)	(2,264,507)
1200	Net Change in Fund Balances	(1,806,514)	(9,113,992)	3,837,566	12,951,558
0100	Fund Balance - September 1 (Beginning)	81,701,149	81,701,149	81,701,149	-
3000	Fund Balance - August 31 (Ending)	\$ 79,894,635	\$ 72,587,157	\$ 85,538,715	\$ 12,951,558

LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2015

EXHIBIT G-6

	2015
District's Proportion of the Net Pension Liability (Asset)	0.1020927%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 27,270,373
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	78,764,172
Total	\$ 106,034,545
District's Covered-Employee Payroll	\$ 106,034,545
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	18.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.25%

Note: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the period covered as of the measurement date of August 31, 2014 - the period from September 1, 2013 - August 31, 2014.

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

LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR FISCAL YEAR 2015

EXHIBIT G-7

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	2015
Contractually Required Contribution	\$ 4,868,826
Contribution in Relation to the Contractually Required Contribution	(4,868,826)
	\$ -0-
	\$ -0-
District's Covered-Employee Payroll	\$ 156,283,905
Contributions as a Percentage of Covered-Employee Payroll	3.12%

Note: GASB 68, Paragraph 81 requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2013 - August 31, 2014.

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

LAREDO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED AUGUST 31, 2015

A. Budgetary Information

The budget was prepared for adoption for all required Governmental Fund Types. The following procedures are followed in establishing the budgetary data:

- 1) Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days of the public notice for the meeting has been provided.
- 3) Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end. During the year, several amendments were necessary.

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund, Debt Service, and the General Fund - Food Service. The Special Revenue Funds and Capital Projects Funds adopt project-length budgets which may not correspond to the District's fiscal year. Each annual budget is presented on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States. The budget was properly amended throughout the year by the Board. Expenditures may not legally exceed budgeted appropriations at the function level.

B. Encumbrances

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas Law, appropriations lapse at August 31<sup>st</sup>, and encumbrances outstanding at the time are to be either cancelled or appropriately provided for in the subsequent year's budget.

End-of-year outstanding encumbrances that are provided for in the subsequent year's budget were \$897,673 for the General Fund.

C. Pensions

Changes of benefit terms.

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

Changes of assumptions.

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

## **COMBINING AND OTHER STATEMENTS**

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## **NON-MAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS**

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Special Revenue Funds are used to account for Federal, State, and locally funded grants. These grants, referred to as projects, are awarded to the Laredo Independent School District with the purpose of accomplishing specific educational purposes.

### **211 ESEA, Title I, Part A - Improving Basic Program**

This fund classification is to be used to account, on a project basis, for funds allocated to local educational agencies to enable schools 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.

### **212 ESEA, Title I, Part C - Education of Migratory Children**

This fund classification is to be used to account, on a project basis, for funds granted for programs benefiting children of migrant agriculture or agriculture-related workers and children of migrant fishermen.

### **224 IDEA, Part B - Formula**

This fund classification is to be used to account, on a project basis, for funds granted to operate educational programs for children with disabilities.

### **225 IDEA, Part B - Preschool**

This fund classification is to be used to account, on a project basis, for funds granted for preschool children with disabilities.

### **226 IDEA, Part B - Discretionary (Deaf)**

This fund classification is to be used to account, on a project basis, for funds used to support an Education Service Center (ESC) special education component and also:

- Targeted support to LEA's
- Regional Day School Programs for the Deaf
- Private residential placements
- Priority projects
- Other emerging needs

### **227 IDEA, Part B - Formula (Deaf)**

This fund classification is to be used to account, on a project basis, for funds granted to operate educational programs for children with deaf and hard of hearing disabilities.

### **228 IDEA, Part B - Preschool (Deaf)**

This fund classification is to be used to account, on a project basis, for funds granted for preschool children with deaf and hard of hearing disabilities.

### **242 Summer Feeding Program, Texas Department of Agriculture (TDA)**

This fund classification is to be used to account, on a project basis, for funds received from the Department of Human Services that are awarded for meals provided to the community based on the average number of daily participants. This fund should be used regardless of whether a school district's National School Breakfast and Lunch Program is accounted for in the General Fund (101), a Special Revenue Fund (240) or an Enterprise Fund (701).

### **244 Title I, Part C – Carl d. Perkins Career and Technical Edu. Grant**

This fund classification is to be used to account, on a project basis, for funds granted to provide career and technology education to develop new and/or improve career and technology education programs for paid and unpaid employment. Full participation in the basic grant is from individuals who are members of special populations, at 1) a limited number of campuses (sites) or 2) a limited number of program areas.

## **NON-MAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS**

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### **253 IDEA, Part C**

This fund classification is to be used to account, on a project basis, for funds granted to operate educational intervention program for children, birth to three, with disabilities and development delays.

### **255 ESEA, Title II, Part A**

This fund classification is to be used to provide financial assistance to LEAs to (1) 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, and (2) hold local education agencies and schools accountable for improving student academic achievement.

### **263 ESEA, Title III, Part A – LEP**

This fund classification is to be used to account, on a project basis, 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.

### **276 Texas Title I Priority Schools**

This fund classification is to be used to account, on a project basis, for funds committed to assisting local education agencies (LEAs) in turning around low-performing campuses and improving academic performance of all campuses that are eligible for Title I funding

### **288 Aware (Advancing Wellness and Resilience in Education) Grant**

This fund classification is to be used to account for funds granted to support the training of school personnel and other adults who interact with youth in both school setting and communities to detect and respond to mental illness in children and youth, including how to encourage adolescents and their families experiencing these problems to seek treatment.

### **289 Classroom Link**

This fund classification is to be used to account, on a project basis, for funds granted to provide professional and contracted services, existing supplementary software updates, and training.

### **394 Life Skill Program**

This fund classification is to be used to account, on a project basis, for funds granted to provide pregnant and parenting students the services needed to keep them in school until completion.

### **397 Advanced Placement Incentives**

This fund classification is to be used to recognize and reward those students, teachers, and schools that successfully achieve the educational goals of the state. The subsidies and awards granted are for the purpose of promoting academic enhancement.

### **410 Instructional Materials Allotment**

This fund classification is to be used to account, on a project basis, for funds awarded to school districts to purchase technological software, equipment, or textbooks that contribute to student learning, or to pay for training for educational personnel involved in the use of these materials.

### **424 LEOSE**

This fund classification is to be used to account, on a project basis, for funds awarded to qualified Law Enforcement Agencies for costs related to the continuing education of persons licensed under Chapter 1701, Occupations Code.

### **429 Texas Crime Stoppers Program**

Crime Justice Department (CJD) goals are to support programs that protect people from crime, reduce the number of crimes committed, and promote accountability, efficiency, and effectiveness for the criminal justice system. CJD focuses resources on projects that enhance Texas' capacity to prevent crime, provide service and treatment options, enforce laws, train staff and volunteers, and serve crime victims.



## NON-MAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

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### **435 SSA Regional Day School for the Deaf**

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis for funds allocated for staff and activities of the Regional Day School Program for the Deaf (RDSPD). These funds are not to be used to pay salaries of teachers with a teaching assignment other than deaf students in the RDSPD. State deaf funds should not be used to pay the salary of teachers of American Sign Language as a foreign language at the junior high or high school level, as this is a course for regular education credit.

### **461 Campus Activity Fund**

This fund classification is to be used to account for transactions related to a principal's activity fund if the monies generated are not subject to recall by the school district's board of trustees into the General Fund.

### **482 Dr. Hochman Classroom Grant**

This fund classification is to be used to account for awards granted to teachers on a need basis allowing purchases for educational materials and supplies

### **483 Equitable Sharing Program**

This fund classification is to be used to account, on a project basis, for funds awarded to the Laredo ISD Police Department for law enforcement investigations, training, equipment, travel, awareness, gang education and awareness programs.

### **484 OCDETF Grant**

This fund classification is used to account, on a project basis, for funds granted to the Laredo ISD Department for overtime and/or other costs associated with law enforcement.

### **485 UTMB Health HCOE**

This fund classification is to be used to in support of the Hispanic Center of Excellence Medical Careers Diversity Program.

### **486 Lamar Bruni Vergara Grant**

This fund classification is to be used to support all students for learning opportunities in the health science field.

### **488 Advertising Funds**

This fund classification is to be used, on a project basis, to account for proceeds from advertising activities and to earmark the proceeds to promote school projects and educational programs that directly benefit students.

### **490 Performing Arts Center**

This fund classification is to be used to account for rental receipts from the auditorium, ballroom, meeting rooms, Veterans Field and swimming pool, and the disbursements for its operation and maintenance.

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2015

Data Control Codes	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -
1120 Investments - Current	-	-	-
1220 Property Taxes - Delinquent	-	-	-
1230 Allowance for Uncollectible Taxes (Credit)	-	-	-
1240 Receivables from Other Governments	2,145,272	66,265	436,262
1250 Accrued Interest	-	-	-
1260 Due from Other Funds	89	-	-
1290 Other Receivables	2,384	-	245
1000 Total Assets	<u>\$ 2,147,745</u>	<u>\$ 66,265</u>	<u>\$ 436,507</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	\$ 208,379	\$ -	\$ 21,841
2160 Accrued Wages Payable	581,251	789	141,146
2170 Due to Other Funds	1,358,115	65,476	273,520
2180 Due to Other Governments	-	-	-
2300 Unearned Revenues	-	-	-
2000 Total Liabilities	<u>2,147,745</u>	<u>66,265</u>	<u>436,507</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601 Unavailable Revenue - Property Taxes	-	-	-
2600 Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	-
3480 Retirement of Long-Term Debt	-	-	-
Committed Fund Balance:			
3545 Other Committed Fund Balance	-	-	-
Assigned Fund Balance:			
3590 Other Assigned Fund Balance	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 2,147,745</u>	<u>\$ 66,265</u>	<u>\$ 436,507</u>

225 IDEA - Part B Preschool	226 IDEA - Part B Discretionary	227 IDEA - Part B Deaf	228 IDEA - Part B Preschool Deaf	242 Summer Feeding Program	244 Career and Technical - Basic Grant	253 IDEA Part C Deaf - Early Intervention	255 ESEA II,A Training and Recruiting
\$ -	\$ -	\$ -	\$ -	\$ 211,235	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,175	76,058	3,212	-	-	11,734	767	365,958
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 3,175</u>	<u>\$ 76,058</u>	<u>\$ 3,212</u>	<u>\$ -</u>	<u>\$ 211,235</u>	<u>\$ 11,734</u>	<u>\$ 767</u>	<u>\$ 365,958</u>
\$ -	\$ -	\$ 264	\$ -	\$ 1,994	\$ -	\$ -	\$ -
-	-	-	-	40,640	6,860	-	82,958
3,175	76,058	2,948	-	168,601	4,874	767	283,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>3,175</u>	<u>76,058</u>	<u>3,212</u>	<u>-</u>	<u>211,235</u>	<u>11,734</u>	<u>767</u>	<u>365,958</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 3,175</u>	<u>\$ 76,058</u>	<u>\$ 3,212</u>	<u>\$ -</u>	<u>\$ 211,235</u>	<u>\$ 11,734</u>	<u>\$ 767</u>	<u>\$ 365,958</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2015

Data Control Codes	263 Title III, A English Lang Acquisition	276 Title I - Priority Schools	288 Aware Grant	289 Classroom Link	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	159,110	144	657	-
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1000	<b>Total Assets</b>	<u>\$ 159,110</u>	<u>\$ 144</u>	<u>\$ 657</u>	<u>\$ -</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	4,789	-	-	-
2170	Due to Other Funds	154,321	144	657	-
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenues	-	-	-	-
2000	<b>Total Liabilities</b>	<u>159,110</u>	<u>144</u>	<u>657</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
Assigned Fund Balance:					
3590	Other Assigned Fund Balance	-	-	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<u>\$ 159,110</u>	<u>\$ 144</u>	<u>\$ 657</u>	<u>\$ -</u>

394 Life Skills Program	397 Advanced Placement Incentives	410 Instructional Materials Allotment	424 LEOSE	429 Crime Stoppers & Other - Local	435 SSA Regional Day School - Deaf	461 Campus Activity Funds	482 Dr. Hochman Classroom Grant
\$ 209,640	\$ 45,892	\$ 219,322	\$ -	\$ -	\$ 509,421	\$ 372,042	\$ 7,008
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	2,007	-	-	-	450	-
-	-	-	-	258	-	1,111	-
<u>\$ 209,640</u>	<u>\$ 45,892</u>	<u>\$ 221,329</u>	<u>\$ -</u>	<u>\$ 258</u>	<u>\$ 509,421</u>	<u>\$ 373,603</u>	<u>\$ 7,008</u>
\$ -	\$ 124	\$ 19,763	\$ -	\$ 258	\$ -	\$ 2,327	\$ -
-	-	-	-	-	34,111	-	-
-	-	-	-	-	-	4,369	-
-	-	-	-	-	-	-	-
209,640	-	188,853	-	-	-	-	-
<u>209,640</u>	<u>124</u>	<u>208,616</u>	<u>-</u>	<u>258</u>	<u>34,111</u>	<u>6,696</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	45,768	12,713	-	-	475,310	-	7,008
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	366,907	-
-	-	-	-	-	-	-	-
-	<u>45,768</u>	<u>12,713</u>	<u>-</u>	<u>-</u>	<u>475,310</u>	<u>366,907</u>	<u>7,008</u>
<u>\$ 209,640</u>	<u>\$ 45,892</u>	<u>\$ 221,329</u>	<u>\$ -</u>	<u>\$ 258</u>	<u>\$ 509,421</u>	<u>\$ 373,603</u>	<u>\$ 7,008</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2015

Data Control Codes	483 Equitable Sharing Program	484 OCDEF Grant	485 UTNB Health HCOE	486 Lamar Bruni Vergara Grant	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ 38,272	\$ -	\$ 1,392	\$ -
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	-	7,780	-	-
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	14,893	-	-	-
1290	Other Receivables	-	-	-	-
1000	<b>Total Assets</b>	<u>\$ 53,165</u>	<u>\$ 7,780</u>	<u>\$ 1,392</u>	<u>\$ -</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	685	1,001	-	-
2170	Due to Other Funds	15,645	6,779	-	-
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenues	36,835	-	1,392	-
2000	<b>Total Liabilities</b>	<u>53,165</u>	<u>7,780</u>	<u>1,392</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
Assigned Fund Balance:					
3590	Other Assigned Fund Balance	-	-	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<u>\$ 53,165</u>	<u>\$ 7,780</u>	<u>\$ 1,392</u>	<u>\$ -</u>

488 Advertising	490 Performing Arts Center	Total Nonmajor Special Revenue Funds	511 Debt Service Fund	616 Capital Projects	625 QZAB 2000 Series	626 QZAB 2001 Series	630 QZAB 2005 Series
\$ 51,275	\$ 109,900	\$ 1,775,399	\$ 2,073,078	\$ 1,206,194	\$ 33,847	\$ 27,305	\$ 18,406
-	-	-	4,061,331	-	-	-	-
-	-	-	623,794	-	-	-	-
-	-	-	(453,700)	-	-	-	-
-	-	3,276,394	-	-	-	-	-
-	-	-	52,683	-	-	-	-
-	-	17,439	19,520	1,000,318	-	-	-
-	252	4,250	-	-	-	-	-
<u>\$ 51,275</u>	<u>\$ 110,152</u>	<u>\$ 5,073,482</u>	<u>\$ 6,376,706</u>	<u>\$ 2,206,512</u>	<u>\$ 33,847</u>	<u>\$ 27,305</u>	<u>\$ 18,406</u>
\$ -	\$ 33,746	\$ 288,696	\$ -	\$ 631,088	\$ 33,817	\$ 27,177	\$ 18,294
-	6,298	900,528	-	-	-	-	-
-	-	2,418,449	1,544	-	30	128	112
-	-	-	887,393	-	-	-	-
-	-	436,720	-	-	-	-	-
-	<u>40,044</u>	<u>4,044,393</u>	<u>888,937</u>	<u>631,088</u>	<u>33,847</u>	<u>27,305</u>	<u>18,406</u>
-	-	-	170,094	-	-	-	-
-	-	-	<u>170,094</u>	-	-	-	-
-	-	540,799	-	-	-	-	-
-	-	-	-	1,575,424	-	-	-
-	-	-	5,317,675	-	-	-	-
-	-	366,907	-	-	-	-	-
<u>51,275</u>	<u>70,108</u>	<u>121,383</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>51,275</u>	<u>70,108</u>	<u>1,029,089</u>	<u>5,317,675</u>	<u>1,575,424</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 51,275</u>	<u>\$ 110,152</u>	<u>\$ 5,073,482</u>	<u>\$ 6,376,706</u>	<u>\$ 2,206,512</u>	<u>\$ 33,847</u>	<u>\$ 27,305</u>	<u>\$ 18,406</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2015

Data	695	697	698	699
Control	EDA	IFA	IFA	IFA
Codes	2005	2001	2006	1999
	Series	Series	Series	Series
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ 6,784,618	\$ 63,035	\$ 3,556,846	\$ 33,513
1120 Investments - Current	-	-	-	-
1220 Property Taxes - Delinquent	-	-	-	-
1230 Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240 Receivables from Other Governments	-	-	-	-
1250 Accrued Interest	-	-	-	-
1260 Due from Other Funds	43,670	-	-	-
1290 Other Receivables	-	-	-	-
1000 Total Assets	<u>\$ 6,828,288</u>	<u>\$ 63,035</u>	<u>\$ 3,556,846</u>	<u>\$ 33,513</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ 756,824	\$ 62,983	\$ 1,899,698	\$ 33,475
2160 Accrued Wages Payable	-	-	-	-
2170 Due to Other Funds	1,147,423	52	-	38
2180 Due to Other Governments	-	-	-	-
2300 Unearned Revenues	-	-	-	-
2000 Total Liabilities	<u>1,904,247</u>	<u>63,035</u>	<u>1,899,698</u>	<u>33,513</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601 Unavailable Revenue - Property Taxes	-	-	-	-
2600 Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	-
3470 Capital Acquisition and Contractual Obligation	4,924,041	-	1,657,148	-
3480 Retirement of Long-Term Debt	-	-	-	-
Committed Fund Balance:				
3545 Other Committed Fund Balance	-	-	-	-
Assigned Fund Balance:				
3590 Other Assigned Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>4,924,041</u>	<u>-</u>	<u>1,657,148</u>	<u>-</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 6,828,288</u>	<u>\$ 63,035</u>	<u>\$ 3,556,846</u>	<u>\$ 33,513</u>



Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 11,723,764	\$ 15,572,241
-	4,061,331
-	623,794
-	(453,700)
-	3,276,394
-	52,683
1,043,988	1,080,947
-	4,250
<u>\$ 12,767,752</u>	<u>\$ 24,217,940</u>
\$ 3,463,356	\$ 3,752,052
-	900,528
1,147,783	3,567,776
-	887,393
-	436,720
<u>4,611,139</u>	<u>9,544,469</u>
-	170,094
<u>-</u>	<u>170,094</u>
-	540,799
8,156,613	8,156,613
-	5,317,675
-	366,907
-	121,383
<u>8,156,613</u>	<u>14,503,377</u>
<u>\$ 12,767,752</u>	<u>\$ 24,217,940</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula
<b>REVENUES:</b>			
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-
5900 Federal Program Revenues	14,840,507	385,367	4,609,882
5020 Total Revenues	<u>14,840,507</u>	<u>385,367</u>	<u>4,609,882</u>
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	9,264,988	61,581	2,860,113
0012 Instructional Resources and Media Services	275,143	-	-
0013 Curriculum and Instructional Staff Development	2,244,214	4,476	58,591
0021 Instructional Leadership	243,695	108,117	280,540
0023 School Leadership	85,124	-	-
0031 Guidance, Counseling and Evaluation Services	558,492	56,251	1,234,334
0032 Social Work Services	107,450	-	442
0033 Health Services	944,813	-	139,536
0034 Student (Pupil) Transportation	-	6,216	-
0035 Food Services	-	-	-
0036 Extracurricular Activities	20,154	353	25,257
0041 General Administration	-	-	-
0051 Facilities Maintenance and Operations	26,582	58,113	-
0052 Security and Monitoring Services	23,275	-	-
0053 Data Processing Services	1,484	-	-
0061 Community Services	1,045,093	90,260	11,069
Debt Service:			
0071 Principal on Long Term Debt	-	-	-
0072 Interest on Long Term Debt	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	-	-	-
Intergovernmental:			
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-
6030 Total Expenditures	<u>14,840,507</u>	<u>385,367</u>	<u>4,609,882</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>			
7911 Capital Related Debt Issued (Regular Bonds)	-	-	-
7915 Transfers In	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-
8911 Transfers Out (Use)	-	-	-
8949 Payment to Escrow due to Refunding	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-
3000 Fund Balance - August 31 (Ending)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

225 IDEA - Part B Preschool	226 IDEA - Part B Discretionary	227 IDEA - Part B Deaf	228 IDEA - Part B Preschool Deaf	242 Summer Feeding Program	244 Career and Technical - Basic Grant	253 IDEA Part C Deaf - Early Intervention	255 ESEA II,A Training and Recruiting
\$ -	\$ -	\$ -	\$ -	\$ 3,259	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
26,083	86,219	16,498	691	806,562	463,023	767	2,590,621
<u>26,083</u>	<u>86,219</u>	<u>16,498</u>	<u>691</u>	<u>809,821</u>	<u>463,023</u>	<u>767</u>	<u>2,590,621</u>
26,083	80,219	14,652	691	-	315,869	767	2,186,631
-	-	-	-	-	-	-	-
-	-	1,371	-	-	87,837	-	225,576
-	-	475	-	-	2,575	-	166,749
-	-	-	-	-	-	-	11,665
-	-	-	-	-	1,336	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	801,898	-	-	-
-	-	-	-	-	9,940	-	-
-	-	-	-	-	-	-	-
-	-	-	-	7,923	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	39,162	-	-
-	-	-	-	-	6,304	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	6,000	-	-	-	-	-	-
<u>26,083</u>	<u>86,219</u>	<u>16,498</u>	<u>691</u>	<u>809,821</u>	<u>463,023</u>	<u>767</u>	<u>2,590,621</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	263 Title III, A English Lang. Acquisition	276 Title I - Priority Schools	288 Aware Grant	289 Classroom Link
<b>REVENUES:</b>				
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-
5900	Federal Program Revenues	1,915,939	507,572	44,116
5020	Total Revenues	<u>1,915,939</u>	<u>507,572</u>	<u>44,116</u>
<b>EXPENDITURES:</b>				
Current:				
0011	Instruction	1,435,533	363,026	-
0012	Instructional Resources and Media Services	20,012	1,667	-
0013	Curriculum and Instructional Staff Development	119,165	72,240	-
0021	Instructional Leadership	51,037	-	-
0023	School Leadership	6,636	26,041	-
0031	Guidance, Counseling and Evaluation Services	-	-	44,116
0032	Social Work Services	-	2,756	-
0033	Health Services	-	2,944	-
0034	Student (Pupil) Transportation	-	-	-
0035	Food Services	-	16,995	-
0036	Extracurricular Activities	-	53	-
0041	General Administration	-	-	-
0051	Facilities Maintenance and Operations	3,876	13,012	-
0052	Security and Monitoring Services	-	5,654	-
0053	Data Processing Services	-	-	-
0061	Community Services	279,680	3,184	-
Debt Service:				
0071	Principal on Long Term Debt	-	-	-
0072	Interest on Long Term Debt	-	-	-
0073	Bond Issuance Cost and Fees	-	-	-
Capital Outlay:				
0081	Facilities Acquisition and Construction	-	-	-
Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	-	-	-
6030	Total Expenditures	<u>1,915,939</u>	<u>507,572</u>	<u>44,116</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7911	Capital Related Debt Issued (Regular Bonds)	-	-	-
7915	Transfers In	-	-	-
7916	Premium or Discount on Issuance of Bonds	-	-	-
8911	Transfers Out (Use)	-	-	-
8949	Payment to Escrow due to Refunding	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net Change in Fund Balance	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	-	-
3000	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

394 Life Skills Program	397 Advanced Placement Incentives	410 Instructional Materials Allotment	424 LEOSE	429 Crime Stoppers & Other - Local	435 SSA Regional Day School - Deaf	461 Campus Activity Funds	482 Dr. Hochman Classroom Grant
\$ -	\$ -	\$ 13,472	\$ -	\$ -	\$ 462,049	\$ 918,403	\$ 2,400
-	-	332,327	4,761	52,679	262,748	-	-
-	-	-	-	-	-	-	-
-	-	345,799	4,761	52,679	724,797	918,403	2,400
-	6,006	312,328	-	44,372	639,829	99,086	6,885
-	-	-	-	173	-	41,869	-
-	-	32,850	-	-	-	563	-
-	125	-	-	-	-	-	-
-	-	-	-	-	-	32,344	-
-	-	-	-	-	65,133	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	850	-
-	-	-	-	-	-	-	-
-	-	-	-	8,134	-	401,160	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	9,729	-
-	-	-	4,761	-	-	4,487	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	362,397	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	10,458	-
-	-	-	-	-	-	-	-
-	6,131	345,178	4,761	52,679	704,962	962,943	6,885
-	(6,131)	621	-	-	19,835	(44,540)	(4,485)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(6,131)	621	-	-	19,835	(44,540)	(4,485)
-	51,899	12,092	-	-	455,475	411,447	11,493
\$ -	\$ 45,768	\$ 12,713	\$ -	\$ -	\$ 475,310	\$ 366,907	\$ 7,008

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	483 Equitable Sharing Program	484 OCDEF Grant	485 UTNB Health HCOE	486 Lamar Bruni Vergara Grant
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 37	\$ -	\$ 2,987	\$ 463
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	72,081	17,199	-	-
5020 Total Revenues	<u>72,118</u>	<u>17,199</u>	<u>2,987</u>	<u>463</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	-	-	2,987	463
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	72,118	17,199	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	<u>72,118</u>	<u>17,199</u>	<u>2,987</u>	<u>463</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7911 Capital Related Debt Issued (Regular Bonds)	-	-	-	-
7915 Transfers In	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
8949 Payment to Escrow due to Refunding	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

488 Advertising	490 Performing Arts Center	Total Nonmajor Special Revenue Funds	511 Debt Service Fund	616 Capital Projects	625 QZAB 2000 Series	626 QZAB 2001 Series	630 QZAB 2005 Series
\$ 27,000	\$ 192,376	\$ 1,622,446	\$ 7,861,746	\$ 80,464	\$ 236	\$ -	\$ -
-	-	652,515	18,158,248	-	-	-	-
-	-	26,435,135	-	-	-	-	-
<u>27,000</u>	<u>192,376</u>	<u>28,710,096</u>	<u>26,019,994</u>	<u>80,464</u>	<u>236</u>	<u>-</u>	<u>-</u>
-	-	17,774,117	-	-	-	-	-
-	-	338,864	-	-	-	-	-
-	-	2,846,883	-	-	-	-	-
-	-	853,313	-	-	-	-	-
-	-	161,810	-	-	-	-	-
-	-	1,959,662	-	-	-	-	-
-	-	110,648	-	-	-	-	-
-	-	1,088,143	-	-	-	-	-
-	-	6,216	-	-	-	-	-
-	-	818,893	-	-	-	-	-
-	5,570	470,621	-	-	-	-	-
-	76,531	76,531	-	-	-	-	-
4,900	527,981	652,116	-	-	-	-	-
-	70,092	197,586	-	-	-	-	-
-	-	40,646	-	-	-	-	-
-	56,283	1,854,270	-	-	-	-	-
-	-	-	14,711,406	-	-	-	-
-	-	-	10,849,966	-	-	-	-
-	-	-	657,048	-	-	-	-
-	-	10,458	-	11,535,330	288,765	225,655	190,116
-	-	6,000	-	-	-	-	-
<u>4,900</u>	<u>736,457</u>	<u>29,266,777</u>	<u>26,218,420</u>	<u>11,535,330</u>	<u>288,765</u>	<u>225,655</u>	<u>190,116</u>
<u>22,100</u>	<u>(544,081)</u>	<u>(556,681)</u>	<u>(198,426)</u>	<u>(11,454,866)</u>	<u>(288,529)</u>	<u>(225,655)</u>	<u>(190,116)</u>
-	-	-	68,560,000	-	-	-	-
-	614,189	614,189	726,434	-	-	-	-
-	-	-	10,466,511	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	(78,337,969)	-	-	-	-
-	614,189	614,189	1,414,976	-	-	-	-
22,100	70,108	57,508	1,216,550	(11,454,866)	(288,529)	(225,655)	(190,116)
29,175	-	971,581	4,101,125	13,030,290	288,529	225,655	190,116
<u>\$ 51,275</u>	<u>\$ 70,108</u>	<u>\$ 1,029,089</u>	<u>\$ 5,317,675</u>	<u>\$ 1,575,424</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	695 EDA 2005 Series	697 IFA 2001 Series	698 IFA 2006 Series	699 IFA 1999 Series
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 12,674	\$ -	\$ 6,773	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>12,674</u>	<u>-</u>	<u>6,773</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	-	-	-	-
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	693,828	-	3,015,675	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	<u>693,828</u>	<u>-</u>	<u>3,015,675</u>	<u>-</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(681,154)</u>	<u>-</u>	<u>(3,008,902)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
7911 Capital Related Debt Issued (Regular Bonds)	-	-	-	-
7915 Transfers In	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8911 Transfers Out (Use)	(1,137,009)	-	-	-
8949 Payment to Escrow due to Refunding	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>(1,137,009)</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	(1,818,163)	-	(3,008,902)	-
0100 Fund Balance - September 1 (Beginning)	<u>6,742,204</u>	<u>-</u>	<u>4,666,050</u>	<u>-</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 4,924,041</u>	<u>\$ -</u>	<u>\$ 1,657,148</u>	<u>\$ -</u>



Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 100,147	\$ 9,584,339
-	18,810,763
-	26,435,135
100,147	54,830,237
-	17,774,117
-	338,864
-	2,846,883
-	853,313
-	161,810
-	1,959,662
-	110,648
-	1,088,143
-	6,216
-	818,893
-	470,621
-	76,531
-	652,116
-	197,586
-	40,646
-	1,854,270
-	14,711,406
-	10,849,966
-	657,048
15,949,369	15,959,827
-	6,000
15,949,369	71,434,566
(15,849,222)	(16,604,329)
-	68,560,000
-	1,340,623
-	10,466,511
(1,137,009)	(1,137,009)
-	(78,337,969)
(1,137,009)	892,156
(16,986,231)	(15,712,173)
25,142,844	30,215,550
\$ 8,156,613	\$ 14,503,377

LAREDO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2015

	BALANCE SEPTEMBER 1 2014	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2015
<b>STUDENT ACTIVITY ACCOUNT</b>				
Assets:				
Cash and Temporary Investments	\$ 308,410	\$ 1,303,706	\$ 1,305,194	\$ 306,922
Liabilities:				
Due to Student Groups	\$ 308,410	\$ 1,303,706	\$ 1,305,194	\$ 306,922
<b>BACK TO SCHOOL ASSISTANCE PROGRAM</b>				
Assets:				
Cash and Temporary Investments	\$ 3,987	\$ 14,626	\$ 7,107	\$ 11,506
Liabilities:				
Due to Student Groups	\$ 3,987	\$ 14,626	\$ 7,107	\$ 11,506
<b>DONATIONS FUND</b>				
Assets:				
Cash and Temporary Investments	\$ 29,917	\$ 18,133	\$ 14,876	\$ 33,174
Liabilities:				
Accounts Payable	\$ 64	\$ 1,946	\$ -	\$ 2,010
Due to Other Funds	166	-	166	-
Due to Student Groups	29,687	16,187	14,710	31,164
Total Liabilities	\$ 29,917	\$ 18,133	\$ 14,876	\$ 33,174
<b>SCHOLARSHIPS FUND</b>				
Assets:				
Cash and Temporary Investments	\$ 131,518	\$ 53,446	\$ 111,015	\$ 73,949
Liabilities:				
Accounts Payable	\$ 12,500	\$ 1,000	\$ 12,500	\$ 1,000
Due to Student Groups	119,018	52,446	98,515	72,949
Total Liabilities	\$ 131,518	\$ 53,446	\$ 111,015	\$ 73,949
<b>TOTAL AGENCY FUNDS</b>				
Assets:				
Cash and Temporary Investments	\$ 473,832	\$ 1,389,911	\$ 1,438,192	\$ 425,551
Liabilities:				
Accounts Payable	\$ 12,564	\$ 2,946	\$ 12,500	\$ 3,010
Due to Other Funds	166	-	166	-
Due to Student Groups	461,102	1,386,965	1,425,526	422,541
Total Liabilities	\$ 473,832	\$ 1,389,911	\$ 1,438,192	\$ 425,551

## **T.E.A. REQUIRED SCHEDULES**

LAREDO INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
 FISCAL YEAR ENDED AUGUST 31, 2015

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2006 and prior years	Various	Various	\$ Various
2007	1.382910	0.171200	1,799,970,416
2008	1.266310	0.229200	1,850,327,688
2009	1.040000	0.234000	2,038,157,312
2010	1.040000	0.234000	2,142,642,269
2011	1.040000	0.234000	2,135,852,058
2012	1.040000	0.234000	2,125,507,784
2013	1.040000	0.234000	2,127,187,046
2014	1.040000	0.234000	2,108,797,859
2015 (School year under audit)	1.040000	0.370800	2,087,487,325
1000 TOTALS			

Column 10 + Column 20 - Column 31 - Column 32 + Column 40 = Column 50

Column 3 - Assessed /Appraised Value for School Tax Purposes: This is the net appraised value, after deductions of all exemptions, and tax freeze amounts and reductions provided by law and those granted by the district, based on Maintenance Requirements.

Column 20 - Current Year's Tax Levy: This amount is calculated by multiplying tax rate(s) times the applicable Assessed/Appraised Value(s) in column 3.

Column 31 & 32 - Total Collections: These are total collections net of adjustments described in column 40, according to each year of tax levy, which do NOT include penalty and interest.

Column 40 - Entire Year's Adjustments: Total adjustments include corrections for errors in taxes assessed, taxes lost due to tax freeze, and discounts allowed for early payment of taxes.

Column 50 - Ending Balances 8/31/15: This total agrees with Exhibit A-1, Balance Sheet, memorandum totals for current year, for Asset Code 1220 - Property Taxes Delinquent.

(10) Beginning Balance 9/1/2014	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2015
\$ 925,196	\$ -	\$ 46,174	\$ 5,755	\$ (122,330)	\$ 750,937
177,077	-	7,289	1,319	-	168,468
169,307	-	9,391	2,113	-	157,802
211,344	-	15,440	3,474	-	192,430
215,421	-	35,162	7,911	18,245	190,593
217,396	-	36,270	8,161	19,574	192,538
311,034	-	65,234	14,678	20,792	251,915
379,524	-	106,170	23,888	21,519	270,984
834,316	-	312,866	70,395	(118,853)	332,202
-	29,450,271	20,756,688	7,400,169	(454,694)	838,720
<u>\$ 3,440,613</u>	<u>\$ 29,450,271</u>	<u>\$ 21,390,684</u>	<u>\$ 7,537,864</u>	<u>\$ (615,747)</u>	<u>\$ 3,346,589</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM  
 FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 330,900	\$ 330,900	\$ 255,796	\$ (75,104)
5800 State Program Revenues	99,000	99,000	98,786	(214)
5900 Federal Program Revenues	17,988,113	18,053,948	18,536,349	482,401
5020 Total Revenues	18,418,013	18,483,848	18,890,931	407,083
<b>EXPENDITURES:</b>				
0035 Food Services	18,062,986	20,702,423	18,607,389	2,095,034
0051 Facilities Maintenance and Operations	355,027	355,027	295,735	59,292
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	959,241	909,240	50,001
6030 Total Expenditures	18,418,013	22,016,691	19,812,364	2,204,327
1200 Net Change in Fund Balances	-	(3,532,843)	(921,433)	2,611,410
0100 Fund Balance - September 1 (Beginning)	4,767,771	4,767,771	4,767,771	-
3000 Fund Balance - August 31 (Ending)	\$ 4,767,771	\$ 1,234,928	\$ 3,846,338	\$ 2,611,410

LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
<b>REVENUES:</b>					
5700	Total Local and Intermediate Sources	\$ 7,835,407	\$ 7,835,407	\$ 7,861,746	\$ 26,339
5800	State Program Revenues	16,847,637	19,045,629	18,158,248	(887,381)
5020	Total Revenues	24,683,044	26,881,036	26,019,994	(861,042)
<b>EXPENDITURES:</b>					
Debt Service:					
0071	Principal on Long Term Debt	25,563,548	14,711,406	14,711,406	-
0072	Interest on Long Term Debt	-	10,852,142	10,849,966	2,176
0073	Bond Issuance Cost and Fees	20,000	708,542	657,048	51,494
6030	Total Expenditures	25,583,548	26,272,090	26,218,420	53,670
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(900,504)	608,946	(198,426)	(807,372)
<b>OTHER FINANCING SOURCES (USES):</b>					
7911	Capital Related Debt Issued (Regular Bonds)	-	68,560,000	68,560,000	-
7915	Transfers In	726,434	726,434	726,434	-
7916	Premium or Discount on Issuance of Bonds	-	10,466,511	10,466,511	-
8949	Payment to Escrow due to Refunding	-	(78,337,969)	(78,337,969)	-
7080	Total Other Financing Sources (Uses)	726,434	1,414,976	1,414,976	-
1200	Net Change in Fund Balances	(174,070)	2,023,922	1,216,550	(807,372)
0100	Fund Balance - September 1 (Beginning)	4,101,125	4,101,125	4,101,125	-
3000	Fund Balance - August 31 (Ending)	\$ 3,927,055	\$ 6,125,047	\$ 5,317,675	\$ (807,372)

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**CAPITAL ASSETS**

LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF GENERAL FIXED ASSETS BY LOCATION AND ACTIVITY  
AUGUST 31, 2015

LOCATION AND ACTIVITY	TOTALS	LAND	BUILDINGS	FURNITURE & EQUIPMENT
<b>High Schools:</b>				
Martin	\$ 81,994,466	\$ 6,033,289	\$ 73,921,359	\$ 2,039,818
Nixon	71,360,300	3,250,112	66,050,075	2,060,113
Cigarroa	34,710,158	872,258	31,686,601	2,151,299
VMT Communications & Arts	24,325,765	145,245	23,323,872	856,648
Francisco Lara Academy	2,707,498	-	2,651,006	56,492
Early College High School @ TAMIU	9,210,051	249,109	8,476,654	484,288
<b>Middle Schools:</b>				
Christen	29,225,561	117,596	28,336,059	771,906
Lamar	16,183,197	186,887	15,113,720	882,590
Cigarroa	11,970,291	-	11,425,431	544,860
Memorial	15,389,217	447,337	14,182,370	759,510
<b>Elementary Schools:</b>				
Bruni	8,159,293	6,139	7,819,365	333,789
Jose Gallegos	10,306,645	694,545	9,270,595	341,505
Daiches	9,247,408	28,111	8,936,353	282,944
Farias	12,018,323	1,750,761	9,903,528	364,034
Heights	8,038,526	400,313	7,095,902	542,311
Tarver	6,947,176	75,100	6,659,554	212,522
Leyendecker	11,541,522	133,989	10,966,078	441,455
Macdonell	7,858,213	1,348,363	6,195,369	314,481
Milton	7,186,979	164,517	6,735,768	286,694
Alma Pierce	10,250,194	47,542	9,577,536	625,116
Ryan	10,973,109	238,047	10,379,609	355,453
Santa Maria	7,459,388	20,950	7,123,584	314,854
Santo Nino	7,024,194	132,267	6,452,084	439,843
D. D. Hachar	11,490,166	484,686	10,604,451	401,029
J. C. Martin	13,055,547	240,525	12,333,997	481,025
H. B. Zachry	7,625,503	101,298	7,182,859	341,346
J. Kawas	7,915,509	238,434	7,308,584	368,491
Dovalina	6,760,025	35,000	6,205,001	520,024
H. Ligarde	7,376,892	129,588	6,785,931	461,373
T. Sanchez/Ochoa	6,908,619	120,000	6,383,760	404,859
<b>Other Departments:</b>				
Construction Department	-	-	-	-
Pregnancy Ed., & Parenting Program	58,876	-	58,876	-
Superintendent's Office	89,127	5,545	83,582	-
Board Room	42,455	34,455	-	8,000
Tax Office	21,038	-	21,038	-
Risk Management	25,702	-	-	25,702
Financial Management	1,653,374	10,000	1,512,578	130,796
Human Resources	36,367	-	-	36,367
Office of Public Information	201,347	-	201,347	-
Safety & Occupational Health Dept.	5,000	-	-	5,000
Student Services	-	-	-	-
Internal Auditor	10,187	-	-	10,187
Hearings Officer	-	-	-	-
Assets Management	1,438,945	149,990	396,899	892,056
Records & Assets	620,844	127,770	348,562	144,512
Performing Arts Center	2,073,507	-	2,000,000	73,507
State Bilingual	-	-	-	-
Office of Compliance	-	-	-	-
Fine Arts	17,800	-	10,350	7,450
Special Programs/Planning	-	-	-	-
Early Childhood Department	5,000	-	-	5,000
Secondary Department	5,000	-	-	5,000
Instructional Department	24,206	-	-	24,206
Career & Technology	28,928	-	-	28,928
Testing and Assessment Department	5,000	-	-	5,000

LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF GENERAL FIXED ASSETS BY LOCATION AND ACTIVITY  
AUGUST 31, 2015

LOCATION AND ACTIVITY	TOTALS	LAND	BUILDINGS	FURNITURE & EQUIPMENT
				(Continued)
District Wide	13,344,784	1,153,262	10,275,962	1,915,560
Crimestoppers	9,500	-	-	9,500
Instructional Technology	1,134,423	-	1,037,114	97,309
Health Services	1,687	-	1,687	-
Pupil Transportation	11,343,451	78,925	4,140,664	7,123,862
Athletic	536,981	-	243,017	293,964
Special Education	76,202	-	-	76,202
Printing/Creative Services	351,804	-	-	351,804
Instructional Television	540,891	-	406	540,485
Information Technology	4,567,340	-	608,802	3,958,538
Division of Operations	48,447	-	-	48,447
LISD Police Department	617,716	-	-	617,716
Child Nutrition Program	9,945,090	120,493	6,946,652	2,877,945
Total Assets by Location	524,100,754	19,372,448	466,974,591	37,753,715
Construction in Progress	17,802,186	-	-	-
Total General Fixed Assets	<u>\$ 541,902,940</u>	<u>\$ 19,372,448</u>	<u>\$ 466,974,591</u>	<u>\$ 37,753,715</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY LOCATION AND ACTIVITY  
AUGUST 31, 2015

Location and Activity	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year
<b>High Schools:</b>				
Martin	\$ 81,744,361	\$ 264,938	\$ 14,833.00	\$ 81,994,466
Nixon	33,663,980	39,315,732	1,619,412	71,360,300
Cigarroa	34,521,502	188,656	-	34,710,158
VMT Communications & Arts	2,476,214	21,849,551	-	24,325,765
Francisco Lara Academy	2,707,498	-	-	2,707,498
Early College High School @ TAMIU	9,206,544	5,585	2,078	9,210,051
<b>Middle Schools:</b>				
Christen	29,194,567	30,994	-	29,225,561
Lamar	16,165,096	86,101	68,000	16,183,197
Cigarroa	11,988,094	11,997	29,800	11,970,291
Memorial	15,389,217	-	-	15,389,217
<b>Elementary Schools:</b>				
Bruni	8,095,672	63,621	-	8,159,293
Jose Gallegos	10,073,698	232,947	-	10,306,645
Daiches	9,241,079	6,329	-	9,247,408
Farias	12,018,323	-	-	12,018,323
Heights	8,032,941	5,585	-	8,038,526
Tarver	6,876,216	70,960	-	6,947,176
Leyendecker	11,535,030	6,492	-	11,541,522
Macdonell	7,823,323	34,890	-	7,858,213
Milton	7,127,012	59,967	-	7,186,979
Alma Pierce	10,090,308	159,886	-	10,250,194
Ryan	10,482,399	490,710	-	10,973,109
Santa Maria	7,378,722	80,666	-	7,459,388
Santo Nino	6,649,078	375,116	-	7,024,194
D. D. Hachar	11,460,804	29,362	-	11,490,166
J. C. Martin	13,055,547	-	-	13,055,547
H. B. Zachry	7,693,295	-	67,792	7,625,503
J. Kawas	7,879,547	35,962	-	7,915,509
Dovalina	6,760,025	-	-	6,760,025
H. Ligarde	7,265,011	111,881	-	7,376,892
T. Sanchez/Ochoa	6,846,938	61,681	-	6,908,619
<b>Other Departments:</b>				
Construction Dept.	-	-	-	-
Pregnancy Ed., & Parenting Program	58,876	-	-	58,876
Superintendent's Office	89,127	-	-	89,127
Board Room	42,455	-	-	42,455
Tax Office	21,038	-	-	21,038
Risk Management	25,702	-	-	25,702
Financial Management	1,633,584	19,790	-	1,653,374
Human Resources	36,367	-	-	36,367
Office of Public Information	201,347	-	-	201,347
Safety & Occupational Health Dept.	5,000	-	-	5,000
Student Services	-	-	-	-
Internal Auditor	10,187	-	-	10,187
Hearings Officer	-	-	-	-
Assets Management	1,505,402	96,297	162,754	1,438,945
Records & Assets	620,844	-	-	620,844
Performing Arts Center	2,053,512	19,995	-	2,073,507
State Bilingual	-	-	-	-
Office of Compliance	-	-	-	-
Fine Arts	17,800	-	-	17,800
Special Programs/Planning	-	-	-	-
Early Childhood Department	5,000	-	-	5,000
Secondary Department	5,000	-	-	5,000
Instructional Department	24,206	-	-	24,206
Career & Technology	28,928	-	-	28,928
Testing and Assessment Department	5,000	-	-	5,000

LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY LOCATION AND ACTIVITY  
AUGUST 31, 2015

Location and Activity	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year
				(Continued)
District Wide	13,344,784	-	-	13,344,784
Crimestoppers	9,500	-	-	9,500
Instructional Technology	1,134,423	-	-	1,134,423
Health Services	1,687	-	-	1,687
Pupil Transportation	10,717,939	625,512	-	11,343,451
Athletic	542,981	-	6,000	536,981
Special Education	76,202	-	-	76,202
Printing/Creative Services	351,804	-	-	351,804
Instructional Television	540,891	-	-	540,891
Information Technology	4,001,929	1,414,578	849,167	4,567,340
Division of Operations	-	48,447	-	48,447
LISD Police Department	617,716	-	-	617,716
Child Nutrition Program	<u>9,309,275</u>	<u>635,965</u>	<u>150</u>	<u>9,945,090</u>
Total Assets by Location	460,480,547	66,440,193	2,819,986	524,100,754
Construction in Progress	<u>48,357,838</u>	<u>\$ 31,783,633</u>	<u>62,339,285</u>	<u>17,802,186</u>
Total General Fixed Assets	<u>\$ 508,838,385</u>	<u>\$ 98,223,826</u>	<u>\$ 65,159,271</u>	<u>\$ 541,902,940</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY  
FOR THE FISCAL YEAR ENDING AUGUST 31, 2015

Function	Land	Buildings	Furniture & Equipment	Construction in Progress	Total
Prior Year Data	\$ 19,339,798	\$ 405,777,681	\$ 35,363,068	\$ 48,357,838	\$ 508,838,385
Instruction	-	-	452,738	-	452,738
Instructional Resources & Media Services	-	-	-	-	-
Curriculum & Instructional Staff Development	-	-	-	-	-
Instructional Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Guidance and Counseling Services	-	-	-	-	-
Social Work Services	-	-	-	-	-
Health Services	-	-	-	-	-
Student (Pupil) Transportation	-	-	625,512	-	625,512
Food Services	-	-	208,631	-	208,631
Cocurricular/Extracurricular Activities	-	-	(6,382)	-	(6,382)
General Administration	-	-	19,790	-	19,790
Plant Maintenance and Operations	-	-	380,638	-	380,638
Security and Monitoring Services	-	-	181,118	-	181,118
Data Processing Services	-	-	55,260	-	55,260
Community Services	-	-	-	-	-
Facilities Acquisition and Construction	<u>32,650</u>	<u>61,196,910</u>	<u>473,342</u>	<u>(30,555,652)</u>	<u>31,147,250</u>
Total Expenditures	<u>\$ 19,372,448</u>	<u>\$ 466,974,591</u>	<u>\$ 37,753,715</u>	<u>\$ 17,802,186</u>	<u>\$ 541,902,940</u>

# STATISTICAL SECTION







# Statistical Section (Unaudited)

*This part of the Laredo Independent School District Statistical's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supp*

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>	<b>106 -111</b>
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the District's most significant local revenue sources.</i>	<b>112 - 115</b>
<b>Debt Capacity</b> <i>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</i>	<b>116 - 118</b>
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.</i>	<b>119 - 121</b>
<b>Operating Information</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.</i>	<b>122 - 126</b>

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in fiscal year 2002; schedules presenting government-wide informat*

Schedule 1  
**Laredo Independent School District**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
**Unaudited**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities									<b>Restated<sup>1</sup></b>	
Net Investment in Capital Assets	\$ 66,799,496	\$ 88,131,399	\$ 87,359,760	\$ 11,006,905	\$ 99,028,291	\$ 129,424,249	\$ 115,519,722	\$ 152,236,839	\$ 138,879,715	\$ 151,104,801
Restricted										
Federal and State Programs	4,697,799	6,526,044	2,985,517	2,803,798	6,023,568	6,848,569	5,996,416	5,027,681	4,561,680	3,328,310
Debt Service	11,669,155	14,711,181	15,672,278	18,103,437	20,245,918	22,139,631	14,453,416	5,370,711	4,101,125	5,317,675
Capital Projects	-	-	11,250,991	107,820,884	1,303,248	806,912	11,202,938	526,698	1,261,086	2,330,358
Campus Activities	-	-	-	186,869	196,270	-	-	-	-	-
Other Purposes	-	-	-	416,474	11,104,927	10,570,736	-	-	-	-
Unrestricted	21,596,578	17,481,717	27,790,751	24,926,533	50,537,828	46,602,044	76,310,038	73,970,082	90,717,823	55,542,611
Total primary government net position	<u>\$ 104,763,028</u>	<u>\$ 126,850,341</u>	<u>\$ 145,059,297</u>	<u>\$ 165,264,900</u>	<u>\$ 188,440,050</u>	<u>\$ 216,392,141</u>	<u>\$ 223,482,530</u>	<u>\$ 237,132,011</u>	<u>\$ 239,521,429</u>	<u>\$ 217,623,755</u>

<sup>1</sup> Net Investment in Capital Assets, Restricted for Capital Projects and Unrestricted were reclassified with no impact to Total Net Position.

Schedule 2  
Laredo Independent School District  
Expenses, Program Revenues, and Net (Expense)/Revenue  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental activities:										
11 Instruction	\$ 120,826,637	\$ 129,599,244	\$ 134,358,549	\$ 141,320,598	\$ 146,735,324	\$ 134,847,028	\$ 140,108,277	\$ 137,739,434	\$ 142,552,448	\$ 140,705,290
12 Instructional Resources & Media Svcs.	4,739,042	5,063,766	4,989,927	6,751,828	5,382,316	4,920,120	4,465,110	3,959,506	4,176,228	4,258,320
13 Curriculum & Instructional Staff Devpt.	4,158,695	4,422,899	3,667,984	3,578,264	3,191,229	2,388,482	2,733,097	3,453,301	4,487,817	3,386,737
21 Instructional Leadership	5,049,862	4,645,809	4,883,535	5,009,620	4,858,256	4,594,040	3,853,769	3,349,037	3,498,834	3,519,444
23 School Leadership	10,352,434	10,985,322	11,506,693	11,421,441	11,941,453	12,315,890	13,014,688	12,245,906	12,764,478	13,128,484
31 Guidance, Counseling, and Evaluation Svcs.	7,859,900	8,023,575	7,927,242	7,966,627	8,295,054	8,006,556	7,496,736	7,492,742	8,119,158	8,403,036
32 Social Work Services	1,881,254	1,909,811	1,873,976	1,645,934	1,560,438	1,463,034	1,222,820	1,238,760	1,529,866	1,672,827
33 Health Services	2,837,440	2,937,961	3,028,304	3,208,410	3,291,693	3,222,582	3,140,289	2,917,063	3,251,157	3,219,722
34 Student (Pupil) Transportation	3,599,991	3,715,848	3,779,327	3,367,034	3,741,933	5,058,546	5,173,676	4,234,494	4,173,383	4,968,215
35 Food Services	12,512,316	14,169,981	12,521,327	13,192,002	14,853,696	16,435,137	16,726,252	17,009,230	18,234,193	20,444,766
36 Cocurricular/Extracurricular Activities	4,175,160	3,733,030	3,401,939	3,671,452	3,994,642	4,001,848	4,120,248	4,431,509	4,893,908	5,077,865
41 General Administration	6,479,272	6,192,926	6,876,464	7,814,329	7,351,514	5,877,835	5,805,488	5,586,204	6,573,738	5,906,408
51 Plant Maintenance & Operations	19,953,661	20,750,136	20,569,466	21,573,534	21,345,976	21,067,890	22,447,885	20,231,257	21,627,117	23,146,357
52 Security & Monitoring Services	3,407,992	3,625,540	3,031,417	3,107,258	2,968,302	8,753,039	4,205,124	3,087,696	5,366,645	5,750,694
53 Data Processing Services	2,958,108	3,305,837	2,968,845	3,634,101	3,353,815	3,538,788	7,844,613	4,004,593	4,454,289	5,986,245
61 Community Services	382,002	945,323	1,307,808	1,344,733	1,490,872	1,856,922	1,516,879	1,593,443	1,926,382	2,144,279
72 Debt Service - Interest on Long-Term Debt	10,888,015	13,274,418	15,747,078	14,434,609	12,893,768	13,009,498	12,386,876	11,794,066	9,811,292	10,916,641
73 Bond Issuance Costs and Fees	-	-	222,245	263,236	254,559	279,195	300,252	285,502	1,801,763	657,048
81 Facilities Acquisition	3,769,838	5,235,162	81,952	-	-	-	-	-	-	-
93 Payments to Fiscal Agents/Mem.	11,000	8,903	8,391	6,637	-	6,000	6,000	6,000	6,000	6,000
95 Payments to Juvenile Justice Alternative Ed.	131,621	12,390	163,153	85,320	85,320	72,443	58,618	162,740	184,386	121,502
Total primary government expenses	<u>225,974,240</u>	<u>242,557,881</u>	<u>242,915,622</u>	<u>253,396,967</u>	<u>257,590,160</u>	<u>251,714,873</u>	<u>256,626,697</u>	<u>244,822,483</u>	<u>259,433,082</u>	<u>263,419,880</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
Instruction	2,779,468	815	-	4,350	294,749	-	-	-	642,644	-
Instructional Resources & Media Svcs.	-	-	-	-	-	-	-	-	-	-
Curriculum & Instructional Staff Devpt.	-	-	-	-	-	-	-	-	-	-
Instructional Leadership	-	-	-	-	-	-	-	-	-	-
School Leadership	-	-	-	-	-	-	-	-	-	-
Guidance, Counseling, and Evaluation Svcs.	9,132	-	-	-	-	-	-	-	-	-
Social Work Services	14,450	-	-	-	-	-	-	-	-	-
Health Services	77,961	-	-	-	-	-	-	-	-	-
Student (Pupil) Transportation	-	-	-	-	-	25,388	24,898	41,081	-	-
Food Services	367,977	121,443	281,112	312,052	330,569	323,896	345,903	339,974	340,262	229,878
Extracurricular Activities	-	171,645	201,995	210,088	154,023	145,658	240,733	221,142	214,101	243,410
General Administration	-	-	-	-	-	2,539	-	22,121	-	7,005
Plant Maintenance and Operations	-	-	-	-	1,073	-	7,414	7,625	-	-
Security & Monitoring Services	-	-	-	-	-	-	-	-	-	-
Data Processing Services	-	-	-	-	-	3,253	-	-	-	-
Community Services	1,075	-	10,372	-	-	220,876	224,081	252,807	192,117	883,000
Facilities Acquisition	2,340,977	-	-	-	-	-	-	-	-	-
Payments to Juvenile Justice Alternative Ed.	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	70,088,672	60,095,888	49,795,966	52,900,270	75,483,285	77,827,937	65,735,610	60,252,450	59,480,070	56,404,405
Total primary government program revenues	<u>75,679,712</u>	<u>60,389,791</u>	<u>50,289,445</u>	<u>53,426,760</u>	<u>76,263,699</u>	<u>78,549,547</u>	<u>66,578,639</u>	<u>61,137,200</u>	<u>60,869,194</u>	<u>57,767,698</u>
<b>Net (Expense)/Revenue</b>										
Total primary government net expense	<u>\$ 150,294,528</u>	<u>\$ 182,168,090</u>	<u>\$ 192,626,177</u>	<u>\$ 199,970,207</u>	<u>\$ 181,326,461</u>	<u>\$ 173,165,326</u>	<u>\$ 190,048,058</u>	<u>\$ 183,685,283</u>	<u>\$ 198,563,888</u>	<u>\$ 205,652,182</u>

Schedule 3  
Laredo Independent School District  
General Revenues and Total Change in Net Position  
Last Ten Fiscal Years  
*(accrual basis of accounting)*  
Unaudited

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
									Restated <sup>1</sup>	
<b>Net (Expense)/Revenue</b>										
Total primary government net expense	\$ 150,294,528	\$ 182,168,090	\$ 192,626,177	\$ 199,970,207	\$ 181,326,461	\$ 173,165,326	\$ 190,048,058	\$ 183,685,283	\$ 198,563,888	\$ 205,652,182
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes levied for general purposes	24,106,298	25,493,615	21,700,103	17,815,685	21,204,563	21,057,468	21,005,060	21,171,067	20,829,646	21,127,655
Property taxes levied for debt service	2,948,716	4,391,830	4,857,268	4,205,999	4,772,952	4,738,142	4,726,261	4,763,468	4,689,267	7,532,433
Unrestricted State Aid Formula Grants	115,296,468	155,643,283	176,570,738	-	169,891,579	166,315,755	165,355,519	160,288,363	169,677,509	178,306,378
Unrestricted grants and contributions	1,638,247	559,150	658,657	188,393,928	1,531,997	5,278,634	2,301,647	6,240,658	2,789,961	2,757,397
Investment earnings	8,262,586	12,207,337	9,893,383	5,936,051	3,706,251	1,456,958	783,823	607,821	374,341	548,472
Miscellaneous	10,033,727	3,106,862	5,089,737	4,731,278	3,394,271	2,270,460	2,966,137	4,263,387	5,453,682	4,379,618
Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Special Item	-	7,731,745	-	-	-	-	-	-	109,849	-
Total primary government	162,286,042	209,133,822	218,769,886	221,082,941	204,501,613	201,117,417	197,138,447	197,334,764	203,924,255	214,651,953
<b>Change in Net Position</b>										
Total primary government	\$ 11,991,514	\$ 26,965,732	\$ 26,143,709	\$ 21,112,734	\$ 23,175,152	\$ 27,952,091	\$ 7,090,389	\$ 13,649,481	\$ 5,360,367	\$ 8,999,771

<sup>1</sup> Unrestricted State Aid Formula Grants and Unrestricted grants and contributions were reclassified without impact to Net Position

**Schedule 4**  
**Laredo Independent School District**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**Unaudited**

<b>FISCAL YEAR</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011<sup>1</sup></b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,178,052	\$ 1,035,264	\$ 3,047,831	\$ 1,126,204	\$ 1,431,972
Restricted	-	-	-	-	-	14,881,931	14,929,976	2,873,497	5,291,807	5,117,869
Committed	-	-	-	-	-	-	3,851,761.00	3,955,409	12,012,274	15,438,210
Assigned	-	-	-	-	-	10,430,944	10,498,376	5,006,798	617,873	897,673
Unassigned	-	-	-	-	-	59,272,362	62,570,104	62,652,991	62,652,991	62,652,991
Reserved	12,527,471	15,458,084	14,158,322	16,513,895	15,665,794	-	-	-	-	-
Unreserved	11,695,750	15,426,003	32,504,685	45,310,703	55,213,049	-	-	-	-	-
Total general fund	<u>\$ 24,223,221</u>	<u>\$ 30,884,087</u>	<u>\$ 46,663,007</u>	<u>\$ 61,824,598</u>	<u>\$ 70,878,843</u>	<u>\$ 85,763,289</u>	<u>\$ 92,885,481</u>	<u>\$ 77,536,526</u>	<u>\$ 81,701,149</u>	<u>\$ 85,538,715</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Special Revenue Funds	-	-	-	-	-	2,982,829	2,269,378	660,832	530,959	540,799
Debt Service Funds	-	-	-	-	-	22,139,631	14,453,416	5,370,711	4,101,125	5,317,675
Capital Projects Funds	-	-	-	-	-	71,105,330	62,570,106	65,857,222	101,546,934	68,500,586
Committed										
Special revenue funds	-	-	-	-	-	1,831,277	305,522	334,011	411,447	366,907
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	29,175	121,383
Unassigned	-	-	-	-	-	-	-	-	-	-
Reserved	-	162,144,593	29,362,125	24,795,478	47,946,686	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	4,697,799	6,526,044	2,985,517	3,205,029	3,366,692	-	-	-	-	-
Capital projects funds	114,929,536	-	105,931,575	96,330,178	67,346,619	-	-	-	-	-
Debt Service funds	11,669,155	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 131,296,490</u>	<u>\$ 168,670,637</u>	<u>\$ 138,279,217</u>	<u>\$ 124,330,685</u>	<u>\$ 118,659,997</u>	<u>\$ 98,059,067</u>	<u>\$ 79,598,422</u>	<u>\$ 72,222,776</u>	<u>\$ 106,619,640</u>	<u>\$ 74,847,350</u>

**Notes:**

<sup>1</sup> Fiscal year 2011, the District implemented GASB 54 which changed the fund balance classifications to Nonspendable, Restricted, Committed, Assigned and Unassigned. See Note A to the Basic Financial Statements.

**Schedule 5**  
**Laredo Independent School District**  
**Governmental Funds Revenues**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**Unaudited**

<b>FISCAL YEAR</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Federal sources:										
Federal Grants	\$ 32,960,541	\$ 34,948,185	\$ 29,766,786	\$ 34,134,993	\$ 41,198,981	\$ 43,871,485	\$ 41,978,269	\$ 39,913,339	\$ 36,613,595	\$ 29,020,689
Food services	10,979,704	11,750,545	12,266,676	13,241,239	14,174,829	15,779,620	15,742,194	16,475,778	16,936,477	18,536,349
Total federal sources	<u>43,940,245</u>	<u>46,698,730</u>	<u>42,033,462</u>	<u>47,376,232</u>	<u>55,373,810</u>	<u>59,651,105</u>	<u>57,720,463</u>	<u>56,389,117</u>	<u>53,550,072</u>	<u>47,557,038</u>
State sources:										
Per Capita and Foundation	121,242,425	140,171,354	153,808,970	158,289,910	152,285,241	150,492,906	147,080,044	145,385,212	154,191,699	160,143,059
Instructional Facilities Allotment	12,006,055	15,000,401	14,385,675	14,212,374	14,149,005	13,968,333	7,029,771	15,499,728	12,036,704	15,139,455
Teacher Retirement System on Behalf	8,532,673	6,995,207	7,785,412	8,164,503	8,507,328	8,599,937	7,973,904	7,744,130	7,923,275	8,862,520
Other State Programs	3,390,917	6,821,882	8,996,843	11,296,094	13,230,018	13,873,112	11,803,890	483,567	4,245,190	3,942,248
Other Governmental Agencies	592,200	17,563	15,000	13,769	8,523	36,543	14,278	10,000	600	4,761
Total state sources	<u>145,764,270</u>	<u>169,006,407</u>	<u>184,991,900</u>	<u>191,976,650</u>	<u>188,180,115</u>	<u>186,970,831</u>	<u>173,901,887</u>	<u>169,122,637</u>	<u>178,397,468</u>	<u>188,092,043</u>
Local sources:										
Property Taxes	26,759,747	28,217,513	25,781,018	26,517,619	26,842,672	26,861,291	26,398,584	26,771,494	26,331,681	28,928,547
Food service sales	342,424	359,816	334,192	312,052	330,569	323,896	345,903	337,567	337,180	-
Investment Income	8,939,430	12,653,464	8,773,586	5,969,438	3,299,340	1,396,011	785,814	608,346	374,341	548,472
Penalties, Interest, and Other Fees	730,655	793,048	762,789	767,477	849,947	793,562	680,304	681,600	631,631	740,642
Co-Curricular	210,761	528,836	201,995	208,305	154,024	140,579	2,744,310	558,709	554,362	463,024
Sale of WADA	6,640,127	-	-	-	-	-	-	-	-	-
Other revenues	4,555,304	3,133,762	5,391,457	4,886,980	5,472,925	3,574,980	1,104,934	4,065,606	4,583,374	6,112,616
Total local sources	<u>48,178,448</u>	<u>45,686,439</u>	<u>41,245,037</u>	<u>38,661,871</u>	<u>36,949,477</u>	<u>33,090,319</u>	<u>32,059,849</u>	<u>33,023,322</u>	<u>32,812,569</u>	<u>36,793,301</u>
Total revenues	<u>\$ 237,882,963</u>	<u>\$ 261,391,576</u>	<u>\$ 268,270,399</u>	<u>\$ 278,014,753</u>	<u>\$ 280,503,402</u>	<u>\$ 279,712,255</u>	<u>\$ 263,682,199</u>	<u>\$ 258,535,076</u>	<u>\$ 264,760,109</u>	<u>\$ 272,442,382</u>

**Schedule 6**  
**Laredo Independent School District**  
**Governmental Funds Expenditures and Debt Service Ratio**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**Unaudited**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
11 Instruction	\$ 120,677,728	\$ 127,566,003	\$ 124,574,273	\$ 132,562,305	\$ 136,926,181	\$ 130,994,791	\$ 133,835,305	\$ 126,032,501	\$ 132,597,447	\$ 132,646,437
12 Instructional Resources & Media Svcs.	4,783,647	5,117,287	5,015,429	5,645,227	5,008,109	4,852,523	4,250,190	3,941,030	4,174,448	4,295,684
13 Curriculum & Instructional Staff Devpt.	4,156,453	4,407,778	3,666,935	3,575,361	3,190,961	2,315,992	2,732,512	3,432,377	4,424,265	3,431,842
21 Instructional Leadership	5,038,242	4,593,480	4,808,484	4,841,743	4,830,156	4,526,994	3,818,325	3,301,490	3,451,369	3,515,203
23 School Leadership	10,334,223	11,496,485	11,506,313	11,393,756	11,860,625	12,310,481	12,703,954	11,930,327	12,691,010	13,198,939
31 Guidance, Counseling, and Evaluation Svcs.	7,848,384	7,973,115	7,928,395	7,929,295	8,287,553	8,033,912	7,453,131	7,484,627	8,182,237	8,557,113
32 Social Work Services	1,878,004	1,898,201	1,873,824	1,635,270	1,547,337	1,459,941	1,216,784	1,235,284	1,541,127	1,698,787
33 Health Services	2,833,087	2,914,709	3,029,224	3,152,483	3,275,482	3,222,011	3,129,927	2,905,793	3,185,523	3,281,779
34 Student (Pupil) Transportation	4,006,844	4,421,695	3,780,477	3,337,594	3,379,725	4,286,949	3,857,490	3,795,583	4,002,756	4,307,298
35 Food Services	14,060,478	14,019,024	13,050,876	13,273,870	14,721,207	16,322,280	17,015,626	16,684,983	18,002,630	19,426,282
36 Cocurricular/Extracurricular Activities	4,201,927	3,865,637	3,407,484	3,669,811	3,978,069	3,988,524	4,117,102	4,407,657	4,852,089	5,040,916
41 General Administration	6,462,377	6,414,077	6,151,232	7,128,076	6,911,475	5,817,817	5,827,965	5,538,290	6,445,612	5,909,523
51 Plant Maintenance & Operations	20,191,873	20,833,944	20,672,806	21,452,133	21,033,887	20,785,265	22,049,652	20,007,352	21,487,072	22,725,580
52 Security & Monitoring Services	3,649,274	3,658,629	3,084,521	3,090,286	2,941,578	6,062,334	3,587,576	3,069,286	4,326,797	4,701,477
53 Data Processing Services	3,089,698	3,246,059	2,947,023	3,397,514	3,347,252	3,520,834	4,170,043	3,862,338	4,270,254	4,831,579
61 Community Services	381,774	940,663	1,307,924	1,343,308	1,490,764	1,820,034	1,506,155	1,576,705	1,947,785	2,167,960
71 Principal	8,378,013	10,731,378	17,221,396	18,464,315	14,144,518	14,799,652	19,474,301	20,885,585	13,234,622	14,711,406
Interest	12,204,644	13,939,432	13,141,804	12,662,695	12,245,352	11,101,550	12,176,157	10,661,786	10,304,574	10,849,966
Other Debt Service Costs	94,524	700,532	107,750	20,350	287,969	289,311	18,950	17,950	1,801,762	657,048
81 Facilities acquisition/construction Other capital outlay	50,483,909	33,927,132	34,907,736	18,227,796	17,657,752	29,190,358	12,014,889	30,319,993	40,527,381	34,983,327
93 Payments to Fiscal Agents / Members.	11,000	8,903	8,391	6,637	-	6,000	6,000	6,000	6,000	6,000
95 Payments to Juvenile Justice Alternative Ed.	131,393	12,390	163,153	85,320	85,320	72,443	58,618	162,740	184,386	121,502
Total expenditures	<u>\$ 284,897,496</u>	<u>\$ 282,686,553</u>	<u>\$ 282,355,450</u>	<u>\$ 276,895,145</u>	<u>\$ 277,151,272</u>	<u>\$ 285,779,996</u>	<u>\$ 275,020,652</u>	<u>\$ 281,259,677</u>	<u>\$ 301,641,146</u>	<u>\$ 301,065,648</u>
Debt service as a percentage of noncapital expenditures <sup>1</sup>	8.78%	9.94%	12.29%	12.09%	10.20%	10.27%	12.12%	12.64%	9.06%	9.62%

**Notes:**

<sup>1</sup>Percentage was calculated as follows: (Debt Service Principal + Interest Payments) / (Total expenditures - Capital)  
(14,711,406 + 10,849,966) / (301,065,648 - 35,334,915)

Schedule 7  
Laredo Independent School District  
Other Financing Sources and Uses and Net Change in Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
Unaudited

FISCAL YEAR	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Excess of revenues over (under) expenditures</b>	\$ (47,014,533)	\$ (21,294,977)	\$ (14,085,051)	\$ 1,119,608	\$ 3,352,130	\$ (6,067,741)	\$ (11,338,453)	\$ (22,724,601)	\$ (36,881,037)	\$ (28,623,266)
<b>Other Financing Sources (Uses)</b>										
Issuance of Loans	14,000,000	-	-	-	-	-	-	-	-	-
Issuance of Bonds	-	56,950,000	-	-	18,420,000	18,415,000	-	-	144,585,000	68,560,000
Lease Proceeds	-	-	-	154,728	-	-	-	-	-	-
Premium Issuance of Bond	-	668,061	-	-	1,382,794	926,503	-	-	29,678,827	10,466,511
Premium Issuance of Loans	23,032	-	-	-	-	-	-	-	-	-
Redemption of Refunded Bonds	-	-	-	-	-	-	-	-	-	-
Sale of Real and Personal Property	-	-	-	-	-	72,215	-	-	109,849	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	(19,771,368)	(19,062,461)	-	-	(98,931,152)	(78,337,969)
Transfers in	8,137,271	8,171,244	5,438,945	8,369,938	8,510,698	7,020,726	8,266,550	23,776,245	49,636,867	4,084,152
Transfers out	(8,137,271)	(8,171,244)	(5,438,945)	(8,369,938)	(8,510,698)	(7,020,726)	(8,266,550)	(23,776,245)	(49,636,867)	(4,084,152)
Special Item	-	7,731,745	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>14,023,032</u>	<u>65,349,806</u>	<u>-</u>	<u>154,728</u>	<u>31,426</u>	<u>351,257</u>	<u>-</u>	<u>-</u>	<u>75,442,524</u>	<u>688,542</u>
<b>Net change in fund balances</b>	<u>\$ (32,991,501)</u>	<u>\$ 44,054,829</u>	<u>\$ (14,085,051)</u>	<u>\$ 1,274,336</u>	<u>\$ 3,383,556</u>	<u>\$ (5,716,484)</u>	<u>\$ (11,338,453)</u>	<u>\$ (22,724,601)</u>	<u>\$ 38,561,487</u>	<u>\$ (27,934,724)</u>



**Schedule 8**  
**Laredo Independent School District**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**Unaudited**

<b>Fiscal Year</b>	<b>Actual Value</b>		<b>Less: Exemptions</b>	<b>Total Taxable Value<sup>2</sup></b>	<b>Total Direct Rate<sup>1</sup></b>
	<b>Residential Property</b>	<b>Personal Property</b>			
2006	2,087,865,861	277,897,380	565,792,825	1,799,970,416	1.554
2007	2,145,905,693	287,225,760	582,803,765	1,850,327,688	1.495
2008	2,347,904,503	312,600,408	622,347,599	2,038,157,312	1.274
2009	2,472,601,899	321,706,417	651,666,047	2,142,642,269	1.274
2010	2,631,967,318	301,780,345	797,895,605	2,135,852,058	1.274
2011	2,665,396,497	275,391,447	815,280,160	2,125,507,784	1.274
2012	2,684,572,761	269,333,873	826,719,588	2,127,187,046	1.274
2013	2,690,386,667	252,163,085	833,751,893	2,108,797,859	1.274
2014	2,664,848,981	253,860,472	825,819,674	2,092,889,779	1.274
2015	2,657,491,875	262,848,341	832,852,891	2,087,487,325	1.411

**Source:** LISD Tax Office

**Notes:**

<sup>1</sup>Per \$100 of assessed value.

<sup>2</sup>The taxable value shown here will not match the values reported by the Comptroller of Public Accounts.

**Schedule 9**  
**Laredo Independent School District**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*  
**Unaudited**

Fiscal Year	District Direct Rates			Overlapping Rates <sup>1</sup>		
	Maintenance & Operations	Debt Service	Total	Laredo Community College	City of Laredo	Webb County Road & Bridge
2006	1.383	0.171	1.554	0.234	0.637	0.438
2007	1.266	0.229	1.495	0.222	0.637	0.401
2008	1.040	0.234	1.274	0.256	0.256	0.187
2009	1.040	0.234	1.274	0.247	0.247	0.179
2010	1.040	0.234	1.274	0.244	0.244	0.180
2011	1.040	0.234	1.274	0.243	0.243	0.172
2012	1.040	0.234	1.274	0.240	0.240	0.163
2013	1.040	0.234	1.274	0.230	0.230	0.147
2014	1.040	0.234	1.274	0.220	0.220	0.130
2015	1.040	0.371	1.411	0.216	0.216	0.128

Source: LISD Tax Office.

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<sup>1</sup>Includes levies for operating and debt service costs.

**Schedule 10  
Laredo Independent School District  
Principal Property Taxpayers  
Current Year and Ten Years Ago  
Unaudited**

<u>Taxpayer</u>	<u>2015</u>			<u>2006</u>		
	<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Value</u>
Laredo Texas Hospital Co LP	\$ 88,121,030	1	2.92%	\$ 89,910,700	1	3.56%
AEP Texas Central Company	22,511,150	2	0.75%	40,519,990	2	1.60%
Webb Hospital Holdings LLC	19,122,410	3	0.63%	18,999,720	3	0.75%
HE Butt Grocery Co	17,480,100	4	0.58%	14,007,630	6	0.55%
International Bank of Commerce	16,978,580	5	0.56%	16,575,200	5	0.66%
MPT of Laredo LLC	12,779,880	6	0.42%	-	-	-
The Laredo National Bank	11,704,010	7	0.39%	13,409,960	7	0.53%
Union Pacific Railroad Company	7,531,470	8	0.25%	-	7	0.00%
Southwestern Bell Telephone LP	6,293,270	10	0.21%	18,716,000	4	0.74%
BRE/LQ TX Properties LP	6,652,030	9	0.22%	-	-	-
BIA Acquisition LTD	-	-	-	10,005,480	10	0.40%
La Posada Hotel	-	-	-	10,853,000	8	0.43%
Texas & Kansas City Cable	-	-	-	10,477,790	9	0.41%
<b>Total Appraised Value</b>	<b>\$ 3,017,172,344</b>		<b>6.93%</b>	<b>\$ 2,527,535,725</b>		<b>9.63%</b>

**Source:** LISD Tax Office

Schedule 11  
 Laredo Independent School District  
 Property Tax Levies and Collections  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections and Adjustments in Subsequent Years	Total Collections to Date		
		Amount	Percentage of Levy		Amount	Outstanding Tax Levy	Percentage of Levy
2006	26,852,020	25,695,670	95.69	992,530	26,688,200	163,820	99.39%
2007	28,349,279	27,043,378	95.39	1,137,433	28,180,811	168,468	99.41%
2008	25,996,124	24,782,861	95.44	1,055,461	25,838,322	157,802	99.39%
2009	27,297,263	25,864,604	94.75	1,240,229	27,104,833	192,430	99.30%
2010	27,210,755	25,084,155	92.18	1,936,007	27,020,162	190,593	99.30%
2011	27,078,969	26,174,857	96.66	711,574	26,886,431	192,538	99.29%
2012	27,100,363	26,076,453	96.22	771,995	26,848,448	251,915	99.07%
2013	26,866,085	25,956,120	96.61	638,981	26,595,101	270,984	98.99%
2014	26,663,416	25,829,100	96.87	502,114	26,331,214	332,202	98.75%
2015	29,450,271	28,611,551	97.15	-	28,611,551	838,720	97.15%

Source: LISD Tax Office

Schedule 12  
Laredo Independent School District  
Outstanding Debt by Type  
Last Ten Fiscal Years  
Unaudited

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Loans</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income<sup>1</sup></b>	<b>Per Capita<sup>1</sup></b>	<b>Per Capita Personal Income Schedule # 16</b>
2006	247,637,999	32,675,000	280,312,999	5.90%	1,240	21,012
2007	296,751,137	31,360,000	328,111,137	6.46%	5,945	91,994
2008	287,630,128	29,640,000	317,270,128	5.70%	1,345	23,598
2009	278,289,348	27,855,000	306,144,348	4.69%	1,093	23,294
2010	267,149,396	25,975,000	293,124,396	4.92%	1,151	23,400
2011	256,072,731	24,000,000	280,072,731	4.37%	1,092	24,985
2012	245,038,625	16,000,000	261,038,625	3.86%	1,009	26,120
2013	233,645,070	8,000,000	241,645,070	3.40%	921	27,102
2014	298,948,962	8,000,000	306,948,962	4.06%	1,151	28,355
2015	291,774,065	8,000,000	299,774,065	N/A	N/A	N/A

Notes:

N/A = not available

<sup>1</sup>See Schedule 16 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**Schedule 13**  
**Laredo Independent School District**  
**Direct and Overlapping Governmental Activities Debt**  
**As of August 31, 2015**  
**Unaudited**

<u>Governmental Unit</u>	<u>Estimated Gross Debt</u>	<u>Estimated Percentage Applicable<sup>1</sup></u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Laredo	\$ 665,124,306	21.55%	\$ 143,334,288
County of Webb	70,921,185	12.80%	9,077,912
Laredo Community College	223,388,350	21.55%	<u>48,140,189</u>
Subtotal, overlapping debt			200,552,389
<b>District direct debt</b>	299,774,065	100.00%	<u>299,774,065</u>
<b>Total direct and overlapping debt</b>			<u>\$ 500,326,454</u>

**Sources:** Taxable value data used to estimate applicable percentages provided by the Webb County Property Appraiser.  
Debt outstanding data provided by each governmental unit.

**Notes:**

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

<sup>1</sup>The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the District's boundaries and dividing it by the overlapping taxing authority's total taxable assessed value.

**Schedule 14**  
**Laredo Independent School District**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**Unaudited**

**Legal Debt Margin Calculation for Fiscal Year 2015**

Net Assessed value of 2014 taxable property		\$ 2,087,487,325
Plus: Exemptions		<u>832,852,891</u>
Total Assessed Value		2,920,340,216
Debt limit (10% of total assessed value)		292,034,022
Amount of debt applicable to said maximum debt limit:		
Total (net) general bonded debt	\$ 291,774,065	
(Percentage of debt to total assessed value)		9.99%
Less: Debt Service Fund Balance as of 8/31/15	5,317,675	
Total amount of debt applicable to debt limit		<u>286,456,390</u>
Legal debt margin		<u><u>\$ 5,577,632</u></u>

<u>Fiscal Year</u>	<u>Debt limit</u>	<u>Total net debt applicable to limit</u>	<u>Legal debt margin</u>	<u>Total Net Debt Applicable to the Limit As a Percentage of Debt Limit</u>
2006	194,474,196	224,767,220	(30,293,024)	115.58%
2007	185,032,769	245,415,822	(60,383,053)	132.63%
2008	203,815,731	232,617,536	(28,801,805)	114.13%
2009	279,430,832	218,178,789	61,252,043	78.08%
2010	293,374,766	203,672,415	89,702,351	69.42%
2011	294,078,794	164,778,123	129,300,671	56.03%
2012	295,390,663	162,871,919	132,518,744	55.14%
2013	294,254,975	161,162,719	133,092,256	54.77%
2014	291,870,945	294,847,836	(2,976,891)	101.02%
2015	292,034,022	286,456,390	5,577,632	98.09%

**Notes:**

Currently, outstanding tax supported debt is supported with funds received by either the Existing Debt Allotment Program or the Instructional Facilities Allotment Program from the Texas Education Agency. Both the Existing Debt Allotment Program funds and the Instructional Facilities Allotment Program are subject to biennial appropriation by the Texas Legislature. The District's Series 2001, 2005, 2006, 2013, and 2005, 2010, 2011, 2014, 2015 Refunding Bonds are secured by the Permanent School Fund Guarantee.

Schedule 15

Laredo Independent School District

Ratio of General Obligation Bonded Debt to Taxable Assessed Value

General Obligation Bonded Debt Per Capita, and General Obligation Bonded Debt per Student

Last Ten Fiscal Years

Unaudited

Fiscal Year	Assessed Value <sup>1</sup>	General Obligation Bonded Debt	Less: Amount Available in Debt Service Fund	Net Bonded Debt	Ratio Of Net Bonded Debt To Assessed Value	Population	Net Bonded Debt Per Capita	Student Enrollment <sup>2</sup>	Net Bonded Debt per Student
2006	1,799,970,416	247,637,999	11,669,158	235,968,841	13.11%	227,544	1,037	24,876	9,486
2007	1,850,327,688	296,751,137	14,711,181	282,039,956	15.24%	217,506	1,297	24,795	11,375
2008	2,038,157,312	287,630,128	15,672,278	271,957,850	13.34%	221,000	1,231	25,075	10,846
2009	2,142,642,269	278,289,348	18,103,438	260,185,910	12.14%	255,926	1,017	24,903	10,448
2010	2,135,852,058	267,149,396	20,245,916	246,903,480	11.56%	263,286	938	24,682	10,003
2011	2,125,507,784	256,072,731	22,139,632	233,933,099	11.01%	246,917	947	24,680	9,479
2012	2,127,187,046	245,038,625	14,453,416	230,585,209	10.84%	270,381	853	24,761	9,312
2013	2,108,797,859	233,645,070	5,370,711	228,274,359	10.82%	276,656	825	24,797	9,206
2014	2,092,889,779	298,948,962	4,101,126	294,847,836	14.09%	275,686	1,070	24,915	11,834
2015	2,087,487,325	291,774,065	5,317,675	286,456,390	13.72%	282,143	1,015	24,659	11,617

Notes:

<sup>1</sup>The taxable value shown here will not match the values reported by the Comptroller of Public Accounts.

<sup>2</sup>This is the total number of public school students who were reported in membership, at any grade, from early childhood education through grade 12. Membership is a slightly different number from enrollment because it does not include those students who are served in the district for less than two hours per day. (Source: PEIMS)



**Schedule 16**  
**Laredo Independent School District**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**  
**Unaudited**

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income<sup>1</sup></u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate<sup>1</sup></u>
2006	217,559 <sup>2</sup>	4,748,324,000	21,012	5.20
2007	219,617 <sup>2</sup>	5,077,310,000	23,119	4.50
2008	220,232 <sup>2</sup>	5,567,524,000	23,598	5.20
2009	226,419 <sup>2</sup>	5,624,141,000	23,294	7.90
2010	237,244 <sup>2</sup>	5,961,227,000	23,400	8.00
2011	246,917 <sup>3</sup>	6,408,612,000	24,985	7.95
2012	270,381 <sup>4</sup>	6,769,544,000	26,120	7.07
2013	276,656 <sup>4</sup>	7,114,194,000	27,102	6.47
2014	275,686 <sup>4</sup>	7,561,382,000	28,355	5.48
2015	282,143 <sup>4</sup>	N/A	N/A	4.26

**Sources:**

<sup>1</sup>Texas Workforce Commission

<sup>2</sup>U.S. Census Bureau

<sup>3</sup>Texas State Data Center

<sup>4</sup>Texas Department of State Health Services

**Notes:**

Population and Unemployment Rate for 2014 represent projected figures.

N/A = not available

**Schedule 17  
Laredo Independent School District  
Principal Employers  
Current Year and Ten Years Ago  
Unaudited**

<b>Employer</b>	<b>2015</b>			<b>2006</b>		
	<b>Employees<sup>1</sup></b>	<b>Rank</b>	<b>Percentage of Total Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>
United Independent School District	6,282	1	25.38%	4,876	1	24.74%
Laredo Independent School District	4,289	2	17.33%	3,990	2	20.24%
City of Laredo	2,465	3	9.96%	2,238	3	11.35%
Laredo Sector Border Patrol	2,100	4	8.48%	-	-	-
US CBP-Customs Field Officers	1,950	5	7.88%	-	-	-
H.E.B. Grocery	1,800	6	7.27%	1,245	8	6.32%
McDonald's Restaurant	1,540	7	6.22%	1,425	4	7.23%
Webb County	1,500	8	6.06%	1,400	5	7.10%
Laredo Medical Center	1,500	9	6.06%	1,377	6	6.99%
Texas A&M International University	1,325	10	5.35%	969	9	4.92%
Laredo National Bank	-	-	-	1,275	7	6.47%
Wal-Mart	-	-	-	917	10	4.65%
Annual Labor Force	<u>24,751</u>		<u>100.00%</u>	<u>19,712</u>		<u>100.00%</u>

**Source:** Laredo Development Foundation

<sup>1</sup>Total headcount which is the sum and actual number of all staff, with no distinction between full-time and part-time status, substitutes and temporary staff.

Schedule 18  
Laredo Independent School District  
Full-time Equivalent District Employees by Type  
Last Ten Fiscal Years  
Unaudited

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<b>Percentage Change 2006-2015</b>
<b>Teachers</b>											
Pre-K & Kindergarten	205	222	230	228	221	223	198	215	206	206	
Elementary	638	631	631	629	678	671	625	629	557	535	
Secondary	565	599	624	622	637	603	576	543	630	625	
Special Education	170	156	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
All Level	<u>21</u>	<u>17</u>	<u>98</u>	<u>110</u>	<u>67</u>	<u>87</u>	<u>95</u>	<u>67</u>	<u>62</u>	<u>74</u>	
Total Teachers	<u>1,599</u>	<u>1,625</u>	<u>1,583</u>	<u>1,589</u>	<u>1,603</u>	<u>1,584</u>	<u>1,494</u>	<u>1,454</u>	<u>1,455</u>	<u>1,440</u>	-9.94%
<b>Support Staff</b>											
Supervisors	5	15	-	-	-	-	-	-	-	1	
Counselors	62	66	63	61	63	65	65	64	67	69	
Educ Diagnosticians	20	19	19	18	17	17	14	15	15	15	
Librarians	27	30	30	30	30	30	27	27	27	27	
Nurses/Physicians	40	38	39	42	43	45	38	33	35	35	
Therapists	18	21	21	20	24	20	21	22	22	22	
Other Support Staff	<u>215</u>	<u>216</u>	<u>200</u>	<u>202</u>	<u>210</u>	<u>205</u>	<u>172</u>	<u>167</u>	<u>172</u>	<u>167</u>	
Total Support Staff	<u>386</u>	<u>405</u>	<u>372</u>	<u>373</u>	<u>387</u>	<u>382</u>	<u>337</u>	<u>328</u>	<u>338</u>	<u>336</u>	-13.01%
<b>Administrators</b>											
Admin/Instr Officers	24	19	35	37	36	37	31	29	35	36	
Principals	28	29	29	27	29	28	27	29	29	29	
Assistant Principals	53	59	59	54	54	58	54	51	53	53	
Superintendents	1	1	1	1	1	1	1	1	1	1	
Asst Superintendents	<u>3</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Administrators	<u>108</u>	<u>108</u>	<u>125</u>	<u>120</u>	<u>121</u>	<u>124</u>	<u>113</u>	<u>110</u>	<u>118</u>	<u>119</u>	9.75%
<b>Educational Aides</b>	479	477	492	484	526	478	355	370	413	403	-15.83%
<b>Auxiliary Staff</b>	<u>1,311</u>	<u>1,318</u>	<u>1,286</u>	<u>1,274</u>	<u>1,240</u>	<u>1,260</u>	<u>1,268</u>	<u>1,273</u>	<u>1,221</u>	<u>1,258</u>	-4.06%
<b>Total</b>	<u>3,884</u>	<u>3,933</u>	<u>3,858</u>	<u>3,840</u>	<u>3,877</u>	<u>3,828</u>	<u>3,567</u>	<u>3,535</u>	<u>3,545</u>	<u>3,556</u>	-8.44%

Source: Texas Education Agency, Fall PEIMS Submission

Notes:

<sup>1</sup>Full-time equivalent is the measurement of staff with full time work. An employee with a full-time equivalent must render a specific amount of hours for a full-time status.

Schedule 19  
Laredo Independent School District  
Operating Statistics  
Last Ten Fiscal Years  
Unaudited

<u>Fiscal Year</u>	<u>Enrollment<sup>1</sup></u>	<u>Operating Expenditures<sup>2</sup></u>	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil-Teacher Ratio</u>	<u>Percentage of Students Receiving Free or Reduced-Price Meals</u>
2006	24,876	213,736,406	8,592	3.22%	1,599	15.6	96.80%
2007	24,795	223,388,079	9,009	4.86%	1,625	15.3	96.50%
2008	25,075	216,976,764	8,653	-3.95%	1,583	15.8	96.00%
2009	24,903	227,519,989	9,136	5.58%	1,589	15.7	96.50%
2010	24,682	232,815,681	9,433	3.24%	1,603	15.4	97.20%
2011	24,680	230,399,125	9,335	-1.03%	1,584	15.6	97.10%
2012	24,761	231,336,355	9,343	0.08%	1,494	16.6	97.20%
2013	24,797	219,374,363	8,847	-5.31%	1,454	17.1	97.50%
2014	24,915	235,772,807	9,463	1.29%	1,455	17.1	97.70%
2015	24,659	239,863,901	9,727	9.95%	1,440	17.1	91.70%

Source: Texas Education Agency TAPR Reports and District's CAFRs

Notes:

<sup>1</sup> Enrollment is as of the October reporting date to TEA through the Public Education Information System (PEIMS).

<sup>2</sup> Operating Expenditures are total governmental fund expenditures less debt service and capital projects (functions 71 and 81).

**Schedule 20**

**Laredo Independent School District**

**Teacher Base Salaries**

**Last Ten Fiscal Years**

**Unaudited**

<b>Fiscal Year</b>	<b>0 Years Experience Salary<sup>1</sup></b>	<b>40+ Years Experience Salary<sup>1</sup></b>	<b>District Average Salary<sup>2</sup></b>	<b>County Average Salary<sup>2</sup></b>	<b>Statewide Average Salary<sup>2</sup></b>
2006	37,000	56,666	43,361	42,371	41,743
2007	39,500	59,166	46,236	45,164	44,897
2008	41,000	60,074	47,416	46,505	46,178
2009	41,000	62,399	49,021	47,938	47,158
2010	42,500	63,552	50,287	49,063	48,263
2011	42,500	63,627	50,163	49,378	48,639
2012	42,500	63,742	49,911	49,020	48,375
2013	42,700	64,042	49,967	48,950	48,821
2014	42,700	64,042	49,972	50,523	49,692
2015	46,500	67,400	53,927	53,344	50,715

**Sources:**

<sup>1</sup>District records

<sup>2</sup>Texas Education Agency Fall PEIMS Submission

**Notes:**

Amounts do not include additional stipends based on experience or academic credentials, nor fringe benefits such as pension, health insurance, disability, and so on.

August 31, 2015

Campus Name <sup>1</sup>	Original Building <sup>1</sup>	Facility Replacement <sup>1</sup>	Facility Additions and Renovations <sup>1</sup>	Square Footage	Classrooms	Minimum Capacity	Enrollment 2014 - 2015	Percentage of Capacity in Use
<b>HIGH SCHOOLS (9th - 12th)</b>								
Dr. Leonides G. Cigarroa	1983		2004, 2005, 2006, 2011, & 2013	277,154	87	2,175	1,540	71%
Raymond & Tirza Martin	1937		2003, 2007, 2008, 2009, 2010, & 2011	364,735	93	2,325	1,866	80%
Joseph W. Nixon	1964		2003, 2005, 2006, 2007, & 2011	425,608	83	2,075	1,967	95%
Early College at Texas A&M International University	2007	2012		42,500	20	500	422	84%
Francisco S. Lara Academy (Alternative School)	1997		1997	28,883	17	255	93	36%
<b>TOTAL HIGH SCHOOLS:</b>				<b>1,138,880</b>	<b>300</b>	<b>7,330</b>	<b>5,888</b>	<b>80%</b>
<b>MIDDLE SCHOOLS (6th - 8 th)</b>								
Louis J. Christen	1930	2006	2008	194,507	82	2,050	1,369	67%
Dr. Joaquin G. Cigarroa	1983	2006	2004, 2005, 2006 & 2010	216,000	74	1,850	1,407	76%
Mirabeau B. Lamar	1957	2003	2004, 2005	184,900	78	1,950	1,352	69%
Memorial	1937-39	2005	2008	133,081	48	1,200	731	61%
<b>TOTAL MIDDLE SCHOOLS:</b>				<b>728,488</b>	<b>282</b>	<b>7,050</b>	<b>4,859</b>	<b>69%</b>
<b>ELEMENTARY SCHOOLS (PK- 5th)</b>								
Antonio M. Bruni	1927	2004		81,549	38	836	687	82%
Don Jose Gallego	1946	2007		92,305	39	858	799	93%
Leon Daiches	1920	2006		92,905	33	726	610	84%
Anita T. Dovalina	1983		2002, 2010	69,511	30	660	540	82%
Francisco Farias	1958	2002	2010, 2011	108,465	47	1,034	767	74%
Demetrio D. Hachar	1974	2008		88,814	30	660	541	82%
Heights	1923	2007		68,500	26	572	564	99%
Jesus A. kawas	1983		2003	71,259	34	748	591	79%
John Z. Leyendecker	1953		2008	97,752	38	836	541	65%
Honore Ligarde	1988		2003	80,252	39	858	849	99%
Christopher M. Macdonell	1930	2004		77,965	38	836	764	91%
Joseph C. Martin	1972	2009		94,728	32	704	591	84%
Clarence L. Milton	1960		2003	88,070	51	1,122	891	79%
Alma A. Pierce	1963	2004	2010	93,233	43	946	877	93%
Michael S. Ryan	1954		2006	94,404	49	1,078	951	88%
Tomas Sanchez/Hermelinda Ochoa	1953	2002		88,766	43	946	749	79%
Santa Maria	1972	2003		81,669	34	748	701	94%
Santo Niño	1960		2003	95,510	43	946	708	75%
Katherine F. Tarver	1960		2005	81,982	29	638	572	90%
Henry B. Zachry	1998		2003	70,233	34	748	658	88%
<b>TOTAL ELEMENTARY SCHOOLS:</b>				<b>1,717,872</b>	<b>750</b>	<b>16,500</b>	<b>13,951</b>	<b>85%</b>
<b>SPECIAL CAMPUSES (9th-12th)</b>								
Dr. Dennis D. Cantu Health Science Magnet School	1999			26,960	12			
Sabas Perez School for Engineering and Technology	1983			(included in Cigarroa High)	4			
VMT School of Communications & Fine Arts		2015		80,677	30			
Jose A. Valdez (Urbanh Bldg)	1922		19,932,015	15,045	5			
<b>TOTAL SPECIAL CAMPUSES<sup>5</sup>:</b>				<b>122,682</b>				
Total Square Footage <sup>2</sup> :	3,707,922							
Total Minimum Capacity <sup>3</sup> :	30,880							
Total Enrollment <sup>4</sup> :	24,698							
Total Capacity Utilization <sup>5</sup> :	80%							
<sup>1</sup> Source: District records (latest new replacements, additions and modifications). No information prior to FY2014 is available in the required format.								
<b>Notes:</b>								
<sup>2</sup> Square Footage comprises the total enclosed space of each campus based on construction plans.								
<sup>3</sup> Minimum Capacity is a calculation based on TAC requirements (No. Classrooms based on construction plans). Note: Room size requirements are based on rooms that will house 22 students at the elementary level and 25 students at the middle or high school level (19 TAC Chapter 61, Subchapter CC) (Lara Academy = 15/1).								
<sup>4</sup> Actual Enrollment is based on PEIMS data.								
<sup>5</sup> Capacity Utilization is the quotient of Total Enrollment by Total Capacity, less enrollment at Special Campuses.								
<sup>6</sup> Enrollment included with home campus.								
Historical data for the past eight years not readily available. Statistical schedule provided from the Laredo Independent School District Construction Department.								

August 31, 2014

Campus Name <sup>1</sup>	Original Building <sup>1</sup>	Facility Replacement <sup>1</sup>	Facility Additions and Renovations <sup>1</sup>	Square Footage	Classrooms	Minimum Capacity	Enrollment 2013 - 2014	Percentage of Capacity in Use
<b>HIGH SCHOOLS (9th - 12th)</b>								
Dr. Leonides G. Cigarroa	1983		2004, 2005, 2006, 2011, & 2013	277,154	87	2,175	1,387	64%
Raymond & Tirza Martin	1937		2003, 2007, 2008, 2009, 2010, & 2011	364,735	93	2,325	1,915	82%
Joseph W. Nixon	1964		2003, 2005, 2006, 2007, & 2011	425,608	83	2,075	1,913	92%
Early College at Texas A&M International University	2007	2012		42,500	20	500	416	83%
Francisco S. Lara Academy (Alternative School)	1997		1997	28,883	17	255	101	40%
<b>TOTAL HIGH SCHOOLS:</b>				<b>1,138,880</b>	<b>300</b>	<b>7,330</b>	<b>5,732</b>	<b>78%</b>
<b>MIDDLE SCHOOLS (6th - 8th)</b>								
Louis J. Christen	1930	2006	2008, 2004, 2005, 2006 &	194,507	53	1,325	1,402	106%
Dr. Joaquin G. Cigarroa	1983	2006	2010	216,000	54	1,350	1,405	104%
Mirabeau B. Lamar	1957	2003	2004, 2005	184,900	48	1,200	1,383	115%
Memorial	1937-39	2005	2008	133,081	28	700	761	109%
<b>TOTAL MIDDLE SCHOOLS:</b>				<b>728,488</b>	<b>183</b>	<b>4,575</b>	<b>4,951</b>	<b>108%</b>
<b>ELEMENTARY SCHOOLS (PK- 5th)</b>								
Antonio M. Bruni	1927	2004		81,549	29	638	670	105%
Don Jose Gallego	1946	2007		92,305	35	770	745	97%
Leon Daiches	1920	2006		92,905	33	726	596	82%
Anita T. Dovalina	1983		2002, 2010	69,511	30	660	551	83%
Francisco Farias	1958	2002	2010, 2011	108,465	47	1,034	843	82%
Demetrio D. Hachar	1974	2008		88,814	30	660	578	88%
Heights	1923	2007		68,500	19	418	556	133%
Jesus A. kawas	1983		2003	71,259	34	748	599	80%
John Z. Leyendecker	1953		2008	97,752	38	836	550	66%
Honore Ligarde	1988		2003	80,252	39	858	817	95%
Christopher M. Macdonell	1930	2004		77,965	29	638	762	119%
Joseph C. Martin	1972	2009		94,728	32	704	652	93%
Clarence L. Milton	1960		2003	88,070	39	858	916	107%
Alma A. Pierce	1963	2004	2010	93,233	43	946	932	99%
Michael S. Ryan	1954		2006	94,404	43	946	966	102%
Tomas Sanchez/Hermelinda Ochoa	1953	2002		88,766	33	726	749	103%
Santa Maria	1972	2003		81,689	29	638	705	111%
Santo Niño	1960		2003	95,510	43	946	761	80%
Katherine F. Tarver	1960		2005	81,982	29	638	633	99%
Henry B. Zachry	1998		2003	70,233	34	748	661	88%
<b>TOTAL ELEMENTARY SCHOOLS:</b>				<b>1,717,872</b>	<b>688</b>	<b>15,136</b>	<b>14,242</b>	<b>94%</b>
<b>SPECIAL CAMPUSES (9th-12th)</b>								
Dr. Dennis D. Cantu Health Science Magnet School	1999			26,960				
Sabas Perez School for Engineering and Technology	1983			(included in Cigarroa High)				
VMT School of Communications & Fine Arts	1922		1993	52,021				
Jose A. Valdez	1957		2010	15,138				
<b>TOTAL SPECIAL CAMPUSES<sup>6</sup>:</b>				<b>94,119</b>				
Total Square Footage <sup>2</sup> :	3,679,359							
Total Minimum Capacity <sup>3</sup> :	27,041							
Total Enrollment <sup>4</sup> :	24,925							
Total Capacity Utilization <sup>5</sup> :	92%							

<sup>1</sup>Source: District records (latest new replacements, additions and modifications). No information prior to FY2014 is available in the required format.

**Notes:**

<sup>2</sup>Square Footage comprises the total enclosed space of each campus based on construction plans.

<sup>3</sup>Minimum Capacity is a calculation based on TAC requirements (No. Classrooms based on construction plans).

Note: Room size requirements are based on rooms that will house 22 students at the elementary level and 25 students at the middle or high school level (19 TAC Chapter 61, Subchapter CC) (Lara Academy = 15/1).

<sup>4</sup>Actual Enrollment is based on PEIMS data.

<sup>5</sup>Capacity Utilization is the quotient of Total Enrollment by Total Capacity, less enrollment at Special Campuses.

<sup>6</sup>Enrollment included with home campus.

Historical data for the past nine years not readily available.

Statistical schedule provided from the Laredo Independent School District Construction Department.

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# SINGLE AUDIT SECTION





**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**

Board of Trustees  
Laredo Independent School District  
Laredo, Texas

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Laredo Independent School District (the "District") as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 29, 2015.

***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

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**Governmental Audit  
Quality Center**

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Pattillo, Brian Hill, C.P.*

Brownsville, Texas  
December 29, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Trustees  
Laredo Independent School District  
Laredo, Texas

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

We have audited the Laredo Independent School District's (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2015. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***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, 2015.

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**Governmental Audit  
Quality Center**

## Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Patullo, Brown & Hill, LLP

Brownsville, Texas  
December 29, 2015

LAREDO INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED AUGUST 31, 2015

**I. Summary of the Auditors' Results:**

The type of auditors' report on financial statements:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	None reported
Significant deficiency(ies) identified	No
Internal control over major programs:	
Material weakness(es) identified:	None reported
Significant deficiency(ies) identified	No
Noncompliance which is material to the basic Financial statements	None reported
Type of auditors' report on compliance with major programs:	Unmodified
Findings and questioned costs for federal awards in accordance with OMB Circular A-133, Sec. 510(a):	No
Identification of major programs:	
CFDA Numbers:	Name of Federal Program or Cluster
10.553, 10.555 & 10.559	Child Nutrition Cluster
Dollar threshold used to distinguish between Type A and Type B programs:	\$1,373,762
Low risk auditee:	Yes

**II. Finds Relating to the Financial Statements which are Required to be Reported in Accordance  
 Accordance with Generally Accepted Government Auditing Standards**

None

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

None

LAREDO INDEPENDENT SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED AUGUST 31, 2015

None



LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2015

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF DEFENSE</b>			
<u>Direct Programs</u>			
ROTC			\$ 149,772
Total Direct Programs			\$ 149,772
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>			<b>\$ 149,772</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Passed Through State Department of Education</u>			
ESEA Title I, Part A	84.010A	15610101240901	\$ 14,764,373
ESEA Title I SIG Carryover 4SG Martin	84.010A	14610112240901001	2,261
ESEA Title I SIG Martin	84.010A	15610112240901001	20,400
ESEA Title I SIG Nixon	84.010A	15610112240901002	13,667
ESEA Title I SIG Cigarroa High	84.010A	15610112240901003	13,872
ESEA Title I SIG Carryover 4SG Cigarroa Middle	84.010A	14610112240901043	4,591
ESEA Title I SIG Cigarroa Middle	84.010A	15610112240901043	20,325
ESEA Title I SIG Gallego	84.010A	15610112240901102	16,122
Total CFDA Number 84.010A			<u>14,855,611</u>
ESEA Title I SIG Carryover 4SG Farias	84.010A	14610112240901105	14,460
ESEA Title I SIG	84.010A	15610112240901105	14,884
ESEA Title I SIG Carryover 4SG Macdonell	84.010A	14610112240901109	11,714
ESEA Title I SIG Macdonell	84.010A	15610112240901109	21,181
ESEA Title I SIG Carryover 4SG Santa Maria	84.010A	14610112240901115	3,700
ESEA Title I SIG Santa Maria	84.010A	15610112240901115	24,075
ESEA Title I SIG Carryover 4SG Kawas	84.010A	14610112240901122	2,320
Total CFDA Number 84.010A			<u>77,874</u>
ESEA Title I SIG Kawas	81.010A	15610112240901122	23,671
ESEA Title I SIG Carryover 4SG Dovalina	84.010A	14610112240901123	2,187
ESEA Title I SIG Dovalina	84.010A	15610112240901123	23,856
ESEA Title SIG Carryover 4SG Ochoa	84.010A	14610112240901125	464
ESEA Title I SIG Sanchez Ochoa	84.010A	15610112240901125	164,208
Total CFDA Number 84.010A			<u>190,715</u>
ESEA Title I, Part C Migrant	84.011A	15615001240901	395,287
IDEA, Part B, Formula	84.027A	156600012409016600	4,716,517
IDEA, Part B, Preschool	84.173A	156610012409016610	26,925
IDEA, Part B, Discretionary (Deaf)	84.027A	156600112409016673	10,161
IDEA, Part B, High Cost Risk	84.027A	156600062409016680	76,058
IDEA, Part B, Formula (Deaf)	84.027A	156600012409016601	17,117
Total CFDA Number 84.027A			<u>103,336</u>
IDEA, Part B, Preschool (Deaf)	87.173A	156610012409016611	705
Career and Technical - Basic Grant	84.048A	15420006240901	459,361
Career and Technical - Basic Grant F16	84.048A	16420006240901	11,734
Total CFDA Number 84.048A			<u>471,095</u>
IDEA, Part C, Early Intervention	84.027A	153911012409013911	767
Title II, Part A	84.367A	15694501240901	2,648,532
LEP Program	84.365A	15671001240901	1,950,737
TTL Priority School Lamar Carryover F14	84.377A	106107067110002	13,508
TTL Priority School Lamar	84.377A	116107117110010	508,496
Total CFDA Number 84.377A			<u>522,004</u>
Summer School LEP	84.369A	69551302	52,008
Total Passed Through State Department of Education			<u>\$ 26,050,244</u>

LAREDO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2015

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			\$ 26,050,244
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<u>Direct Programs</u>			
Aware Grant	93.243	1H79SM062048	\$ 44,118
Medicaid Administrative Claiming Program - MAC	93.778	N/A	115,754
Total Direct Programs			\$ 159,872
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			\$ 159,872
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<u>Direct Programs</u>			
Forfeiture U.S. Treasury	N/A	N/A	\$ 72,081
Organized Crime Drug Enforcement Task Force	N/A	N/A	17,199
Total CFDA Number N/A			89,280
Total Direct Programs			\$ 89,280
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			\$ 89,280
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed Through the State Department of Agriculture</u>			
School Breakfast Program	10.553		\$ 4,913,066
National School Lunch Program - Cash Assistance	10.555		12,000,089
National School Lunch Prog. - Non-Cash Assistance	10.555		848,271
Total CFDA Number 10.555			12,848,360
Summer Feeding Program - Cash Assistance	10.559		806,562
Fresh Fruit & Vegetable Program	10.582		710,522
NSLP Equipment Assistance Grant	10.579		64,400
Total Passed Through the State Department of Agriculture			\$ 19,342,910
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			\$ 19,342,910
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ 45,792,078

\*Clustered Programs

LAREDO INDEPENDENT SCHOOL DISTRICT  
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED AUGUST 31, 2015

1. The District utilizes the fund types specified in the Texas Education Agency's Financial Accountability System Resource Guide (FASRG).

General Fund - is accounted for, among other things, resources related to the United States Department of Defense ROTC program.

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

Capital Projects Funds - are used to account for financial resources to be used for the acquisition or construction of major capital outlays, including capital facilities and other capital assets.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in the General Fund, the Special Revenue Funds, or the Capital Projects Funds, components of the Governmental Fund type. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual (i.e., both measurable and available), and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for certain compensated absences, which are recognized when the obligations are expected to be liquidated with expendable, available financial resources.

Federal grant funds are generally 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 deferred revenues until earned.

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H period of availability of Federal Funds, Part 3, *OMB Circular A-133 Compliance Supplement*.
4. Federal revenues in the General Fund consist of amounts attributed to the National School Lunch Program, the ROTC Program and the Medicaid Administrative Program. Expenditures are not specifically attributable to these revenue sources and are shown as amounts equal to federal revenues. The revenue for indirect costs is recognized in the General Fund. Additionally, the SHARS Program is accounted for in the General Fund. SHARS revenue is not considered federal financial assistance and is therefore not included in the schedule.

Total Expenditures of Federal Awards, Exhibit K-1	\$45,792,078
SHARS Program Reimbursement	<u>1,764,960</u>
Federal Program Revenues, Exhibit C-3	<u>\$47,557,038</u>

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