

Comprehensive Annual

FINANCIAL REPORT

FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019



L  **ISD**
LAREDO
INDEPENDENT SCHOOL DISTRICT



**Laredo Independent School District
Comprehensive Annual Financial Report
For the Ten Month Period Ended
June 30, 2019**

Prepared by:

Financial Management Department

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**LAREDO INDEPENDENT SCHOOL DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019**

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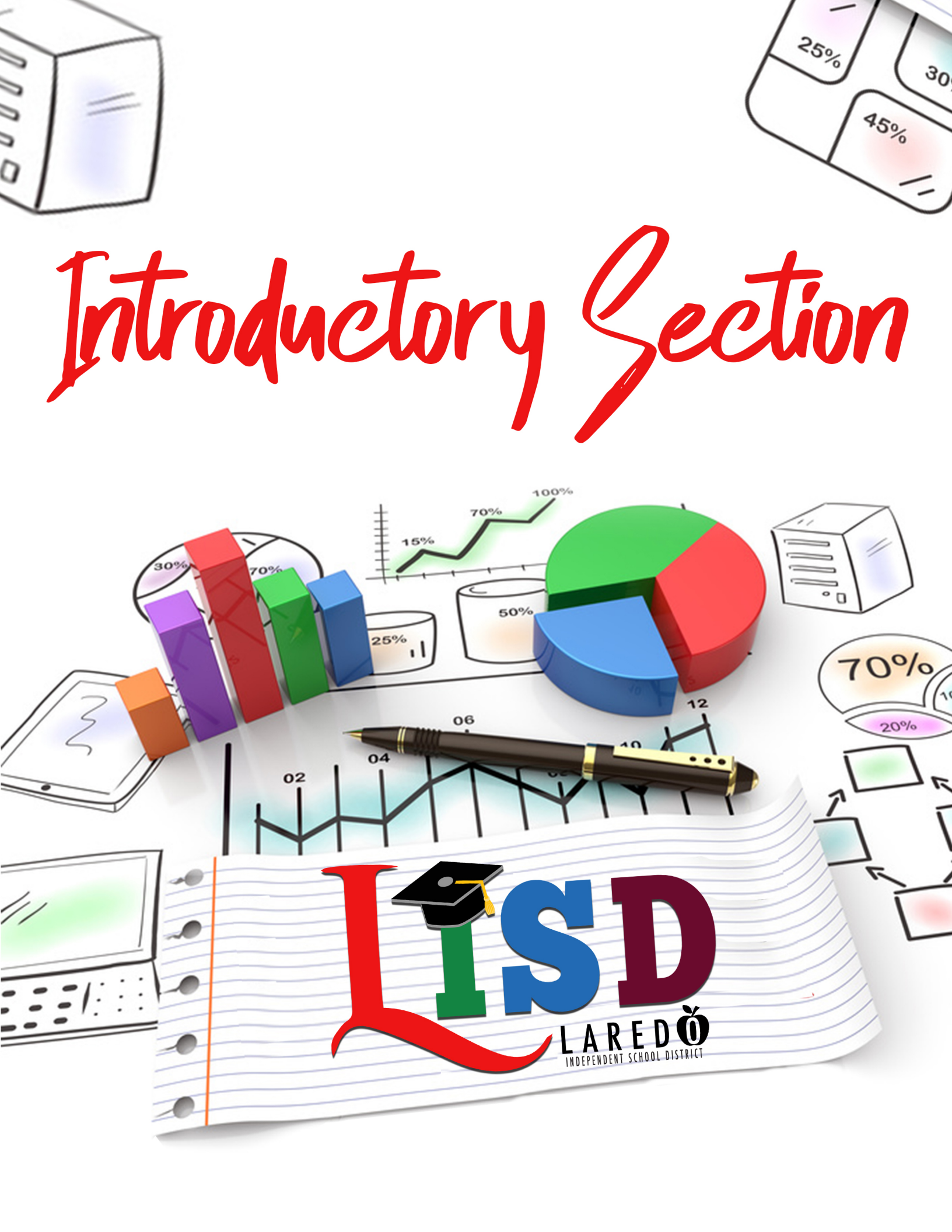
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Introductory Section



L  **ISD**
LAREDO
INDEPENDENT SCHOOL DISTRICT



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



Dr. Sylvia G. Rios
Superintendent of Schools

November 12, 2019

Board of Trustees
2018-2019



Hector J. Garcia
President, District 6

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 ten month period ended June 30, 2019. The report was prepared by the District’s Division of Finance and Business Services. The basic financial statements have been audited by the independent accounting firm of Weaver and Tidwell, LLP, 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”).

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.



Ricardo Garza
Secretary, District 5

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



Jose A. Valdez
Trustee, District 1

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, if any, in conformity with GASB Statement No. 14, The Financial Reporting Entity. The District is not reporting component units.



Claudia V. Balli
Trustee, District 2

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. Please note the District elected to change its fiscal year start date to July 1; therefore, the information presented reflects a ten month period as we transition to the next fiscal year. 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.



Dr. Minita Ramirez
Trustee, District 5

Services Provided



Monica Garcia
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 early college 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 2018-2019 was 23,645 students of which 6,254 students were enrolled at the high school level, 6,378 at the middle school level, and 11,013 at the elementary level.

Over 96% of our students are classified as economically disadvantaged, 54% as English Learners, 9% as Special Education, and 8% participate in Gifted and Talented 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: Laredo ISD establishes and pursues expectations of excellence and equity to achieve college, career, and military readiness.

Goal II: Laredo ISD provides a safe, secure and healthy learning environment designed to nurture positive academic, social, and life skills development.

Goal III: Laredo ISD develops and maintains meaningful student-centered relationships with parents, businesses, and community leaders in support of campus and district initiatives.

Goal IV: Laredo ISD establishes and maintains efficient organizational support structures that promote positive performance outcomes and comply with financial accountability standards.

Achievements

The District received its seventeenth Superior rating on the School FIRST (Financial Integrity Rating System of Texas) financial accountability system for the fiscal year ended August 31, 2018. The rating system was established during the 77th 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, 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), continues to be in the center of a vibrant era. With the creation of the North American Free Trade Agreement, which has enhanced trade between the United States and Mexico, provides for a growing tax base and attracting new industries in the City. The Port of Laredo crosses over \$500 billion in imports and exports. With IH-35 bisecting the city, all the industrial parks and logistical centers are within five miles.

Laredo Independent School District is located in the heart of the City of Laredo and encompasses approximately 13 square miles. As of July 1, 2018, the U. S. Census estimated Laredo's population at 261,639 for Laredo. With over 500,000 living across the river in Nuevo Laredo, both cities have a combined population of 761,639. Our District is an inner city district which serves the community of Laredo and Webb County. The District serves a population slightly over 100,000 and a student enrollment of about 24,000. Average daily attendance (ADA) drives school funding and it has decreased slightly on an average annual basis due to the slight decrease in enrollment. The attendance rate remains constant at about 95% and the district continues to work with students to reduce truancy rates.

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 total fund balance is still beyond our policy requirement and it is an indicator of sound financial management mainly attributed to the enforcement of efficiency

measures reflected in the capital and instructional improvement plans, in the application of staffing formulas, and in the elimination of costs not aligned with academic achievement strategies 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 continues to renovate or newly construct schools. 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 and in July 2018, the District issued \$102,000,000 approved by the voters during the May 2018 election. The estimated final completion date for these projects is August 2025. The District still has \$48,475,000 of authorized but unissued bonds.

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 purpose 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 administration, grant writing, and special financial and policy analyses to District management. The Assistant Superintendent of Finance and Business Services, 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 and Debt Service 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 Weaver and Tidwell, LLP, 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 Title 2 U. S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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, 2018. This is the 21st 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.

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, Weaver and Tidwell, LLP.

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,



Flor Ayala, CPA
Assistant Superintendent for Finance and Business Services

**LAREDO INDEPENDENT SCHOOL DISTRICT
DISTRICT OFFICIALS, STAFF & CONSULTANTS
JUNE 30, 2019**

ELECTED OFFICIALS

Board of Trustees	Length of Service	Occupation
Hector Garcia President	9 Years	General Manager - La Posada
Hector J. Noyola Vice-President	5 Years	Executive Director - Boys and Girls Clubs of Laredo
Ricardo Garza Secretary	8 Years	Business Owner – Twins Mechanical, Inc.
Jose A. Valdez Trustee	22 Years	Retired
Claudia V. Balli Trustee	1 Year	Attorney-at-Law – Balli & Balli Law Firm
Dr. Minita Ramirez Trustee	1 Year	Vice President for Student Success - TAMIU
Monica Garcia Trustee	1 Year	Community Outreach Coordinator / Public Information Officer–El Metro Transit

APPOINTED OFFICIALS

Sylvia G. Rios, Ed.D Superintendent of Schools

Flor Ayala, CPA Assistant Superintendent for Finance & Business Services

Roberta Ramirez Ed.D.....Assistant Superintendent for Human Resources

Elva Margarita Martinez.....Assistant Superintendent for Student Support Services

Miguel Munoa Assistant Superintendent for Technology

Gerardo Cruz, Ed.D..... Assistant Superintendent for Curriculum, Instruction & Assessment

Oscar Perez..... Assistant Superintendent for Administration, Compliance & Student Safety

Angel Velazquez..... Assistant Superintendent for Plant Facilities & Support Services

CONSULTANTS & ADVISORS

Financial AdvisorEstrada-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.....Weaver and Tidwell, L.L.P.
Austin, Texas

General CounselKazen, Meurer & Perez, Attorneys-at-Law
Laredo, Texas

LAREDO INDEPENDENT SCHOOL DISTRICT

Board of Trustees June 30, 2019



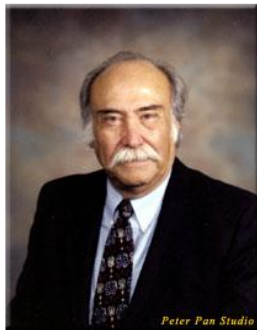
Hector Garcia
President
District 6



Hector J. Noyola
Vice-President
District 3



Ricardo Garza
Secretary
District 4



Jose A. Valdez
Trustee
District 1



Claudia Balli
Trustee
District 2



Dr. Minita Ramirez
Trustee
District 5



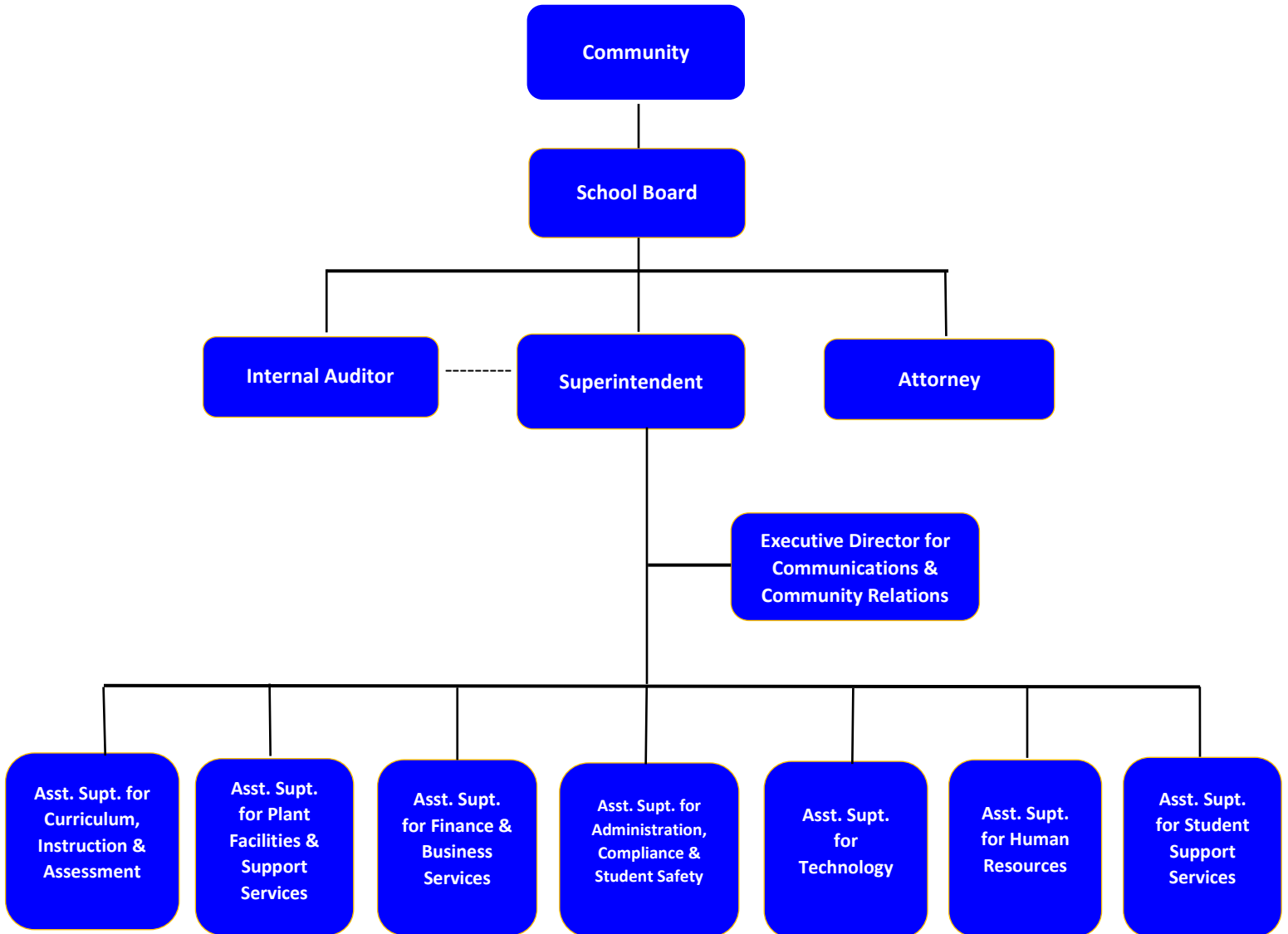
Monica Garcia
Trustee
District 7

Superintendent of Schools



Dr. Sylvia G. Rios
July 18, 2017 to Present

LAREDO INDEPENDENT SCHOOL DISTRICT
Organizational Chart
June 30, 2019





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, 2018


Christopher P. Morrill

Executive Director/CEO

CERTIFICATE OF BOARD

Laredo Independent School District	Webb	240-901
<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 June 30, 2019 at a meeting of the Board of Trustees of such school district on the 12th day of November, 2019.



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):

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Financial Section



LISD
LAREDO
INDEPENDENT SCHOOL DISTRICT

Independent Auditor's Report

To the Board of Trustees
Laredo Independent School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Laredo Independent School District (the District), as of and for the 10 months ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the 10 months then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and other statements, TEA required schedules, capital assets section, and statistical section 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, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

The Board of Trustees
Laredo Independent School District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
November 8, 2019

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

In this section of the Annual Financial and Compliance Report, we, the managers of Laredo Independent School District, discuss and analyze the District’s financial performance for the ten month period ended June 30, 2019. Please read it in conjunction with our transmittal letter on page v, the independent auditor’s report on page 1, and the District’s Basic Financial Statements which begin on page 18.

FINANCIAL HIGHLIGHTS

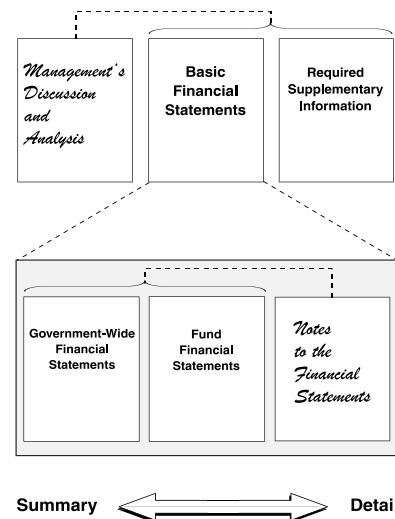
- The assets and deferred outflows of resources of the District exceeded its liabilities by \$99,891,516 (*net position*). Of this amount, the unrestricted net position is a negative \$92,851,699, affected by a prior period adjustment reported in the prior year as part of a new accounting rule change to improve the accounting and financial reporting by state and local governments for other post-employment benefits (OPEB) under GASB No. 75.
- During the ten month period, the District had expenses that were \$20,756,107 less than the \$296,732,806 generated in tax and other revenues for governmental programs, before a special item.
- The total cost of the District’s programs increased by \$60,158,217 mainly due to changes in GASB 68 and 75.
- The District’s governmental funds reported combined fund balances of \$262,549,432, an increase of \$37,343,793 compared to last year. Approximately \$60,172,085 or 23% of the total is available for spending at the government’s discretion (*unassigned fund balance*).
- The total fund balance of the General Fund increased by \$12,598,600 primarily due to the commitment of projects towards the end of the ten month period.
- The resources available for appropriation were \$6,374,002 more than budgeted for the General Fund.
- The District elected to change its fiscal year start date from September 1st to July 1st; therefore, the impact to the fiscal year end date changed from August 31st to June 30th in the current period. The District’s financial performance covered 10 months: September 1, 2018 to June 30, 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District’s operations in more detail than the government-wide statements.
- *The governmental funds* statements 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 above shows how the required parts of this annual report are arranged and related to one another.

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

Type of Statements	District-Wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	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
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures & Changes in Fund Balance 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses & Changes in Fund Balance • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Net Position
Accounting basis and measurement focus	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
Type of asset/liability information	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
Type of inflow/outflow information	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 above 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.

Government-wide Statements

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

The two government-wide statements report the District’s net position and how 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 and average daily attendance.

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 31 individual governmental funds. The following are considered major funds for the ten month period ended June 30, 2019: General Fund, ESEA Title I - Part A, Debt Service Fund and EDA 2018 Bond Series. Data from the other 27 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major 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 on September 1, 2013.
- *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 position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

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 presentation for the Food Service Fund and 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.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

The net position over time serves as a useful indicator of the District's financial position. The District's net position was \$99,891,516 for the ten month period ended June 30, 2019 (See Table A-1). Compared to the prior year, the net position increased by \$20,756,107, less a special item of \$4,148,657.

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

	Governmental Activities		Percentage Change
	2019	2018	
Current assets and other assets	\$ 302,404,434	\$ 255,242,439	18%
Capital assets, net	370,039,107	375,773,124	-2%
Total assets	<u>672,443,541</u>	<u>631,015,563</u>	<u>7%</u>
Total deferred outflows of resources	<u>61,853,068</u>	<u>25,954,689</u>	<u>138%</u>
Current liabilities	45,917,692	29,595,443	55%
Non-Current liabilities	548,754,210	496,869,581	10%
Total liabilities	<u>594,671,902</u>	<u>526,465,024</u>	<u>13%</u>
Total deferred inflows of resources	<u>39,733,191</u>	<u>47,221,162</u>	<u>-16%</u>
Net position:			
Net investment in capital assets	151,440,521	158,566,357	-4%
Restricted	41,302,694	21,652,857	91%
Unrestricted	<u>(92,851,699)</u>	<u>(96,935,148)</u>	<u>-4%</u>
Total net position	<u>\$ 99,891,516</u>	<u>\$ 83,284,066</u>	<u>20%</u>

The District's current assets of \$302,404,434 were sufficient to cover current liabilities (to include debt due within one year) of \$65,911,111. When applying solvency ratios, the current ratio was calculated at 4.59:1, which means that for every dollar the District owed it had \$4.59 available to pay its obligations. Also, by using the same formula and reducing current assets by the inventory amount, the quick ratio (acid test – a more conservative version of the current ratio) calculated at 4.57:1 indicated the existence of liquid assets to pay immediate bills. Another financial metric representing operating liquidity, known as working capital, was \$234,493,323 representing the money available to meet current, short-term obligations.

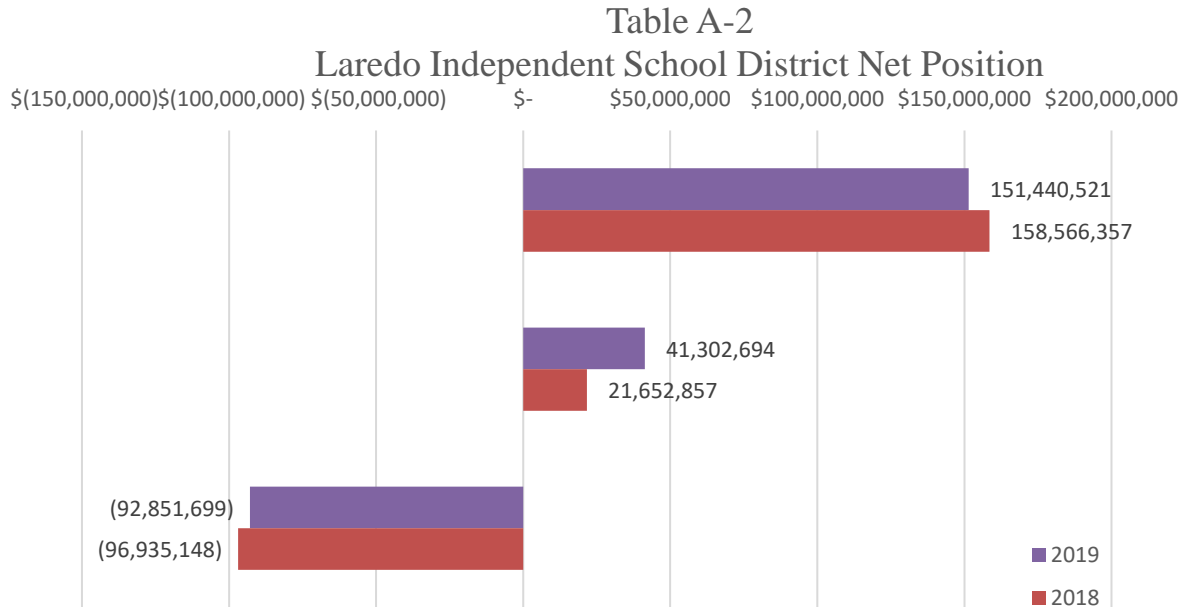
Capital assets, which consisted of the District's land, buildings and improvements, construction-in-progress and equipment, represent about 55% of total assets. The decrease in the capital assets was mainly due the demolition of the ballroom and meeting rooms in preparation for the construction of a new administration building.

About 92% of the District's largest liability was for the repayment of general obligation bonds (59%) and the net pension and OPEB liabilities (33%). Other liabilities, representing about 8% 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 at a very high percentage. This represented high debt financing which adds a level of risk, especially by creditors. However, this level of risk can be mitigated with the State Aid the District continues to qualify at an approximate rate of 73% of the annual general obligation debt payment.

Table A-2 illustrated the District's net position at fiscal year-end. The largest portion 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, net of unspent bond proceeds. 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.

An additional portion of the net position at \$41,302,694 represented resources subject to external restrictions on how they may be used. The remaining negative balance of \$92,851,699 reflected the impact of a major prior year adjustment as a result of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The District reported positive balances in two of the three categories of net position.



Governmental Activities

Governmental activities increased the District’s net position by \$16,607,450, including a special item of \$4,148,657 (See Table A-3). Total revenues for the District’s governmental activities increased by \$53,049,105 or 22% compared to the prior year action taken during the 84th Texas Legislative session. The legislature significantly reduced the benefit terms of the Texas pension plan. The effects of the actions caused material changes in the actuarial assumptions that affected the measurement year and caused a negative expense amount in the plan. The reporting of the NECE on-behalf activity for the proportionate share of the NECE OPEB expense of the plan caused overall significant decrease in grant revenue and most expenses to the District in the prior year; therefore, creating the majority of the increase in the current period.

Total expenses were \$275,976,107, plus a special item of \$4,148,657 due to the demolition of buildings in preparation for the construction of an administration building. Total expenses increased by \$60,158,217 or 28%. The increase was mainly caused GASB 68 and 75, even though operating expenses were less due to the ten month short year.

As stated previously, the special item represents the loss of \$4,148,657 due to the demolition of the ballroom and meeting rooms in preparation for the construction of the new administration building.

Table A-3
Laredo Independent School District's Changes in Net Position

	Governmental Activities		Percentage Change
	2019	2018	
Revenues:			
Program revenues:			
Charges for services	\$ 640,242	\$ 1,244,731	-49%
Operating grants and contributions	61,674,934	4,088,082	1409%
General revenues:			
Property taxes	32,121,686	29,822,272	8%
State aid	185,805,357	187,601,244	-1%
Grants and contributions - unrestricted	7,186,508	14,515,478	-50%
Investment earnings	4,997,702	2,622,607	91%
Miscellaneous	4,306,377	3,789,287	14%
Total Revenues	<u>296,732,806</u>	<u>243,683,701</u>	<u>22%</u>
Expenses			
Instruction	153,783,312	115,657,365	33%
Instructional resources and media services	4,724,771	3,220,297	47%
Curriculum and staff development	3,141,298	1,892,948	66%
Instructional leadership	3,833,580	2,468,713	55%
School leadership	15,121,840	9,343,520	62%
Guidance, counseling, and evaluation services	8,592,604	5,990,563	43%
Social work services	1,903,535	1,390,842	37%
Health services	3,813,882	2,700,202	41%
Student transportation	4,622,935	3,462,486	34%
Food services	18,540,542	20,087,952	-8%
Extracurricular activities	6,955,544	5,155,082	35%
General administration	6,780,208	4,975,745	36%
Plant maintenance and operations	21,748,435	20,322,233	7%
Security and monitoring services	4,863,589	3,360,146	45%
Data processing services	4,597,614	3,416,169	35%
Community service	1,869,949	1,637,059	14%
Interest on long-term debt	11,031,825	9,729,953	13%
Bond Issuance Cost and Fees	7,000	924,419	-99%
Payments related to shared services arrangements	6,000	6,000	0%
Payments to Juvenile Justice Alt. Education Program	38,236	76,788	-50%
Total Expenses	<u>275,976,699</u>	<u>215,818,482</u>	<u>28%</u>
Excess (deficiency) before special item	<u>20,756,107</u>	<u>27,865,219</u>	<u>-26%</u>
Special Item	<u>4,148,657</u>	<u>-</u>	<u>100%</u>
Increase in net position	16,607,450	27,865,219	-26%
Net position at beginning of year	83,284,066	55,418,847	50%
Net position at end of year	<u>\$ 99,891,516</u>	<u>\$ 83,284,066</u>	<u>20%</u>

Figure A-1 highlights the District's revenues by funding source for the governmental activities. As illustrated, State Aid comprised the majority of the total revenues by 62.6%, followed by 20.4% in operating grants and 10.8% in property taxes. Total revenues were \$296,732,806. Overall, total revenues were \$20,756,107 greater than total expenses for the year.

Figure A-1 District's Total Revenues

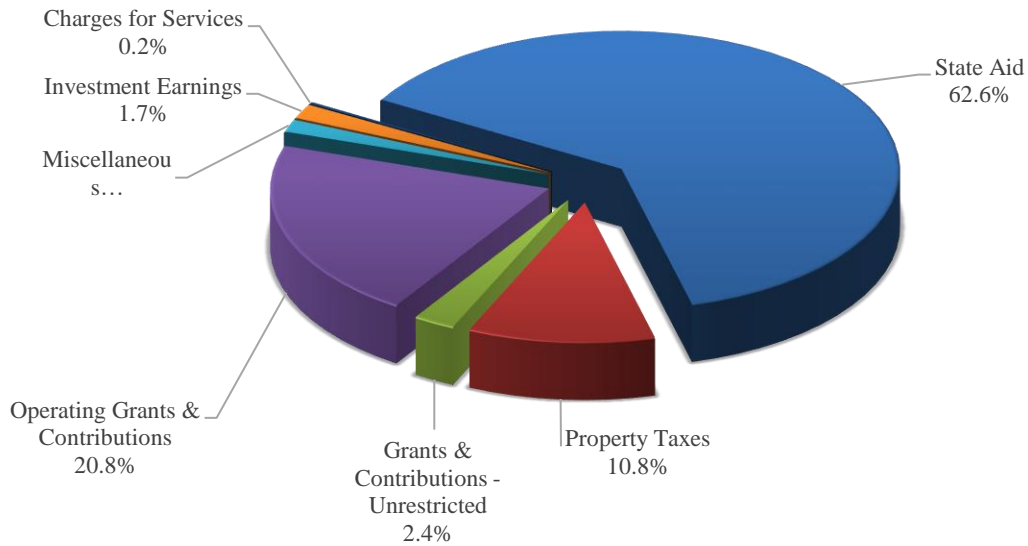
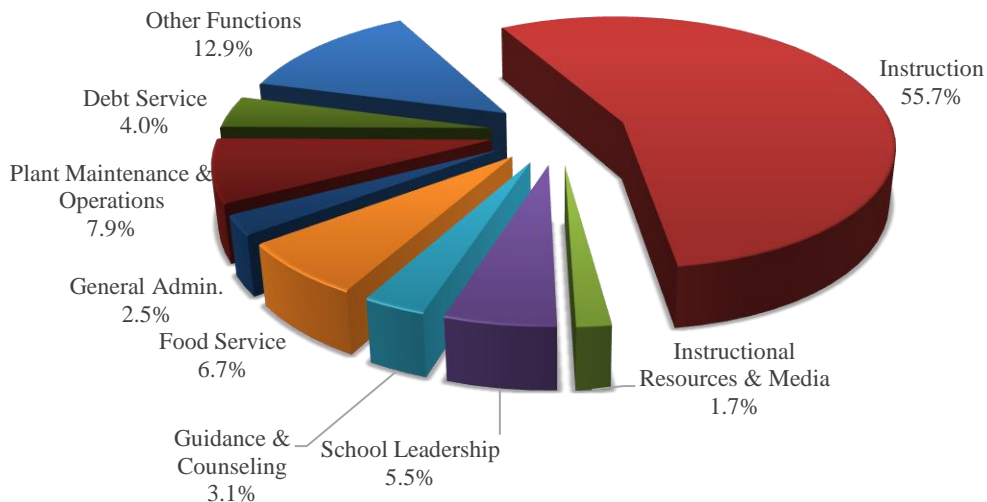


Figure A-2 presents the cost of each of the District's largest functions. Of the total expenses, instructional services represented the largest dollar expense at \$153,783,312 or 53.7%, followed by plant maintenance & operations at \$21,748,435 or 7.9% and food service at \$18,540,542 or 6.7%. Due to the nature of our public service, these three functions historically have been the highest costs to the District.

Figure A-2 District's Functional Expenses



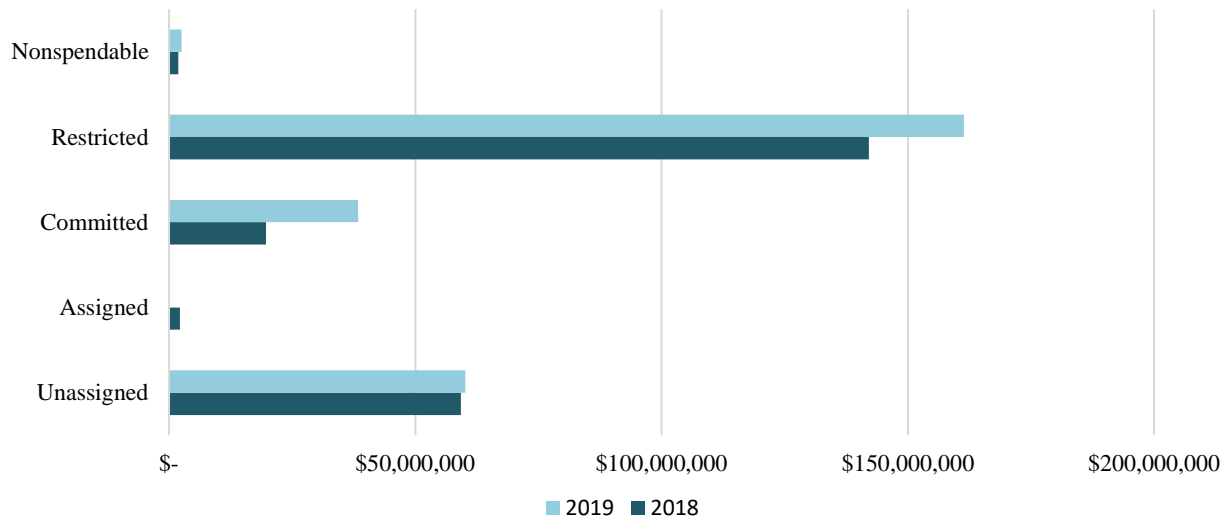
Governmental Funds

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.

Below is a chart with the components of the combined Fund Balance compared to the prior year. At the end of the ten month period, the District’s governmental funds reported combined ending fund balance of \$262,549,432, an increase of \$37,343,793 in comparison with the prior year. The increase was due to the ten month short year, specifically the debt bond payment of \$24,620,241 due in August now will be an expenditure in the following fiscal year. Of the combined fund balance, \$60,172,085 constituted unassigned fund balance, which experienced in FYE 2017 a temporary decrease of \$4,246,107 due to a one time draw, as an alternative to a bank loan, to refresh the secondary schools technology devices. Through a board resolution, it is the intent of the district to restore the unassigned fund balance to \$62,652,991 in five years by increasing the unassigned fund balance by about \$880,000 each year. The ending unassigned fund balance reflects the second repayment. 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 \$1,513,387 and as prepaid items \$1,002,178; 2) legally required to be maintained intact such as Federal and State Grants \$4,211,443, capital acquisition and contractual obligations \$120,497,217, from the Webb County Permanent School Fund for the administration building \$4,818,733, and for the retirement of long term debt \$31,858,010; 3) committed for construction projects \$24,395,182, equipment purchases \$3,176,272 and for other local projects \$10,808,750 (See Note T); and, 4) assigned balance for open encumbrances \$96,175 (See Note T).

Components of Combined Fund Balance



General Fund. The General Fund is the chief operating fund of the District. At the end of the current ten month fiscal year, unassigned fund balance of the General fund was \$60,172,085, while total fund balance reached \$82,239,045. As a measure of the district’s financial wealth, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 30% of total general fund expenditures while total fund balance represents 41% of total general fund expenditures.

The unassigned fund balance gives the District a balance that is the equivalent of 109 days of expenditures based on 365 days of operations. 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 \$40,000,000. 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 \$12,598,600 during the ten month period when compared to the prior year. The increase was due primarily to the ten months of operations which caused a decrease in expenditures, while revenues were mostly earned during the ten months.

Food Service Fund. The Food Service Fund is part of the General Fund. It had a total fund balance of \$4,616,755, an increase of \$3,942 compared to the prior year. The program cannot carry a negative fund balance into the next school year or maintain an excessive fund balance (no more than three months of operating expenditures) on hand. At the end of the ten month period, there was no excess cash balance in the fund; therefore, the District was compliant.

Table A-4
Laredo Independent School District's Food Service Fund

	2019	2018	Percent Change
Local Sources	\$ 172,576	\$ 175,748	-1.8%
State Program Revenues	93,373	97,567	-4.3%
Federal Program Revenues	17,283,314	19,715,293	-12.3%
Total revenues	<u>17,549,263</u>	<u>19,988,608</u>	<u>-12.2%</u>
Expenditures by function			
Food Service	17,303,027	20,104,673	-13.9%
Facilities Maintenance and Operations	242,294	284,938	-15.0%
Facilities Acquisition and Construction	-	35,050	100.0%
Total Expenditures	<u>17,545,321</u>	<u>20,424,661</u>	<u>-14.1%</u>
Net change in fund balance	3,942	(436,053)	-100.9%
Fund balance, beginning	4,612,813	5,048,866	-8.6%
Fund balance, ending	<u>\$ 4,616,755</u>	<u>\$ 4,612,813</u>	<u>0.1%</u>

As a result in the change of fiscal year start date, revenues and expenditures were less compared to the previous year.

Debt Service Fund. As illustrated in Table A-5, the Debt Service Fund ended with a fund balance of \$31,858,010 some of which was reserved for the payment of an outstanding \$8,000,000 Qualified Zone Academy Limited Maintenance Tax Note (QZAB) due to mature on October 3, 2021. The increase in fund balance during the current year in the Debt Service fund was \$23,266,637. The increase was due to the ten month short year that pushed the principal and interest payment of \$24,620,241 to the following fiscal year.

Table A-5
Laredo Independent School District's Debt Service Fund

	2019	2018	Percent Change
Revenues			
Property taxes	\$ 10,397,740	\$ 7,669,286	35.58%
State program revenues	19,097,341	19,203,979	-0.56%
Total revenues	<u>29,495,081</u>	<u>26,873,265</u>	<u>9.76%</u>
Expenditures by function			
Principal long term debt	-	13,265,764	-100.00%
Interest on long term debt	6,725,241	13,666,365	-50.79%
Other fees	7,000	4,999	40.03%
Total expenditures	<u>6,732,241</u>	<u>26,937,128</u>	<u>-75.01%</u>
Other financing sources (uses)	409,888	409,888	0.00%
	<u>409,888</u>	<u>409,888</u>	<u>0.00%</u>
Net change in fund balance	23,172,728	346,025	6596.84%
Fund balance, beginning	8,685,282	8,339,257	4.15%
Fund balance, ending	<u>\$ 31,858,010</u>	<u>\$ 8,685,282</u>	<u>266.80%</u>

The District received funding and will continue to receive funding under the Instructional Facilities Allotment (IFA) and Existing Debt Allotment (EDA) programs to assist with the debt service payments on qualifying bonds. The State provided a guaranteed yield of \$35 per penny of tax effort per unweighted average daily attendance, which translated to about 73% in state aid for the annual debt payments. Since not all of our debt qualified, we used maintenance and operations (M&O) to pay for the QZAB.

Capital Project Funds. The District's Capital Projects Funds are used to account for costs incurred in acquiring and improving sites, constructing and remodeling of facilities, and procuring necessary equipment to provide educational programs for all District students. These funds are also used to account for projects funded by bonds approved by the voters. The increase of \$1,410,192 in the combined capital project fund balance over last year was attributed to the net effect in funding \$10,000,000 for a new administration building, the allocation of \$450,504 to projects from the sale of properties and generating \$3,884,087 in investment earnings, while the costs incurred were in the amount of \$12,924,399 for the completion of several major projects that included the Veterans Baseball Field, Martin High School Practice Field and Field House, Lamar Middle School Final Phase and pre-construction costs associated with the new administration building.

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 sixth year of implementation, the plan suffered an operating loss of \$919,086 at the end of the ten month operating period. Therefore, total net position in the plan decreased from \$517,889 to a deficit \$401,889.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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 2018. The final budget reflects all budget revisions made throughout the ten month period 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 appropriations had a net increase of \$7,862,899, as of the final amended budget. The activities are listed below.

Revenues

- Increase to appropriate additional revenues from two new afterschool programs \$35,640
- Increase to appropriate additional revenues from 2015-16 & 2016-17 School Health and Related Services (SHARS) cost report settlement revenues \$1,400,976
- Increase to appropriate additional revenues from TRS on Behalf benefits due to implementation of GASB 75 (TRS Care Behalf Contribution) and increase in Medicare Part D \$980,000
- Increase to appropriate additional revenues from revenues from the National School Lunch Program Equipment Grant \$28,000

Expenditures

- Increase to fund two new afterschool programs \$35,640
- Increase to fund FY 2017-2018 outstanding purchase orders \$2,095,613
- Increase to fund laptops refresh for elementary teachers \$424,567
- Increase to fund curriculum writing team payroll \$227,000
- Increase to fund elementary teacher computers \$813,403
- Increase to fund summer school \$1,400,976
- Increase to fund TRS on Behalf benefits due to implementation of GASB 75 (TRS Care Behalf Contribution) and increase in Medicare Part D \$980,000
- Decrease to fund the Health Insurance Program Fund to support the self-funded health plan with a contribution of \$1,200,000

- Increase to fund the National School Lunch Program Equipment Grant \$28,000
- Increase to fund computer purchases through ERATE \$1,393,687
- Increase to fund athletics game expenses, maintenance of equipment, general supplies, coaches travel, team travel, transportation, and incentives/awards \$125,000

Other Sources and (Uses)

- Decrease to other uses to the Martinez Performing Arts Center Fund to fund curriculum writing team payroll \$227,000.
- Increase to other uses to the Health insurance Program Fund to fund to the self-funded health plan with a contribution of \$1,200,000.
- Increase to other sources to the ERATE Fund to fund computer purchases \$67,397

Variances – Final Budget and Actual Results

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

Revenues

- The decrease of local revenues was due to lower property tax collections of \$109,387, higher interest income of \$187,004, and lower miscellaneous income of \$292,647.
- The decrease of state revenues was due to decrease in foundation school program payments and TRS on behalf payments of \$1,350,572.
- The decrease of federal revenues was due to higher federal and grant indirect cost earnings of \$198,904, and lower food service revenues for breakfast, lunch, USDA commodities, fresh fruits and vegetables of \$2,824,748.

Expenditures

- The District had payroll, payroll taxes and benefits savings of \$3,968,970.
- The District did not complete the purchase of professional and contracted services for \$1,335,653.
- The District did not complete the purchase of supplies and materials for \$3,258,414.
- The District did not complete the purchase of miscellaneous operating expenditures for \$468,676.
- The District did not complete the purchase of capital outlay for building and equipment for \$1,221,291.

Other Sources and (Uses)

- The District did not require the transfer into Athletics of \$226,356.
- The District transferred out less funds to Athletics and to Jesus Martinez Performing Arts Center for \$389,396.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of the ten month period, the District had invested a total of \$370,039,107 in a broad range of capital assets, including: equipment, buildings, and improvements as shown in Table A-6. This amount represented a net decrease (additions and deductions) of \$5,734,017 over the previous year.

The increase in buildings and improvements was due to the completion of the Lamar Middle School – Gymnasium, Martin High School Practice Field and Field House, and the Dr. Cecilia Moreno Aquatic Center. Completed projects totaled \$16,359,721 and dispositions totaled \$5,446,292. The majority of the dispositions and adjustments amount for buildings was due to the demolition of a portion of the Performing Arts Complex. Additionally, several district properties located in the downtown area were sold.

More information about the District’s capital assets is presented in the notes to the financial statements (Note G).

Table A-6
Laredo Independent School District's Capital Assets

	2019	2018	Percentage Change
Land	\$ 19,349,191	\$ 19,372,448	-0.1%
Buildings and improvements	529,851,523	518,938,094	2.1%
Equipment	38,354,090	38,541,618	-0.5%
Construction in progress	5,547,300	9,198,903	-39.7%
Totals at historical cost	<u>593,102,104</u>	<u>586,051,063</u>	<u>1.2%</u>
Total accumulated depreciation	<u>223,062,997</u>	<u>210,277,939</u>	<u>6.1%</u>
Net capital assets	<u>\$ 370,039,107</u>	<u>\$ 375,773,124</u>	<u>-1.5%</u>

Long Term Debt

At the end of the ten month period, the District had loans, bonds, and compensated absences outstanding as shown in Table A-7. The table indicates a decrease of \$1,862,856 or 0.5% compared to the previous year. More information about the District's debt is presented in the notes to the financial statements (Note K).

Table A-7
Laredo Independent School District's Long-Term Debt

	2019	2018	Percentage Change
Loans payable	\$ 8,000,000	\$ 8,000,000	0.0%
Bonds payable	342,121,822	343,853,533	-0.5%
Compensated absences	<u>2,647,557</u>	<u>2,778,702</u>	<u>-4.7%</u>
Total long term debt payable	<u>\$ 352,769,379</u>	<u>\$ 354,632,235</u>	<u>-0.5%</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-.

During the short year, the District did not retire bonds because of the change in fiscal year start date. The principal payment was moved to the following fiscal year. The decrease in bonds payable was attributed to the \$2,744,080 amortization of bond premium.

The District continues to maintain its credit ratings. A credit rating is a score that shows the capacity of the District to meet its financial payments to the investors. It is a financial indicator to potential investors that help us achieve lower interest rate costs. The bonds issued by the District are fully guaranteed by the Permanent School Fund (PSF) Bond Guarantee Program for the timely payment of the principal and interest in the event the school district is unable to meet debt service requirements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's board members considered many factors when setting the fiscal year 2019-20 budget and tax rates. Some of these factors were the district needs, the campus needs, appraised values, and Laredo's economy. The following factors listed below are highlights of the budget.

- The District experienced an increase in net taxable value of \$67,726,866 or 3% due to increases in land and improvements.
- The interest and sinking tax rate remained the same at .4265 per \$100 property value.
- The District's refined average daily attendance (ADA) was estimated at 21,400, compared to last year's actual of 21,422.

- The basic allotment, which is the amount every school district is guaranteed to receive in state and local funds for each student in ADA, increased from \$5,140 to \$6,160.

The Board of Trustees approved a balanced budget for the fiscal year ending June 30, 2019. The health benefit plan employer monthly contribution increased from \$390.50 to \$475. The employee contribution in all three plans remained the same and the benefits remained the same. Included in the budget is a \$4,000 increase for full-time classroom teachers, librarians, and any other positions on a teacher salary schedule. The aggregate cost of this salary increase was estimated at \$6,496,509. Professional employees were approved 5% increase at an approximate cost of \$1,585,224. Para-professional employees were approved a 6% increase from the midpoint at an approximate cost of \$2,841,597.

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 and Business Services at (956) 273-1043.

BASIC FINANCIAL STATEMENTS

LAREDO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 176,977,485
1120 Current Investments	91,387,382
1220 Property Taxes - Delinquent	4,800,330
1230 Allowance for Uncollectible Taxes	(2,904,820)
1240 Due from Other Governments	28,118,037
1250 Accrued Interest	1,392,129
1290 Other Receivables, Net	118,326
1300 Inventories	1,513,387
1410 Prepayments	1,002,178
Capital Assets:	
1510 Land	19,349,191
1520 Buildings, Net	336,557,443
1530 Furniture and Equipment, Net	8,585,173
1580 Construction in Progress	5,547,300
1000 Total Assets	672,443,541
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	5,373,274
1703 Deferred Resource Outflow Related to TRS OPEB	10,703,315
1705 Deferred Resource Outflow for TRS Pension	45,776,479
1700 Total Deferred Outflows of Resources	61,853,068
LIABILITIES	
2110 Accounts Payable	6,861,062
2140 Interest Payable	6,729,368
2150 Payroll Deductions and Withholdings	18,636
2160 Accrued Wages Payable	25,781,127
2180 Due to Other Governments	2,114,970
2200 Accrued Expenses	1,456,967
2300 Unearned Revenue	2,955,562
Noncurrent Liabilities:	
2501 Due Within One Year	19,993,419
2502 Due in More Than One Year	332,775,960
2540 Net Pension Liability (District's Share)	88,743,863
2545 Net OPEB Liability (District's Share)	107,240,968
2000 Total Liabilities	594,671,902
DEFERRED INFLOWS OF RESOURCES	
2602 Deferred Gain on Refunding	500,757
2603 Deferred Resource Inflow For TRS OPEB	33,912,178
2605 Deferred Resource Inflow Related for TRS Pension	5,320,256
2600 Total Deferred Inflows of Resources	39,733,191
NET POSITION	
3200 Net Investment in Capital Assets	151,440,521
3820 Restricted for Federal and State Programs	4,625,951
3850 Restricted for Debt Service	31,858,010
3860 Restricted for Capital Projects	4,818,733
3900 Unrestricted	(92,851,699)
3000 Total Net Position	\$ 99,891,516

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

LAREDO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

EXHIBIT B-1

Data	Program Revenues			Net (Expense)
Control	1	3	4	Revenue and
Codes	Expenses	Charges for	Operating	Changes in Net
		Services	Grants and	Position
			Contributions	Primary Gov.
				Governmental
				Activities

Primary Government:

GOVERNMENTAL ACTIVITIES:

11 Instruction	\$ 153,783,312	\$ -	\$ 29,763,257	\$ (124,020,055)
12 Instructional Resources and Media Services	4,724,771	-	570,721	(4,154,050)
13 Curriculum and Instructional Staff Development	3,141,298	-	2,044,010	(1,097,288)
21 Instructional Leadership	3,833,580	-	976,873	(2,856,707)
23 School Leadership	15,121,840	-	1,482,066	(13,639,774)
31 Guidance, Counseling and Evaluation Services	8,592,604	-	2,560,422	(6,032,182)
32 Social Work Services	1,903,535	-	372,474	(1,531,061)
33 Health Services	3,813,882	-	1,377,121	(2,436,761)
34 Student (Pupil) Transportation	4,622,935	-	454,103	(4,168,832)
35 Food Services	18,540,542	89,076	17,808,559	(642,907)
36 Extracurricular Activities	6,955,544	161,758	213,498	(6,580,288)
41 General Administration	6,780,208	19,470	562,709	(6,198,029)
51 Facilities Maintenance and Operations	21,748,435	-	1,460,800	(20,287,635)
52 Security and Monitoring Services	4,863,589	-	533,318	(4,330,271)
53 Data Processing Services	4,597,614	-	393,820	(4,203,794)
61 Community Services	1,869,949	369,938	1,095,183	(404,828)
72 Debt Service - Interest on Long-Term Debt	11,031,825	-	-	(11,031,825)
73 Debt Service - Bond Issuance Cost and Fees	7,000	-	-	(7,000)
93 Payments Related to Shared Services Arrangements	6,000	-	6,000	-
95 Payments to Juvenile Justice Alternative Ed. Prg.	38,236	-	-	(38,236)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 275,976,699	\$ 640,242	\$ 61,674,934	(213,661,523)

Data	General Revenues:		
Control	Taxes:		
Codes			
MT	Property Taxes, Levied for General Purposes		22,961,084
DT	Property Taxes, Levied for Debt Service		9,160,602
SF	State Aid - Formula Grants		185,805,357
GC	Grants and Contributions not Restricted		7,186,508
IE	Investment Earnings		4,997,702
MI	Miscellaneous Local and Intermediate Revenue		4,306,377
S2	Special Item - (Use)		(4,148,657)
TR	Total General Revenues & Special Items		230,268,973
CN	Change in Net Position		16,607,450
NB	Net Position - Beginning		83,284,066
NE	Net Position--Ending		\$ 99,891,516

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

LAREDO INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

Data Control Codes	10 General Fund	20 ESEA I, A Basic Program	50 Debt Service Fund
ASSETS			
1110 Cash and Cash Equivalents	\$ 69,847,962	\$ -	\$ 7,257,574
1120 Investments - Current	14,140,186	-	24,274,014
1220 Property Taxes - Delinquent	3,654,800	-	1,145,530
1230 Allowance for Uncollectible Taxes	(2,211,626)	-	(693,194)
1240 Due from Other Governments	16,380,708	7,369,628	-
1250 Accrued Interest	185,877	-	167,683
1260 Due from Other Funds	8,725,698	292	70,731
1290 Other Receivables	86,159	4,025	-
1300 Inventories	1,513,387	-	-
1410 Prepayments	1,002,178	-	-
1000 Total Assets	<u>\$ 113,325,329</u>	<u>\$ 7,373,945</u>	<u>\$ 32,222,338</u>
LIABILITIES			
2110 Accounts Payable	\$ 3,049,608	\$ 30,216	\$ -
2150 Payroll Deductions and Withholdings Payable	18,636	-	-
2160 Accrued Wages Payable	22,758,208	1,578,993	-
2170 Due to Other Funds	1,664,116	5,568,707	8,763
2180 Due to Other Governments	1,972,761	-	142,209
2300 Unearned Revenue	768,436	196,029	-
2000 Total Liabilities	<u>30,231,765</u>	<u>7,373,945</u>	<u>150,972</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	854,519	-	213,356
2600 Total Deferred Inflows of Resources	<u>854,519</u>	<u>-</u>	<u>213,356</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	1,513,387	-	-
3430 Prepaid Items	1,002,178	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	3,465,609	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	-
3480 Retirement of Long-Term Debt	-	-	31,858,010
3490 Administration Building WCPSF	-	-	-
Committed Fund Balance:			
3510 Construction	2,419,097	-	-
3530 Capital Expenditures for Equipment	3,176,272	-	-
3545 Other Committed Fund Balance	10,490,417	-	-
Assigned Fund Balance:			
3590 Other Assigned Fund Balance	-	-	-
3600 Unassigned Fund Balance	60,172,085	-	-
3000 Total Fund Balances	<u>82,239,045</u>	<u>-</u>	<u>31,858,010</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 113,325,329</u>	<u>\$ 7,373,945</u>	<u>\$ 32,222,338</u>

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

60 EDA 2018 Series	Other Funds	Total Governmental Funds
\$ 62,982,424	\$ 34,487,839	\$ 174,575,799
40,000,000	12,973,182	91,387,382
-	-	4,800,330
-	-	(2,904,820)
-	4,367,701	28,118,037
823,681	214,888	1,392,129
-	37,131	8,833,852
-	21,894	112,078
-	-	1,513,387
-	-	1,002,178
<u>\$ 103,806,105</u>	<u>\$ 52,102,635</u>	<u>\$ 308,830,352</u>
\$ 98,297	\$ 2,896,162	\$ 6,074,283
-	-	18,636
-	1,443,926	25,781,127
-	2,792,659	10,034,245
-	-	2,114,970
-	225,319	1,189,784
<u>98,297</u>	<u>7,358,066</u>	<u>45,213,045</u>
-	-	1,067,875
-	-	1,067,875
-	-	1,513,387
-	-	1,002,178
-	745,834	4,211,443
103,707,808	16,789,409	120,497,217
-	-	31,858,010
-	4,818,733	4,818,733
-	21,976,085	24,395,182
-	-	3,176,272
-	318,333	10,808,750
-	96,175	96,175
-	-	60,172,085
<u>103,707,808</u>	<u>44,744,569</u>	<u>262,549,432</u>
<u>\$ 103,806,105</u>	<u>\$ 52,102,635</u>	<u>\$ 308,830,352</u>

LAREDO INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$	262,549,432
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 decrease net position.		(401,197)
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 \$586,051,063 and the accumulated depreciation was (\$210,277,939). 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. Note: Beginning Balances related to TRS are NOT included in this amount.		25,322,333
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 2019 capital outlays and debt principal payments is to increase net position.		5,855,975
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. The net position related to TRS included a deferred resource outflow in the amount of \$45,776,476, deferred resource inflow in the amount of \$5,320,256, and a net pension liability in the amount of \$88,743,863. This resulted in a decrease in net position.		(48,287,640)
5 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of \$10,703,315, a deferred resource inflow in the amount of \$33,912,178, and a net OPEB liability in the amount of \$107,240,968. This resulted in a decrease in net position.		(130,449,831)
6 The 2019 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(15,765,431)
7 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.		1,067,875
19 Net Position of Governmental Activities	\$	99,891,516

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

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LAREDO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

Data Control Codes	10 General Fund	20 ESEA I, A Basic Program	50 Debt Service Fund
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 27,625,353	\$ 40,129	\$ 10,397,740
5800 State Program Revenues	175,217,394	-	19,097,341
5900 Federal Program Revenues	23,731,194	14,297,457	-
5020 Total Revenues	<u>226,573,941</u>	<u>14,337,586</u>	<u>29,495,081</u>
EXPENDITURES:			
Current:			
0011 Instruction	110,323,180	9,721,006	-
0012 Instructional Resources and Media Services	3,897,671	171,031	-
0013 Curriculum and Instructional Staff Development	1,022,008	1,312,612	-
0021 Instructional Leadership	2,650,795	236,488	-
0023 School Leadership	12,619,485	44,962	-
0031 Guidance, Counseling and Evaluation Services	5,828,686	664,470	-
0032 Social Work Services	1,499,716	221,219	-
0033 Health Services	2,177,801	922,910	-
0034 Student (Pupil) Transportation	3,821,123	-	-
0035 Food Services	17,303,027	-	-
0036 Extracurricular Activities	6,062,281	2,021	-
0041 General Administration	5,953,466	-	-
0051 Facilities Maintenance and Operations	19,718,446	25,588	-
0052 Security and Monitoring Services	3,959,680	26,357	-
0053 Data Processing Services	3,713,715	171	-
0061 Community Services	303,786	988,751	-
Debt Service:			
0072 Interest on Long-Term Debt	-	-	6,725,241
0073 Bond Issuance Cost and Fees	-	-	7,000
Capital Outlay:			
0081 Facilities Acquisition and Construction	1,365,214	-	-
Intergovernmental:			
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-
0095 Payments to Juvenile Justice Alternative Ed. Prg.	38,236	-	-
6030 Total Expenditures	<u>202,258,316</u>	<u>14,337,586</u>	<u>6,732,241</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>24,315,625</u>	<u>-</u>	<u>22,762,840</u>
OTHER FINANCING SOURCES (USES):			
7912 Sale of Real and Personal Property	-	-	-
7915 Transfers In	1,967,231	-	409,888
8911 Transfers Out (Use)	(13,684,256)	-	-
7080 Total Other Financing Sources (Uses)	<u>(11,717,025)</u>	<u>-</u>	<u>409,888</u>
1200 Net Change in Fund Balances	12,598,600	-	23,172,728
0100 Fund Balance - (Beginning)	69,640,445	-	8,685,282
3000 Fund Balance - June 30 (Ending)	<u>\$ 82,239,045</u>	<u>\$ -</u>	<u>\$ 31,858,010</u>

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

	60 EDA 2018 Series	Other Funds	Total Governmental Funds
\$	2,074,096	\$ 3,732,522	\$ 43,869,840
	-	1,225,778	195,540,513
	-	9,620,713	47,649,364
	2,074,096	14,579,013	287,059,717
	-	8,222,668	128,266,854
	-	25,030	4,093,732
	-	752,585	3,087,205
	-	482,502	3,369,785
	-	45,532	12,709,979
	-	1,287,476	7,780,632
	-	8,192	1,729,127
	-	246,905	3,347,616
	-	3,013	3,824,136
	-	431,872	17,734,899
	-	441,721	6,506,023
	-	51,079	6,004,545
	-	183,520	19,927,554
	-	87,210	4,073,247
	-	37,611	3,751,497
	-	552,790	1,845,327
	-	-	6,725,241
	-	-	7,000
	544,895	12,227,684	14,137,793
	-	6,000	6,000
	-	-	38,236
	544,895	25,093,390	248,966,428
	1,529,201	(10,514,377)	38,093,289
	-	450,504	450,504
	-	10,174,533	12,551,652
	-	(67,396)	(13,751,652)
	-	10,557,641	(749,496)
	1,529,201	43,264	37,343,793
	102,178,607	44,701,305	225,205,639
\$	103,707,808	\$ 44,744,569	\$ 262,549,432

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 TEN MONTH PERIOD ENDED JUNE 30, 2019

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ 37,343,793
The District uses internal service funds to charge the costs of certain activities, such as self-insurance, 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 decrease net position.	(919,086)
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 2019 capital outlays and debt principal payments is to increase net position.	5,855,975
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.	(15,765,431)
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 increase net position.	23,534
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$4,591,757. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$5,431,403. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$7,408,618. The net result is a decrease in the change in net position.	(8,248,264)
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These conditions made after the measurement date of the plan caused the change in ending net position to increase by \$1,246,004. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$1,481,666. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$1,447,409. The net result is a decrease in the change in net position.	(1,683,071)
Change in Net Position of Governmental Activities	\$ 16,607,450

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

LAREDO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

	Governmental Activities -
	Health Plan Internal Service Fund
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 2,401,687
Due from Other Funds	1,200,393
Other Receivables	<u>6,248</u>
Total Assets	<u>3,608,328</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	786,780
Accrued Expenses	1,456,967
Unearned Revenues	<u>1,765,778</u>
Total Liabilities	<u>4,009,525</u>
NET POSITION	
Unrestricted Net Position	<u>(401,197)</u>
Total Net Position	<u><u>\$ (401,197)</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 TEN MONTH PERIOD ENDED JUNE 30, 2019

	Governmental Activities -
	Health Plan Internal Service Fund
<hr/>	
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 17,442,413
Total Operating Revenues	<u>17,442,413</u>
OPERATING EXPENSES:	
Other Operating Costs	19,561,499
Total Operating Expenses	<u>19,561,499</u>
Income (Loss) Before Transfers	(2,119,086)
Transfer In	1,200,000
Change in Net Position	(919,086)
Total Net Position - (Beginning)	<u>517,889</u>
Total Net Position - June 30 (Ending)	<u><u>\$ (401,197)</u></u>

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 TEN MONTH PERIOD ENDED JUNE 30, 2019

	Governmental Activities -
	Health Plan Internal Service Fund
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 18,496,780
Cash Payments for Insurance Claims	(17,054,748)
Cash Payments for Suppliers	(1,962,730)
Net Cash Used for Operating Activities	<u>(520,698)</u>
Net Decrease in Cash and Cash Equivalents	(520,698)
Cash and Cash Equivalents at Beginning of Year	<u>2,922,385</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,401,687</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (2,119,086)
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease in Due from Other Funds & Transfers In	941,376
Increase in Receivables	(6,248)
Increase in Accounts Payable	241,551
Increase in Unearned Revenues	125,276
Increase in Accrued Expenses	298,777
Decrease in Due to Other Funds	(2,344)
Net Cash Used for Operating Activities	<u>\$ (520,698)</u>

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

LAREDO INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

	Agency Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 678,408
Total Assets	<u>\$ 678,408</u>
LIABILITIES	
Due to Student Groups	\$ 678,408
Total Liabilities	<u>\$ 678,408</u>

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

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

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.

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 no component units.

The 76th Texas Legislature enacted House Bill 98 which amended the Education Code to allow school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The Board elected to change its fiscal year beginning with the 2018-2019 reporting period. As a result, the financial statements are presented for a ten-month period of September 1, 2018 through June 30, 2019. Prior year information has not been restated and comparability of current period financial information to prior years should be observed with this knowledge.

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.

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.

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

A. Summary of Significant Accounting Policies (Continued)

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 nonmajor 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.
- ESEA I, A Basic Program: The District accounts, 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.
- Debt Service Fund: Governmental fund that must be used to account for general long-term debt principal and interest for debt issues and other long-term debts for which a tax has been dedicated.
- EDA 2018 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

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

A. Summary of Significant Accounting Policies (Continued)

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.

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 or trust with the District's agent bank or letters of credit from FHLB 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

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

A. Summary of Significant Accounting Policies (Continued)

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. When requisitioned, inventory and unearned revenues are relieved, expenditures are charged, 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 \$2,211,626 and \$693,194 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 acquisition 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.

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

A. Summary of Significant Accounting Policies (Continued)

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.

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 June 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 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 July 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.

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

A. Summary of Significant Accounting Policies (Continued)

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund, General Fund – Food Service, and Debt Service Fund. The Food Service Fund is accounted in the general fund. A more detailed budget versus actual presentation for the Food Service Fund is reported as supplementary information to demonstrate legal compliance at the legal level of budgetary control.

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.

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	\$185,794,405	\$6,295,886	\$192,090,291
General Fund – Food Service	20,393,029	28,000	20,421,029
Debt Service Fund	6,745,241	-	6,745,241

It is noted that during this fiscal year, the budget appropriations in General Fund were increased to appropriate expenditures from assigned fund balance for outstanding purchase orders in the amount of \$2,095,613. Budget appropriations in the General Fund were also increased to appropriate expenditures from committed fund balance for elementary school teacher laptops in the amount of \$424,567. Moreover, budget appropriations in the General Fund were increased to appropriate revenues and expenditures for two new afterschool elementary programs in the amount of \$35,640, increased due to transfer out savings that were used to fund payroll for curriculum writing team in the amount of \$227,000, and appropriations were decreased to fund a transfer out to the Health Plan Internal Service Fund to fund a lump-sum employer contribution to support the self-funded health plan in the amount of \$1,200,000. Furthermore, budget appropriations in the General Fund were increased to appropriate expenditures from unassigned fund balance for elementary school teacher laptops in the amount of \$813,403, and to appropriate expenditures for athletic extracurricular expenses in the amount of \$125,000. Additionally, budget appropriations in the General Fund were increased to appropriate additional revenues and expenditures for increased schools and health related services claim reimbursement in the amount of \$1,400,976, and for TRS on behalf payments in the amount of \$980,000. Lastly, budget appropriations in the General Fund (E-Rate) computer equipment purchases were increased due to the additional funding in the amount of \$1,393,687. Budget appropriations in General Fund – Food Service were increased to appropriate revenues and expenditures for the NSLP Equipment Grant in the amount of \$28,000.

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

A. Summary of Significant Accounting Policies (Continued)

j. Encumbrances

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30. 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.

Significant encumbrances included in governmental fund balances are as follows:

	Encumbrances included in:
	Restricted Fund Balance
EDA 2018 Bond Series	\$ 4,078,997
Nonmajor Governmental Funds	96,175
Total	\$ 4,175,172

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 June 30, 2019.

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.

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

A. Summary of Significant Accounting Policies (Continued)

n. 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.

o. Other Post-Employment Benefits

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

p. Deferred Outflows/Inflows of Resources

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

The deferred charge on refunding reported in the government-wide statement of net position 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 and OPEB 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 and TRS Care 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 and OPEB 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.

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

A. Summary of Significant Accounting Policies (Continued)

Accordingly, the District reports a deferred gain on refunding and Deferred Inflow related to TRS and TRS Care Plan 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 and OPEB 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 and changes in actuarial assumptions. These amounts will be amortized over a closed five-year period.

Unavailable revenue-property taxes are 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.

q. Investment Policy

The District's general policy is to report money market investments, short-term participating interest-earning investment contracts, and investments in certain qualifying external investment pools 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.

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 June 30, 2019, the District invested part of its money with Texas DAILY and TexPool, which hold an AAAM rating from Standard and Poor's (S&P).

TexPool and TexasDAILY are external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

A. Summary of Significant Accounting Policies (Continued)

investment pool. The investment pools transact at a net asset value of \$1.00 per share, have weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. Texpool and Texas DAILY have a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

r. 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.

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.

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

A. Summary of Significant Accounting Policies (Continued)

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.

B. Reconciliation of Government –Wide and Fund Financial Statements

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 position 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."

The details of the \$5,855,975 difference is as follows:

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

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

Assets:

Decrease in Land	\$	(23,257)	
Increase in Buildings and Improvements		10,913,429	
Net Decrease in Equipment		(187,528)	
Depreciation on Disposed Buildings		1,186,955	
Depreciation on Disposed Equipment		1,793,418	
Decrease in Construction in Progress		(3,651,603)	
Subtotal		10,031,414	\$

Deferred outflows of Resources:

Decrease in Deferred Charge for refunding		(470,850)	
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Long - Term Liabilities:

Decrease in termination benefits & compensated absences		131,145	
Increase in Interest payable		(5,608,495)	
Accreted interest on bonds payable		(1,012,369)	
Amortization of premium on bonds		2,744,080	
Subtotal		(3,745,639)	

Deferred inflows of Resources:

Decrease in Deferred Gain for refunding		41,050	
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Net Adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities		5,855,975	\$
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C. Compliance and Accountability

Excess Actual Over Budget

For the ten month period ended June 30, 2019, appropriations exceeded expenditures in all legally budgeted funds.

D. Deposits and Investments

Cash Deposits: The District's cash and cash equivalents are considered to be cash on hand and demand deposits. The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities and letters of credit which comply with state. These securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities and letters of credit are in compliance with the Texas Government Code, Chapter 2257 "Collateral for Public Funds", and are sufficient to meet the terms agreed to in the current depository contract as approved by TEA. The pledge of approved securities and letter of credits is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

Investments: Investments, except for the investment pools, for the District are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. The District further limits its investments to U.S. Agencies, certificates of deposit and investment pools.

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

D. Deposits and Investments (Continued)

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

Cash in Bank or On Hand - Primary Government	\$	28,516,480
Cash Equivalents		
Investment Pools Accounts:		
TexasDAILY	139,364,297	
TexPool	9,096,708	
Current Investments		
Certificates of Deposit:		
BBVA	73,267,368	
Texas Term	11,846,000	
Discount Notes:		
U S Treasury Bill	6,274,014	
Total Cash Equivalents and Current Investments		239,848,387
 Total Deposits and Investments - Primary Government	 \$	 268,364,867

Deposits:

At June 30, 2019, the District's bank deposits (cash and interest bearing accounts) were \$183,484,068. The District's cash deposits at June 30, 2019 and during the ten month period ended June 30, 2019, 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. The total collateral amount at the highest combined balance on deposits was \$119,000,000 which is the sum of six letters of credit.
- b. The highest combined balances of cash, savings, and time deposit accounts amounted to \$108,357,284 and occurred during the month of June 2019.
- c. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

Investments:

Investments, except for the investment pools, for the District are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws

The District 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

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

D. Deposits and Investments (Continued)

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:

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 Public Funds Investment Act 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.

As noted in the District’s Significant Accounting Policies, the District reports its local government investment pools at amortized cost as permitted by GASB Statement No. 79 *Certain External Investment Pools and Pool Participants*.

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 June 30, 2019, 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 June 30, 2019.

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

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

D. Deposits and Investments (Continued)

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 deposits and investments are allocated as follows: US Treasury Bill (2.34%), Texas DAILY (51.93%), Texas Term (4.41%), TexPool (3.39%), and BBVA (37.93%).

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 June 30, 2019 are shown below:

Investment	Investment Maturities in Years		
	Book Value	Less than 1 Year	1 to 2 Years
Agency Bonds & Discount Notes			
U S Treasury Bill	\$ 6,274,014	\$ 6,274,014	\$ -
	<u>6,274,014</u>	<u>6,274,014</u>	<u>-</u>
Investment Pools			
Texpool	9,096,708	9,096,708	-
Texas DAILY	139,364,297	139,364,297	-
	<u>148,461,005</u>	<u>148,461,005</u>	<u>-</u>
Certificates of Deposit			
BBVA	73,267,368	73,267,368	-
Texas Term	11,846,000	11,846,000	-
	<u>85,113,368</u>	<u>85,113,368</u>	<u>-</u>
Total Book Value	<u>\$ 239,848,387</u>	<u>\$ 239,848,387</u>	<u>\$ -</u>

TexPool and Texas DAILY are external investment pools measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pools transact at a net asset value of \$1.00 per share, have weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. Texpool and Texas DAILY have a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

D. Deposits and Investments (Continued)

Fair Value of Investments:

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that government can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement. The District's investments, whether recorded at fair value, cost, or amortized cost, at June 30, 2019 are shown below:

Investment Type	Cost or Amortized Cost	Fair Value Measurements			Total
		Level 1	Level 2	Level 3	
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
Agency Bonds & Discount Notes					
U S Treasury Bill	\$ -	\$ -	\$ 6,274,014	\$ -	\$ 6,274,014
	-	-	6,274,014	-	6,274,014
Investment Pools					
Texpool	9,096,708	-	-	-	9,096,708
Texas DAILY	139,364,297	-	-	-	139,364,297
	148,461,005	-	-	-	148,461,005
Certificates of Deposit					
BBVA	73,267,368	-	-	-	73,267,368
Texas Term	11,846,000	-	-	-	11,846,000
	85,113,368	-	-	-	85,113,368
Total Investments	\$ 233,574,373	\$ -	\$ 6,274,014	\$ -	\$ 239,848,387

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

D. Deposits and Investments (Continued)

The fair value of agency bonds and discount notes is determined using quoted prices for comparable instruments, which is considered a market approach. The fair value of the investments in U.S. Government Agency securities is based on quoted market prices. The amount of increase in the fair value of these investments is \$65,576 during the ten month period ended June 30, 2019. The total investment income for the year is \$151,834.

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 June 30, 2019 are summarized below and are reported on the government-wide statement of net position.

	Due to Other Governments	Due from Other Governments
<u>Major Governmental Funds:</u>		
General Fund	\$ 1,972,761	\$ 16,380,708
Food Service Fund	-	-
ESEA I, A Improving Basic Program	-	7,369,628
Debt Service Fund	142,209	-
Total Major Governmental Funds	2,114,970	23,750,336
 <u>Nonmajor Governmental Funds:</u>		
ESEA Title X, C Homeless	-	2,200
ESEA Title I Part C Migrant	-	99,597
IDEA - Part B Formula	-	1,461,266
IDEA - Part B Preschool	-	587
IDEA - Part B Discretionary	-	11,035
Summer Feeding Program	-	431,028
Career and Technical - Basic Grant	-	182,543
ESEA II, A Training and Recruiting	-	609,244
Title III, A English Lang. Acquisition	-	481,587
College Now Career Connected!	-	126,084
ESSA Title IV Part A	-	433,419
Other State Grants	-	352,787
SSA Regional Day School Deaf	-	53,942
OCDETF Grant	-	12,741
AEP Foundation Grant	-	109,641
Total Nonmajor Governmental Funds	-	4,367,701
 Total Governmental Funds	\$ 2,114,970	\$ 28,118,037

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

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.

The composition of interfund balances at June 30, 2019 consisted of the following:

	Interfund Receivables	Interfund Payables
<u>Governmental Funds:</u>		
General Fund	\$ 8,725,698	\$ 1,664,116
ESEA I, A Improving Basic Program	292	5,568,707
Debt Service	70,731	8,763
Nonmajor Governmental Funds	37,131	2,792,659
Total Governmental Funds	8,833,852	10,034,245
<u>Proprietary Fund:</u>		
Health Plan Internal Service Fund	1,200,393	-
Total – All Funds	\$ 10,034,245	\$ 10,034,245

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 June 30, 2019 consisted of the following:

Transfers From	Transfers To	Amount	Purpose
General Fund	Capital Projects	\$ 10,000,000	Transfer to cover for capital improvement projects.
General Fund	Debt Service	409,888	Transfer to cover for principal payments and agent fees.
General Fund	Athletics Program	1,444,835	Transfer to cover athletic costs for the District.
General Fund	J. Martinez PAC	174,533	Transfer to cover J. Martinez PAC costs for the District.
General Fund	E-Rate	455,000	Transfer to cover local 10% share of grant and items ineligible for E-Rate.
General Fund	Health Plan ISF	1,200,000	Transfer to cover a lump-sum employer contribution to support the self-funded health plan.
Capital Projects	E-Rate	67,396	Transfer to cover local 10% share of grant and items ineligible for E-Rate.
		\$ 13,751,652	

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

G. Capital Assets

Capital asset activity for the ten month period ended June 30, 2019 was as follows:

	Beginning Balances	Additions	Dispositions and Adjustments	Ending Balances
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 19,372,448	\$ -	\$ 23,257	\$ 19,349,191
Construction in Progress	9,198,903	12,708,118	16,359,721	5,547,300
Total capital assets not being depreciated	<u>28,571,351</u>	<u>12,708,118</u>	<u>16,382,978</u>	<u>24,896,491</u>
Capital assets being depreciated:				
Buildings and Improvements	518,938,094	16,359,721	5,446,292	529,851,523
Equipment	38,541,618	1,670,931	1,858,459	38,354,090
Total capital assets being depreciated	<u>557,479,712</u>	<u>18,030,652</u>	<u>7,304,751</u>	<u>568,205,613</u>
Less accumulated depreciation:				
Building and Improvements	180,646,818	13,834,217	1,186,955	193,294,080
Equipment	29,631,121	1,931,214	1,793,418	29,768,917
Total accumulated depreciation	<u>210,277,939</u>	<u>15,765,431</u>	<u>2,980,373</u>	<u>223,062,997</u>
Total capital assets being depreciated, net	<u>347,201,773</u>	<u>2,265,221</u>	<u>4,324,378</u>	<u>345,142,616</u>
Governmental activities capital assets, net	<u>\$375,773,124</u>	<u>\$14,973,339</u>	<u>\$20,707,356</u>	<u>\$370,039,107</u>

Depreciation was charged to the following functions as follows:

Instruction	\$ 11,129,514
Instruction Resources and Media Services	166,154
Curriculum Development and Instructional Staff Development	15,413
Instructional Leadership	128,848
School Leadership	810,911
Guidance, Counseling & Evaluation Services	34,171
Social Work Services	13,556
Health Services	181,733
Student (Pupil) Transportation	541,269
Food Services	792,687
Extracurricular Activities	161,132
General Administration	194,031
Facilities Maintenance and Operations	620,008
Security and Monitoring Services	455,768
Data Processing Services	512,589
Community Services	7,647
Total Depreciation	<u>\$ 15,765,431</u>

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

H. Unearned Revenues

Unearned revenues at June 30, 2019 consisted of the following:

Major Governmental Funds:

General Fund - Food Service	\$	648,631
General Fund - Headstart Program		70,833
General Fund - Escrow Taxes		48,972
ESEA I, A Basic Program		196,029
Total Major Governmental Funds		964,465

Nonmajor Governmental funds:

Summer Feeding Program	8,460
Title III, A English Lang. Acquisition	44,049
Instructional Materials Allotment	34,640
LEOSE	3,813
Equitable Sharing Program	130,704
J. Martinez Performing Arts Complex	3,653
Summer Feeding Program	8,460
Total Nonmajor Governmental funds	225,319

Total Governmental funds	1,189,784
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Proprietary Fund:

Health Plan Internal Service Fund	1,765,778
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Total – All Funds	\$ 2,955,562
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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 academies 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 TEN MONTH PERIOD ENDED JUNE 30, 2019

I. Loans Payable (Continued)

The following is a summary of loan transaction of the District for the year ending June 30, 2019.

Description	Balance Outstanding 9/1/2018	Issued Current Year	Retired Current Year	Balance Outstanding 6/30/2019	Amounts Due Within One Year
Note - October 3, 2005	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000	\$ -
	<u>\$ 8,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,000,000</u>	<u>\$ -</u>

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 this loan:

Year Ending June 30,	Principal	Interest	Total
2020	\$ -	\$ -	\$ -
2021	-	-	-
2022	8,000,000	-	8,000,000
	<u>\$ 8,000,000</u>	<u>\$ -</u>	<u>\$ 8,000,000</u>

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

Year Ending June 30,	Amount
2020	\$ 389,887
2021	389,887
2022	389,887
Total	<u>\$ 1,169,661</u>

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.

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

J. Long-Term Obligations (Continued)

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.

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the ten month period ended June 30, 2019 are as follows:

Description	Rate Payable	Original Issue	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<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	7,835,000	-	-	7,835,000	1,000,000
<i>Unlimited Tax School Building Bonds, Series 2013:</i>							
Current Interest	4.00-5.00%	43,425,000	32,820,000	-	-	32,820,000	2,315,000
<i>Unlimited Tax School Building Bonds, Series 2014:</i>							
Current Interest	4.00-5.00%	67,160,000	60,170,000	-	-	60,170,000	2,545,000
<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	20,951,442	1,012,369	-	21,963,811	2,275,000
<i>Unlimited Tax School Refunding Bonds, Series 2015:</i>							
Current Interest	2.00-5.00%	65,560,000	56,555,000	-	-	56,555,000	8,410,000
<i>Unlimited Tax School Building Bonds, Series 2018:</i>							
Current Interest	3.125-5.00%	90,375,000	90,375,000	-	-	90,375,000	-
TOTALS		<u>\$337,355,000</u>	<u>\$298,436,442</u>	<u>\$ 1,012,369</u>	<u>\$ -</u>	<u>\$299,448,811</u>	<u>\$16,545,000</u>

Interest paid on bonded indebtedness during the current year was \$6,725,241.

**LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019**

J. Long-Term Obligations (Continued)

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

Year Ending June 30,	Capital Appreciation			
	Principal	Bond	Interest	Total
2020	\$ 16,545,000	\$ 1,183,250	\$ 14,448,732	\$ 30,993,732
2021	19,095,000	1,080,340	13,891,582	32,986,582
2022	19,725,000	982,155	13,225,041	32,950,041
2023	20,445,000	892,100	12,486,975	32,931,975
2024	21,235,000	811,648	11,698,825	32,933,825
2025-2029	84,525,000	2,579,318	45,265,206	129,790,206
2030-2034	55,010,000	-	19,262,087	74,272,087
2035-2039	27,270,000	-	10,004,500	37,274,500
2040-2044	28,070,000	-	3,645,509	31,715,509
	<u>\$ 291,920,000</u>	<u>\$ 7,528,811</u>	<u>\$ 143,928,457</u>	<u>\$ 435,848,457</u>

Capital Appreciation Bonds

The total accretion of discount on capital appreciation bonds that is included in the June 30, 2019 ending balance of \$299,448,811 is \$7,528,811.

Defeased Bonds

In prior years, the District defeased certain general obligation bonds by placing the proceeds of the bonds 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 in the amount of \$230,744,630.

K. Changes in Long-Term Liabilities

Long-term liability activity for the governmental activities for the ten month period ended June 30, 2019, was as follows:

Description	Balance	Issued/Increase	Retired/Decrease	Balance	Amounts
	Outstanding	Current	Current	Outstanding	Due Within
	9/1/2018	Year	Year	6/30/2019	One Year
Loans	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000	\$ -
Total Loans Payable	8,000,000	-	-	8,000,000	-
General Obligation Bonds	298,436,442	1,012,369	-	299,448,811	16,545,000
Bonds Premium Amortization - Net	45,417,091	-	2,744,080	42,673,011	3,292,896
Total Bonds Payable	343,853,533	1,012,369	2,744,080	342,121,822	19,837,896
Other Liabilities					
Compensated Absences	2,778,702	24,378	155,523	2,647,557	155,523
Total Other Liabilities	2,778,702	24,378	155,523	2,647,557	155,523
Total Governmental Activities					
Long-term Liabilities	\$ 354,632,235	\$ 1,036,747	\$ 2,899,603	\$ 352,769,379	\$ 19,993,419

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

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

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	ESEA 1, A Basic Program	Debt Service Fund	EDA 2018 Series	Other Governmental Funds	Total
Property Taxes	\$ 23,901,842	\$ -	\$ 9,767,030	\$ -	\$ -	\$ 33,668,873
Penalties & Interest	400,635	-	142,445	-	-	543,080
Investment Income	1,587,733	-	487,562	2,044,234	880,844	5,000,374
Rental of Facilities & Insurance	87,820	-	-	-	9,665	97,485
Co-curricular	249,990	-	-	-	-	249,990
Webb County Permanent Fund	-	-	-	-	935,532	935,532
Miscellaneous	1,397,333	40,129	703	29,862	1,906,480	3,374,506
	<u>\$ 27,625,353</u>	<u>\$ 40,129</u>	<u>\$ 10,397,740</u>	<u>\$ 2,074,096</u>	<u>\$ 3,732,522</u>	<u>\$ 43,869,840</u>

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 Local Policy. 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/personal leave, of which 5 days are at 100% daily base rate, 10 days at 75% daily base rate, and 25 days at 50% of the daily base 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 up to a maximum of 80 days of leave combination of state/personal plus local leave, of which the first 10 days are at 100% daily base rate, the next 15 days are at 75% daily base rate, and the next 55 days are at 50% of the daily base rate of pay.

As of June 30, 2019, the balance for the State Personal and Sick Leave is \$2,647,557. The estimated amount due within a year is \$155,523. The General Fund and Special Revenue Funds, if allowed, are expected to pay for these.

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

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 2019, 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 following liabilities reported are based on the reserves that were earmarked through June 30, 2019. These reserves are estimates based on client's current medical condition and medical plan but may change as client's condition changes in either a positive or negative manner. Laredo ISD has partnered with Broadspire to manage the historical claims for clients. Broadspire will continue to perform the daily management of the client's medical treatment plan. Laredo ISD shall oversee the medical expenses periodically through client review on at least a quarterly basis to ensure efficient and effective expenditures. The medical expenditures of the client are based on client's current health but can change dependent on client's health. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. 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 Estimated	Claims Payments	Balance at Fiscal Year-End
2017-2018	\$71,860	-	\$12,923	\$58,937
2018-2019	\$58,937	-	\$2,589	\$56,348

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

N. Risk Financing Activities (Continued)

Health Insurance

The claims for the health insurance liability of \$1,456,967 reported in the Health Plan Internal Service Fund at June 30, 2019 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:

	2018	2019
Beginning of the year liability	\$ 1,019,115	\$ 1,158,190
Current year claims	20,370,267	17,311,528
Changes in estimates	139,075	298,777
Claims payments	(20,370,267)	(17,311,528)
End of year liability	\$ 1,158,190	\$ 1,456,967 ¹

¹Claim 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). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

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

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

Benefits Provided. TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
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O. Defined Benefit Pension Plan (Continued)

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. The 85th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2018 and 2019 would remain the same. *Contribution Rates can be found in the TRS 2018 CAFR, Note 11 on page 76.*

Contribution Rates	<u>2018</u>	<u>2019</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
2019 Employer Contributions		\$4,591,757
2019 Member Contributions		\$10,776,725
2019 NECE On-Behalf Contributions		\$7,788,220

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, 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:

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
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O. Defined Benefit Pension Plan (Continued)

- 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.

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

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

Actuarial Assumptions. The total pension liability in the August 31, 2017 actuarial valuation rolled forward to August 31, 2018 was determined using the following actuarial assumptions: *Actuarial Assumptions can be found in the 2018 TRS CAFR, Note 11 page 77.*

Valuation Date	August 31, 2017 rolled forward to August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	6.907%
Long-term expected Investment Rate of Return	7.25%
Inflation	2.30%
Municipal Bond Rate as of August 2018 ¹	3.69%
Salary Increases Including Inflation	3.05 to 9.05%
Last yr. ending Aug 31 in Projection Period (100 yrs.)	2116
Ad hoc Post Employment Benefit Changes	None

¹Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."

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

Discount Rate. The discount rate used to measure the total pension liability was 6.907%. *The Discount Rate can be found in the 2018 TRS CAFR on page 77.* The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent and a municipal bond rate of 3.69 percent. 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

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

O. Defined Benefit Pension Plan (Continued)

rates. Based on those assumptions, the pension plan's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2018 are summarized below:

Asset Class	Target Allocation ¹	Long-Term Expected Arithmetic Real Rate of Return ²	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18%	5.70%	1.04%
Non-U.S. Developed	13%	6.90%	0.90%
Emerging Markets	9%	8.95%	0.80%
Directional Hedge Funds	4%	3.53%	0.14%
Private Equity	13%	10.18%	1.32%
Stable Value			
U.S. Treasuries	11%	1.11%	0.12%
Absolute Return	0%	0%	0%
Hedge Funds (Stable Value)	4%	3.09%	0.12%
Cash	1%	-0.30%	0%
Real Return			
Global Inflation Linked Bonds	3%	0.70%	0.02%
Real Assets	14%	5.21%	0.73%
Energy and Natural Resources	5%	7.48%	0.37%
Commodities	0%	0%	0%
Risk Parity			
Risk Parity	5%	3.7%	0.18%
Inflation Expectation			2.30%
Volatility Drag ³			-0.79%
Total	100%		7.25%

¹Target allocations are based on the FY2016 policy model.

²Capital market assumptions come from Aon Hewitt (2017 Q4)

³The volatility drag results from the conversion between Arithmetic and Geometric mean returns.

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
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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 (6.907%) in measuring the Net Pension Liability. *The discount rate can be found in the 2018 TRS CAFR, Note 11, page 78.*

	1% Decrease in Discount Rate <u>(5.907%)</u>	Discount Rate <u>(6.907%)</u>	1% Increase in Discount Rate <u>(7.907%)</u>
Proportionate share of the net pension liability:	<u>\$133,935,769</u>	<u>\$88,743,863</u>	<u>\$52,158,334</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2019, the District reported a liability of \$88,743,863 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	\$88,743,863
State’s proportionate share that is associated with District	<u>127,332,071</u>
Total	<u>\$216,075,934</u>

The District utilizes funds based on employee assignments to liquidate the Pension liability through employer contributions in the payroll process. The majority of the liability is paid from General Fund and the remaining is from various federal/state grants.

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

At August 31, 2018 the employer’s proportion of the collective net pension liability was 0.1612281061% which was an increase of 0.0036244839% from its proportionate measured as of August 31, 2017.

Changes Since the Prior Actuarial Valuation. The following were changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

- The Total Pension Liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 8.0 percent as of August 31, 2017 to 6.907 percent as of August 31, 2018.

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

O. Defined Benefit Pension Plan (Continued)

- The long-term assumed rate of return changed from 8.0 percent to 7.25 percent.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the Net Pension Liability.

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

For the ten month period ended June 30, 2019, the District recognized pension expense of \$25,442,502 and revenue of \$12,602,481 for support provided by the State.

At June 30, 2019, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual actuarial experience	\$553,156	\$2,177,424
Changes in actuarial assumptions	31,996,437	999,889
Difference between projected and actual investment earnings	-	1,683,852
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	8,635,129	459,091
Total as of August 31, 2018 measurement date	41,184,722	5,320,256
Contributions paid to TRS subsequent to the measurement date	4,591,757	-
Total as of fiscal year-end	\$45,776,479	\$5,320,256

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

Year ended June 30:	Pension Expense Amount
2020	\$9,740,459
2021	6,196,914
2022	5,181,285
2023	5,693,115
2024	5,420,979
Thereafter	3,631,714

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

P. Health Care Coverage

The District is self-funded with Blue Cross Blue Shield of Texas (BCBSTX) acting as the health plan administrator. BCBSTX as well as the local servicing agency, Laurel Insurance Agency, services the group health program. The District maintains both aggregate and individual stop-loss coverage for catastrophic losses. The stop loss contracts renew on a calendar year basis. From 9/1/18 through 6/30/19 the individual stop loss deductible was \$250,000 per individual.

The District contributed \$355.00 for all Teacher Retirement System (TRS) qualified employees towards the cost of participation in the Preferred Provider Organization (PPO) medical plan program from 9/1/18 through 11/30/18. Between 12/1/18 and 6/30/19 the District contributed \$390.50 for all Teacher Retirement System (TRS) qualified employees towards the cost of participation in the Preferred Provider Organization (PPO) medical plan program.

The District offered four (4) benefit plan options [Basic, Low, High, (7/1/18-6/30/19)] and [State Comparable (7/1/18-12/31/18)] as well as four (4) tier coverage levels (Employee Only, Employee & Spouse, Employee & Children, Employee & Family) within each option. The District complies with all federal law and state laws, mandates or requirements in the administration and offering of its health plan.

The District's self-funded approach to financing its health plan 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 plan is at 2,986 employees as of June 30, 2019. 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 ongoing required 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.

Medicare Part D. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. In accordance with GASB Statement No. 24, the District has recognized as revenues and expenditures, contributions made by the State to TRS on-behalf of the District's employees. For the ten month period ended June 30, 2019, the state made contributions of \$534,557 related to on-behalf Medicare Part D payments. These revenues equal expenditures and are reflected in the fund financial statements for the General Fund.

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.

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

Q. Commitments and Contingencies (Continued)

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.

R. Construction Commitments

As of June 30, 2019, 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/Improvements	\$ 8,224,947	\$ 6,789,395	\$ 1,435,552	\$ 1,657,995
Environmental Services	197,286	30,516	166,770	-
Architect Services	6,937,516	2,054,225	4,883,291	-
Total	<u>\$ 15,359,749</u>	<u>\$ 8,874,136</u>	<u>\$ 6,485,613</u>	<u>\$ 1,657,995</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), and Webb Consolidated Independent School District (WCISD). 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	\$ 257,823
UISD	582,000
JHCISD	16,000
WCISD	8,000
	<u>\$ 863,823</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 TEN MONTH PERIOD ENDED JUNE 30, 2019

T. Fund Balance

As of June 30, 2019, the District has classified its Committed and Assigned Fund Balances as follows:

	<u>General Funds</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<u>Committed Fund Balance</u>			
<i>Other Committed Fund Balance</i>			
E-Rate projects	\$ 1,396,738	\$ -	\$ 1,396,738
Demolition	8,400	-	8,400
Martin high school roofing	420,000	-	420,000
Police ac units	80,000	-	80,000
Human Resources digitized files	125,000	-	125,000
Transportation tools	25,000	-	25,000
Fixed assets fence	30,000	-	30,000
Fixed assets security cameras	12,500	-	12,500
Textbooks security cameras	12,500	-	12,500
Instructional television video camera	2,500	-	2,500
Communication dept. cameras	4,500	-	4,500
Custodial equipment	30,000	-	30,000
Fixed assets software	17,275	-	17,275
Records software	9,225	-	9,225
Nixon tuxedos	19,628	-	19,628
Cigarroa marachi uniforms	30,065	-	30,065
Laptop cases	40,322	-	40,322
Service center services	40,000	-	40,000
Cigarroa water leak equip	72,021	-	72,021
Copier maintenance	185,840	-	185,840
Security camera replacement	1,567,550	-	1,567,550
Daiches hvac supplies	60,000	-	60,000
Stabilization arrangement ¹	6,301,353	-	6,301,353
Campus activity funds	-	318,333	318,333
<i>Total Other Committed Fund Balance</i>	<u>\$ 10,490,417</u>	<u>\$ 318,333</u>	<u>\$ 10,808,750</u>
<u>Assigned Fund Balance</u>			
<i>Other Assigned Fund Balance</i>			
District-Wide Projects	\$ -	\$ 96,175	\$ 96,175
<i>Total Other Assigned Fund Balance</i>	<u>\$ -</u>	<u>\$ 96,175</u>	<u>\$ 96,175</u>

¹Stabilization arrangement

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

T. Fund Balance (Continued)

The Stabilization arrangement was established for the following purposes:

For Major Emergent Operating Issues - the District is exposed to major non-reoccurring costs related to various emergency events or situations as a result of catastrophic events. These emergent situations cannot be anticipated and budgeted for and it is not feasible to absorb the cost of such events in other budget areas in any given year. These emergent situations should fit the definition of a catastrophe as defined below:

- Fire, flood, earthquake, hurricane, tornado, or wind, rain, or snow storm;
- Power failure, transportation failure, or interruption of communication facilities;
- Epidemic; or
- Riot, civil disturbance, enemy attack, or other actual or threatened act of lawlessness or violence.

For One-Time and Intermittent Projects - the District undertakes certain one-time and/or intermittent projects that are larger in terms of costs. If these projects were funded from state aid and tax collections, annual spikes and subsequent declines may result; therefore, it is not prudent to fund these projects from current funding sources. These funds will be used to cover the underfunded costs of projects when such costs are 5% or more of the total project cost.

U. Defined Other Post-Employment Benefit Plans

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

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

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

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

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

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
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U. Defined Other Post-Employment Benefit Plans (Continued)

TRS-Care Monthly for Retirees
 Effective January 1, 2018 – December 31, 2018

	<u>Medicare</u> <u>Basic Plan</u>	<u>Non-Medicare</u> <u>Basic Plan</u>
Retiree*	\$ 135	\$200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

**or surviving spouse*

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	<u>2018</u>	<u>2019</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding remitted by Employers	1.25%	1.25%
2019 Employer Contributions		\$1,246,004
2019 Member Contributions		\$909,728
2019 NECE On-Behalf Contributions		\$1,862,731

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

U. Defined Other Post-Employment Benefit Plans (Continued)

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$182.6 million in fiscal year 2018. The 85th Texas Legislature, House Bill 30 provided an additional \$212 million one-time, supplemental funding for the FY2018-19 biennium to continue to support the program. This was also received in FY2018 bringing the total appropriations received in fiscal year 2018 to \$394.6 million.

Actuarial Assumptions

The total OPEB liability in the August 31, 2017 was rolled forward to August 31, 2018. The actuarial valuation was determined using the following actuarial assumptions: *Actuarial Assumptions can be found in the 2018 TRS CAFR, Note 9, page 71.*

The following assumptions and other inputs used for members of TRS are identical to the assumptions employed in the August 31, 2017 TRS annual pension actuarial valuation that was rolled forward to August 31, 2018:

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

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2017, rolled forward to August 31, 2018
Actuarial Cost Method	Individual Early Age Normal
Inflation	2.30%
Single Discount Rate ¹	3.69%
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Payroll Growth Rate	2.50%
Projected Salary Increases ²	3.05% to 9.05%
Healthcare Trend Rates ³	6.75% to 11.00%
Election Rates	Normal Retirement: 70% participation prior to age 65 and 75% participation after age 65
Ad hoc post-employment benefit changes	None

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

U. Defined Other Post-Employment Benefit Plans (Continued)

¹Source: Fixed Income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2018.

²Includes Inflation increases

³Initial trend rates are 107.74% and 9.00% for Medicare retirees and an initial trend rate of 6.75% for non-Medicare retirees. Initial prescription drug trend rate of 11.00% for all retirees. The first year trend increase for the Medicare Advantage (medical) premiums reflects the anticipated return of the Health Insurer Fee (HIF) in 2020.

Other Information: In this valuation, the impact of the Cadillac Tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50 percent.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis point addition to the long-term trend rate assumption.

Discount Rate. A single discount rate of 3.69% was used to measure the total OPEB liability. There was an increase of .27 percent in the discount rate since the previous year. *The Discount Rate can be found in the 2018 TRS CAFR on page 71.* Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

	1% Decrease in Discount Rate (2.69%)	Discount Rate (3.69%)	1% Increase in Discount Rate (4.69%)
Proportionate share of the net OPEB liability:	\$127,653,597	\$107,240,968	\$91,093,262

Healthcare Cost Trend Rates Sensitivity Analysis. The following presents the Net OPEB Liability of the plan using the assumed healthcare cost trend rate, as well as what the Net OPEB Liability would be if it were calculated using a trend rate 1% less than and 1% greater than the assumed healthcare cost trend rate.

	1% Decrease in Discount Rate (7.5%)	Discount Rate (8.5%)	1% Increase in Discount Rate (9.5%)
Proportionate share of the net OPEB liability:	\$89,065,370	\$107,240,968	\$131,178,623

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

U. Defined Other Post-Employment Benefit Plans (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At June 30, 2019, the District reported a liability of \$107,240,968 for its proportionate share of the TRS’s Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District’s proportionate share of the collective net OPEB liability	\$107,240,968
State’s proportionate share that is associated with District	135,014,322
Total	\$242,255,290

The District utilizes funds based on employee assignments to liquidate the OPEB liability through employer contributions in the payroll process. The majority of the liability is paid from General Fund and the remaining is from various federal/state grants.

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

At August 31, 2018 the employer’s proportion of the collective net OPEB liability was 0.2147786938% which was an increase of .0035758392% from its proportion measured as of August 31, 2017.

Changes Since the Prior Actuarial Valuation. The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period: *These can be found in the TRS CAFR on page 71.*

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the Total OPEB Liability.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the Total OPEB Liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the Total OPEB Liability.
- The discount rate was changed from 3.42 percent as of August 31, 2017 to 3.69 percent as of August 31, 2018. This change lowered the Total OPEB Liability \$2.3 billion.
- Change of Benefit Terms Since the Prior Measurement Date – Please see the 2018 TRS CAFR, page 68, section B. for a list of changes made effective September 1, 2017 by the 85th Texas Legislature.

For the ten month period ended June 30, 2019, the District recognized OPEB expense of \$7,840,086 and revenue of \$4,911,011 for support provided by the State. At June 30, 2019, the District reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

U. Defined Other Post-Employment Benefit Plans (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experience	\$5,690,879	\$1,692,420
Changes in actuarial assumptions	1,789,561	32,219,758
Difference between projected and actual investment earnings	18,755	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,958,116	-
Total as of August 31, 2018 measurement date	9,457,311	33,912,178
Contributions paid to TRS subsequent to the measurement date	1,246,004	-
Total as of fiscal year-end	\$10,703,315	\$33,912,178

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

Year ended June 30:	OPEB Expense Amount
2020	(\$ 3,977,157)
2021	(\$ 3,977,157)
2022	(\$ 3,977,157)
2023	(\$ 3,980,704)
2024	(\$ 3,982,732)
Thereafter	(\$ 4,559,960)

V. Special Item

During FY13, Laredo ISD entered into a sale and purchase agreement with City of Laredo, where LISD purchased property with the intention of continue operating the property, which includes, land, facilities and appurtenances of what was known as City of Laredo Civic Center, the City of Laredo Auditorium, the City of Laredo Ballroom, the City of Laredo Meeting Rooms Building, the City of Laredo Chamber of Commerce Building (and all parking for the facilities), City of Laredo Pool, Veteran's Field Ball Park (and parking facilities), and practice field.

During the ten month period ended June 30, 2019, Laredo ISD Board of Trustees decided to demolish some property and replace it with new structures. The ballroom and the meeting rooms were fully demolished. The new structures are in Construction in Progress (CIP). Demolition costs were expensed as incurred. The remaining value of the property, net of accumulated depreciation, in the amount of \$4,148,657 was written off. This involved removing both the asset and the accumulated depreciation from the general ledger and recognized the loss in demolition as a special item.

**REQUIRED SUPPLEMENTARY
INFORMATION**

LAREDO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 26,974,420	\$ 27,840,383	\$ 27,625,353	\$ (215,030)
5800 State Program Revenues	176,418,289	176,567,966	175,217,394	(1,350,572)
5900 Federal Program Revenues	24,928,062	26,357,038	23,731,194	(2,625,844)
5020 Total Revenues	228,320,771	230,765,387	226,573,941	(4,191,446)
EXPENDITURES:				
Current:				
0011 Instruction	108,113,818	112,499,757	110,323,180	2,176,577
0012 Instructional Resources and Media Services	3,972,433	4,057,971	3,897,671	160,300
0013 Curriculum and Instructional Staff Development	1,228,179	1,660,139	1,022,008	638,131
0021 Instructional Leadership	2,677,034	2,775,954	2,650,795	125,159
0023 School Leadership	12,549,092	12,978,263	12,619,485	358,778
0031 Guidance, Counseling and Evaluation Services	5,914,158	5,965,954	5,828,686	137,268
0032 Social Work Services	1,535,192	1,595,071	1,499,716	95,355
0033 Health Services	2,159,849	2,309,431	2,177,801	131,630
0034 Student (Pupil) Transportation	3,865,105	4,079,654	3,821,123	258,531
0035 Food Services	20,102,303	20,130,303	17,303,027	2,827,276
0036 Extracurricular Activities	5,300,478	6,328,320	6,062,281	266,039
0041 General Administration	7,169,536	6,223,543	5,953,466	270,077
0051 Facilities Maintenance and Operations	21,564,815	20,247,800	19,718,446	529,354
0052 Security and Monitoring Services	4,461,040	4,488,034	3,959,680	528,354
0053 Data Processing Services	3,829,805	3,991,203	3,713,715	277,488
0061 Community Services	365,692	414,573	303,786	110,787
Capital Outlay:				
0081 Facilities Acquisition and Construction	1,278,905	2,665,350	1,365,214	1,300,136
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	100,000	100,000	38,236	61,764
6030 Total Expenditures	206,187,434	212,511,320	202,258,316	10,253,004
1100 Excess of Revenues Over Expenditures	22,133,337	18,254,067	24,315,625	6,061,558
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	1,947,330	2,193,587	1,967,231	(226,356)
8911 Transfers Out (Use)	(12,921,792)	(14,073,652)	(13,684,256)	389,396
7080 Total Other Financing Sources (Uses)	(10,974,462)	(11,880,065)	(11,717,025)	163,040
1200 Net Change in Fund Balances	11,158,875	6,374,002	12,598,600	6,224,598
0100 Fund Balance - (Beginning)	69,640,455	69,640,445	69,640,445	-
3000 Fund Balance - June 30 (Ending)	\$ 80,799,330	\$ 76,014,447	\$ 82,239,045	\$ 6,224,598

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

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 June 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 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 July 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, General Fund – Food Service, and Debt Service Fund. The Food Service Fund is accounted in the general fund. A more detailed budget versus actual presentation for the Food Service Fund is reported as supplementary information to demonstrate legal compliance at the legal level of budgetary control.

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. Expenditures may not legally exceed budgeted appropriations at the function level.

LAREDO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016
District's Proportion of the Net Pension Liability (Asset)	0.161228106%	0.157603622%	0.159388778%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 88,743,863	\$ 50,393,148	\$ 60,230,649
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	127,332,071	77,759,695	94,490,295
Total	<u>\$ 216,075,934</u>	<u>\$ 128,152,843</u>	<u>\$ 154,720,944</u>
District's Covered Payroll	\$ 166,820,641	\$ 163,525,595	\$ 160,736,603
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	53.20%	30.82%	37.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.74%	82.17%	78.00%

Note: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for 2015.

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

<u>FY 2016</u>		<u>FY 2015</u>	
<u>Plan Year 2015</u>		<u>Plan Year 2014</u>	
	0.1644294%		0.1020927%
\$	58,123,604	\$	27,270,373
	91,324,939		78,764,172
<u>\$ 149,448,543</u>		<u>\$ 106,034,545</u>	
\$	156,283,905	\$	146,636,889
	37.19%		18.60%
	78.43%		83.25%

LAREDO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

	2019	2018	2017
Contractually Required Contribution	\$ 4,591,757	\$ 5,431,403	\$ 5,165,135
Contribution in Relation to the Contractually Required Contribution	(4,591,757)	(5,431,403)	(5,165,135)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 139,962,727	\$ 166,820,641	\$ 163,525,595
Contributions as a Percentage of Covered Payroll	3.28%	3.26%	3.16%

Note: GASB 68, Paragraph 81 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding years.

Note: In accordance with GASB 68, Paragraph 138, the years of data presented this reporting period are those for which data is available. "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."

<hr/>	
2016	2015
<hr/>	
\$ 5,064,178	\$ 4,868,826
(5,064,178)	(4,868,826)
<hr/>	
\$ -	\$ -
<hr/> <hr/>	
\$ 160,736,603	\$ 156,283,905
3.15%	3.12%

LAREDO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.214778694%	0.211202855%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 107,240,968	\$ 91,844,198
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	135,014,322	120,356,713
Total	<u>\$ 242,255,290</u>	<u>\$ 212,200,911</u>
District's Covered Payroll	\$ 166,820,641	\$ 163,525,595
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	64.29%	56.17%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.57%	0.91%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. Therefore the amounts reported for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the August 31, 2017 measurement date.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

LAREDO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

	2019	2018
Contractually Required Contribution	\$ 1,246,004	\$ 1,481,666
Contribution in Relation to the Contractually Required Contribution	(1,246,004)	(1,481,666)
Contribution Deficiency (Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's Covered Payroll	\$ 139,962,727	\$ 166,820,988
Contributions as a Percentage of Covered Payroll	0.89%	0.89%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

A. TRS Pension

1. Changes of Benefit Terms

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

2. Changes in Assumptions

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

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

B. TRS OPEB Plan

1. Changes of Benefit Terms

Change of Benefit Terms Since the Prior Measurement Date – Please see the 2018 TRS CAFR, page 68, section B. for a list of changes made effective September 1, 2017 by the 85th Texas Legislature.

2. Changes in Assumptions

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

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

COMBINING AND OTHER STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for resources restricted to specific purposes by a grantor or for purposes committed by the Board of Trustees. Federal financial assistance often is accounted for in a Special Revenue Fund. In most Special Revenue funds, unused balances are recorded as unearned revenue and carried forward to the succeeding fiscal year, provided the amount carried forward is within the limits established by the grantor. The District budgets for Special Revenue Funds as grants are awarded by the various grantors. The District uses project accounting for them in order to maintain integrity for the various sources of funds. These funds utilize the modified accrual basis of accounting and budgeting. Included in the District's Special Revenue Funds are:

206 TEXAS ESEA, Title X, Part C - Homeless

Texas Education for Homeless Children and Youth (TEHCY), as reauthorized by Title IX, Part A, of the Every Student Succeeds Act (ESEA) facilitates the identification, enrollment, attendance and academic success of homeless children and youth by removing barriers and promote school stability for students experiencing homelessness

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

This fund classification supports high quality education programs for migratory children and help ensure that migratory children who move among the states are not penalized in any manner by disparities among states in curriculum, graduation requirements, or state academic content and student academic achievement standards. Fund ensure that migratory children receive full and appropriate opportunities to meet the same challenging state academic achievement and support programs that help migrant students overcome the challenges of mobility, cultural and language barriers, social isolation, and other difficulties associated with a migratory lifestyle.

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 for funds granted to provide special education and related services to children with disabilities ages 3-21 in a Regional Day School Program for the Deaf.

226 Evaluation Capacity Award

This fund classification is to be used to account for funds granted to research, identify, procure, and deploy resources and personnel to assist LEAs in securing appropriately certified and/or licensed evaluation staff for the purposes of completing evaluations for special education services.

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).

NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

244 Title I, Part C – Carl D. Perkins Career and Technical Education Grant

This fund classification is to develop the academic, career, and technical skills of secondary students who enroll in CTE programs by assisting CTE students in meeting challenging academic and technical standards. Fund supports the preparation for high skill, high wage, or high demand occupations by promoting the integration of academic, career, and technical instruction that links secondary and postsecondary education for CTE students. Fund increases flexibility in providing services and activities designed to develop, implement, and improve CTE programs.

255 ESEA, Title II, Part A – Support Effective Instruction

This fund classification is to increase student achievement consistent with the challenging State academic standards and improve the quality and effectiveness of teachers, principals, and other school leaders. Fund increases the number of effective teachers, principals, and other school leaders who are effective in improving student academic achievement in schools and provide low-income and minority students' greater access to effective teachers, principals, and other school leaders. The intent of the funding is to support educators in their work to improve the overall quality of instruction and ensure equity of educational opportunity for all students.

263 ESEA, Title III, Part A – English Language Acquisition

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.

274 College Now – Career Connected!

This fund classification is to be used to account for funds granted to increase the number of low-income students who are prepared to enter and succeed in postsecondary education. An entire cohort of students are served beginning no later than the seventh grade and followed through high school.

289 ESEA, Title IV, Part A - Student Support and Academic Enrichment

This fund classification is to increase the capacity of state education agencies, local educational agencies (LEAs), campuses, and communities to provide all students access to a well-rounded education, improve academic outcomes by maintaining safe and healthy students, and improve the use of technology to advance student academic achievement.

289 AmeriCorps

This fund classification is to be used to account for funds granted to have AmeriCorps members serve elementary school students through direct literacy, tutoring services, and volunteer capacity building at established Literacy Enrichment Centers (LEC's).

289 National Service Criminal History Surge Augmentation

This fund classification is to be used to account for funds granted for the purpose of NSCHC re-checks for the Laredo ISD AmeriCorps.

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.

NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

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 (Law Enforcement Officer Standards and Education)

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.

427 Math and Literacy Academies

This fund classification is to be used to account for funds granted for math and literacy achievement academies for payment of teacher stipends.

429 Other State Grants

State funded special revenue funds not listed above are to be accounted for in this fund. The following grants are to be converted to Fund 429 for PEIMS reporting:

- 429-JET - Jobs and Education Training (JET) Grant
- 429-MIZ – Math Innovation Zones Grant
- 429-PTC - P-Tech and ICIA Success Grant
- 429-RTR - Read to Succeed Grant

435 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

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 (Organized Crime Drug Enforcement Task Forces) Grant

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

NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

488 Advertising

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

490 Jesus Martinez Performing Arts Complex

This fund classification is to be used to account for rental receipts from the Aquatic Center and the disbursements for its operation and maintenance.

497 AEP Foundation Grant

This fund classification is to be used to account for funds awarded to Laredo ISD from the AEP Foundation Credits Count Grant. The AEP Foundation funds will support STEM exploration for students at three middle schools; readiness assessments for 9th and 10th graders; summer bridge program at Laredo College; dual credit college courses for 9th and 10th grade students; scholarships and books and professional development opportunities for faculty.

LAREDO INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

Data Control Codes	206 ESEA Title X, Pt C Homeless	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
ASSETS				
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1120	Investments - Current	-	-	-
1240	Due from Other Governments	2,200	99,597	1,461,266
1250	Accrued Interest	-	-	-
1260	Due from Other Funds	-	-	-
1290	Other Receivables	-	-	-
1000	Total Assets	<u>\$ 2,200</u>	<u>\$ 99,597</u>	<u>\$ 1,461,266</u>
LIABILITIES				
2110	Accounts Payable	\$ -	\$ 833	\$ 13,053
2160	Accrued Wages Payable	-	17,352	491,632
2170	Due to Other Funds	2,200	81,412	956,581
2300	Unearned Revenue	-	-	-
2000	Total Liabilities	<u>2,200</u>	<u>99,597</u>	<u>1,461,266</u>
FUND BALANCES				
Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-
3490	Administration Building WCPSF	-	-	-
Committed Fund Balance:				
3510	Construction	-	-	-
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 and Fund Balances	<u>\$ 2,200</u>	<u>\$ 99,597</u>	<u>\$ 1,461,266</u>

226 IDEA - Part B Discretionary	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	274 College Now Career Connected!	289 ESSA Title IV Part A	397 Advanced Placement Incentives
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,771
-	-	-	-	-	-	-	-
11,035	431,028	182,543	609,244	481,587	126,084	433,419	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	7,992	-	-	5,310	-
<u>\$ 11,035</u>	<u>\$ 431,028</u>	<u>\$ 182,543</u>	<u>\$ 617,236</u>	<u>\$ 481,587</u>	<u>\$ 126,084</u>	<u>\$ 438,729</u>	<u>\$ 2,771</u>
\$ 566	\$ 83,176	\$ 18,960	\$ 1,779	\$ 73	\$ -	\$ 44,174	\$ -
-	202,158	10,231	180,578	105,288	39,215	205,062	-
10,469	137,234	153,352	434,879	332,177	86,869	189,493	-
-	8,460	-	-	44,049	-	-	-
<u>11,035</u>	<u>431,028</u>	<u>182,543</u>	<u>617,236</u>	<u>481,587</u>	<u>126,084</u>	<u>438,729</u>	<u>-</u>
-	-	-	-	-	-	-	2,771
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,771</u>
<u>\$ 11,035</u>	<u>\$ 431,028</u>	<u>\$ 182,543</u>	<u>\$ 617,236</u>	<u>\$ 481,587</u>	<u>\$ 126,084</u>	<u>\$ 438,729</u>	<u>\$ 2,771</u>

LAREDO INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

Data Control Codes	410 Instructional Materials Allotment	424 LEOSE	427 Math & Literacy Academies	429 Other State Grants	
ASSETS					
1110	Cash and Cash Equivalents	\$ 52,682	\$ 4,508	\$ -	\$ 13,604
1120	Investments - Current	-	-	-	-
1240	Due from Other Governments	-	-	-	352,787
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	7,375
1000	Total Assets	<u>\$ 52,682</u>	<u>\$ 4,508</u>	<u>\$ -</u>	<u>\$ 373,766</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ 695	\$ -	\$ 61,520
2160	Accrued Wages Payable	-	-	-	15,512
2170	Due to Other Funds	-	-	-	296,734
2300	Unearned Revenue	34,640	3,813	-	-
2000	Total Liabilities	<u>34,640</u>	<u>4,508</u>	<u>-</u>	<u>373,766</u>
FUND BALANCES					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	18,042	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3490	Administration Building WCPSF	-	-	-	-
Committed Fund Balance:					
3510	Construction	-	-	-	-
3545	Other Committed Fund Balance	-	-	-	-
Assigned Fund Balance:					
3590	Other Assigned Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>18,042</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 52,682</u>	<u>\$ 4,508</u>	<u>\$ -</u>	<u>\$ 373,766</u>

435 SSA Regional Day School - Deaf	461 Campus Activity Funds	482 Dr. Hochman Classroom Grant	483 Equitable Sharing Program	484 OCDETF	488 Advertising Fund	490 J. Martinez Performing Arts Complex	497 AEP Foundation Grant
\$ 794,762	\$ 327,059	\$ 296	\$ 138,873	\$ -	\$ 98,361	\$ 36,276	\$ -
-	-	-	-	-	-	-	-
53,942	-	-	-	12,741	-	-	109,641
-	-	-	-	-	-	-	-
-	-	-	14,137	-	-	2	-
-	1,154	-	-	-	-	63	-
<u>\$ 848,704</u>	<u>\$ 328,213</u>	<u>\$ 296</u>	<u>\$ 153,010</u>	<u>\$ 12,741</u>	<u>\$ 98,361</u>	<u>\$ 36,341</u>	<u>\$ 109,641</u>
\$ -	\$ 8,144	\$ 296	\$ 7,944	\$ -	\$ 2,186	\$ 10,065	\$ 9,720
123,683	866	-	1,103	-	-	22,577	28,669
-	870	-	13,259	12,741	-	46	71,252
-	-	-	130,704	-	-	3,653	-
<u>123,683</u>	<u>9,880</u>	<u>296</u>	<u>153,010</u>	<u>12,741</u>	<u>2,186</u>	<u>36,341</u>	<u>109,641</u>
725,021	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	318,333	-	-	-	-	-	-
-	-	-	-	-	96,175	-	-
<u>725,021</u>	<u>318,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,175</u>	<u>-</u>	<u>-</u>
<u>\$ 848,704</u>	<u>\$ 328,213</u>	<u>\$ 296</u>	<u>\$ 153,010</u>	<u>\$ 12,741</u>	<u>\$ 98,361</u>	<u>\$ 36,341</u>	<u>\$ 109,641</u>

LAREDO INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

Data Control Codes	Total Nonmajor Special Revenue Funds	616 Local Funds Capital Projects	694 EDA 2014 Series	695 EDA 2005 Series	
ASSETS					
1110	Cash and Cash Equivalents	\$ 1,469,192	\$ 19,642,995	\$ 13,345,256	\$ 30,396
1120	Investments - Current	-	7,973,182	5,000,000	-
1240	Due from Other Governments	4,367,701	-	-	-
1250	Accrued Interest	-	148,185	66,703	-
1260	Due from Other Funds	14,139	171	22,821	-
1290	Other Receivables	21,894	-	-	-
1000	Total Assets	<u>\$ 5,872,926</u>	<u>\$ 27,764,533</u>	<u>\$ 18,434,780</u>	<u>\$ 30,396</u>
LIABILITIES					
2110	Accounts Payable	\$ 263,184	\$ 874,873	\$ 1,727,880	\$ 30,225
2160	Accrued Wages Payable	1,443,926	-	-	-
2170	Due to Other Funds	2,780,155	12,333	-	171
2300	Unearned Revenue	225,319	-	-	-
2000	Total Liabilities	<u>4,712,584</u>	<u>887,206</u>	<u>1,727,880</u>	<u>30,396</u>
FUND BALANCES					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	745,834	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	82,509	16,706,900	-
3490	Administration Building WCPSF	-	4,818,733	-	-
Committed Fund Balance:					
3510	Construction	-	21,976,085	-	-
3545	Other Committed Fund Balance	318,333	-	-	-
Assigned Fund Balance:					
3590	Other Assigned Fund Balance	96,175	-	-	-
3000	Total Fund Balances	<u>1,160,342</u>	<u>26,877,327</u>	<u>16,706,900</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 5,872,926</u>	<u>\$ 27,764,533</u>	<u>\$ 18,434,780</u>	<u>\$ 30,396</u>

Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 33,018,647	\$ 34,487,839
12,973,182	12,973,182
-	4,367,701
214,888	214,888
22,992	37,131
-	21,894
<u>\$ 46,229,709</u>	<u>\$ 52,102,635</u>
\$ 2,632,978	\$ 2,896,162
-	1,443,926
12,504	2,792,659
-	225,319
<u>2,645,482</u>	<u>7,358,066</u>
-	745,834
16,789,409	16,789,409
4,818,733	4,818,733
21,976,085	21,976,085
-	318,333
-	96,175
<u>43,584,227</u>	<u>44,744,569</u>
<u>\$ 46,229,709</u>	<u>\$ 52,102,635</u>

LAREDO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

Data Control Codes	206 ESEA Title X, Pt C Homeless	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	18,970	199,434	4,629,937	82,288
5020 Total Revenues	18,970	199,434	4,629,937	82,288
EXPENDITURES:				
Current:				
0011 Instruction	17,770	63,211	2,936,956	82,288
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	569	52,348	-
0021 Instructional Leadership	1,200	42,777	271,161	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	44,150	1,102,057	-
0032 Social Work Services	-	-	1,275	-
0033 Health Services	-	-	220,608	-
0034 Student (Pupil) Transportation	-	3,013	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	35,628	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	1,409	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	44,305	9,904	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	18,970	199,434	4,629,937	82,288
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	-	-
7915 Transfers In	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

226 IDEA - Part B Discretionary	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	274 College Now Career Connected!	289 ESSA Title IV Part A	397 Advanced Placement Incentives
\$ -	\$ 844	\$ -	\$ -	\$ 7,875	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
60,668	431,028	472,389	1,239,228	1,104,968	165,771	1,176,792	-
60,668	431,872	472,389	1,239,228	1,112,843	165,771	1,176,792	-
33,985	-	280,627	1,025,113	938,285	153,393	741,015	8,192
-	-	-	-	-	-	-	-
718	-	114,825	169,516	34,122	8,330	280,480	-
-	-	15,437	37,918	44,365	-	416	-
-	-	3,117	6,681	-	1,350	5,233	-
19,965	-	3,210	-	-	1,317	62,104	-
-	-	-	-	-	-	6,917	-
-	-	-	-	-	-	26,297	-
-	-	-	-	-	-	-	-
-	431,872	-	-	-	-	-	-
-	-	17,562	-	-	1,381	45,586	-
-	-	-	-	-	-	-	-
-	-	-	-	6,543	-	-	-
-	-	-	-	-	-	8,175	-
-	-	37,611	-	-	-	-	-
-	-	-	-	89,528	-	569	-
-	-	-	-	-	-	-	-
6,000	-	-	-	-	-	-	-
60,668	431,872	472,389	1,239,228	1,112,843	165,771	1,176,792	8,192
-	-	-	-	-	-	-	(8,192)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(8,192)
-	-	-	-	-	-	-	10,963
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,771

LAREDO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

Data Control Codes	410 Instructional Materials Allotment	424 LEOSE	427 Math & Literacy Academies	429 Other State Grants
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 1,069	\$ -	\$ -	\$ -
5800 State Program Revenues	613,353	3,466	2,100	349,036
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	614,422	3,466	2,100	349,036
EXPENDITURES:				
Current:				
0011 Instruction	613,353	-	2,100	267,031
0012 Instructional Resources and Media Services	-	-	-	163
0013 Curriculum and Instructional Staff Development	-	-	-	81,842
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	-	3,466	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	613,353	3,466	2,100	349,036
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	1,069	-	-	-
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	-	-
7915 Transfers In	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	1,069	-	-	-
0100 Fund Balance - (Beginning)	16,973	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ 18,042	\$ -	\$ -	\$ -

435 SSA Regional Day School - Deaf	461 Campus Activity Funds	482 Dr. Hochman Classroom Grant	483 Equitable Sharing Program	484 OCDETF	488 Advertising Fund	490 J. Martinez Performing Arts Complex	497 AEP Foundation Grant
\$ 606,000	\$ 911,550	\$ 3,050	\$ 2,671	\$ -	\$ 10,000	\$ 14,268	\$ 365,204
257,823	-	-	-	-	-	-	-
-	-	-	23,285	15,955	-	-	-
863,823	911,550	3,050	25,956	15,955	10,000	14,268	365,204
680,925	85,659	5,834	-	-	-	-	286,931
-	24,867	-	-	-	-	-	-
-	790	-	-	-	-	-	9,045
-	-	-	-	-	-	-	69,228
-	29,151	-	-	-	-	-	-
54,572	101	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	336,038	-	-	-	5,526	-	-
-	83	-	-	-	-	50,996	-
-	2,902	-	-	-	2,186	82,957	-
-	4,966	-	25,956	15,955	-	28,692	-
-	-	-	-	-	-	-	-
-	382,328	-	-	-	-	26,156	-
-	3,099	-	-	-	-	-	-
-	-	-	-	-	-	-	-
735,497	869,984	5,834	25,956	15,955	7,712	188,801	365,204
128,326	41,566	(2,784)	-	-	2,288	(174,533)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	174,533	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	174,533	-
128,326	41,566	(2,784)	-	-	2,288	-	-
596,695	276,767	2,784	-	-	93,887	-	-
\$ 725,021	\$ 318,333	\$ -	\$ -	\$ -	\$ 96,175	\$ -	\$ -

LAREDO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

Data Control Codes	Total Nonmajor Special Revenue Funds	616 Local Funds Capital Projects	694 EDA 2014 Series	695 EDA 2005 Series
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 1,922,531	\$ 1,410,837	\$ 397,043	\$ 2,111
5800 State Program Revenues	1,225,778	-	-	-
5900 Federal Program Revenues	9,620,713	-	-	-
5020 Total Revenues	12,769,022	1,410,837	397,043	2,111
EXPENDITURES:				
Current:				
0011 Instruction	8,222,668	-	-	-
0012 Instructional Resources and Media Services	25,030	-	-	-
0013 Curriculum and Instructional Staff Development	752,585	-	-	-
0021 Instructional Leadership	482,502	-	-	-
0023 School Leadership	45,532	-	-	-
0031 Guidance, Counseling and Evaluation Services	1,287,476	-	-	-
0032 Social Work Services	8,192	-	-	-
0033 Health Services	246,905	-	-	-
0034 Student (Pupil) Transportation	3,013	-	-	-
0035 Food Services	431,872	-	-	-
0036 Extracurricular Activities	441,721	-	-	-
0041 General Administration	51,079	-	-	-
0051 Facilities Maintenance and Operations	95,997	87,523	-	-
0052 Security and Monitoring Services	87,210	-	-	-
0053 Data Processing Services	37,611	-	-	-
0061 Community Services	552,790	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	3,099	6,678,421	5,283,437	262,727
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	6,000	-	-	-
6030 Total Expenditures	12,781,282	6,765,944	5,283,437	262,727
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,260)	(5,355,107)	(4,886,394)	(260,616)
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	450,504	-	-
7915 Transfers In	174,533	10,000,000	-	-
8911 Transfers Out (Use)	-	-	-	(67,396)
7080 Total Other Financing Sources (Uses)	174,533	10,450,504	-	(67,396)
1200 Net Change in Fund Balance	162,273	5,095,397	(4,886,394)	(328,012)
0100 Fund Balance - (Beginning)	998,069	21,781,930	21,593,294	328,012
3000 Fund Balance - June 30 (Ending)	\$ 1,160,342	\$ 26,877,327	\$ 16,706,900	\$ -

	Total Nonmajor Capital Project Funds		Total Nonmajor Governmental Funds
\$	1,809,991	\$	3,732,522
	-		1,225,778
	-		9,620,713
	1,809,991		14,579,013
	-		8,222,668
	-		25,030
	-		752,585
	-		482,502
	-		45,532
	-		1,287,476
	-		8,192
	-		246,905
	-		3,013
	-		431,872
	-		441,721
	-		51,079
	87,523		183,520
	-		87,210
	-		37,611
	-		552,790
	12,224,585		12,227,684
	-		6,000
	12,312,108		25,093,390
	(10,502,117)		(10,514,377)
	450,504		450,504
	10,000,000		10,174,533
	(67,396)		(67,396)
	10,383,108		10,557,641
	(119,009)		43,264
	43,703,236		44,701,305
\$	43,584,227	\$	44,744,569

LAREDO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

	BALANCE SEPTEMBER 1 2018	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30 2019
STUDENT ACTIVITY FUND				
Assets:				
Cash and Temporary Investments	\$ 457,383	\$ 1,889,944	\$ 1,840,144	\$ 507,183
Liabilities:				
Due to Student Groups	\$ 457,383	\$ 1,889,944	\$ 1,840,144	\$ 507,183
BACK TO SCHOOL ASSISTANCE PROGRAM FUND				
Assets:				
Cash and Temporary Investments	\$ 17,312	\$ 7,944	\$ 9,993	\$ 15,263
Liabilities:				
Due to Student Groups	\$ 17,312	\$ 15,260	\$ 17,309	\$ 15,263
DONATIONS FUND				
Assets:				
Cash and Temporary Investments	\$ 38,289	\$ 33,964	\$ 28,983	\$ 43,270
Other Receivables	5,000	-	5,000	-
Total Assets	\$ 43,289	\$ 33,964	\$ 33,983	\$ 43,270
Liabilities:				
Due to Student Groups	\$ 43,289	\$ 15,614	\$ 15,633	\$ 43,270
SCHOLARSHIPS FUND				
Assets:				
Cash and Temporary Investments	\$ 44,308	\$ 79,334	\$ 10,950	\$ 112,692
Liabilities:				
Due to Student Groups	\$ 44,308	\$ 106,734	\$ 38,350	\$ 112,692
TOTAL AGENCY FUNDS				
Assets:				
Cash and Temporary Investments	\$ 557,292	\$ 2,011,186	\$ 1,890,070	\$ 678,408
Other Receivables	5,000	-	5,000	-
Total Assets	\$ 562,292	\$ 2,011,186	\$ 1,895,070	\$ 678,408
Liabilities:				
Due to Student Groups	\$ 562,292	\$ 2,027,552	\$ 1,911,436	\$ 678,408

T.E.A. REQUIRED SCHEDULES

LAREDO INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED AUGUST 31, 2019

Last Ten Years Ended August 31	1		2	3
	Tax Rates		Debt Service	Net Assessed/Appraised Value for School Tax Purposes
	Maintenance			
2010 and Prior Years	Various		Various	Various
2011	1.04000		0.23400	2,135,852,058
2012	1.04000		0.23400	2,125,507,784
2013	1.04000		0.23400	2,127,187,046
2014	1.04000		0.23400	2,108,797,859
2015	1.04000		0.23400	2,092,889,779
2016	1.04000		0.37080	2,087,487,325
2017	1.04000		0.34970	2,032,433,349
2018	1.04000		0.32970	2,094,251,971
2019 (school year under audit)	1.04000		0.42650	<u>2,334,284,214</u>
1000	TOTALS			
	July and August 2019 Collections and Adjustments*			
	Totals as of August 31, 2019			

* Although the District's fiscal year ended June 30, 2019, the information provided in this schedule for 2019 is for the twelve month period ended August 31, 2019, as required by the Texas Education Agency.

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

Column 3 - Assessed /Apraised Value for School Tax Purpo

This is the net appraised value, after deductions of all exemptions, 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 rates (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 6/30/19:

This total should agree with Exhibit A-1, Balance Sheet Memorandum totals for current year, for Asset Code 1220 - Property Taxes Delinquent.

	10 Beginning Balance 9/1/2018	20 Current Year's Levy	31 Maintenance Total Collections	32 Debt Service Total Collections	40 Entire Year's Adjustments	50 Ending Balance 08/31/19
\$	1,011,507	\$ -	\$ 20,973	\$ 3,469	\$ (19,814)	\$ 967,251
	144,624	-	3,784	851	(3,791)	136,199
	167,001	-	8,121	1,827	(3,010)	154,042
	174,044	-	11,251	2,531	(3,117)	157,144
	187,243	-	14,057	3,163	(631)	169,393
	216,962	-	16,140	5,755	530	195,598
	240,111	-	21,553	7,367	(934)	210,257
	319,073	-	27,840	9,361	(22,381)	259,491
	850,666	-	315,044	99,875	(42,073)	393,674
	-	34,232,278	22,883,806	9,384,468	193,277	2,157,281
	<u>3,311,231</u>	<u>34,232,278</u>	<u>23,322,568</u>	<u>9,518,668</u>	<u>98,057</u>	<u>4,800,330</u>
			<u>793,040</u>	<u>318,836</u>	<u>(699,726)</u>	<u>(1,811,602)</u>
\$	<u>3,311,231</u>	<u>\$ 34,232,278</u>	<u>\$ 24,115,608</u>	<u>\$ 9,837,504</u>	<u>\$ (601,669)</u>	<u>\$ 2,988,729</u>

LAREDO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FOOD SERVICE FUND
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 214,967	\$ 214,967	\$ 172,576	\$ (42,391)
5800 State Program Revenues	98,000	98,000	93,373	(4,627)
5900 Federal Program Revenues	20,080,062	20,108,062	17,283,314	(2,824,748)
5020 Total Revenues	<u>20,393,029</u>	<u>20,421,029</u>	<u>17,549,263</u>	<u>(2,871,766)</u>
EXPENDITURES:				
Current:				
0035 Food Services	20,102,303	20,130,303	17,303,027	2,827,276
0051 Facilities Maintenance and Operations	262,726	262,726	242,294	20,432
Capital Outlay:				
0081 Facilities Acquisition and Construction	28,000	28,000	-	28,000
6030 Total Expenditures	<u>20,393,029</u>	<u>20,421,029</u>	<u>17,545,321</u>	<u>2,875,708</u>
1200 Net Change in Fund Balances	-	-	3,942	3,942
0100 Fund Balance - (Beginning)	<u>4,612,813</u>	<u>4,612,813</u>	<u>4,612,813</u>	<u>-</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ 4,612,813</u>	<u>\$ 4,612,813</u>	<u>\$ 4,616,755</u>	<u>\$ 3,942</u>

LAREDO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 10,328,873	\$ 10,328,873	\$ 10,397,740	\$ 68,867
5800 State Program Revenues	19,273,117	19,273,117	19,097,341	(175,776)
5020 Total Revenues	29,601,990	29,601,990	29,495,081	(106,909)
EXPENDITURES:				
Debt Service:				
0072 Interest on Long-Term Debt	6,725,241	6,725,241	6,725,241	-
0073 Bond Issuance Cost and Fees	20,000	20,000	7,000	13,000
6030 Total Expenditures	6,745,241	6,745,241	6,732,241	13,000
1100 Excess of Revenues Over Expenditures	22,856,749	22,856,749	22,762,840	(93,909)
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	409,888	409,888	409,888	-
1200 Net Change in Fund Balances	23,266,637	23,266,637	23,172,728	(93,909)
0100 Fund Balance - (Beginning)	8,685,282	8,685,282	8,685,282	-
3000 Fund Balance - June 30 (Ending)	\$ 31,951,919	\$ 31,951,919	\$ 31,858,010	\$ (93,909)

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CAPITAL ASSETS

LAREDO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF GENERAL FIXED ASSETS BY LOCATION AND ACTIVITY
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

LOCATION AND ACTIVITY	TOTALS	LAND	BUILDINGS & IMPROVEMENTS	FURNITURE & EQUIPMENT
High Schools:				
Martin	\$ 75,016,553	\$ 280,824 ¹	\$ 72,549,839 ¹	\$ 2,185,890
Nixon	74,976,631	3,250,112	69,762,178	1,964,341
Cigarroa	35,606,890	872,258	32,552,746	2,181,886
VMT Communications & Arts	22,349,007	60,105	21,448,229	840,673
Francisco Lara Academy	2,685,524	-	2,659,606	25,918
Garcia Early College @ TAMIU	9,558,642	249,109	8,533,873	775,660
Valdez	896,123	3,106	893,017	
Middle Schools:				
Christen	29,107,660	117,596	28,388,253	601,811
Lamar	40,109,846	186,887	39,101,279	821,680
Cigarroa	13,988,542	-	13,638,422	350,120
Memorial	15,311,343	447,337	14,210,304	653,702
Elementary Schools:				
Bruni	8,276,188	6,139	7,936,153	333,896
Jose Gallegos	10,546,904	694,545	9,485,448	366,911
Daiches	9,337,074	28,111	9,021,821	287,142
Farias	12,100,757	1,750,761	10,005,160	344,836
Heights	8,107,500	400,313	7,178,782	528,405
Tarver	7,003,418	75,100	6,691,418	236,900
Leyendecker	11,706,682	133,989	11,088,398	484,295
Macdonell	7,868,840	1,348,364	6,230,665	289,811
Milton	7,272,567	164,517	6,873,345	234,705
Alma Pierce	10,365,382	47,542	9,729,401	588,439
Ryan	11,062,361	238,047	10,473,891	350,423
Santa Maria	7,554,714	20,950	7,208,608	325,156
Santo Nino	9,795,937	132,267	9,208,285	455,385
D. D. Hachar	11,597,942	484,686	10,630,272	482,984
J. C. Martin	13,128,995	240,525	12,375,767	512,703
H. B. Zachry	24,853,692	101,298	24,369,812	382,582
J. Kawas	11,249,139	238,434	10,640,292	370,413
Dovalina	6,827,494	35,000	6,317,435	475,059
H. Ligarde	7,513,323	129,588	6,917,255	466,480
T. Sanchez/Ochoa	10,175,137	120,000	9,651,668	403,469
Other Departments:				
Pregnancy, Education & Parenting	58,876	-	58,876	-
Superintendent's Office	89,127	5,545	83,582	-
Board of Trustees	42,455	34,455	-	8,000
Tax Office	21,038	-	21,038	-
Financial Management	1,653,374	10,000	1,512,578	130,796
Human Resources	15,414	-	-	15,414
Office of Communications	213,555	-	201,347	12,208
Risk Management	5,000	-	-	5,000
Internal Auditor	10,187	-	-	10,187
Fixed Assets & Custodial Services	1,454,997	149,990	527,234	777,773
Textbooks & Records Management	612,152	127,770	348,562	135,820
Performing Arts Complex	12,890,439	5,752,465 ¹	6,984,395 ¹	153,579
Fine Arts / U.I.L.	17,800	-	10,350	7,450
Early Childhood	5,000	-	-	5,000
Curriculum & Instructional	24,206	-	-	24,206
Career & Technology Education	28,928	-	-	28,928

LAREDO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF GENERAL FIXED ASSETS BY LOCATION AND ACTIVITY
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

LOCATION AND ACTIVITY	TOTALS	LAND	BUILDINGS & IMPROVEMENTS	FURNITURE & EQUIPMENT
				(Continued)
District Wide	12,807,389	1,153,262	10,275,962	1,378,165
Crime Stoppers	9,500	-	-	9,500
Instructional Technology	1,144,305	-	1,037,114	107,191
Health Services	1,687	-	1,687	-
Pupil Transportation	11,765,998	78,925	4,173,745	7,513,328
Athletics	549,224	-	243,017	306,207
Special Education	299,650	4,705	362,088	(67,143)
Printing/Creative Services	351,804	-	-	351,804
Instructional Television	1,020,016	52,647	416,406	550,963
Information Technology	4,652,986	-	613,478	4,039,508
Division of Operations	435,998	-	-	435,998
LISD Police Department	1,035,701	-	-	1,035,701
Food Service	10,236,683	121,287	7,058,564	3,056,832
Migrant	150,508	630	149,878	-
Total Assets by Location	<u>587,554,804</u>	<u>19,349,191</u>	<u>529,851,523</u>	<u>38,354,090</u>
Construction in Progress	5,547,300	-	-	-
Total General Fixed Assets	<u>\$ 593,102,104</u>	<u>\$ 19,349,191</u>	<u>\$ 529,851,523</u>	<u>\$ 38,354,090</u>

Note: ¹ Balances were reclassified with no impact to Total General Fixed Assets.

LAREDO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY LOCATION AND ACTIVITY
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

Location and Activity	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year
High Schools:				
Martin	\$ 71,061,190 ¹	\$ 4,134,591	\$ 179,228	\$ 75,016,553
Nixon	75,151,152	33,416	207,937	74,976,631
Cigarroa	35,424,636	322,564	140,310	35,606,890
VMT Communications & Arts	22,846,399	-	497,392	22,349,007
Francisco Lara Academy	2,685,524	-	-	2,685,524
Garcia Early College @ TAMIU	9,414,924	143,718	-	9,558,642
Valdez	896,123	-	-	896,123
Middle Schools:				
Christen	29,149,746	5,302	47,388	29,107,660
Lamar	29,127,079	11,029,198	46,431	40,109,846
Cigarroa	13,988,234	6,536	6,228	13,988,542
Memorial	15,338,151	17,002	43,810	15,311,343
Elementary Schools:				
Bruni	8,188,584	87,604	-	8,276,188
Jose Gallegos	10,524,224	22,680	-	10,546,904
Daiches	9,331,850	5,224	-	9,337,074
Farias	12,092,466	8,291	-	12,100,757
Heights	8,102,315	5,185	-	8,107,500
Tarver	6,998,221	5,197	-	7,003,418
Leyendecker	11,711,896	5,244	10,458	11,706,682
Macdonell	7,893,392	5,225	29,777	7,868,840
Milton	7,266,997	10,570	5,000	7,272,567
Alma Pierce	10,350,251	15,131	-	10,365,382
Ryan	11,051,964	10,397	-	11,062,361
Santa Maria	7,544,307	10,407	-	7,554,714
Santo Nino	9,797,628	6,512	8,203	9,795,937
D. D. Hachar	11,514,934	83,008	-	11,597,942
J. C. Martin	13,123,767	5,228	-	13,128,995
H. B. Zachry	24,823,703	29,989	-	24,853,692
J. Kawas	11,242,316	6,823	-	11,249,139
Dovalina	6,860,564	8,490	41,560	6,827,494
H. Ligarde	7,508,105	5,218	-	7,513,323
T. Sanchez/Ochoa	10,168,638	6,499	-	10,175,137
Other Departments:				
Pregnancy, Education & Parenting	58,876	-	-	58,876
Superintendent's Office	89,127	-	-	89,127
Board of Trustees	42,455	-	-	42,455
Tax Office	21,038	-	-	21,038
Financial Management	1,653,374	-	-	1,653,374
Human Resources	15,414	-	-	15,414
Office of Communications	201,347	12,208	-	213,555
Risk Management	5,000	-	-	5,000
Internal Auditor	10,187	-	-	10,187
Fixed Assets & Custodial Services	1,381,737	130,335	57,075	1,454,997
Textbooks & Records Management	612,152	-	-	612,152
Performing Arts Complex	16,934,744 ¹	934,083	4,978,388	12,890,439
Fine Arts / U.I.L.	17,800	-	-	17,800
Early Childhood	5,000	-	-	5,000
Curriculum & Instructional	24,206	-	-	24,206
Career & Technology Education	28,928	-	-	28,928

LAREDO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY LOCATION AND ACTIVITY
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

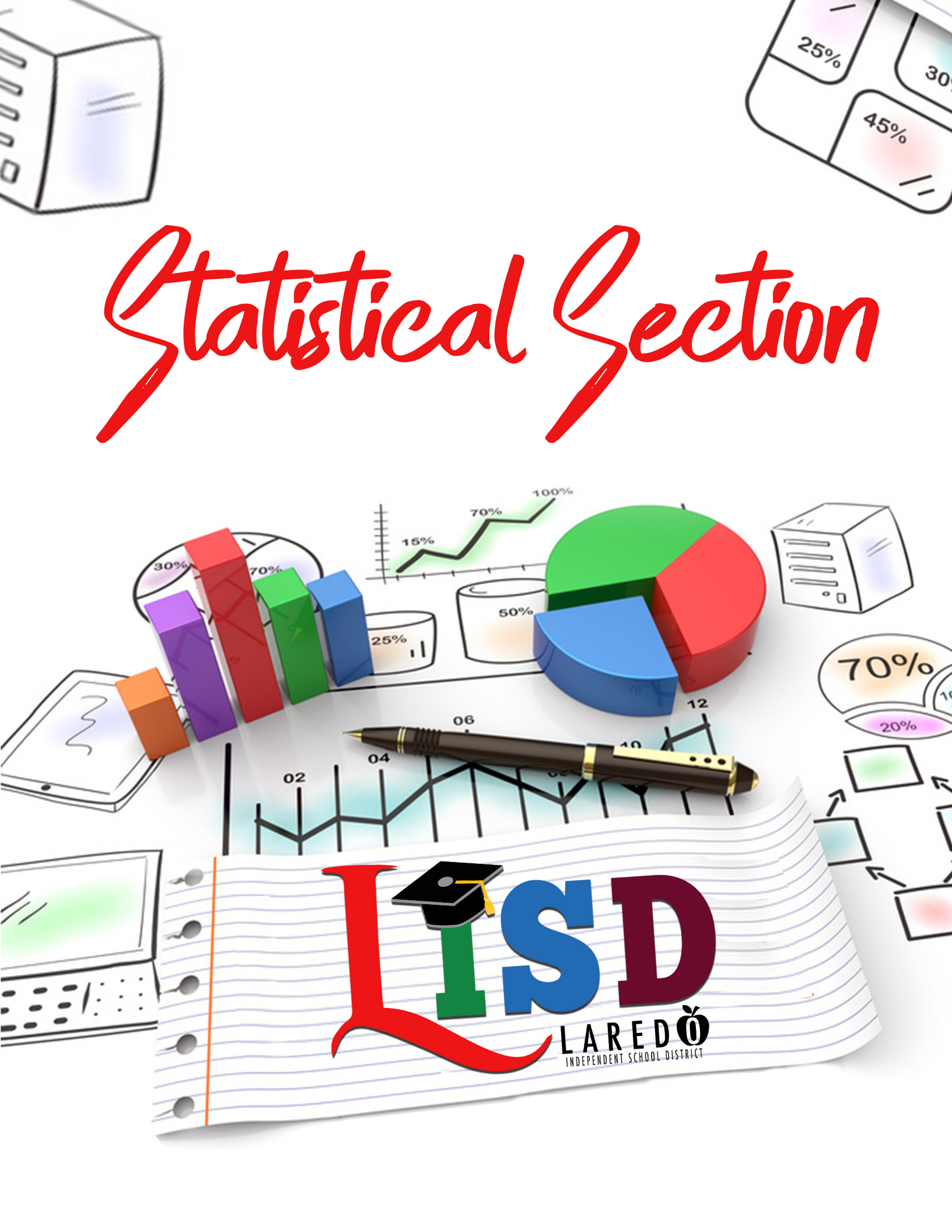
Location and Activity	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year
				(Continued)
District Wide	12,871,198	8,685	72,494	12,807,389
Crime Stoppers	9,500	-	-	9,500
Instructional Technology	1,144,305	-	-	1,144,305
Health Services	1,687	-	-	1,687
Pupil Transportation	11,848,568	207,684	290,254	11,765,998
Athletics	556,523	-	7,299	549,224
Special Education	379,531	104,223	184,104	299,650
Printing/Creative Services	351,804	-	-	351,804
Instructional Television	1,062,222	-	42,206	1,020,016
Information Technology	4,682,419	172,419	201,852	4,652,986
Division of Operations	271,773	171,225	7,000	435,998
LISD Police Department	899,850	135,851	-	1,035,701
Food Service	10,341,607	118,690	223,614	10,236,683
Migrant	150,508	-	-	150,508
Total Assets by Location	<u>576,852,160</u>	<u>18,030,652</u>	<u>7,328,008</u>	<u>587,554,804</u>
Construction in Progress	<u>9,198,903</u>	<u>12,708,118</u>	<u>16,359,721</u>	<u>5,547,300</u>
Total General Fixed Assets	<u>\$ 586,051,063</u>	<u>\$ 30,738,770</u>	<u>\$ 23,687,729</u>	<u>\$ 593,102,104</u>

Note: ¹ Beginning balances were reclassified with no impact to Total General Fixed Assets.

LAREDO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

Function	Land	Buildings & Improvements	Furniture & Equipment	Construction in Progress	Total
Prior Year Data	\$ 19,372,448	\$ 518,938,094	\$ 38,541,618	\$ 9,198,903	\$ 586,051,063
Instruction	-	-	560,476	-	560,476
Instructional Resources & Media Services	-	-	(42,206)	-	(42,206)
Instructional Leadership	-	-	5,195	-	5,195
Student (Pupil) Transportation	-	-	(308,001)	-	(308,001)
Food Services	-	-	(440,706)	-	(440,706)
Extracurricular Activities	-	-	1,621	-	1,621
General Administration	-	-	12,208	-	12,208
Facilities Maintenance and Operations	-	-	81,822	-	81,822
Security and Monitoring Services	-	-	127,339	-	127,339
Data Processing Services	-	-	(275,125)	-	(275,125)
Facilities Acquisition and Construction	(23,257)	10,913,429	89,849	(3,651,603)	7,328,418
Total Expenditures	<u>\$ 19,349,191</u>	<u>\$ 529,851,523</u>	<u>\$ 38,354,090</u>	<u>\$ 5,547,300</u>	<u>\$ 593,102,104</u>

Statistical Section



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INDEPENDENT SCHOOL DISTRICT

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 supplementary information.

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Financial Trends <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>	114-120
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Schedule 1
Laredo Independent School District
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u> <u>Reclassified¹</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities										
Net Investment in Capital Assets	\$ 99,028,291	\$ 129,424,249	\$ 115,519,722	\$ 152,236,839	\$ 138,879,715	\$ 151,104,801	\$ 150,253,093	\$ 159,131,906	\$ 158,566,357	\$ 151,440,521
Restricted										
Federal and State Programs	6,023,568	6,848,569	5,996,416	5,027,681	4,561,680	3,328,310	3,935,011	4,387,416	8,074,739	4,625,951
Debt Service	20,245,918	22,139,631	14,453,416	5,370,711	4,101,125	5,317,675	6,506,885	8,339,257	8,685,282	31,858,010
Capital Projects	1,303,248	806,912	11,202,938	526,698	1,261,086	2,330,358	3,292,365	3,763,913	4,892,836	4,818,733
Campus Activities	196,270	-	-	-	-	-	-	-	-	-
Other Purposes	11,104,927	10,570,736	-	-	-	-	-	-	-	-
Unrestricted	50,537,828	46,602,044	76,310,038	73,970,082	90,717,823	55,542,611	50,516,231	40,844,602	(96,935,148)	(92,851,699)
Total primary government net position	<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>	<u>\$ 214,503,585</u>	<u>\$ 216,467,094</u>	<u>\$ 83,284,066</u>	<u>\$ 99,891,516</u>

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

Note: House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2018-2019 reporting period. Fiscal years 2018 and prior ended on August 31; however, for 2019, the fiscal period consisted of the ten-month period of September 1, 2018 through June 30, 2019.

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
11 Instruction	\$ 146,735,324	\$ 134,847,028	\$ 140,108,277	\$ 137,739,434	\$ 142,552,448	\$ 140,705,290	\$ 164,003,719	\$ 153,166,075	\$ 115,657,365	\$ 153,783,312
12 Instructional Resources & Media Svcs.	5,382,316	4,920,120	4,465,110	3,959,506	4,176,228	4,258,320	4,692,520	4,782,897	3,220,297	4,724,771
13 Curriculum & Instructional Staff Devpt.	3,191,229	2,388,482	2,733,097	3,453,301	4,487,817	3,386,737	3,015,046	2,805,943	1,892,948	3,141,298
21 Instructional Leadership	4,858,256	4,594,040	3,853,769	3,349,037	3,498,834	3,519,444	3,974,166	4,243,539	2,468,713	3,833,580
23 School Leadership	11,941,453	12,315,890	13,014,688	12,245,906	12,764,478	13,128,484	14,258,331	14,654,202	9,343,520	15,121,840
31 Guidance, Counseling, and Evaluation Svcs.	8,295,054	8,006,556	7,496,736	7,492,742	8,119,158	8,403,036	9,280,681	9,424,462	5,990,563	8,592,604
32 Social Work Services	1,560,438	1,463,034	1,222,820	1,238,760	1,529,866	1,672,827	1,964,672	1,964,935	1,390,842	1,903,535
33 Health Services	3,291,693	3,222,582	3,140,289	2,917,063	3,251,157	3,219,722	3,572,505	3,621,892	2,700,202	3,813,882
34 Student (Pupil) Transportation	3,741,933	5,058,546	5,173,676	4,234,494	4,173,383	4,968,215	5,644,209	5,116,099	3,462,486	4,622,935
35 Food Services	14,853,696	16,435,137	16,726,252	17,009,230	18,234,193	20,444,766	19,592,169	22,341,293	20,087,952	18,540,542
36 Cocurricular/Extracurricular Activities	3,994,642	4,001,848	4,120,248	4,431,509	4,893,908	5,077,865	6,290,355	6,476,233	5,155,082	6,955,544
41 General Administration	7,351,514	5,877,835	5,805,488	5,586,204	6,573,738	5,906,408	6,625,767	7,040,294	4,975,745	6,780,208
51 Plant Maintenance & Operations	21,345,976	21,067,890	22,447,885	20,231,257	21,627,117	23,146,357	24,107,260	25,394,880	20,322,233	21,748,435
52 Security & Monitoring Services	2,968,302	8,753,039	4,205,124	3,087,696	5,366,645	5,750,694	5,765,749	5,019,948	3,360,146	4,863,589
53 Data Processing Services	3,353,815	3,538,788	7,844,613	4,004,593	4,454,289	5,986,245	4,617,645	4,864,734	3,416,169	4,597,614
61 Community Services	1,490,872	1,856,922	1,516,879	1,593,443	1,926,382	2,144,279	2,180,015	2,195,905	1,637,059	1,869,949
72 Debt Service - Interest on Long-Term Debt	12,893,768	13,009,498	12,386,876	11,794,066	9,811,292	10,916,641	11,514,895	10,542,417	9,729,953	11,031,825
73 Bond Issuance Costs and Fees	254,559	279,195	300,252	285,502	1,801,763	657,048	6,802	5,000	924,419	7,000
93 Payments to Fiscal Agents/Mem.	-	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
95 Payments to Juvenile Justice Alternative Ed.	85,320	72,443	58,618	162,740	184,386	121,502	274,841	105,781	76,788	38,236
Total primary government expenses	<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>	<u>291,387,347</u>	<u>283,772,529</u>	<u>215,818,482</u>	<u>275,976,699</u>
Program Revenues										
Governmental activities:										
Charges for services										
Instruction	294,749	-	-	-	642,644	-	-	-	-	-
Student (Pupil) Transportation	-	25,388	24,898	41,081	-	-	-	-	-	-
Food Services	330,569	323,896	345,903	339,974	340,262	229,878	164,443	115,447	107,649	89,076
Extracurricular Activities	154,023	145,658	240,733	221,142	214,101	243,410	222,554	206,763	254,954	161,758
General Administration	-	2,539	-	22,121	-	7,005	-	19,249	52,729	19,470
Plant Maintenance and Operations	1,073	-	7,414	7,625	-	-	-	-	-	-
Security & Monitoring Services	-	-	-	-	-	-	6,148	9,624	7,573	-
Data Processing Services	-	3,253	-	-	-	-	-	-	-	-
Community Services	-	220,876	224,081	252,807	192,117	883,000	797,794	484,306	821,826	369,938
Operating grants and contributions	<u>75,483,285</u>	<u>77,827,937</u>	<u>65,735,610</u>	<u>60,252,450</u>	<u>59,480,070</u>	<u>56,404,405</u>	<u>66,225,000</u>	<u>61,040,269</u>	<u>4,088,082</u>	<u>61,674,934</u>
Total primary government program revenues	<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>	<u>67,415,939</u>	<u>61,875,658</u>	<u>5,332,813</u>	<u>62,315,176</u>
Net (Expense)/Revenue										
Total primary government net expense	<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>	<u>\$ 223,971,408</u>	<u>\$ 221,896,871</u>	<u>\$ 210,485,669</u>	<u>\$ 213,661,523</u>

Note: House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2018-2019 reporting period. Fiscal years 2018 and prior ended on August 31; however, for 2019, the fiscal period consisted of the ten-month period of September 1, 2018 through June 30, 2019.

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									
	2010	2011	2012	2013	2014 Restated ¹	2015	2016	2017	2018	2019
Net (Expense)/Revenue										
Total primary government net expense	\$ 181,326,461	\$ 173,165,326	\$ 190,048,058	\$ 183,685,283	\$ 198,563,888	\$ 205,652,182	\$ 223,971,408	\$ 221,896,871	\$ 210,485,669	\$ 213,661,523
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes levied for general purposes	21,204,563	21,057,468	21,005,060	21,171,067	20,829,646	21,127,655	21,003,850	21,690,132	22,643,763	22,961,084
Property taxes levied for debt service	4,772,952	4,738,142	4,726,261	4,763,468	4,689,267	7,532,433	7,180,768	7,293,674	7,178,509	9,160,602
Unrestricted State Aid Formula Grants	169,891,579	166,315,755	165,355,519	160,288,363	169,677,509	178,306,378	190,334,823	188,322,463	187,601,244	185,805,357
Unrestricted grants and contributions	1,531,997	5,278,634	2,301,647	6,240,658	2,789,961	2,757,397	4,717,766	3,171,139	14,515,478	7,186,508
Investment earnings	3,706,251	1,456,958	783,823	607,821	374,341	548,472	915,144	1,602,039	2,622,607	4,997,702
Miscellaneous	3,394,271	2,270,460	2,966,137	4,263,387	5,453,682	4,379,618	2,427,033	1,780,933	3,789,287	4,306,377
Special Item	-	-	-	-	109,849	-	-	-	-	(4,148,657)
Total primary government	<u>204,501,613</u>	<u>201,117,417</u>	<u>197,138,447</u>	<u>197,334,764</u>	<u>203,924,255</u>	<u>214,651,953</u>	<u>226,579,384</u>	<u>223,860,380</u>	<u>238,350,888</u>	<u>230,268,973</u>
Change in Net Position										
Total primary government	<u>\$ 23,175,152</u>	<u>\$ 27,952,091</u>	<u>\$ 7,090,389</u>	<u>\$ 13,649,481</u>	<u>\$ 5,360,367</u>	<u>\$ 8,999,771</u>	<u>\$ 2,607,976</u>	<u>\$ 1,963,509</u>	<u>\$ 27,865,219</u>	<u>\$ 16,607,450</u>

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

Note: House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2018-2019 reporting period. Fiscal years 2018 and prior ended on August 31; however, for 2019, the fiscal period consisted of the ten-month period of September 1, 2018 through June 30, 2019.

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

	Fiscal Year									
	<u>2010</u>	<u>2011¹</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund										
Nonspendable	\$ -	\$ 1,178,052	\$ 1,035,264	\$ 3,047,831	\$ 1,126,204	\$ 1,431,972	\$ 1,776,108	\$ 2,244,742	\$ 1,882,198	\$ 2,515,565
Restricted	-	14,881,931	14,929,976	2,873,497	5,291,807	5,117,869	3,398,376	3,781,278	3,823,211	3,465,609
Committed	-	-	3,851,761.00	3,955,409	12,012,274	15,438,210	2,223,380	5,870,385	2,552,537	16,085,786
Assigned	-	10,430,944	10,498,376	5,006,798	617,873	897,673	-	4,453,682	2,095,613	-
Unassigned	-	59,272,362	62,570,104	62,652,991	62,652,991	62,652,991	62,652,991	58,406,885	59,286,886	60,172,085
Reserved	15,665,794	-	-	-	-	-	-	-	-	-
Unreserved	55,213,049	-	-	-	-	-	-	-	-	-
Total General Fund	<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>	<u>\$ 70,050,855</u>	<u>\$ 74,756,972</u>	<u>\$ 69,640,445</u>	<u>\$ 82,239,045</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Special Revenue Funds	-	2,982,829	2,269,378	660,832	530,959	540,799	536,635	606,138	627,415	745,834
Debt Service Funds	-	22,139,631	14,453,416	5,370,711	4,101,125	5,317,675	6,506,885	8,339,257	8,685,282	31,858,010
Capital Projects Funds	-	71,105,330	62,570,106	65,857,222	101,546,934	68,500,586	76,173,088	35,784,307	124,174,015	120,497,217
Other Funds	-	-	-	-	-	-	-	3,689,811	4,818,733	4,818,733
Committed										
Special Revenue Funds	-	1,831,277	305,522	334,011	411,447	366,907	343,451	297,499	276,767	318,333
Capital Projects Funds	-	-	-	-	-	-	-	14,953,389	16,889,095	21,976,085
Assigned	-	-	-	-	29,175	121,383	76,167	72,152	93,887	96,175
Unassigned	-	-	-	-	-	-	-	-	-	-
Reserved	47,946,686	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	3,366,692	-	-	-	-	-	-	-	-	-
Capital Projects Funds	67,346,619	-	-	-	-	-	-	-	-	-
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Total all Other Governmental Funds	<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>	<u>\$ 83,636,226</u>	<u>\$ 63,742,553</u>	<u>\$ 155,565,194</u>	<u>\$ 180,310,387</u>

Notes:

¹ 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.

² House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2018-2019 reporting period. Fiscal years 2018 and prior ended on August 31; however, for 2019, the fiscal period consisted of the ten-month period of September 1, 2018 through June 30, 2019.

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Federal Sources:										
Federal Grants	\$ 41,198,981	\$ 43,871,485	\$ 41,978,269	\$ 39,913,339	\$ 36,613,595	\$ 29,020,689	\$ 31,396,178	\$ 29,986,003	\$ 29,097,894	\$ 30,366,050
Food Services	14,174,829	15,779,620	15,742,194	16,475,778	16,936,477	18,536,349	18,803,921	19,284,241	19,715,293	17,283,314
Total Federal Sources	55,373,810	59,651,105	57,720,463	56,389,117	53,550,072	47,557,038	50,200,099	49,270,244	48,813,187	47,649,364
State Sources:										
Per Capita and Foundation	152,285,241	150,492,906	147,080,044	145,385,212	154,191,699	160,143,059	169,836,626	167,481,803	168,330,583	167,076,364
Instructional Facilities Allotment	14,149,005	13,968,333	7,029,771	15,499,728	12,036,704	15,139,455	12,841,663	12,673,344	12,154,114	12,112,391
Teacher Retirement System on Behalf	8,507,328	8,599,937	7,973,904	7,744,130	7,923,275	8,862,520	9,276,169	9,271,868	9,571,528	7,677,377
Other State Programs	13,230,018	13,873,112	11,803,890	483,567	4,245,190	3,942,248	12,149,975	9,825,145	10,098,872	8,670,915
Other Governmental Agencies	8,523	36,543	14,278	10,000	600	4,761	2,153	1,225	295	3,466
Total State Sources	188,180,115	186,970,831	173,901,887	169,122,637	178,397,468	188,092,043	204,106,585	199,253,385	200,155,392	195,540,513
Local Sources:										
Property Taxes	26,842,672	26,861,291	26,398,584	26,771,494	26,331,681	28,928,547	27,815,204	28,728,364	29,475,912	33,668,873
Food Service Sales	330,569	323,896	345,903	337,567	337,180	-	-	-	-	-
Investment Income	3,299,340	1,396,011	785,814	608,346	374,341	548,472	915,144	1,605,953	2,624,210	5,000,374
Penalties, Interest, and Other Fees	849,947	793,562	680,304	681,600	631,631	740,642	627,167	716,478	613,964	543,080
Co-Curricular	154,024	140,579	2,744,310	558,709	554,362	463,024	384,585	320,276	338,489	249,990
Other Revenues	5,472,925	3,574,980	1,104,934	4,065,606	4,583,374	6,112,616	4,749,404	4,231,738	5,826,575	4,407,523
Total Local Sources	36,949,477	33,090,319	32,059,849	33,023,322	32,812,569	36,793,301	34,491,504	35,602,809	38,879,150	43,869,840
Total Revenues	\$ 280,503,402	\$ 279,712,255	\$ 263,682,199	\$ 258,535,076	\$ 264,760,109	\$ 272,442,382	\$ 288,798,188	\$ 284,126,438	\$ 287,847,729	\$ 287,059,717

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
11 Instruction	\$ 136,926,181	\$ 130,994,791	\$ 133,835,305	\$ 126,032,501	\$ 132,597,447	\$ 132,646,437	\$ 143,495,182	\$ 136,465,680	\$ 145,631,580	\$ 128,266,854
12 Instructional Resources & Media Svcs.	5,008,109	4,852,523	4,250,190	3,941,030	4,174,448	4,295,684	4,427,255	4,515,550	4,653,810	4,093,732
13 Curriculum & Instructional Staff Devpt.	3,190,961	2,315,992	2,732,512	3,432,377	4,424,265	3,431,842	2,918,364	2,681,622	2,500,170	3,087,205
21 Instructional Leadership	4,830,156	4,526,994	3,818,325	3,301,490	3,451,369	3,515,203	3,784,249	3,842,949	3,674,328	3,369,785
23 School Leadership	11,860,625	12,310,481	12,703,954	11,930,327	12,691,010	13,198,939	13,519,955	13,860,076	14,272,083	12,709,979
31 Guidance, Counseling, and Evaluation Svcs.	8,287,553	8,033,912	7,453,131	7,484,627	8,182,237	8,557,113	8,829,658	8,946,731	9,120,245	7,780,632
32 Social Work Services	1,547,337	1,459,941	1,216,784	1,235,284	1,541,127	1,698,787	1,882,047	1,858,103	1,955,339	1,729,127
33 Health Services	3,275,482	3,222,011	3,129,927	2,905,793	3,185,523	3,281,779	3,406,035	3,463,076	3,730,530	3,347,616
34 Student (Pupil) Transportation	3,379,725	4,286,949	3,857,490	3,795,583	4,002,756	4,307,298	4,733,267	4,175,617	4,486,279	3,824,136
35 Food Services	14,721,207	16,322,280	17,015,626	16,684,983	18,002,630	19,426,282	19,072,466	19,416,857	20,759,504	17,734,899
36 Cocurricular/Extracurricular Activities	3,978,069	3,988,524	4,117,102	4,407,657	4,852,089	5,040,916	5,948,341	5,878,084	5,907,040	6,506,023
41 General Administration	6,911,475	5,817,817	5,827,965	5,538,290	6,445,612	5,909,523	6,359,199	6,641,750	6,880,480	6,004,545
51 Plant Maintenance & Operations	21,033,887	20,785,265	22,049,652	20,007,352	21,487,072	22,725,580	23,177,152	24,032,116	24,588,605	19,927,554
52 Security & Monitoring Services	2,941,578	6,062,334	3,587,576	3,069,286	4,326,797	4,701,477	4,888,752	4,371,936	4,444,557	4,073,247
53 Data Processing Services	3,347,252	3,520,834	4,170,043	3,862,338	4,270,254	4,831,579	4,154,827	4,117,210	4,242,355	3,751,497
61 Community Services	1,490,764	1,820,034	1,506,155	1,576,705	1,947,785	2,167,960	2,031,159	2,007,213	1,995,629	1,845,327
71 Principal	14,144,518	14,799,652	19,474,301	20,885,585	13,234,622	14,711,406	13,200,573	13,188,573	13,265,764	-
Interest	12,245,352	11,101,550	12,176,157	10,661,786	10,304,574	10,849,966	13,737,689	13,744,539	13,666,365	6,725,241
Other Debt Service Costs	287,969	289,311	18,950	17,950	1,801,762	657,048	6,802	5,000	924,419	7,000
81 Facilities acquisition/construction	17,657,752	29,190,358	12,014,889	30,319,993	40,527,381	34,983,327	9,926,713	25,989,531	16,340,587	14,137,793
Other capital outlay	-	-	-	-	-	-	-	-	-	-
93 Payments to Fiscal Agents / Members	-	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
95 Payments to Juvenile Justice Alternative Ed.	85,320	72,443	58,618	162,740	184,386	121,502	274,841	105,781	76,788	38,236
Total Expenditures	\$ 277,151,272	\$ 285,779,996	\$ 275,020,652	\$ 281,259,677	\$ 301,641,146	\$ 301,065,648	\$ 289,780,526	\$ 299,313,994	\$ 303,122,457	\$ 248,966,428
Debt Service as a percentage of noncapital expenditures ¹	10.78%	10.85%	13.06%	13.71%	7.31%	10.14%	9.84%	10.48%	10.19%	3.08%

Notes:

¹Percentage was calculated as follows: (Debt Service Principal + Interest Payments) / (Total Expenditures - Capital) (6,725,241) / (248,973,428. - 30738770.) Capital Assets increased by \$30,738,770. See Note G to the Basic Financial Statements.

²House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2018-2019 reporting period. Fiscal years 2018 and prior ended on August 31; however, for 2019, the fiscal period consisted of the ten-month period of September 1, 2018 through June 30, 2019.

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									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Excess of Revenues over (under) Expenditures	\$ 3,352,130	\$ (6,067,741)	\$ (11,338,453)	\$ (22,724,601)	\$ (36,881,037)	\$ (28,623,266)	\$ (982,338)	\$ (15,187,556)	\$ (15,274,728)	\$ 38,093,289
Other Financing Sources (Uses)										
Issuance of Bonds	18,420,000	18,415,000	-	-	144,585,000	68,560,000	-	-	90,375,000	-
Lease Proceeds	-	-	-	-	-	-	-	-	-	-
Premium on Issuance of Bond	1,382,794	926,503	-	-	29,678,827	10,466,511	-	-	12,544,420	-
Sale of Real and Personal Property	-	72,215	-	-	109,849	-	11,500	-	-	450,504
Payment to Refunded Bond Escrow Agent	(19,771,368)	(19,062,461)	-	-	(98,931,152)	(78,337,969)	-	-	-	-
Transfers In	8,510,698	7,020,726	8,266,550	23,776,245	49,636,867	4,084,152	17,700,193	6,385,323	7,088,189	12,551,652
Transfers Out	<u>(8,510,698)</u>	<u>(7,020,726)</u>	<u>(8,266,550)</u>	<u>(23,776,245)</u>	<u>(49,636,867)</u>	<u>(4,084,152)</u>	<u>(17,700,193)</u>	<u>(6,385,323)</u>	<u>(8,026,766)</u>	<u>(13,751,652)</u>
Total Other Financing Sources (uses)	<u>31,426</u>	<u>351,257</u>	<u>-</u>	<u>-</u>	<u>75,442,524</u>	<u>688,542</u>	<u>11,500</u>	<u>-</u>	<u>101,980,843</u>	<u>(749,496)</u>
Net Change in Fund Balances	<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>	<u>\$ (970,838)</u>	<u>\$ (15,187,556)</u>	<u>\$ 86,706,115</u>	<u>\$ 37,343,793</u>

Note: House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2018-2019 reporting period. Fiscal years 2018 and prior ended on August 31; however, for 2019, the fiscal period consisted of the ten-month period of September 1, 2018 through June 30, 2019.

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

Fiscal Year	Actual Value		Less: Exemptions	Total Taxable Value²	Total Direct Rate¹
	Residential Property	Personal Property			
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
2016	2,704,083,671	261,884,616	933,534,938	2,032,433,349	1.396
2017	2,888,545,082	268,944,439	1,071,941,714	2,085,547,807	1.390
2018	3,166,118,697	269,658,384	1,237,811,226	2,197,965,855	1.370
2019	3,366,865,042	303,578,841	1,336,159,669	2,334,284,214	1.467

Source: LISD Tax Office

Notes:

¹Per \$100 of assessed value.

²The 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 ¹		
	Maintenance & Operations	Debt Service	Total	Laredo Community College	City of Laredo	Webb County Road & Bridge
2010	1.0400	0.2340	1.2740	0.2438	0.2438	0.1795
2011	1.0400	0.2340	1.2740	0.2430	0.2430	0.1720
2012	1.0400	0.2340	1.2740	0.2397	0.2397	0.1627
2013	1.0400	0.2340	1.2740	0.2296	0.2296	0.1472
2014	1.0400	0.2340	1.2740	0.2200	0.2200	0.1300
2015	1.0400	0.3708	1.4108	0.2155	0.2155	0.1280
2016	1.0400	0.3555	1.3955	0.2164	0.2164	0.1456
2017	1.0400	0.3497	1.3897	0.2154	0.2154	0.1415
2018	1.0400	0.3297	1.3697	0.2162	0.2162	0.1402
2019	1.0400	0.4265	1.4665	0.2123	0.2123	0.1334

Source: LISD Tax Office

Note:

¹Includes levies for operating and debt service costs.

²House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2018-2019 reporting period. Fiscal years 2018 and prior ended on August 31; however, for 2019, the fiscal period consisted of the ten-month period of September 1, 2018 through June 30, 2019.

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

<u>Taxpayer</u>	Tax Year 2018			Tax Year 2009		
	Assessed Valuation	Rank	Percentage Total Assessed Valuation	Assessed Valuation	Rank	Percentage Total Assessed Valuation
Laredo Texas Hospital Co LP	\$ 89,944,640	1	2.39%	\$ 94,016,920	1	3.11%
Laredo Outlet Shoppes LLC	63,629,750	2	1.69%	-	-	-
AEP Texas Central Company	37,556,200	3	1.00%	19,177,910	3	0.63%
Webb Hospital Holdings LLC	19,449,260	4	0.52%	20,163,140	2	0.67%
International Bank of Commerce	17,489,092	5	0.47%	16,932,330	4	0.56%
HE Butt Grocery Co	15,895,900	6	0.42%	15,268,590	5	0.51%
MPT of Laredo LLC	11,593,150	7	0.31%	-	-	-
The Laredo National Bank	11,520,900	8	0.31%	13,484,000	8	0.45%
Union Pacific Railroad Company	8,855,820	10	0.24%	-	-	-
Time Warner Cable Texas LLC	9,072,540	9	0.24%	-	-	-
R&P Ramirez LTD	-	-	-	-	-	-
Southwestern Bell Telephone LP	-	-	-	14,939,150	6	0.49%
BIA Acquisition LTD	-	-	-	9,118,290	10	0.30%
La Posada Hotel	-	-	-	10,917,760	9	0.36%
Laredo Specialty Hospital LP	-	-	-	14,801,760	7	0.49%
	<u>\$ 285,007,252</u>		<u>7.58%</u>	<u>\$ 228,819,850</u>		<u>7.57%</u>

Source: LISD Tax Office

Note: House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2018-2019 reporting period. Fiscal years 2018 and prior ended on August 31; however, for 2019, the fiscal period consisted of the ten-month period of September 1, 2018 through June 30, 2019.

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

Fiscal Year Ended August 31	Taxes Levy for the Fiscal Year	Adjustments in Subsequent Years	Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		
				Amount Collected	Percentage of Levy		Amount Collected	Outstanding Tax Levy	Percentage of Adjusted Levy
2010	\$ 27,102,410	(56,985)	\$ 27,045,425	\$ 25,957,921	95.78	\$ 998,229	\$ 26,956,150	\$ 89,275	99.67%
2011	27,095,747	(9,244)	27,086,503	26,174,858	96.60	815,537	26,990,395	96,108	99.65%
2012	27,000,439	(37,047)	26,963,392	25,976,529	96.21	870,504	26,847,033	116,359	99.57%
2013	27,206,649	(5,153)	27,201,496	26,296,681	96.66	780,391	27,077,072	124,423	99.54%
2014	26,748,591	(155,748)	26,592,843	25,914,276	96.88	551,920	26,466,195	126,648	99.52%
2015	29,441,531	(66,019)	29,375,512	28,602,811	97.15	625,999	29,228,810	146,702	99.50%
2016	28,436,615	(72,457)	28,364,157	27,555,738	96.90	658,437	28,214,176	149,982	99.47%
2017	29,235,914	(168,098)	29,067,815	28,384,510	97.09	469,020	28,853,531	214,284	99.26%
2018	30,162,537	(86,524)	30,076,013	29,311,871	97.18	456,313	29,768,184	307,829	98.98%
2019	34,369,768	-	34,369,768	33,323,775	96.96	-	33,323,775	1,045,993	96.96%

Source: LISD Tax Office

Note: House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2018-2019 reporting period. however, for this schedule, the fiscal period consisted of the 12-month period of September 1, 2018 through August 31, 2019.

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

Fiscal Year	General Obligation Bonds	Loans	Total Primary Government	Percentage of Personal Income¹	Per Capita¹	Per Capita Personal Income Schedule # 16
2010	\$ 267,149,396	\$ 25,975,000	\$ 293,124,396	4.92%	\$ 1,236	\$ 25,127
2011	256,072,731	24,000,000	280,072,731	4.37%	1,134	25,955
2012	245,038,625	16,000,000	261,038,625	3.86%	965	25,037
2013	233,645,070	8,000,000	241,645,070	3.40%	873	25,715
2014	298,948,962	8,000,000	306,948,962	4.06%	1,113	27,428
2015	291,774,065	8,000,000	299,774,065	3.73%	1,062	28,467
2016	275,614,165	8,000,000	283,614,165	3.55%	982	27,621
2017	258,726,839	8,000,000	266,726,839	3.23%	901	27,865
2018	343,853,533	8,000,000	351,853,533	4.14%	1,161	28,026
2019	342,121,822	8,000,000	350,121,822	4.00%	1,128	28,186

Notes:

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

²House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2018-2019 reporting period. Fiscal years 2018 and prior ended on August 31; however, for 2019, the fiscal period consisted of the ten-month period of September 1, 2018 through June 30, 2019.

Schedule 13
 Laredo Independent School District
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2019
 Unaudited

<u>Governmental Unit</u>	<u>Estimated Gross Debt</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Laredo	\$ 630,520,710	21.23%	\$ 133,859,547
County of Webb	83,200,762	13.33%	11,090,662
Laredo College	186,885,000	21.23%	<u>39,675,686</u>
Subtotal, overlapping debt			184,625,894
District Direct Debt	350,121,822	100.00%	<u>350,121,822</u>
Total Direct and Overlapping Debt			<u>\$ 534,747,716</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.

¹The 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.

²House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2018-2019 reporting period. Fiscal years 2018 and prior ended on August 31; however, for 2019, the fiscal period consisted of the ten month period of September 1, 2018 through June 30, 2019.

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

Legal Debt Margin Calculation for Fiscal Year 2019

Net Assessed value of 2018 taxable property			\$	2,334,284,214
Plus: Exemptions				1,336,159,669
Total Assessed Value				<u>3,670,443,883</u>
Debt limit (10% of total assessed value)				367,044,388
Amount of debt applicable to said maximum debt limit:				
Total (net) general bonded debt	\$	342,121,822		
(Percentage of debt to total assessed value)				9.32%
Less: Debt Service Fund Balance as of 6/30/18		31,858,010		
Total amount of debt applicable to debt limit				<u>310,263,812</u>
Debt margin			\$	<u>56,780,576</u>

**Total Net Debt
Applicable to the
Limit As a
Percentage of Debt
Limit**

<u>Fiscal Year</u>	<u>Debt limit</u>	<u>Total net debt applicable to limit</u>	<u>Debt Margin</u>	
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%
2016	296,596,829	269,107,280	27,489,549	90.73%
2017	315,748,952	250,387,582	65,361,370	79.30%
2018	343,577,708	335,168,251	8,409,457	97.55%
2019	367,044,388	310,263,812	56,780,576	84.53%

Notes:

¹Currently, 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 and the Instructional Facilities Allotment Program are subject to biennial appropriation by the Texas Legislature. The District's Series 2001, 2005, 2006, 2013, 2014, 2018, and 2010, 2011, 2014, 2015 Refunding Bonds are secured by the Permanent School Fund Guarantee.

²House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2018-2019 reporting period. Fiscal years 2018 and prior ended on August 31; however, for 2019, the fiscal period consisted of the ten-month period of September 1, 2018 through June 30, 2019.

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

Unaudite

Fiscal Year	Assessed Value ¹	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 ²	Net Bonded Debt per Student
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
2016	2,032,433,349	275,614,165	6,506,885	269,107,280	13.24%	288,922	931	24,166	11,136
2017	2,085,547,807	258,726,839	8,339,257	250,387,582	12.01%	295,933	846	24,200	10,347
2018	2,094,251,971	343,853,533	8,685,282	335,168,251	16.00%	303,060	1,106	24,022	13,953
2019	2,334,284,214	342,121,822	31,858,010	310,263,812	13.29%	310,377	1,000	23,645	13,122

Notes:

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

²Enrollment is as of the October reporting date to TEA through the Public Education Information System(PEIMS).

³House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2018-2019 reporting period. Fiscal years 2018 and prior ended on August 31; however, for 2019, the fiscal period consisted of the ten-month period of September 1, 2018 through June 30, 2019.

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

Calendar Year	Population	Personal Income¹	Per Capita Personal Income	Unemployment Rate³
2010	237,244 ²	\$ 5,961,227,000	\$ 25,127	8.00%
2011	246,917 ³	6,408,612,000	25,955	7.95%
2012	270,381 ⁴	6,769,544,000	25,037	7.07%
2013	276,656 ⁴	7,114,194,000	25,715	6.47%
2014	275,686 ⁴	7,561,382,000	27,428	5.48%
2015	282,143 ⁴	8,031,782,000	28,467	4.26%
2016	288,922 ⁴	7,980,237,000	27,621	4.44%
2017	295,933 ⁴	8,246,035,000	27,865	4.51%
2018	303,060 ⁴	8,493,416,050 ⁶	28,026	3.79% ⁵
2019	310,377 ⁴	8,748,218,532 ⁶	28,186	3.80% ⁵

Sources:

¹U.S. Department of Commerce

²U.S. Census Bureau

³Texas State Data Center

⁴Texas Department of State Health Services

⁵FRED Economic Data | St. Louis Fed

⁶Personal Income not yet available. LISD estimates based on prior trends-3% increase.

Notes:

¹Population and Unemployment Rate for 2018 represent projected figures.

²House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2018-2019 reporting period. Fiscal years 2018 and prior ended on August 31; however, for 2019, the fiscal period consisted of the ten-month period of September 1, 2018 through June 30, 2019.

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

<u>Employer</u>	<u>2019</u>			<u>2010</u>		
	<u>Employees¹</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
United Independent School District	6204	1	24.89%	6,153	1	27.11%
Laredo Independent School District	4346	2	17.43%	4,591	2	20.23%
City of Laredo	2535	3	10.17%	2,366	3	10.42%
Wal-Mart	2125	4	8.52%	-	-	-
US CBP-Customs Field Officers	1950	5	7.82%	-	-	-
H-E-B	1900	6	7.62%	1,602	5	7.06%
McDonald's Restaurant	1520	7	6.10%	1,200	8	5.29%
Webb County	1500	8	6.02%	1,450	6	6.39%
Laredo Medical Center	1450	9	5.82%	1,433	7	6.31%
Laredo Sector Border Patrol	1400	10	5.62%	1,700	4	7.49%
Texas A&M International University	-	-	-	1,195	9	5.26%
Convergys	-	-	-	1,009	10	4.45%
Annual Labor Force	<u>24,930</u>		<u>100.00%</u>	<u>22,699</u>		<u>100.00%</u>

Source: Laredo Economic Development Corporation - 2019
Laredo Development Foundation - 2010

Notes:

¹Total 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.

²House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2018-2019 reporting period. Fiscal years 2018 and prior ended on August 31; however, for 2019, the fiscal period consisted of the ten-month period of September 1, 2018 through June 30, 2019.

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

	Fiscal Year										Percentage Change 2010-2019
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Teachers											
Pre-K & Kindergarten	221	223	198	215	206	206	205	213	223	222	
Elementary	678	671	625	629	557	535	535	524	517	522	
Secondary	637	603	576	543	630	625	639	679	680	681	
All Level	67	87	95	67	62	74	64	35	36	20	
Total Teachers	1,603	1,584	1,494	1,454	1,455	1,440	1,443	1,450	1,455	1,445	-9.86%
Support Staff											
Supervisors	-	-	-	-	-	1	1	1	1	1	
Counselors	63	65	65	64	67	69	72	74	73	72	
Educ Diagnosticians	17	17	14	15	15	15	17	17	17	15	
Librarians	30	30	27	27	27	27	27	27	27	27	
Nurses/Physicians	43	45	38	33	35	35	34	34	32	31	
Therapists	24	20	21	22	22	22	21	22	19	15	
Other Support Staff	210	205	172	167	172	167	172	177	168	171	
Total Support Staff	387	382	337	328	338	336	344	351	336	332	-14.21%
Administrators											
Admin/Instr Officers	36	37	31	29	35	36	37	38	34	32	
Principals	29	28	27	29	29	29	29	29	29	29	
Assistant Principals	54	58	54	51	53	53	53	53	52	51	
Superintendents	1	1	1	1	1	1	1	1	1	1	
Asst Superintendents	1	-	-	-	-	-	-	-	7	7	
Total Administrators	121	124	113	110	118	119	119	121	123	120	-0.83%
Educational Aides	526	478	355	370	413	403	387	387	461	459	-12.74%
Certified Interpreter	-	-	-	-	-	-	1	1	2	2	100.00%
Auxiliary Staff	1,240	1,260	1,268	1,273	1,221	1,258	1,329	1,320	1,247	1,334	7.58%
Total	3,877	3,828	3,567	3,535	3,545	3,556	3,623	3,630	3,624	3,692	-4.77%

Source: Texas Education Agency, Fall PEIMS Submission

Notes:

¹Full-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.

²House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2018-2019 reporting period. Fiscal years 2018 and prior ended on August 31; however, for 2019, the fiscal period consisted of the ten-month period of September 1, 2018 through June 30, 2019.

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

Fiscal Year	Enrollment¹	Operating Expenditures²	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
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	6.97%	1,455	17.1	97.70%
2015	24,659	239,863,901	9,727	2.79%	1,440	17.1	91.70%
2016	24,166	252,908,749	10,465	7.59%	1,443	16.7	94.30%
2017	24,200	246,386,351	10,181	-2.72%	1,450	16.7	93.00%
2018	24,022	258,925,322	10,779	5.87%	1,455	16.5	95.47%
2019	23,645	228,096,394	9,647	-10.50%	1,445	16.4	96.34%

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

Notes:

- ¹ Enrollment is as of the October reporting date to TEA through the Public Education Information System (PEIMS).
- ² Operating Expenditures are total governmental fund expenditures less debt service, facilities acquisition and construction (functions 71, 72 and 81).
- ³ House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2018-2019 reporting period. Fiscal years 2018 and prior ended on August 31; however, for 2019, the fiscal period consisted of the ten-month period of September 1, 2018 through June 30, 2019.

Schedule 20
Laredo Independent School District
Teacher Base Salaries
Last Ten Fiscal Years
Unaudited

Fiscal Year	0 Years Experience Salary¹	40+ Years Experience Salary¹	District Average Salary²	County Average Salary²	Statewide Average Salary²
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
2016	47,250	68,900	55,417	54,998	51,892
2017	47,250	69,650	55,890	54,869	52,525
2018	47,250	71,050	57,024	56,590	53,334
2019	50,950	72,050	59,141	57,889	54,122

Sources:

¹District records

²Texas Education Agency Fall PEIMS Submission

Notes:

¹Amounts do not include additional stipends based on experience or academic credentials, nor fiscal benefits such as pension, health insurance and disability.

Schedule 21

Laredo Independent School District
 Measures of Capacity
 June 30, 2019

Campus Name (1)	Original Building (1)	Facility Replacement (1)	Facility Additions and Renovations (1)	Square Footage	Classrooms	Maximum Capacity	Enrollment 2018-2019	Percentage of Capacity in Use
HIGH SCHOOLS (9th - 12th)								
Dr. Leonides G. Cigarroa	1983		2004, 2005, 2006, 2011, & 2013	270,833	87	2,175	1,555	71%
Raymond & Tirza Martin	1937		2003, 2007, 2008, 2009, 2010, & 2011	391,695	93	2,325	2,004	86%
Joseph W. Nixon	1964		2003, 2005, 2006, 2007, & 2011, 2015, 2016	406,084	83	2,075	2,236	108%
Early College at Texas A&M International University	2007	2012		42,500	20	500	420	84%
Francisco S. Lara Academy (Alternative School)	1997		1997	28,883	17	255	58	23%
TOTAL HIGH SCHOOLS:				1,139,995	300	7,330	6,273	86%
MIDDLE SCHOOLS (6th - 8 th)								
Louis J. Christen	1930	2006	2008	194,507	82	2,050	1,187	58%
Dr. Joaquin G. Cigarroa	1983		2004, 2005, 2006 & 2010, 2017	178,770	74	1,850	1,329	72%
Mirabeau B. Lamar	1957	2003	2004, 2005, 2018	198,956	78	1,950	1,385	71%
Memorial	1937-39	2005	2008	133,081	48	1,200	740	62%
TOTAL MIDDLE SCHOOLS:				705,314	282	7,050	4,641	66%
ELEMENTARY SCHOOLS (PK- 5th)								
Antonio M. Bruni	1927	2004		81,549	38	836	604	72%
Don Jose Gallego	1946	2007		92,305	39	858	747	87%
Leon Daiches	1920	2006		92,905	33	726	569	78%
Anita T. Dovalina	1983		2002, 2010	69,511	30	660	466	71%
Francisco Farias	1958	2002	2010, 2011	108,465	47	1,034	652	63%
Demetrio D. Hachar	1974	2008		88,814	30	660	535	81%
Heights	1923	2007		68,500	26	572	522	91%
Jesus A. Kawas	1983		2003, 2010, 2017	73,850	34	748	509	68%
John Z. Leyendecker	1953		2008	97,752	38	836	506	61%
Honore Ligarde	1988		2003	80,252	39	858	740	86%
Christopher M. Macdonell	1930	2004		77,965	38	836	514	61%
Joseph C. Martin	1972	2009		94,728	32	704	608	86%
Clarence L. Milton	1960		2003	88,070	51	1,122	925	82%
Alma A. Pierce	1963	2004	2010	93,233	43	946	829	88%
Michael S. Ryan	1954		2006	94,404	49	1,078	837	78%
Tomas Sanchez/Hermelinda Ochoa	1953	2002	2017	95,004	43	946	671	71%
Santa Maria	1972	2003		81,669	34	748	660	88%
Santo Niño	1960		2003, 2017	99,357	43	946	706	75%
Katherine F. Tarver	1960		2005	81,982	29	638	492	77%
Henry B. Zachry	1998	2016	2003	100,535	34	748	629	84%
TOTAL ELEMENTARY SCHOOLS:				1,760,850	750	16,500	12,721	77%
SPECIAL CAMPUSES (9th-12th)								
Dr. Dennis D. Cantu Health Science Magnet School	1999			26,960	12			
Sabas Perez School for Engineering and Technology	1983			(included in Cigarroa Hi	4			
VMT School of Communications & Fine Arts		2015		80,677	30			
Jose A. Valdez (Urbahn Bldg)	1922		1993, 2015	15,045	5			
TOTAL SPECIAL CAMPUSES:				122,682			(6)	
Total Square Footage (2):	3,728,841							
Total Minimum Capacity (3):	30,880							
Total Enrollment (4):	23,635							
Total Capacity Utilization (5):	77%							

Notes:
 (1) Source: District records (latest new replacements, additions and modifications)
 (2) Square Footage comprises the total enclosed space of each campus based on construction plans
 (3) Maximum Capacity is a calculation based on Texas Administrator Code requirements
 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)
 (4) Enrollment is the ending enrollment as of the end of the school year 2018-2019 (based on Finance Department report (PEIMS DATA))
 (5) Capacity Utilization is a calculation dividing Total Enrollment by Total Capacity, less enrollment at Special Campuses
 (6) Enrollment included with home campus
 (7) Statistical schedule provided from the Laredo Independent School District Construction Department.
 (8) House Bill 98 enacted by the 76th Legislature of the state of Texas allowed school districts to change their fiscal year-end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2018-2019 reporting period. Fiscal years 2018 and prior ended on August 31; however, for 2019, the fiscal period consisted of the ten-month period of September 1, 2018 through June 30, 2019.

August 31, 2018

Campus Name ¹	Original Building ¹	Facility Replacement ¹	Facility Additions and Renovations ¹	Square Footage	Classrooms	Minimum Capacity	Enrollment 2017-2018	Percentage of Capacity in Use
HIGH SCHOOLS (9th - 12th)								
Dr. Leonides G. Cigarroa	1983		2004, 2005, 2006, 2011, & 2013	270,833	87	2,175	1,602	74%
Raymond & Tirza Martin	1937		2003, 2007, 2008, 2009, 2010, & 2011	391,695	93	2,325	2,026	87%
Joseph W. Nixon	1964		2003, 2005, 2006, 2007, & 2011, 2015, 2016	406,084	83	2,075	2,188	105%
Early College at Texas A&M International University	2007	2012		42,500	20	500	438	88%
Francisco S. Lara Academy (Alternative School)	1997		1997	28,883	17	255	70	27%
TOTAL HIGH SCHOOLS:				1,139,995	300	7,330	6,324	86%
MIDDLE SCHOOLS (6th - 8 th)								
Louis J. Christen	1930	2006	2008	194,507	82	2,050	1,233	60%
Dr. Joaquin G. Cigarroa	1983		2004, 2005, 2006 & 2010, 2017	178,770	74	1,850	1,319	71%
Mirabeau B. Lamar	1957	2003	2004, 2005, 2018	198,956	78	1,950	1,369	70%
Memorial	1937-39	2005	2008	133,081	48	1,200	763	64%
TOTAL MIDDLE SCHOOLS:				705,314	282	7,050	4,684	66%
ELEMENTARY SCHOOLS (PK- 5th)								
Antonio M. Bruni	1927	2004		81,549	38	836	618	74%
Don Jose Gallego	1946	2007		92,305	39	858	775	90%
Leon Daiches	1920	2006		92,905	33	726	597	82%
Anita T. Dovalina	1983		2002, 2010	69,511	30	660	504	76%
Francisco Farias	1958	2002	2010, 2011	108,465	47	1,034	655	63%
Demetrio D. Hachar	1974	2008		88,814	30	660	541	82%
Heights	1923	2007		68,500	26	572	553	97%
Jesus A. Kawas	1983		2003, 2010, 2017	73,850	34	748	578	77%
John Z. Leyendecker	1953		2008	97,752	38	836	509	61%
Honore Ligarde	1988		2003	80,252	39	858	729	85%
Christopher M. Macdonell	1930	2004		77,965	38	836	539	64%
Joseph C. Martin	1972	2009		94,728	32	704	607	86%
Clarence L. Milton	1960		2003	88,070	51	1,122	881	79%
Alma A. Pierce	1963	2004	2010	93,233	43	946	839	89%
Michael S. Ryan	1954		2006	94,404	49	1,078	898	83%
Tomas Sanchez/Hermelinda Ochoa	1953	2002	2017	95,004	43	946	719	76%
Santa Maria	1972	2003		81,669	34	748	666	89%
Santo Niño	1960		2003, 2017	99,357	43	946	694	73%
Katherine F. Tarver	1960		2005	81,982	29	638	506	79%
Henry B. Zachry	1998	2016	2003	100,535	34	748	635	85%
TOTAL ELEMENTARY SCHOOLS:				1,760,850	750	16,500	13,043	79%
SPECIAL CAMPUSES (9th-12th)								
Dr. Dennis D. Cantu Health Science Magnet School	1999			26,960	12			
Sabas Perez School for Engineering and Technology	1983			(included in Cigarroa Hi)	4			
VMT School of Communications & Fine Arts		2015		80,677	30			
Jose A. Valdez (Urbahn Bldg)	1922		1993, 2015	15,045	5			
TOTAL SPECIAL CAMPUSES⁶:				122,682				
Total Square Footage (2):	3,728,841							
Total Minimum Capacity (3):	30,880							
Total Enrollment (4):	24,051							
Total Capacity Utilization (5):	78%							

Notes:

- (1) Source: District records (latest new replacements, additions and modifications)
- (2) Square Footage comprises the total enclosed space of each campus based on construction plans
- (3) Maximum Capacity is a calculation based on Texas Administrator Code requirements
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)
- (4) Enrollment is the ending enrollment as of the end of the school year 2017-2018 (based on Finance Department report (PEIMS DATA))
- (5) Capacity Utilization is a calculation dividing Total Enrollment by Total Capacity, less enrollment at Special Campuses
- (6) Enrollment included with home campus
- (7) Statistical schedule provided from the Laredo Independent School District Construction Department.

August 31, 2017

Campus Name ¹	Original Building ¹	Facility Replacement ¹	Facility Additions and Renovations ¹	Square Footage	Classrooms	Minimum Capacity	Enrollment 2016-2017	Percentage of Capacity in Use
HIGH SCHOOLS (9th - 12th)								
Dr. Leonides G. Cigarroa	1983		2004, 2005, 2006, 2011, & 2013	270,833	87	2,175	1,597	73%
Raymond & Tirza Martin	1937		2003, 2007, 2008, 2009, 2010, & 2011	366,395	93	2,325	1,942	84%
Joseph W. Nixon	1964		2003, 2005, 2006, 2007, 2011, 2015 & 2016	406,084	83	2,075	2,260	109%
Early College at Texas A&M International University	2007	2012		42,500	20	500	432	86%
Francisco S. Lara Academy (Alternative School)	1997		1997	28,883	17	255	85	33%
TOTAL HIGH SCHOOLS:				1,114,695	300	7,330	6,316	86%
MIDDLE SCHOOLS (6th - 8th)								
Louis J. Christen	1930	2006	2008	194,507	82	2,050	1,225	60%
Dr. Joaquin G. Cigarroa	1983		2004, 2005, 2006, 2010 & 2016	178,770	74	1,850	1,332	72%
Mirabeau B. Lamar	1957	2003	2004, 2005	176,157	78	1,950	1,307	67%
Memorial	1937-39	2005	2008	133,081	48	1,200	731	61%
TOTAL MIDDLE SCHOOLS:				682,515	282	7,050	4,595	65%
ELEMENTARY SCHOOLS (PK- 5th)								
Antonio M. Bruni	1927	2004		81,549	38	836	628	75%
Don Jose Gallego	1946	2007		92,305	39	858	760	89%
Leon Daiches	1920	2006		92,905	33	726	597	82%
Anita T. Dovalina	1983		2002, 2010	69,511	30	660	523	79%
Francisco Farias	1958	2002	2010, 2011	108,465	47	1,034	678	66%
Demetrio D. Hachar	1974	2008		88,814	30	660	521	79%
Heights	1923	2007		68,500	26	572	561	98%
Jesus A. Kawas	1983		2003, 2016	73,850	34	748	591	79%
John Z. Leyendecker	1953		2008	97,752	38	836	515	62%
Honore Ligarde	1988		2003	80,252	39	858	776	90%
Christopher M. Macdonell	1930	2004		77,965	38	836	613	73%
Joseph C. Martin	1972	2009		94,728	32	704	609	87%
Clarence L. Milton	1960		2003	88,070	51	1,122	875	78%
Alma A. Pierce	1963	2004	2010	93,233	43	946	848	90%
Michael S. Ryan	1954		2006	94,404	49	1,078	908	84%
Tomas Sanchez/Hermelinda Ochoa	1953	2002	2016	95,004	43	946	715	76%
Santa Maria	1972	2003		81,669	34	748	674	90%
Santo Niño	1960		2003, 2016	99,357	43	946	711	75%
Katherine F. Tarver	1960		2005	81,982	29	638	549	86%
Henry B. Zachry	1998	2016	2003	100,535	34	748	646	86%
TOTAL ELEMENTARY SCHOOLS:				1,760,850	750	16,500	13,298	81%
SPECIAL CAMPUSES (9th-12th)								
Dr. Dennis D. Cantu Health Science Magnet School	1999			26,960	12			
Sabas Perez School for Engineering and Technology	1983			(included in Cigarroa Hlg)	4			
VMT School of Communications & Fine Arts		2015		80,677	30			
Jose A. Valdez (Urbanh Bldg)	1922		1993, 2015	15,045	5			
TOTAL SPECIAL CAMPUSES⁶:				122,682				
Total Square Footage ² :	3,680,742							
Total Minimum Capacity ³ :	30,880							
Total Enrollment ⁴ :	24,209							
Total Capacity Utilization ⁵ :	78%							

Notes:

- (1) Source: District records (latest new replacements, additions and modifications)
- (2) Square Footage comprises the total enclosed space of each campus based on construction plans
- (3) Maximum Capacity is a calculation based on Texas Administrator Code requirements
- 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)
- (4) Enrollment is the ending enrollment as of the end of the school year 2016-2017 (based on Finance Department report (PEIMS DATA))
- (5) Capacity Utilization is a calculation dividing Total Enrollment by Total Capacity, less enrollment at Special Campuses
- (6) Enrollment included with home campus
- (7) Statistical schedule provided from the Laredo Independent School District Construction Department.

August 31, 2016

Campus Name ¹	Original Building ¹	Facility Replacement ¹	Facility Additions and Renovations ¹	Square Footage	Classrooms	Minimum Capacity	Enrollment 2015-2016	Percentage of Capacity in Use
HIGH SCHOOLS (9th - 12th)								
Dr. Leonides G. Cigarroa	1983		2004, 2005, 2006, 2011, & 2013	277,154	87	2,175	1,569	72%
Raymond & Tirza Martin	1937		2003, 2007, 2008, 2009, 2010, & 2011	364,735	93	2,325	1,875	81%
Joseph W. Nixon	1964		2003, 2005, 2006, 2007, & 2011	425,608	83	2,075	2,088	101%
Early College at Texas A&M International University	2007	2012		42,500	20	500	427	85%
Francisco S. Lara Academy (Alternative School)	1997		1997	28,883	17	255	70	27%
TOTAL HIGH SCHOOLS:				1,138,880	300	7,330	6,029	82%
MIDDLE SCHOOLS (6th - 8 th)								
Louis J. Christen	1930	2006	2008, 2004, 2005, 2006 & 2010	194,507	82	2,050	1,328	65%
Dr. Joaquin G. Cigarroa	1983	2006	2010	216,000	74	1,850	1,312	71%
Mirabeau B. Lamar	1957	2003	2004, 2005	184,900	78	1,950	1,314	67%
Memorial	1937-39	2005	2008	133,081	48	1,200	716	60%
TOTAL MIDDLE SCHOOLS:				728,488	282	7,050	4,670	66%
ELEMENTARY SCHOOLS (PK- 5th)								
Antonio M. Bruni	1927	2004		81,549	38	836	631	75%
Don Jose Gallego	1946	2007		92,305	39	858	805	94%
Leon Daiches	1920	2006		92,905	33	726	557	77%
Anita T. Dovalina	1983		2002, 2010	69,511	30	660	520	79%
Francisco Farias	1958	2002	2010, 2011	108,465	47	1,034	752	73%
Demetrio D. Hachar	1974	2008		88,814	30	660	546	83%
Heights	1923	2007		68,500	26	572	548	96%
Jesus A. Kawas	1983		2003	71,259	34	748	564	75%
John Z. Leyendecker	1953		2008	97,752	38	836	538	64%
Honore Ligarde	1988		2003	80,252	39	858	809	94%
Christopher M. Macdonell	1930	2004		77,965	38	836	620	74%
Joseph C. Martin	1972	2009		94,728	32	704	596	85%
Clarence L. Milton	1960		2003	88,070	51	1,122	915	82%
Alma A. Pierce	1963	2004	2010	93,233	43	946	867	92%
Michael S. Ryan	1954		2006	94,404	49	1,078	945	88%
Tomas Sanchez/Hermelinda Ochoa	1953	2002		88,766	43	946	732	77%
Santa Maria	1972	2003		81,669	34	748	663	89%
Santo Niño	1960		2003	95,510	43	946	687	73%
Katherine F. Tarver	1960		2005	81,982	29	638	536	84%
Henry B. Zachry	1998		2003	70,233	34	748	651	87%
TOTAL ELEMENTARY SCHOOLS:				1,717,872	750	16,500	13,482	82%
SPECIAL CAMPUSES (9th-12th)								
Dr. Dennis D. Cantu Health Science Magnet School	1999			26,960	12			
Sabas Perez School for Engineering and Technology	1983			(included in Cigarroa Hig	4			
VMT School of Communications & Fine Arts		2015		80,677	30			
Jose A. Valdez (Urbanh Bldg)	1922		1993, 2015	15,045	5			
TOTAL SPECIAL CAMPUSES⁵:				122,682				

Total Square Footage²: 3,707,922
 Total Minimum Capacity³: 30,880
 Total Enrollment⁴: 24,181
 Total Capacity Utilization⁵: 78%

Notes:

- (1) Source: District records (latest new replacements, additions and modifications)
- (2) Square Footage comprises the total enclosed space of each campus based on construction plans
- (3) Maximum Capacity is a calculation based on Texas Administrator Code requirements
- 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)
- (4) Enrollment is the ending enrollment as of the end of the school year 2015-2016 (based on Finance Department report (PEIMS DATA))
- (5) Capacity Utilization is a calculation dividing Total Enrollment by Total Capacity, less enrollment at Special Campuses
- (6) Enrollment included with home campus
- (7) Statistical schedule provided from the Laredo Independent School District Construction Department.

August 31, 2015

Campus Name ¹	Original Building ¹	Facility Replacement ¹	Facility Additions and Renovations ¹	Square Footage	Classrooms	Minimum Capacity	Enrollment 2014-2015	Percentage of Capacity in Use
HIGH SCHOOLS (9th - 12th)								
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%
TOTAL HIGH SCHOOLS:				1,138,880	300	7,330	5,888	80%
MIDDLE SCHOOLS (6th - 8 th)								
Louis J. Christen	1930	2006	2008 2004, 2005, 2006 &	194,507	82	2,050	1,369	67%
Dr. Joaquin G. Cigarroa	1983	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%
TOTAL MIDDLE SCHOOLS:				728,488	282	7,050	4,859	69%
ELEMENTARY SCHOOLS (PK- 5th)								
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%
TOTAL ELEMENTARY SCHOOLS:				1,717,872	750	16,500	13,951	85%
SPECIAL CAMPUSES (9th-12th)								
Dr. Dennis D. Cantu Health Science Magnet School	1999			26,960	12			
Sabas Perez School for Engineering and Technology	1983			(included in Cigarroa Hi)	4			
VMT School of Communications & Fine Arts	1922	2015		80,677	30			
Jose A. Valdez	1957		1993, 2015	15,045	5			
TOTAL SPECIAL CAMPUSES⁶:				122,682				
Total Square Footage ² :	3,707,922							
Total Minimum Capacity ² :	30,880							
Total Enrollment ⁴ :	24,698							
Total Capacity Utilization ⁵ :	80%							
Notes:								
(1) Source: District records (latest new replacements, additions and modifications)								
(2) Square Footage comprises the total enclosed space of each campus based on construction plans								
(3) Maximum Capacity is a calculation based on Texas Administrator Code requirements								
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)								
(4) Enrollment is the ending enrollment as of the end of the school year 2014-2015 (based on Finance Department report (PEIMS DATA))								
(5) Capacity Utilization is a calculation dividing Total Enrollment by Total Capacity, less enrollment at Special Campuses								
(6) Enrollment included with home campus								
(7) Statistical schedule provided from the Laredo Independent School District Construction Department.								

August 31, 2014

Campus Name ¹	Original Building ¹	Facility Replacement ¹	Facility Additions and Renovations ¹	Square Footage	Classrooms	Minimum Capacity	Enrollment 2013-2014	Percentage of Capacity in Use
HIGH SCHOOLS (9th - 12th)								
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%
TOTAL HIGH SCHOOLS:				1,138,880	300	7,330	5,732	78%
MIDDLE SCHOOLS (6th - 8 th)								
Louis J. Christen	1930	2006	2008 2004, 2005, 2006 & 2010	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%
TOTAL MIDDLE SCHOOLS:				728,488	183	4,575	4,951	108%
ELEMENTARY SCHOOLS (PK- 5th)								
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		81,669	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%
TOTAL ELEMENTARY SCHOOLS:				1,717,872	688	15,136	14,242	94%
SPECIAL CAMPUSES (9th-12th)								
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				
TOTAL SPECIAL CAMPUSES⁵:				94,119				

Total Square Footage²: 3,679,359
 Total Minimum Capacity²: 27,041
 Total Enrollment⁴: 24,925
 Total Capacity Utilization⁵: 92%

Notes:

- (1) Source: District records (latest new replacements, additions and modifications)
- (2) Square Footage comprises the total enclosed space of each campus based on construction plans
- (3) Maximum Capacity is a calculation based on Texas Administrator Code requirements
- 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)
- (4) Enrollment is the ending enrollment as of the end of the school year 2013-2014 (based on Finance Department report (PEIMS DATA))
- (5) Capacity Utilization is a calculation dividing Total Enrollment by Total Capacity, less enrollment at Special Campuses
- (6) Enrollment included with home campus
- (7) Statistical schedule provided from the Laredo Independent School District Construction Department.

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Single Audit Section



LISD
LAREDO
INDEPENDENT SCHOOL DISTRICT

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

To the Board of Trustees
Laredo Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Laredo Independent School District (the District), as of and for the ten months ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 8, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

The Board of Trustees
Laredo Independent School District

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
November 8, 2019

**Independent Auditor's Report on Compliance for Each Major Federal
Program and Report on Internal Control over Compliance
in Accordance with the Uniform Guidance**

To the Board of Trustees
Laredo Independent School District

Report on Compliance for Each Major Federal Program

We have audited the Laredo Independent School District's (the District's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the ten month period ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion in 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 ten months ended June 30, 2019.

Report on Internal Control over Compliance

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

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

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

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
November 8, 2019

Laredo Independent School District
 Schedule of Findings and Questioned Costs
 Ten Month Period Ended June 30, 2019

Section 1. Summary of Auditor's Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiencies identified that are not considered to be material weakness(es)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiencies identified that are not considered to be material weakness(es)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported

An unmodified opinion was issued on compliance for major programs.

Any audit findings disclosed that are required to be in accordance with the Uniform Guidance?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
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Identification of major programs:

84.010A Title I, Part A – Improving Basic Programs

Dollar threshold used to distinguish between type A and type B programs?	<u>\$1,273,651</u>
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Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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Laredo Independent School District
Schedule of Findings and Questioned Costs – Continued
Ten Month Period Ended June 30, 2019

Section 2. Financial Statement Findings

None

Section 3. Federal Award Findings and Questioned Costs

None

Section 4. Schedule of Prior Audit Findings and Questioned Costs

None

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LAREDO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF DEFENSE			
<u>Direct Programs</u>			
ROTC	12.9999	N/A	\$ 171,481
Total Direct Programs			<u>171,481</u>
TOTAL U.S. DEPARTMENT OF DEFENSE			<u>171,481</u>
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A	84.010A	19610101240901	14,874,418
ESEA, Title I, Part C	84.011A	19615001240901	208,121
*IDEA, Part B, Formula	84.027A	196600012409016000	4,164,875
*IDEA, Part B, Formula	84.027A	186600012409016600	679,346
*IDEA - Part B, Discretionary (Deaf)	84.027A	196600112409016673	41,248
*Evaluation Capacity Award	84.027A	2265431901007	19,965
Total CFDA Number 84.027A			<u>4,905,434</u>
*IDEA, Part B, Preschool	84.173A	196610012409016610	27,823
*IDEA, Part B, Preschool	84.173A	186610012409016000	54,683
Total CFDA Number 84.173A			<u>82,506</u>
Total Special Education Cluster (IDEA)			<u>4,987,940</u>
Career and Technical - Basic Grant	84.048A	19420006240901	487,103
Texas Education for Homeless	84.196A	194600057110045	18,970
Gear Up Grant	84.334A	P334A180025	165,771
LEP Program	84.365A	19671001240901	1,153,631
Title II, Part A,	84.367A	19694501240901	1,293,804
Title IV	84.424A	19680101240901	844,083
LEP Summer School	84.369A	69551802	60,078
Texas Hurricane Homeless Youth	84.938B	19513701240901	4,121
Total Passed Through State Department of Education			<u>24,098,040</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>24,098,040</u>
U.S. DEPARTMENT OF LABOR			
<u>Passed Through State Department of Education</u>			
*P-TECH and ICIA	17.258	183925027110009	102,210
Total Passed Through State Department of Education			<u>102,210</u>
TOTAL U.S. DEPARTMENT OF LABOR			<u>102,210</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Dept of Human Services</u>			
*Medicaid Administrative Claiming Program - MAC	93.778	529-07-0157-00277	130,609
Total Passed Through Texas Dept of Human Services			<u>130,609</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>130,609</u>

LAREDO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
CORPORATION FOR NATIONAL COMMUNITY SERVICE			
<u>Passed Through State Department of Education</u>			
Laredo ISD AmeriCorps	94.006	16AFHTX0010025	197,556
National Svc. Criminal History Surge Augmentation	94.009	19TAHTX003	<u>1,549</u>
Total Passed Through State Department of Education			<u>199,105</u>
TOTAL CORP. FOR NATIONAL COMMUNITY SERVICE			<u>199,105</u>
 U.S. DEPARTMENT OF JUSTICE			
<u>Direct Programs</u>			
Forfeiture U.S. Treasury	16.922	N/A	23,285
Organized Crime Drug Enforcement Task Force	16.111	N/A	<u>15,955</u>
Total Direct Programs			<u>39,240</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>39,240</u>
 U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	N/A	4,248,720
*National School Lunch Program - Cash Assistance	10.555	N/A	10,793,360
*National School Lunch Prog. - Non-Cash Assistance	10.555	N/A	<u>866,591</u>
Total CFDA Number 10.555			<u>11,659,951</u>
*Summer Feeding Program - Cash Assistance	10.559	N/A	<u>431,028</u>
Total Child Nutrition Cluster			<u>16,339,699</u>
Fresh Fruit & Vegetable Program	10.582	N/A	322,311
NSLP Equipment Assistance Grant	10.560	N/A	28,000
Child & Adult Care Program	10.558	N/A	<u>1,024,332</u>
Total Passed Through the State Department of Agriculture			<u>17,714,342</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>17,714,342</u>
 TOTAL EXPENDITURES OF FEDERAL AWARDS			 <u><u>\$ 42,455,027</u></u>

*Clustered Programs

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

A. Basis of Presentation

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

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

- The General Fund is accounted for, among other things, resources related to the United States Department of Defense ROTC program.
- The Special Revenue Funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.
- The 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.

B. Summary of Significant Accounting Policies

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 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.

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2019

The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations are made in accordance with provisions for the period of availability of Federal Funds in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards (Uniform Guidance)*.

C. Indirect Cost Rate

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

D. Reconciliation from the Schedule of Expenditures of Federal Awards to the Exhibit C-3

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	\$42,455,027
School Health and Related Services (SHARS) Program Reimbursement	<u>5,194,337</u>
Federal Program Revenues, Exhibit C-3	<u><u>\$47,649,364</u></u>

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INDEPENDENT SCHOOL DISTRICT

