



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended
August 31st, 2016



LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Rosenberg, Texas 77471

**LAMAR CONSOLIDATED
INDEPENDENT
SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended August 31, 2016

**Thomas E. Randle, Ed. D.
Superintendent of Schools**

**Prepared by
Department of Business and Finance**

**Jill R. Ludwig, CPA, RTSBA
Chief Financial Officer**

**Michele Reynolds, CPA
Director of Finance**

3911 Avenue I
Rosenberg, Texas 77471

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
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LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
PRINCIPAL OFFICIALS AND ADVISORS

Board of Trustees

James Steenbergen, President

Kathryn Kaminski, Vice President

Kay Danziger, Secretary

Anna Gonzales

Dr. Tyson Harrell

Melisa Roberts

Frank Torres

Administration

Thomas E. Randle, Ed. D., Superintendent

Jill R. Ludwig, CPA, RTSBA, Chief Financial Officer

Kathleen Bowen, Chief Human Resources Officer

Leslie Haack, Executive Director, Secondary Education

Linda Lane, Interim Executive Director, Elementary Education

David Jacobson, Chief Technology Information Officer

Mike Rockwood, Executive Director of Community Relations

Michele Reynolds, CPA, Director of Finance

Consultants and Advisors

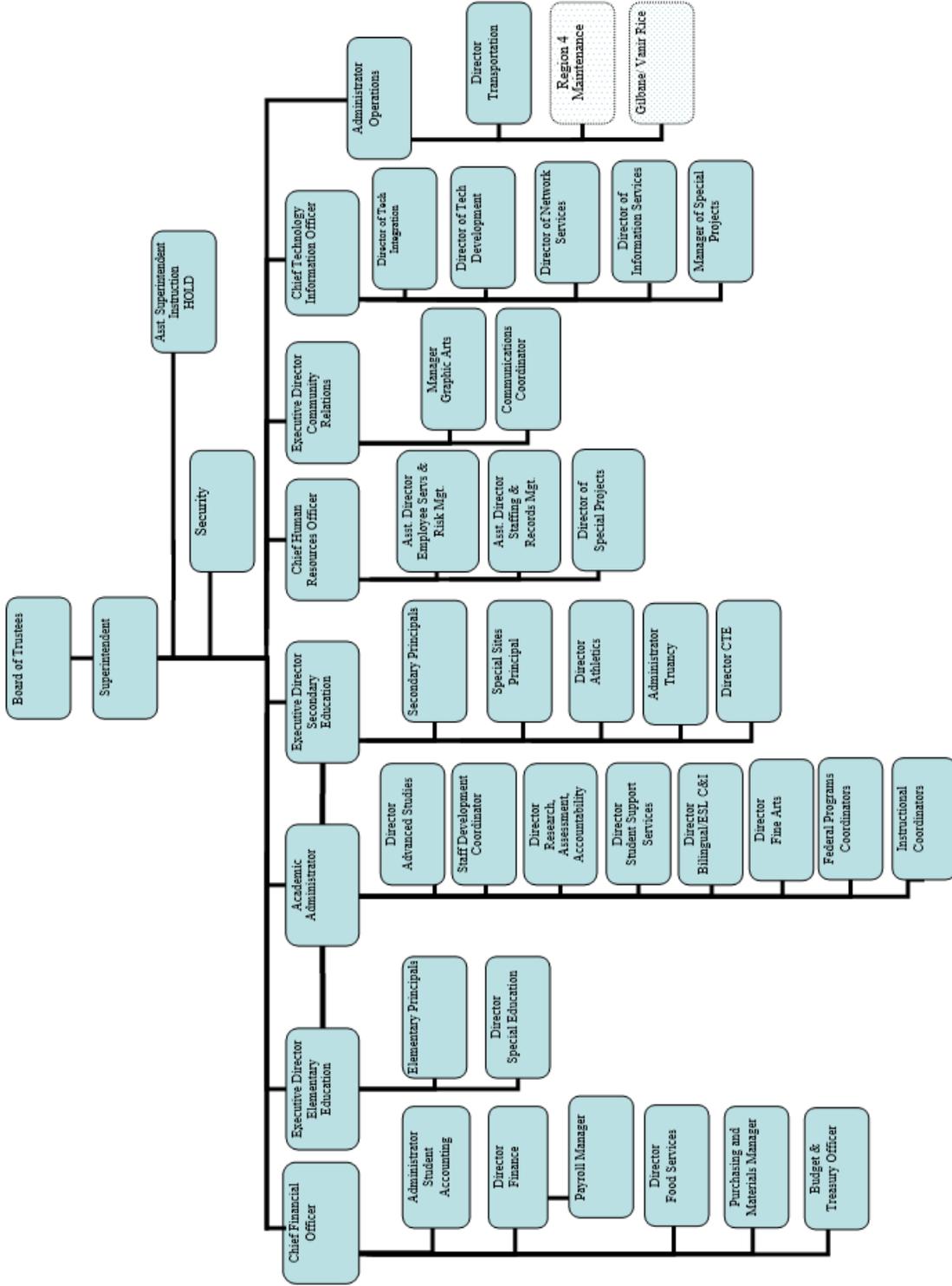
First Southwest Company
Houston, Texas - Financial Advisors

Bracewell & Giuliani
Houston, Texas - Bond Counsel

Rogers, Morris, & Grover LLP
Houston, Texas - General Counsel

Whitley Penn, LLP
Houston, Texas - Auditors

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT Administrative Organization Chart





3911 Avenue I
Rosenberg, Texas 77471

January 19, 2017

To the Board of Trustees and Patrons of the
Lamar Consolidated Independent School District

The Texas Education Code requires that all school districts file a complete set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the Lamar Consolidated Independent School District (the "District:", "Lamar CISD") for the fiscal year ended August 31, 2016.

The Comprehensive Annual Financial Report consists of three sections. The Introductory Section includes the transmittal letter, which highlights significant aspects of financial operations during the year and the District's organizational chart. The Financial Section includes the independent auditors' report, basic financial statements and related notes, and supplemental financial data. The Statistical Section includes unaudited data tables, which summarize the financial and statistical history of the District as well as demographic and other interesting and useful information.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Whitley Penn, LLP Certified Public Accountants, have issued an unmodified (or "clean") opinion on the District's financial statements for the year ended August 31, 2016. The independent auditors' report is located at the front of the financial section of this report. Whitley Penn has also issued an unmodified (or "clean") opinion on the District's Single Audit report. A report designed to meet the needs of federal grantor agencies.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Lamar CISD, is a District deeply rooted in a proud tradition. Created in 1947 by the consolidation of three independent and nine common school Districts, Lamar CISD is named in honor of Mirabeau B. Lamar, the “Father of Education in Texas.” Lamar CISD is projected to gain 40,135 new single family and 8,414 multi-family new housing occupancies over the next ten years, with 68% of that new housing projected in the latter five years of the decade. The District offers superior learning opportunities, combining highly qualified teachers, progressive educational theory and practice, and a state-of-the-art technology plan with the unmistakable advantage of small schools and a hometown atmosphere.

A board of seven trustees governs the Lamar CISD. The Board members are elected from single-member districts, serve staggered four-year terms, and elect their own officers, including a President, Vice President and Secretary. The school district, located 35 miles southwest of downtown Houston, Texas in Fort Bend County, encompasses the communities of Richmond, Rosenberg, Kendleton, Crabb, Pleak, Beasley, Fulshear, Simonton, and a portion of Sugar Land, for a total of 385 square miles and an estimated population of approximately 130,682. The District is not included in any other governmental “reporting entity” since the Board is elected by the public and has decision making authority. There are no component units included in the reporting entity.

The District’s commitment to excellence and to its graduates is reflected in its mission statement:

To educate all students by ensuring access to a superior education through inspired leadership among parents, teachers, administrators, and staff, allowing students to achieve their full potential to participate in future social, economic, and educational opportunities in their community.

Lamar CISD offers an outstanding comprehensive instructional public education program from pre-kindergarten through grade 12 for nearly 30,000 students. In addition to its four high schools (grades 9-12), one high school (grades 9-10) which will expand to grades 9-12 in 2018, four junior highs (grades 7-8), one junior high school (grades 6-8) which will expand to an additional middle school with grade 6, four middle schools and twenty two elementary schools (grades Pre-K -5), one Early Childhood Center and the District operates four special campuses. These include the Fort Bend County Alternative School, the Alternative Learning Center, the Juvenile Detention Center, and the Community Center, all of which are designed for those students who find it difficult to learn in a conventional classroom setting. The District’s school building range in age from 1947, Jackson Elementary, to the newest additions being completed in the summer of 2016, Churchill Fulshear Jr. High School and Dean Leaman Junior High.

Local Economy

The District is semi-rural in nature with increased emphasis on residential and commercial development. The District includes many new and proposed residential subdivisions, including several master-planned communities consisting of country club facilities, golf courses, and lakefront home sites.

The combined Cities of Richmond and Rosenberg (the "Cities") are the primary centers for commercial activity in the District. Richmond, with a population of approximately 11,679, is the county seat of Fort Bend County. Rosenberg, the larger of the Cities, has a population of approximately 30,618.

Due to the significant growth expected within the next ten years, the District is working closely with a demographic research team to effectively manage the influx of additional students into the system. The demographer has interviewed and continues to acquire updated information from every major rural landowner (20 acres or more – where development is expected), as well as developers, real estate experts, and city/county planners and engineers so that an understanding is gained of the local configuration of growth, as well as the district-wide projection of student growth. Data is gathered about housing projections by subdivision and the ratios of students per housing unit, which is used to estimate the

impacts of expected future housing on the total student population. Concurrently, nationwide, state, and local economic trends are being studied to estimate the impacts, specifically of employment trends, on the population growth of Lamar CISD. Data suggests that the local area will continue to gain employees at approximately three percent per year, but there will be significant shifts in the types of employment, with the largest increase being in the service sector, followed closely by the construction and transportation sectors. Agriculture-related employment is expected to decline in the area.

Long-term Planning Activities

Lamar CISD is located in Fort Bend County, one of the fastest growing areas in the nation. The District itself is growing rapidly, with the student population growing at an average rate of 3% per year over the next ten years. Effectively managing this growth means that the District must proactively plan, and be diligent in its analysis of emerging trends and in the economic development of the area. The fast growth and the resulting changes will have a profound impact on the size and make-up of student populations and their needs, as well as on the quantity and types of facilities.

To assist in this analysis, the District employed the services of a demographic research firm in January 2003, which has since issued thirteen reports, one each in the spring of 2003 through 2016. The reports, based on time-intensive research into student growth, employment trends, and the impact of local, state, and national economic environment, have developed district-wide student enrollment projections for the next ten years. Enrollment is projected to reach over 48,000 students by 2025.

Student enrollment and attendance play a significant role in both projecting District revenues due to the impact on state funding, and in anticipating future expenditures for teachers and support personnel, supplies and materials, and facilities renovation and construction. Projections made by the demographer will enable the District's business and operations departments plan more effectively and provide more accurate multi-year projections and financial analyses.

Relevant Financial Policies

Factors affecting financial control

Management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, misuse or theft, and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide a reasonable assurance rather than absolute assurance that the financial statements will be free from material misstatement.

Budgetary Control

The annual budget serves as the foundation for the District's financial planning and control. Texas State law requires the Board president to call a Board meeting for the purpose of discussing and adopting the budget and the tax rate. A notice of this meeting must be published at least 10 days but not more than 30 days before the public meeting. The budget must be adopted prior to August 31.

The District maintains budgetary controls throughout all of its financial systems. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the official budget adopted by the Board. The Board adopts an official budget for the General Fund, Debt Service Fund and the Child Nutrition Fund. In accordance with procedures prescribed by the State Board of Education, budget amendments that affect the total amount in a fund or functional spending category must be approved by the Board prior to expenditure of funds. The functional level is specified by Board policy as the legal level of budgetary control. Budgetary control is maintained at the organizational level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors.

Awards

Schools FIRST (Financial Integrity Rating System of Texas), a financial accountability system for Texas school districts was developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999. The primary goal of Schools FIRST is to achieve quality performance in the management of school district's financial resources. The Schools FIRST accountability rating system assigns one of four financial accountability ratings to Texas school districts, with the highest being "Superior Achievement," followed by "Above-Standard Achievement," "Standard Achievement," and "Substandard Achievement." Lamar CISD received a rating of "Superior Achievement" based on the twenty indicators established by the Texas Education Agency.

During 2014-15, the Association of School of Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Lamar Consolidated Independent School District for its Comprehensive Annual Financial Report for the fiscal year ended August 31, 2015.

The Certificate of Excellence in Financial Reporting Program was designed by ASBO International to enable school business officials to achieve a high standard of financial reporting. The award, the highest recognition for school district financial operations offered by ASBO, is only conferred to school systems that have met or exceeded the standards of the program.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports 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 our current report continues to conform to the high standards of the certificate of excellence program, and we are submitting it to ASBO.

Acknowledgments

We appreciate the support of the Board of Trustees, the citizens of the District, and the business community, all who work cooperatively to ensure the best education for the students and the progressive development of the District. Also, we want to express our sincere gratitude to all personnel in the various departments in the District who provide information, data, or services in the compilation of this report. Finally, we would like to express an appreciation to all employees of the District for their interest and support in planning and conducting the financial affairs of the District in a responsible and conscientious manner. The cooperation of all these groups is indicative of the strong support and commitment to the attainment of excellence in the District's educational programs.



Jill Ludwig, CPA, RTSEA
Chief Financial Officer



Michele Reynolds, CPA
Director of Finance



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Lamar Consolidated Independent School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended August 31, 2015.**

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



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director

CERTIFICATE OF THE BOARD

Lamar Consolidated Independent School District

Name of School District

Fort Bend

County

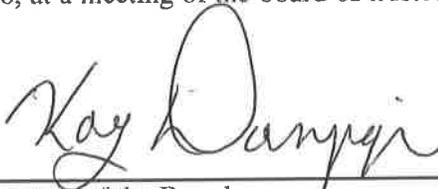
079-901

Co. - Dist. No.

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and approved for the year ended August 31, 2016, at a meeting of the board of trustees of such school district on the 19th day of January 2017.



President of the Board



Secretary of the Board

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Lamar Consolidated Independent School District
Rosenberg, Texas

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lamar Consolidated Independent School District, as of and for the year ended August 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

To the Board of Trustees
Lamar Consolidated Independent School District

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of August 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7-15 and budgetary comparison and pension system information on pages 66-71 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 supplementary information such as the combining and individual nonmajor fund financial statements, the Texas Education Agency required schedules, and the other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the Texas Education Agency required schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the Texas Education Agency required schedules is 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 it.

To the Board of Trustees
Lamar Consolidated Independent School District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2017 on our consideration of the District's internal control over financial reporting and 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* is considering the District's internal control over financial reporting and compliance.

Whitley Penn LLP

Houston, Texas
January 19, 2017

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Lamar Consolidated Independent School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2016.

Financial Highlights

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$15.7 million (*net position*). The District's net position decreases by \$13.4 million during the year ended August 31, 2016.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$230.9 million, a decrease of \$77.3 million in comparison with the prior year. The decrease in governmental fund balances was primarily due to construction projects and use of capitalized interest in the debt service fund. The general fund balance increased by \$2.4 million.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$70.0 million, or 29 percent of total general fund expenditures.
- The District's total bonded debt decreased by \$24.3 million during the current fiscal year.

Overview of the Financial Statements

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

Government-wide Financial Statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

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

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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

The government-wide financial statements can be found on pages 18 through 19 of this report.

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

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

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

The District maintains 19 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and the capital projects fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the financial statements. The District adopts an annual appropriated budget for its general fund, debt service fund, and National School Breakfast and Lunch Program special revenue fund.

The basic governmental fund financial statements can be found on pages 20 through 27 of this report.

Proprietary Fund The District maintains two internal service funds, one type of proprietary fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various funds and functions. The District uses internal service funds to account for its self-funded health insurance and workers' compensation insurance programs. Because their service predominantly benefits governmental functions, it has been included within *governmental activities* in the government-wide financial statements.

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The internal service fund financial statements provide separate information for the Health Insurance Fund and the Workers' Compensation Fund.

The basic proprietary fund financial statements can be found on pages 28 through 30 of this report.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on pages 31 through 32 of this report.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 through 63 of this report.

Required Supplementary Information In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The required supplementary information relates to comparison of the original adopted budget, the final amended budget, and the actual amounts for the fiscal year. The Schedule of the District's Proportionate Share of the Net Pension Liability and the Schedule of District Contributions are also required supplementary information. This is required supplementary information for the general fund and any major special revenue funds. The District did not have any major special revenue funds; therefore, only the general fund is presented as required supplementary information. The required supplementary information can be found on pages 66 through 71 of this report.

Other Information The combining and individual fund statements and schedules and required TEA schedules are presented immediately following the required supplementary information and can be found on pages 76 through 93 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$15.7 million at the close of the most recent fiscal year.

The District's investment in capital assets (e.g., land, buildings and improvements, furniture and equipment, construction in progress), less any outstanding related debt used to acquire those assets increased by \$3.4 million. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

A summary of net position at August 31, 2016, (in 000's) follows:

Lamar Consolidated Independent School District's Net Position

	2016	2015
Current and other assets	\$ 277,304	\$ 345,925
Capital assets	599,492	556,260
Total Assets	876,796	902,185
Total Deferred Outflows of Resources	31,244	13,516
Current liabilities	38,831	32,882
Long term liabilities	849,576	846,264
Total Liabilities	888,407	879,146
Deferred Inflows	3,896	7,428
Total Deferred Inflows of Resources	3,896	7,428
Net Position:		
Net investment in capital assets	9,581	6,144
Restricted	11,143	16,441
Unrestricted	(4,987)	6,542
Total Net Position	\$ 15,737	\$ 29,127

Of total net position, \$11.1 million is restricted for state and federal programs, debt service, and local grants. At the end of the current fiscal year, the District is able to report positive balances in two categories of net position. The District's net position decreased by \$13.4 million during the current fiscal year. Due to widespread growth within the district, property values increased. This growth coupled with strong tax collection experience, resulted in significantly higher property tax revenues. Increases in student enrollment and attendance translated into higher state revenues. Revenue growth was offset by higher personnel, instructional, and facility/interest, costs to service the increasing students and educational requirements, along with construction of facilities. This also resulted in the District's unrestricted net position at August 31, 2016 to be a negative \$4.9 million. The District net pension liability increased to \$52.5 million at year end from the prior year ending balance of \$24.3 million.

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Lamar Consolidated Independent School District's Changes in Net Position (000's)

	<u>2016</u>	<u>2015</u>
Program Revenues		
Charges for services	\$ 8,074	\$ 7,210
Operating grants	34,369	33,770
General Revenues		
Property taxes	179,413	165,539
State aid	99,429	84,822
Interest earnings	969	174
Other	803	1,657
Total Revenues	<u>323,057</u>	<u>293,172</u>
Expenses		
Instruction	195,439	163,039
Instructional resources and media services	2,023	1,461
Curriculum and staff development	3,035	2,634
Instructional leadership	2,234	2,087
School leadership	14,676	13,215
Guidance, counseling, and evaluation services	8,279	7,890
Social work services	423	474
Health services	2,900	2,605
Student transportation	13,159	11,605
Food service	12,060	11,663
Extracurricular activities	9,454	7,128
General administration	5,781	5,349
Facilities, maintenance and operations	24,973	17,769
Security and monitoring services	2,774	3,211
Data processing services	6,764	5,267
Community services	692	513
Interest on long-term debt	30,728	25,636
Payments related to shared services arrangements		5,276
Other intergovernmental charges	1,052	1,022
Total Expenses	<u>336,446</u>	<u>287,844</u>
Increase (Decrease) in Net Position	(13,390)	5,328
Beginning Net Position	29,127	51,312
Prior period adjustments	-	(27,513)
Ending Net Position	<u>\$ 15,737</u>	<u>\$ 29,127</u>

Governmental Activities The District's net position decreased by \$13.4 million. Key elements of this are as follows:

Revenues are generated primarily from three sources. Grants and contributions (totaling \$34.4 million) represent 11 percent of total revenues, state aid (totaling \$99.4 million) represents 31 percent of total revenues and property taxes (totaling \$179.4 million) represent 56 percent of total revenues. The remaining \$9.8 million is generated from charges for services, investment earnings, and miscellaneous revenues.

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The primary functional expense of the District is instruction (functional categories 11, 12 and 13), (totaling \$200.4 million) and represents 60 percent of total expenses on a government-wide basis, while interest on long-term debt is \$30.7 million and represents 9 percent of total expenses. Plant maintenance and operations (\$25.0 million) represents 7 percent of total expenses. In addition the District's net pension expense increased by \$6.7 million.

Financial Analysis of the Government's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$230.9 million a decrease of \$77.3 million in comparison with the prior year. The decrease is primarily due to construction of new facilities and projects.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$70.0 million, while total fund balance reached \$80.0 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 29 percent of total general fund expenditures, while total fund balance represents 33 percent of that same amount.

The fund balance of the District's general fund increased by \$2.4 million during the current fiscal year primarily due to increases in property tax collections, and state aid from increased student enrollment.

The debt service fund has a total fund balance of \$7.8 million, which is restricted for the payment of debt service. The net decrease in the debt service fund balance during the current year was a result of the planned use of capitalized interest generated from a prior-year debt refunding transaction. The amount of interest used was mitigated by the collection of excess tax revenues and hold-harmless funds provided by the state to offset the loss in tax revenue caused by the legislated increase in the homestead exemption for the 2015 tax year.

The capital projects fund has a total fund balance of \$138.0 million, all of which is restricted for authorized construction and technology projects/enhancements. The decrease in fund balance during the current year of \$75.8 million is the result of construction of new facilities. A new elementary school will open in the winter of 2016 and a new high school complex opened in the fall of 2016.

General Fund Budgetary Highlights

Projected operating results for the 2015-16 fiscal year reflect an increase of \$2.4 million to the total fund balance. Revenues of \$245.6 million exceeded expenditures of \$243.2 million. All of the \$2.4 million increase to total fund balance relates to amounts being carried forward for liquidation in 2016-2017 in the form of current commitments outstanding at year-end; therefore, there is no unencumbered increase for the 2015-16 fiscal year.

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Differences between the original budget and the final amended budget of the general fund can be summarized as follows:

The revenue budget was amended to record donations received by the District from outside parties of nearly \$548,000 and to adjust for \$7.5 million in additional revenues to be recognized mainly in the local and state categories. The local revenue budget was increased by \$1.25 million to allow for property tax collections over 1% higher than the anticipated collection rate used for budgeting purposes. The state revenue budget was increased by \$6.25 million to reflect additional Tier I formula revenue generated in three main areas. First, the results of a 2014 Property Value Audit initiated by the District added about \$460,000 in state revenue. Second, student program revenues contributed an extra \$1.47 million, mostly due to the impact of HB5 legislation on Career and Technology Program revenues. And finally, state revenues achieved were \$3.77 million greater due to a certain methodology used in budgeting. Since districts could not be certain of the restated 2014 values to be used in the formula (caused by the legislative increase in the homestead exemption from \$15,000 to \$25,000), the greater documented values were intentionally used, resulting in a higher Local Fund Assignment and therefore, more conservative Tier I state aid and hold harmless budget estimates.

Several amendments to the expenditure budget were made during the year, including the following:

Current year donations to the District (rounded)	\$547,500
Portable buildings (construction expenses)	\$2,294,700
Carryforward to 2015-2016 of 2014-15 Encumbrances and other carryforward items, such as prior year donations and funding for starting up new classrooms for growth (rounded)	\$2,772,700
Year-end amendments to reflect anticipated effect of accruals and other closing entries	\$12,270,000
Purchase of police vehicles, lab equipment, HVAC equipment and funding for instructional initiatives	\$993,000

Due to strict attention to efficiency, effective procurement practices, and the efforts made by budget managers across the District to assess their absolute needs and acquire goods and services wisely, funds were saved and redirected toward many worthwhile initiatives. In addition, a host of significant undertakings were made possible through the use of excess revenues generated by effective budget methodologies and practices. The most important accomplishment was the ability to transfer funds needed by the District's self-funded health insurance plan in order to cover prior-year plan deficits (\$2.1 million), fund all current-year plan claims and costs (\$5.0 million), and advance-fund the plan to ensure adequate resources for the 2016-17 plan year (\$3.5 million). Although the District's plan benefits are managed well each year and the plan as a whole is faring better than the majority of fully-insured plans in the market, uncontrollable costs (such as large individual claims and Affordable Care Act costs) cause stress to the plan. The advance-funding had a direct impact on balancing the 2016-17 General Fund budget as well as ensuring the stability of the plan itself. Another major project funded by the excess revenue was the construction and equipment of the numerous temporary buildings needed to manage rapid growth across the District. Finally, many projects (ranging from \$100-400,000 each) were large in terms of impact for 2015-16. These projects include the purchase of Classlink software, cameras for special education classrooms, band instruments, two fully-equipped police vehicles, an aquaponics lab, a chiller for Campbell Elementary, and the Summer School NOW initiative. A strong commitment to expending funds in ways that directly impact instruction is obvious in that roughly 72 percent was spent in the categories of instruction and instructional leadership.

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Capital Assets and Long-term Debt

Capital Assets

The District's investment in capital assets for its governmental type activities as of August 31, 2016, amounts to \$599.5 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment and construction in progress. The total increase in the District's investment in capital assets for the current fiscal year was \$43.2 million.

A summary of changes in capital assets is presented below (in 000's):

Lamar Consolidated Independent School District's Capital Assets

	Balance August 31, 2015	Additions	Retirements and Transfers	Balance August 31, 2016
Land	\$ 28,144	\$ 2,936	\$ -	\$ 31,080
Construction in progress	78,364	51,663	(115,322)	14,705
Buildings and improvements	626,616	5,515	116,540	748,671
Furniture and equipment	46,067	4,540	(1,265)	49,342
	<u>779,191</u>	<u>64,654</u>	<u>(47)</u>	<u>843,798</u>
Less accumulated depreciation for:				
Buildings and improvements	(192,716)	(17,949)	-	(210,665)
Furniture and Equipment	(30,215)	(3,426)	-	(33,641)
	<u>(222,931)</u>	<u>(21,375)</u>	<u>-</u>	<u>(244,306)</u>
Governmental Capital Assets	<u>\$ 556,260</u>	<u>\$ 43,279</u>	<u>\$ (47)</u>	<u>\$ 599,492</u>

Additional information on the District's capital assets can be found in Note 7 of the Notes to Financial Statements.

Long-term Debt

At the end of the current fiscal year, the District had \$795.3 million in bonded debt outstanding, a decrease of \$24.3 million from the previous year. The District's bonds are sold with an "AAA" rating and are guaranteed through the Texas Permanent School Fund Guarantee Program or by a municipal bond insurance policy. The underlying rating of the bonds from Standard and Poor's is "AA" and from Moody's Investors Service is "Aa2" for general obligation debt.

Changes to long-term debt (in 000's) for the year ended August 31, 2016, are as follows:

Lamar Consolidated Independent School District's Long-term Liabilities

	Balance August 31, 2015	Additions	Retirements	Balance August 31, 2016
General obligation bonds	\$ 748,580	\$ 149,965	\$ (178,550)	\$ 719,995
Plus amounts for issuance premiums	71,022	15,964	(11,642)	75,344
Accrued compensated absences	2,379	221	(868)	1,732
	<u>\$ 821,981</u>	<u>\$ 166,150</u>	<u>\$ (191,060)</u>	<u>\$ 797,071</u>

Additional information on the District's long-term liabilities can be found in Note 8 of the Notes to Financial Statements.

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Economic Factors and Next Year's Budgets and Tax Rates

The District is currently operating under its 2016-17 budget adopted and passed by the Board of Trustees in accordance with state guidelines. Tax rates for the 2016-17 fiscal year are \$1.04005 for maintenance and operations and \$0.35000 for debt service. It is the sixth consecutive year with no tax rate increase.

The District's intent is to utilize all resources responsibly and limit any increase to taxpayers.

The following schedule outlines a comparison of the 2015-16 final amended budget and 2016-17 original budget for both estimated revenues and expenditures (in 000's):

	2015-16 Budget	2016-17 Budget	Change
Revenues			
Local	\$ 137,744	\$ 147,768	\$ 10,024
State	102,418	97,669	(4,749)
Federal	1,745	1,725	(20)
Total Revenues	241,906	247,162	5,256
Expenditures			
Instruction	\$ 157,935	\$ 153,872	\$ (4,063)
Instructional resources and media services	1,486	1,383	(103)
Curriculum and staff development	2,389	2,697	308
Instructional leadership	2,107	1,950	(157)
School leadership	14,950	15,018	68
Guidance, counseling, and evaluation services	7,329	8,356	1,027
Social work services	481	394	(87)
Health services	3,045	3,000	(45)
Student transportation	12,981	10,510	(2,471)
Food service	227	65	(162)
Extracurricular activities	6,294	6,555	261
General administration	5,752	5,949	197
Facilities, maintenance and operations	26,051	28,764	2,713
Security and monitoring services	2,459	2,465	6
Data processing services	4,677	4,578	(99)
Community services	393	283	(110)
Facilities acquisition and construction	2,780		(2,780)
Other intergovernmental charges	1,156	1,323	167
Total Expenditures	252,492	247,162	(5,330)
Reduction in Fund Balance	\$ (10,586)	\$ -	\$ 10,586

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, Lamar Consolidated Independent School District, 3911 Avenue I, Rosenberg, Texas, 77471.

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BASIC FINANCIAL STATEMENTS

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

August 31, 2016

<u>Data Control Codes</u>	<u>Governmental Activities</u>
Assets	
1110 Cash and temporary investments	\$ 259,315,464
1225 Property taxes receivables, net	4,841,168
1240 Due from other governments	11,002,329
1290 Other receivables, net	614,524
1300 Inventories	588,269
1410 Prepaid items	942,514
Capital assets not subject to depreciation:	
1510 Land	31,080,059
1580 Construction in progress	14,704,828
Capital assets net of depreciation:	
1520 Buildings and improvements, net	538,005,611
1530 Furniture and equipment, net	15,701,163
1000 Total Assets	876,795,929
Deferred Outflows of Resources	
1701 Deferred Outflows: Charge on Refunding	4,141,114
1705 Deferred Outflows: Related to TRS	27,103,016
Total Deferred Outflows of Resources	31,244,130
Liabilities	
2110 Accounts payable	23,201,943
2140 Interest payable	1,625,097
2160 Accrued wages payable	11,472,594
2200 Accrued expenses	2,419,068
2300 Unearned revenue	112,466
Noncurrent Liabilities:	
2501 Due within one year	21,963,209
2502 Due in more than one year	775,107,937
2540 Net Pension Liability	52,504,827
2000 Total Liabilities	888,407,141
Deferred Inflows of Resources	
2600 Deferred inflows: Related to TRS	3,896,243
Total Deferred Inflows of Resources	3,896,243
Net Position	
3200 Net investment in capital assets	9,581,235
Restricted for:	
3820 Federal and state programs	12,531
3840 Food service	3,848,208
3850 Debt service	7,282,472
3900 Unrestricted	(4,987,771)
3000 Total Net Position	\$ 15,736,675

See Notes to the Financial Statements

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF ACTIVITIES
 For the Year Ended August 31, 2016

Exhibit B-1

Data Control Codes	Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Expenses	Charges for Services	Operating Grants and Contributions	Primary Government
					Governmental Activities
	Governmental activities:				
11	Instruction	\$ 195,439,210	\$ 303,166	\$ 17,569,989	\$ (177,566,055)
12	Instructional resources and media services	2,022,594	-	74,121	(1,948,473)
13	Curriculum and staff development	3,035,238	-	935,440	(2,099,798)
21	Instructional leadership	2,234,040	-	353,443	(1,880,597)
23	School leadership	14,676,447	-	811,398	(13,865,049)
31	Guidance, counseling, and evaluation services	8,279,286	-	1,468,899	(6,810,387)
32	Social work services	422,587	-	83,136	(339,451)
33	Health services	2,900,052	-	2,119,979	(780,073)
34	Student transportation	13,158,592	-	453,063	(12,705,529)
35	Food service	12,060,326	4,200,530	7,902,369	42,573
36	Extracurricular activities	9,454,336	3,027,199	183,617	(6,243,520)
41	General administration	5,781,477	21,021	691,999	(5,068,457)
51	Facilities, maintenance and operations	24,973,027	521,994	511,774	(23,939,259)
52	Security and monitoring services	2,774,118	-	39,239	(2,734,879)
53	Data processing services	6,764,298	-	836,498	(5,927,800)
61	Community services	691,745	-	334,427	(357,318)
72	Interest on long-term debt	30,727,687	-	-	(30,727,687)
99	Other intergovernmental charges	1,052,498	-	-	(1,052,498)
TG	Total Governmental Activities	<u>\$ 336,447,558</u>	<u>\$ 8,073,910</u>	<u>\$ 34,369,391</u>	<u>(294,004,257)</u>

**Data
Control
Codes**

General revenues:

	Taxes:	
MT	Property taxes, levied for general purposes	135,796,769
DT	Property taxes, levied for debt service	43,616,387
SF	State-aid formula grants	99,429,145
IE	Investment earnings	969,354
MI	Miscellaneous	802,617
TR	Total general revenues	<u>280,614,272</u>
CN	Change in net position	(13,389,985)
NB	Net position - beginning	<u>29,126,660</u>
NE	Net position - ending	<u>\$ 15,736,675</u>

See Notes to the Financial Statements

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
August 31, 2016

Data Control Codes	General Fund	Debt Service Fund	Capital Projects Fund
Assets			
1110	\$ 83,469,126	\$ 7,922,240	\$ 155,407,830
	Receivables:		
1220	5,398,421	1,517,538	-
1230	(1,619,526)	(455,265)	-
1240	6,176,267	178,504	-
1260	4,651,709	-	117,500
1290	375,785	16,695	-
1300	337,391	-	-
1410	942,514	-	-
1000	\$ 99,731,687	\$ 9,179,712	\$ 155,525,330
Liabilities, Deferred Inflows, and Fund Balance			
Liabilities:			
2110	\$ 4,770,949	\$ 67,500	\$ 17,524,923
2160	10,870,932	-	-
2170	282,502	204,643	2,443
2300	61,379	-	-
2000	15,985,762	272,143	17,527,366
Deferred Inflows of Resources			
2600	3,778,895	1,062,272	-
	3,778,895	1,062,272	-
Fund Balance:			
Nonspendable:			
3410	337,391	-	-
3430	942,514	-	-
Restricted:			
3450	-	-	-
3470	-	-	137,997,964
3480	-	7,845,297	-
Committed:			
3540	2,500,000	-	-
3545	2,000,000	-	-
Assigned:			
3590	4,151,562	-	-
Unassigned:			
3600	70,035,563	-	-
3000	79,967,030	7,845,297	137,997,964
4000	\$ 99,731,687	\$ 9,179,712	\$ 155,525,330

See Notes to the Financial Statements.

Exhibit C-1

Nonmajor Governmental Funds	Total Governmental Funds
\$ 5,769,512	\$ 252,568,708
-	6,915,959
-	(2,074,791)
4,647,558	11,002,329
1,765,757	6,534,966
129,612	522,092
250,878	588,269
-	942,514
<u>\$ 12,563,317</u>	<u>\$ 277,000,046</u>
\$ 709,190	\$ 23,072,562
601,662	11,472,594
6,145,378	6,634,966
51,087	112,466
<u>7,507,317</u>	<u>41,292,588</u>
-	4,841,167
<u>-</u>	<u>4,841,167</u>
-	337,391
-	942,514
3,860,739	3,860,739
-	137,997,964
-	7,845,297
-	2,500,000
1,200,141	3,200,141
-	4,151,562
(4,880)	70,030,683
<u>5,056,000</u>	<u>230,866,291</u>
<u>\$ 12,563,317</u>	<u>\$ 277,000,046</u>

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LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
August 31, 2016

Exhibit C-2

**Data
Control
Codes**

Total fund balance, governmental funds	\$ 230,866,291
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.</p>	
1	Capital assets at historical cost, net of accumulated depreciation, where applicable 599,491,661
2	Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, these property taxes and related penalty and interest amounts (net of allowance for uncollectible accounts). 4,841,167
3	Deferred amount on refunding 4,141,114
4	Deferred outflows relating to pension activities 27,103,016
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:</p>	
5	General obligation bonds (719,995,000)
6	Premiums on issuance (75,343,983)
7	Accrued compensated absences (1,732,163)
8	Accrued interest payable (1,625,097)
9	Net pension liability (52,504,827)
10	Deferred inflows relating to pension activities (3,896,243)
11	Addition of Internal Service fund net position <u>4,390,739</u>
19	Total net position - governmental activities <u><u>\$ 15,736,675</u></u>

See Notes to the Financial Statements.

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended August 31, 2016

Data Control Codes	General Fund	Debt Service Fund	Capital Projects Fund
Revenues			
5700 Local, intermediate, and out-of-state	\$ 138,353,996	\$ 45,759,507	\$ 669,916
5800 State program revenues	104,216,150	1,197,641	-
5900 Federal program revenues	3,026,512	-	-
5020 Total Revenues	<u>245,596,658</u>	<u>46,957,148</u>	<u>669,916</u>
Expenditures			
Current:			
0011 Instruction	154,389,647	-	11,198,871
0012 Instruction resources and media services	1,353,006	-	587,416
0013 Curriculum and instructional staff development	2,143,696	-	1,986
0021 Instructional leadership	1,954,000	-	-
0023 School leadership	14,341,010	-	190,790
0031 Guidance, counseling and evaluation services	7,118,593	-	508
0032 Social work services	360,401	-	-
0033 Health services	2,885,551	-	16,635
0034 Student transportation	12,103,410	-	139,996
0035 Food services	83,361	-	197,601
0036 Extracurricular activities	5,906,244	-	788,603
0041 General administration	5,464,291	-	51,772
0051 Facilities maintenance and operations	25,243,418	-	358,456
0052 Security and monitoring services	2,079,163	-	620,421
0053 Data processing services	4,382,755	-	2,272,669
0061 Community services	342,278	-	-
Debt service:			
0071 Principal on long-term debt	-	19,030,000	-
0072 Interest on long-term debt	-	30,870,547	-
0073 Bond issuance costs and fees	-	2,483,888	-
Capital outlay:			
0081 Capital outlay	2,037,495	-	60,058,451
Intergovernmental:			
0099 Other intergovernmental charges	1,052,498	-	-
6030 Total Expenditures	<u>243,240,817</u>	<u>52,384,435</u>	<u>76,484,175</u>
1100 Excess (deficiency) of revenues over expenditures	<u>2,355,841</u>	<u>(5,427,287)</u>	<u>(75,814,259)</u>
Other Financing Sources (Uses)			
7901 Refunding bonds issued	-	149,965,000	-
7916 Premium or discount on issuance of bonds	-	15,964,136	-
8949 Payment to Bond Refunding Escrow Agent	-	(165,057,277)	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>871,859</u>	<u>-</u>
1200 Net change in fund balances	2,355,841	(4,555,428)	(75,814,259)
0100 Fund Balance - September 1 (Beginning)	<u>77,611,189</u>	<u>12,400,725</u>	<u>213,812,223</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 79,967,030</u>	<u>\$ 7,845,297</u>	<u>\$ 137,997,964</u>

See Notes to the Financial Statements.

Exhibit C-3

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 6,596,212	\$ 191,379,631
1,146,550	106,560,341
19,576,137	22,602,649
<u>27,318,899</u>	<u>320,542,621</u>
9,855,954	175,444,472
11,691	1,952,113
859,182	3,004,864
255,166	2,209,166
53,692	14,585,492
1,127,069	8,246,170
64,444	424,845
44,498	2,946,684
18,880	12,262,286
11,917,163	12,198,125
1,862,165	8,557,012
195,636	5,711,699
-	25,601,874
-	2,699,584
24,302	6,679,726
317,790	660,068
-	19,030,000
-	30,870,547
-	2,483,888
-	62,095,946
-	1,052,498
<u>26,607,632</u>	<u>398,717,059</u>
<u>711,267</u>	<u>(78,174,438)</u>
-	149,965,000
-	15,964,136
-	(165,057,277)
<u>-</u>	<u>871,859</u>
711,267	(77,302,579)
<u>4,344,733</u>	<u>308,168,870</u>
<u>\$ 5,056,000</u>	<u>\$ 230,866,291</u>

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LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

Exhibit C-4

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

For the Year Ended August 31, 2016

<u>Data Control Codes</u>		
	Net change in fund balances - total governmental funds (from C-3)	\$ (77,302,579)
	Amounts reported for governmental activities in the statement of activities (B-1) are different because:	
1	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay of (\$64,652,901) exceeded depreciation of (\$21,374,701).	43,278,200
2	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(2,080,995)
3	Repayment of bond principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	19,030,000
4	Governmental funds report the entire sales price of (proceeds) from the sale of an asset as revenue. In the Statement of Activities it is reported a gain or loss.	(46,441)
5	Premium from the issuance of long-term debt is reported as an other financing source in the governmental funds. In the government-wide financial statement, proceeds are treated as an increase in long-term liabilities.	(15,964,136)
6	Proceeds from issuance of long-term debt is reported as an other financing source in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long-term liabilities.	(149,965,000)
7	Payment to escrow agent for payment of refunded bonds	165,057,277
	Some expenses report in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
8	Amortization of bond premium	3,888,644
9	Increase in interest payable not recognized in fund statements	(455,061)
10	Decrease in long-term portion of accrued compensated absences	646,484
11	Amortization of deferred loss on refunding	(806,835)
12	Pension expense adjustment for the pension plan measurement year	(3,938,350)
13	Internal service funds are used by management to charge the costs of certain activities, such as insurance and printing, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental funds.	<u>5,268,807</u>
	Change in net position of governmental activities	<u><u>\$ (13,389,985)</u></u>

See Notes to the Financial Statements.

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

Exhibit D-1

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

August 31, 2016

<u>Data Control Codes</u>		<u>Governmental Activities - Internal Service Funds</u>
	Assets	
	Current Assets:	
1110-75	Cash and temporary investments	\$ 6,746,756
	Receivables:	
1260	Due from other funds	100,000
1290	Other receivables	92,432
	Total current assets	<u>6,939,188</u>
1000	Total Assets	<u><u>6,939,188</u></u>
	 Liabilities	
	Current Liabilities:	
2110	Accounts payable	129,381
2200	Accrued expenses	2,419,068
	Total current liabilities	<u>2,548,449</u>
2000	Total Liabilities	<u><u>2,548,449</u></u>
	 Net Position	
3900	Unrestricted net position	4,390,739
3000	Total Net Position	<u><u>\$ 4,390,739</u></u>

See Notes to the Financial Statements

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended August 31, 2016

Exhibit D-2

<u>Data Control Codes</u>		<u>Governmental Activities - Internal Service Funds</u>
	Operating Revenues	
5754	Quasi-external interfund transactions	\$ 33,069,955
5020	Total Operating Revenues	<u>33,069,955</u>
	Operating Expenses	
6200	Purchased and contracted services	2,971,237
6400	Claims expense and other operating expenses	24,836,753
6030	Total Operating Expenses	<u>27,807,990</u>
1200	Operating Income	5,261,965
	Non-Operating Revenues (Expenses)	
7020	Investment earnings	<u>6,840</u>
1200	Change in Net Position	5,268,805
	Net Position	
0100	Net Position - September 1 (Beginning)	<u>(878,066)</u>
3300	Net Position - August 31 (Ending)	<u><u>\$ 4,390,739</u></u>

See Notes to the Financial Statements

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

Exhibit D-3

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended August 31, 2016

	Internal Service Funds
	<u> </u>
Cash Flows from Operating Activities:	
Cash Receipts from Charges for Services	\$ 32,943,644
Cash Payments for Claims	(26,088,884)
Cash Payments for Services	<u>(2,971,237)</u>
Net Cash Provided by Operating Activities	<u>3,883,523</u>
Cash Flows from Investing Activities:	
Interest on investments	<u>6,840</u>
Net Cash Provided by Investing Activities	<u>6,840</u>
Net Increase in Cash and Cash Equivalents	3,890,363
Cash and Cash Equivalents at Beginning of Year	<u>2,856,393</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 6,746,756</u></u>
Reconciliation to Balance Sheet	
Cash and Cash Equivalents Per Cash Flow	<u>\$ 6,746,756</u>
Cash and Cash Equivalents per Balance Sheet	<u><u>\$ 6,746,756</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ 5,261,965
Change in Assets and Liabilities:	
Decrease (increase) in Receivables	(26,311)
Decrease (increase) in Interfund Receivables	(100,000)
Increase (decrease) in Accounts Payable	(738,772)
Increase (decrease) in Accrued Expenses	<u>(513,359)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 3,883,523</u></u>

See Notes to the Financial Statements

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

Exhibit E-1

STATEMENT OF FIDUCIARY NET POSITION

August 31, 2016

Data Control Codes	810	865
	Private Purpose Trust Fund	Student Activity Fund
Assets		
1110 Cash and temporary investments	\$ 31,821	\$ 536,816
1000 Total Assets	<u>31,821</u>	<u>536,816</u>
Liabilities		
2190 Due to others	-	\$ 536,816
2000 Total Liabilities	<u>-</u>	<u>536,816</u>
Net Position		
3590 Assets held in trust - scholarships	<u>\$ 31,821</u>	

See Notes to the Financial Statements.

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

Exhibit E-2

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended August 31, 2016

810

	Private Purpose Trust Fund
Additions	
Gifts and contributions	\$ 100
Total Additions	<u>100</u>
Deductions	
Other	9,750
Total deductions	<u>9,750</u>
Change in net position	(9,650)
Net position beginning of year	<u>\$ 41,471</u>
Net position end of year	<u><u>\$ 31,821</u></u>

See Notes to the Financial Statements.

Note 1 - Summary of Significant Accounting Policies

The Lamar Consolidated Independent School District (the “District”) is an independent public educational agency operating under applicable laws and regulations of the State of Texas. The District is autonomously governed by a seven member Board of Trustees elected by the District’s residents.

The District prepares its basic financial statements in conformity with Generally Accepted Accounting Principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in *Statement of Auditing Standards No. 69* of the American Institute of Certified Public Accountants. Additionally, the District complies with the requirements of the appropriate version of the Texas Education Agency (TEA) *Financial Accountability System Resource Guide* (FASRG) and the requirements of contracts and grants of agencies from which it receives funds.

A. Reporting Entity

The District is considered an independent entity for financial reporting purposes and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the District’s financial reporting entity. Based on these considerations, the District’s basic financial statements do not include any other entities. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the District’s financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the District is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the District’s financial reporting entity status is that of a primary government are; that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable; and considerations pertaining to other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. The governmental activities are supported by tax revenues and intergovernmental revenues. The District has no business-type activities that rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Note 1 - Summary of Significant Accounting Policies (continued)

B. Government-Wide and Fund Financial Statements (continued)

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues subject to accrual include state cost reimbursements and amounts due from the federal programs for indirect cost reimbursements.

Property tax levies collected after the fiscal year-end, which would be available to finance current operations, are immaterial and remain deferred. Revenues from federal grants are recognized in the Special Revenue Funds when related expenditures are incurred. Any excess of receipts or expenditures at fiscal year-end is recorded as unearned revenue or due from federal agencies, respectively.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Implementation of New Standards

In the current fiscal year the District implemented the following new standards:

- GASB Statement No. 72 *Fair Value Measurement and Application*
- GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*
- GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*

GASB 72 addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

Note 1 - Summary of Significant Accounting Policies (continued)

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

Implementation of New Standards (continued)

GASB Statement No 73 clarifies the application of certain provisions of Statement No. 68 with regard to information that is required to be presented as notes to the 10-year schedules of required supplementary information about investment-related factors that significantly affect trends in the amounts reported.

GASB Statement No. 79 addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost of financial reporting purposes and for governments that participate in those pools. Those disclosures include information about any limitations or restrictions on participant withdrawals.

D. Fund Accounting

Governmental Funds

The District reports the following major governmental funds:

1. The general fund is the government's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund. Major revenue sources include local property taxes, state funding under the Foundation School Program and interest earnings. Expenditures include all costs associated with the daily operations of the District except for specific programs funded by the federal or state government, food service, debt service, and capital projects.
2. The debt service fund is used to account for the payment of interest and principal on all bonds of the District. The primary source of revenue for debt service is local property taxes.
3. The capital projects fund is used to account for the expenditures of resources accumulated from the sale of bonds and related interest earnings for the acquisition and construction of school facilities.

Non-major governmental funds are comprised of the following fund types:

4. The special revenue funds are used to account for financial resources restricted to or designated for specific purposes by a grantor. Specifically, this type of fund is used to account for the District's Child Nutrition Services, including local and federal revenue sources; for state and federally financed programs (grants) where unused balances are returned to the grantor at the close of specified project periods; and other revenue specific programs. Project accounting is employed for the grants and other revenue specific programs to maintain integrity for the various sources of funds. Resources accounted for in these funds are awarded to the District for the purpose of accomplishing specific educational tasks as defined by grantors in contracts or other agreements.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Fund Accounting (continued)

Governmental Funds (continued)

Additionally, the District reports the following fund types:

Proprietary Fund Type

Internal Service Funds - The Health and Workers' Compensation Insurance Funds are used to account for the operations of the District's employee health insurance plan and workers' compensation plan, which are supported principally by employer and employee contributions. Expenses include plan benefit payments on behalf of employees and charges incurred in administering the plans. Estimated amounts due for claims incurred but not reported at year end are included as fund liabilities.

Fiduciary Fund Types

The *private-purpose trust fund* is used to account for donations for scholarship funds that are received by the District that are to be awarded to current and former students for post-secondary education purposes.

The *agency fund*, accounts for resources held in a custodial capacity by the District, and consists of funds that are the property of student groups.

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

E. Temporary Investments

Temporary investments consisting of investments in U.S. government agency securities, deposits in five managed local government investment pools (Texpool, Lone Star, MBIA, TexStar, and Texas Term), certificates of deposit, and money market funds. The investments are carried at fair value based on quoted market prices at year-end, in accordance with U.S. generally accepted accounting principles. All of the District's temporary investments have a maturity of one year or less at the time of purchase.

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

F. Cash and Cash Equivalents

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

G. Short-term Interfund Receivables/Payables

During the course of operations, transactions occur between individual funds for specified purposes. These receivables and payables are classified as "due from other funds" or "due to other funds" on the combined balance sheet.

Note 1 - Summary of Significant Accounting Policies (continued)

H. Inventories and Prepaid Items

The District records inventory and prepaid items as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements. Supplies are recorded as expenditures as purchased. If any supplies are on hand at the end of the year, their total cost is recorded as inventory and the fund balance is non-spendable for the same amount. Food service commodity inventory is recorded at fair market value on the date received. Commodity inventory items are recorded as expenditures when distributed to user locations. Inventories are valued at the lower-of cost method on average cost method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Material prepaid items are accounted for using the consumption method.

I. Capital Assets

Capital assets, which include land, buildings and improvements, furniture and equipment is reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

When assets are retired or otherwise disposed of, the related costs or other recorded amounts are removed.

Buildings, furniture and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

Category of Asset	Estimated Useful Lives
Buildings and improvements	40 years
Furniture, fixtures & equipment	5-10 years
Information systems (computer equipment)	5-10 years
Automobiles	7 years
Buses	10 years
Light General Purpose Trucks	7 years

J. Unearned Revenues

Unearned revenue at year-end represents funds received in advance for which expenditures have not been incurred for grants.

Note 1 - Summary of Significant Accounting Policies (continued)

K. Deferred Outflows/Inflows of Resources

Deferred outflows and inflows of resources are reported in the statement of financial position as described below:

A deferred outflow of resources is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has two items that qualify for reporting in this category:

Deferred outflows of resources for refunding

Reported in the government-wide statement of net position, this deferred charge of refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred outflows of resources for pension

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

A deferred inflow of resources is an acquisition of a government's net assets (an increase in asset in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has two items that qualify for reporting in this category:

Deferred inflows of resources for unavailable revenues

Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Deferred inflows of resources for pension

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

Note 1 - Summary of Significant Accounting Policies (continued)

Compensated Absences

The District maintains a policy allowing employees meeting established requirements to be compensated for unused sick leave at retirement. Amounts accrued by the District's employees for unused sick leave are reflected in the district's government wide financial statements. The sick leave is liquidated with expendable available resources from the general fund as they become due and payable. Annual vacation time is granted to certain professional and non-professional employees, however, any unused vacation time lapses at the end of each fiscal year. There are no other compensated absences allowed under the district's personnel policies.

L. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. For bonds issued after September 1, 2001, bond premiums and discounts, are 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 issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Fund Equity

The District uses the following classifications of fund balance for governmental funds to describe the relative strength of the spending constraints.

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

Restricted fund balance – amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., the Board of Trustees). To be reported as committed, amounts cannot be used for any other purposes unless the District establishes (and modifies or removes) fund balance commitments by passage of a resolution. A fund balance commitment is further indicated in the budget document as a commitment of the fund. The District has committed a portion of the General Fund's fund balance for food service operations, self-funded insurance and future land purchases. The District has also committed all of Fund 461 *Campus Activity Funds'* fund balance.

Assigned fund balance – amounts the District intends to use for a specific purpose. Assignment can be expressed by the District's Superintendent or the Chief Financial Officer.

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

Note 1 - Summary of Significant Accounting Policies (continued)

M. Fund Equity (continued)

When expenditure is incurred for purposed for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. The District has adopted a policy that resources will be spending in the following order: restricted, committed, assigned and unassigned fund balance.

The Board did not pass a minimum fund balance policy as of August 31, 2016.

When the District incurs an expense for which it may use either restricted or unrestricted net position, it uses restricted net position first unless unrestricted net position will have to be returned because they were not used. 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, excluding unspent proceeds, that is directly attributable to the acquisition, construction, or improvement of these capital assets.

Restricted net position - The component of net position calculated by reducing the carrying value of restricted assets by the amount of any related debt outstanding.

Unrestricted - The difference between the assets and liabilities that is not reported Investment in Capital Assets and Restricted Net Position.

N. Proprietary Fund Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. The principal operating revenues of the District's internal service funds are charges to the funds and employees self-funded insurance programs. Operating expenses for the internal service funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

O. Pension

The fiduciary net position for the 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 pension, 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

P. Data control codes

In accordance with TEA's Financial Accountability System Resource Guide, the District has adopted and installed an accounting system that meets at least the minimum requirements prescribed by the State Board of education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Accounting Code Section of TEA's Financial Resource Guide. Mandatory codes are recorded in the order provided in that section.

Note 1 - Summary of Significant Accounting Policies (continued)

Q. Use of Estimates

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

Note 2 - Deposits (Cash) and Temporary Investments

A. Deposits (Cash)

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the School Depository Act. The depository bank deposits, for safekeeping and trust with the District's agent bank, approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract.

Cash includes petty cash on hand in various functional areas for use in routine operations and demand and time deposit accounts held by various banks.

B. Temporary Investments

The Board of Trustees of the District has adopted a written investment policy (the "Investment Policy") regarding the investment of its funds as defined in the Public Funds Investment Act of 1995 (Chapter 2256, Texas Government Code). The Public Funds Investment Act requires an annual audit of investment practices. Audit procedures in this area, conducted as part of the audit, disclosed that in the area of investment practices, management reports, and establishment of appropriate policies, the District was in substantial compliance with the requirements of the Act. Additionally, the investments and investment practices of the District are in compliance with the Trustees' investment policies.

The District's Investment Policy emphasizes safety of principal and liquidity, addresses investment diversification, yield, and maturity and addresses the quality and capability of investment personnel. The Investment Policy includes a list of authorized investment instruments, a maximum allowable stated maturity of any individual investment and the maximum average dollar weighted maturity allowed for fund groups. In addition, it includes Investment Strategy Statement that specifically addresses each fund's investment options and describes the priorities of suitability of investment type, preservation and safety of principal, liquidity, marketability, diversification and yield.

Note 2 - Deposits (Cash) and Temporary Investments (continued)

B. Temporary Investments (continued)

The District is authorized to invest in the following investment instruments provided that they meet the guidelines of the investment policy:

1. Obligations of the United States or its agencies and instrumentalities; direct obligations of the state of Texas or its agencies; other obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States, or its agencies and instrumentalities;
2. Guaranteed investment contracts that have a defined terminated date and are secured by obligations described by Government code 2256.09(a) (1);
3. Certificates of deposit. Must be fully collateralized and guaranteed or insured by the FDIC;
4. Fully collateralized repurchase agreements pledged to and held in the District's name, and deposited at the time the investment is made with the District or with a third party selected and approved by the District, with a defined termination date, and placed through a primary government securities dealer;
5. Commercial paper. Must have a stated maturity of 270 days or fewer and a rating of not less than A-1/P-1 by two nationally recognized credit rating agencies; or a fully secured irrevocable letter of credit from a US bank and one A-1/P-1 credit rating;
6. Money Market Funds. Must be approved by Board and invest its funds only in investments approved by the investment policy;
7. Public Funds Investment Pools. Must be approved by the Board and invest its funds only in investments approved by the Investment Policy.

A summary of the District's cash and investments at August 31, 2016, are shown below.

	Cash and Deposits	Local Government Investment Pools	Total
Governmental Funds			
General Fund	\$ 2,081,099	\$ 81,388,027	\$ 83,469,126
Debt Service Fund	318,241	7,603,999	7,922,240
Capital Projects Fund	240,304	155,167,526	155,407,830
Non-Major Funds	1,907,057	3,862,455	5,769,512
Total Governmental Funds	4,546,701	248,022,007	252,568,708
Proprietary Funds			
Internal Service Funds	532,588	6,214,168	6,746,756
Total Government Wide Statements	5,079,289	254,236,175	259,315,464
Fiduciary Funds	527,647	40,990	568,637
Total Cash and Temporary Investments	\$ 5,606,936	\$ 254,277,165	\$ 259,884,101

Note 2 - Deposits (Cash) and Temporary Investments (continued)

Credit Risk

As of August 31, 2016, the District's investments were primarily in local government pooled funds, TexPool, TASB Lone Star, MBIA, TexStar and Texas Term. The pooled funds are investments that are not evidenced by securities that exist in physical or book entry form and accordingly, do not have custodial risk. The District's investments policy requires that investments, other than pooled funds, are insured, registered, or the District's agent holds the securities in the District's name; therefore, the District is not exposed to custodial credit risk. Custodial Credit risk for investments is the risk that, in event of the failure of the counterparty (e.g. broker dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party.

Concentration of credit risk.

The District shall diversify its investments by security type and institution. The asset mix of the District's portfolio is expressed in terms of maximum commitment so as to allow sufficient flexibility to take advantage of market considerations within the context of the policy. The district's policy requires that a third party bank trust department hold all securities owned by the District.

As of August 31, 2016 the District's has no other investments other than local government investment pools. The District generally holds all US government securities to maturity date. The District did not purchase any derivative investment products during the current year nor participate in any reverse repurchase agreements or security lending agreements during the fiscal year 2016.

The District's cash and temporary investments at August 31, 2016, consisted of the following:

	<u>Fair Market Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Investment Rating</u>	<u>Percentage of Portfolio</u>
Temporary Investments:				
Local Government Investment Pools: *				
TexPool	\$ 81,591,265	42	AAAm	32%
TexStar	55,552,335	39	AAAm	22%
MBIA - Texas CLASS	42,113,296	47	AAAm	17%
Lone Star	32,856,062	23	AAA	13%
Texas Term/Texas Daily	42,164,207	43	AAAm	17%
Total Temporary Investments	<u>\$ 254,277,165</u>	40		

* Per GASB 79, valued at amortized cost

State law and the District's investment policy limit investments in all categories to top ratings issued by national recognized statistical rating organizations. The table above shows the Districts cash and temporary investment balances along with the weighted average maturity by category for the District's investments at August 31, 2016.

Note 2 - Deposits (Cash) and Temporary Investments (continued)

Local Government Investment Pools

As of August 31, 2016, the District's investments included the Texas Local Government Investment Pool (TexPool), Texas Short Term Asset Reserve Program (TexSTAR), Texas Class, Lone Star Local Government Investment Pool (Lone Star), and Texas TERM/Texas Daily.

TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (the Trust Company) to provide a safe environment for the placement of local government funds. The portfolio consists of U.S. Treasury and government agency securities, repurchase agreements, certain mutual funds, collateralized repurchase and reverse repurchase agreements, no-load money market mutual funds regulated by the Securities and Exchange Commission and rated AAAM or equivalent by at least one nationally recognized statistical rating organization, securities lending programs, and certificates of deposit. TexPool is overseen by the State Comptroller of Public Accounts and administered by Federated Investors, Inc. The Act. TexPool uses amortized cost rather than fair value to report net assets to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. Accordingly, the District's investments in TexPool are stated at amortized cost, which approximates fair value.

TexSTAR is an investment pool managed by J.P. Morgan Fleming Asset Management (USA), Inc. (JPMFAM) and First Southwest Asset Management, Inc. (FSAM). JPMFAM provides investment services and FSAM provides participant services and marketing. Custodial, transfer agency, fund accounting and depository services are provided by JPMorgan Chase Bank and/or its subsidiary J.P. Morgan Investor Services Co. TexSTAR will seek to maintain a credit rating no lower than AAA. AAAM, or the equivalent by at least one nationally recognized rating agency.

MBIA-Texas CLASS is organized under the Sixth Amended and Restated Trust Agreement in accordance with all the requirements contained in section 2256.016 of the ACT. Texas CLASS is administered by Public Trust Advisors, LLC and all funds are held by the custodial agent, Wells Fargo N.A. Texas

CLASS may invest in obligations of the U.S. or its agencies and instrumentalities; repurchase agreements; SEC-registered money market funds rated in the highest rating category by at least one NRSRO; and commercial paper rated A-1, P-1 or equivalent by two nationally recognized rating agencies.

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

TexasTERM is a public funds investment pool created by and for Texas local governments to provide investment options with safety, flexibility, and competitive yields. PFM Asset Management, LLC acts as the investment advisor of the pool. Texas DAILY is a money market portfolio with daily liquidity.

Note 2 - Deposits (Cash) and Temporary Investments (continued)

Interest Rate Risk

In accordance with its investment policy, the District manages its exposure to declines in the fair value due to interest rate changes by limiting the weighted average maturity of its investment portfolio to no more than 36 months from the date of purchase. However, securities with a maturity of greater than 12 months shall be approved by the Board of Trustees before purchase.

Pursuant to investment agreements approved by each participant with each pool, the business and affairs of the pools are required to be managed by each pool's Board of Trustees (the Board.) The Board consists of members, representing entities that have adopted the investment agreements. The duties of the boards include, but are not limited to, adopting investment policies, appointing investment officers, overseeing the selection of investment managers, custodian banks, investment consultants, and other service providers, monitoring compliance with the pools' investment policy, monitoring performance, and revising the investment policies to reflect changing conditions affecting the pools or the needs of the participants.

Interest Rate Risk (continued)

Pursuant to Section 2256.016(g) of the Investment Act, the Public Funds Investments Pools have established advisory boards composed of participants and other knowledgeable individuals. The purpose of the advisory boards shall be to gather and exchange information from participants and non-participants relating to the pools' operations. The value of District portions in TexPool, Lone Star, MBIA, TexStar and Texas Term are the same as the value of the Shares. These external pooled funds operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The external pooled funds use amortized cost rather than market value to report net position to compute share price. Accordingly, the fair value of the positions of the pooled funds is the same as the value of the external pool shares. The funds are structured similar to a money market mutual fund which allows shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant net asset value of \$1

Investment Risk

The risk exposure for governmental activities, major funds, internal service funds and fiduciary funds types of the District are not significantly greater than the deposit and investment risk of the overall primary government.

In accordance with GASB 79, Texpool, Lone Star, MBIA Texas Class, TexStar and Texas Term/Texas DAILY do not have any limitations and restrictions on withdrawals such as notice periods or maximum transactions amounts. None of the pools impose any liquidity fees or redemption gates.

Note 3 - Property Taxes

Property taxes are levied by October 1 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 the property to secure the payment of all taxes, penalties, and interest ultimately imposed. The Central Appraisal District (CAD) of Fort Bend County, Texas establishes appraised values. Taxes are levied by the District's Board of Trustees based on the appraised values received from the CAD. The District contracts with Fort Bend County to perform billing and collection of tax levies.

Property tax rates, established in accordance with state law, are levied on real and personal property within the District's boundaries for use in financing general government and debt service expenditures. Tax rates levied to finance general government and debt service expenditures for the 2015-2016 fiscal year (tax year 2015) were \$1.04005 and \$0.35000, respectively. Based on an assessed property valuation of approximately \$13.3 billion, the resulting tax levy, after exemptions and adjustments for the district was approximately \$179.5 million.

Allowances for uncollectible taxes are based on 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. Net property taxes receivable at August 31, 2016, consisted of the following:

	<u>General</u>	<u>Debt Service Fund</u>	<u>Total</u>
Delinquent taxes - Current year levy	\$ 1,093,721	\$ 368,061	\$ 1,461,782
Delinquent taxes - Prior years' levy	2,212,998	650,940	2,863,938
	<u>3,306,719</u>	<u>1,019,001</u>	<u>4,325,720</u>
Penalties and interest receivable	2,091,702	498,537	2,590,239
	<u>5,398,421</u>	<u>1,517,538</u>	<u>6,915,959</u>
Less allowance for uncollectible taxes	(1,619,526)	(455,265)	(2,074,791)
Net Property Taxes Receivable	<u>\$ 3,778,895</u>	<u>\$ 1,062,273</u>	<u>\$ 4,841,168</u>

Note 4 - Receivables

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

	<u>General</u>	<u>Debt Service Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Property taxes	\$ 5,398,421	\$ 1,517,538	\$ -	\$ 6,915,959
Other	375,785	16,695	222,044	614,524
Gross Receivables	<u>5,774,206</u>	<u>1,534,233</u>	<u>222,044</u>	<u>7,530,483</u>
Less Allowance for doubtful accounts	(1,619,526)	(455,265)	-	(2,074,791)
	<u>\$ 4,154,680</u>	<u>\$ 1,078,968</u>	<u>\$ 222,044</u>	<u>\$ 5,455,692</u>

Note 5 - Interfund Receivables and Payables

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

Amounts due to/from other funds at August 31, 2016, include the following:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental Funds		
General Fund	\$ 4,651,709	\$ 282,502
Debt Service Fund	-	204,643
Capital Projects Fund	117,500	2,443
Nonmajor Funds	1,765,757	6,145,378
Total Governmental Funds	<u>\$ 6,534,966</u>	<u>\$ 6,634,966</u>
Internal Service Funds	100,000	-
Total Internal Service Funds	<u>100,000</u>	<u>-</u>
	<u>\$ 6,634,966</u>	<u>\$ 6,634,966</u>

Note 6 - Due From Other Governments

Due from other governments reported in the District's General, Debt Service and Special Revenue Funds at August 31, 2016, consisted of the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
State Aid	\$ 6,075,520	\$ 144,600	\$ -	\$ 6,220,120
Fort Bend County (Tax Collections)	100,747	33,904	-	134,651
Federal expenditure-driven grant reimbursement	-	-	4,647,558	4,647,558
	<u>\$ 6,176,267</u>	<u>\$ 178,504</u>	<u>\$ 4,647,558</u>	<u>\$ 11,002,329</u>

Note 7 - Capital Assets

A summary of changes in capital assets for the year ended August 31, 2016, follows:

	<u>Balance August 31, 2015</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance August 31, 2016</u>
Capital assets, not being depreciated				
Land	\$ 28,144,204	\$ 2,935,855	\$ -	\$ 31,080,059
Construction in progress	78,363,727	51,662,698	(115,321,597)	14,704,828
Total Capital assets, not being depreciated	<u>106,507,931</u>	<u>54,598,553</u>	<u>(115,321,597)</u>	<u>45,784,887</u>
Capital assets, being depreciated				
Buildings and improvements	626,616,097	5,514,541	116,539,959	748,670,597
Furniture and equipment	46,066,949	4,539,807	(1,264,803)	49,341,953
Total Capital assets, being depreciated	<u>672,683,046</u>	<u>10,054,348</u>	<u>115,275,156</u>	<u>798,012,550</u>
Less accumulated depreciation for:				
Buildings and improvements	(192,716,281)	(17,948,705)	-	(210,664,986)
Furniture and Equipment	(30,214,794)	(3,425,996)	-	(33,640,790)
Total Accumulated depreciation	<u>(222,931,075)</u>	<u>(21,374,701)</u>	<u>-</u>	<u>(244,305,776)</u>
Governmental Capital Assets	<u>\$ 556,259,902</u>	<u>\$ 43,278,200</u>	<u>\$ (46,441)</u>	<u>\$ 599,491,661</u>

Note 7 - Capital Assets (continued)

Exhibit B-1, Statement of Activities, reflects depreciation charges to the following functions or programs:

<u>Function</u>	<u>Depreciation Expense</u>
Instruction	\$ 17,286,875
Instructional resources and media services	94,993
Curriculum and staff development	1,772
Instructional leadership	2,286
School leadership	47,679
Guidance, counseling and evaluation services	13,745
Student transportation	1,534,527
Food Services	162,753
Extracurricular activities	1,001,402
General administration	71,875
Facilities maintenance and operations	221,179
Security and monitoring services	56,902
Data processing services	878,713
	<u>\$ 21,374,701</u>

The District has active construction projects as of August 31, 2016. The District's commitments as of August 31, 2016, are as follows:

<u>Project</u>	<u>Authorized Contract</u>	<u>Construction in Progress</u>	<u>Remaining Commitment</u>
Bentley Elementary School	\$ 20,734,578	\$ 10,945,326	\$ 9,789,252
Lindsey Elementary School	22,052,486	3,759,502	18,292,984
	<u>\$ 42,787,064</u>	<u>\$ 14,704,828</u>	<u>\$ 28,082,236</u>

Note 8 - Changes in Long-Term Debt and Debt Service Requirements

Long-term debt consists of general obligation bonds and accrued compensated absences payable. General obligation bonds are payable solely from future revenues of the Debt Service Fund which consists principally of property taxes collected by the District and investment income. A summary of changes in long-term debt for the year ended August 31, 2016, follows:

	<u>Balance August 31, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance August 31, 2016</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 748,580,000	\$ 149,965,000	\$ (178,550,000)	\$ 719,995,000	\$ 21,345,000
Bond issuance premiums/discounts	71,021,712	15,964,136	(11,641,865)	75,343,983	-
Accrued compensated absences	2,378,647	220,604	(867,088)	1,732,163	618,209
	<u>\$ 821,980,359</u>	<u>\$ 166,149,740</u>	<u>\$ (191,058,953)</u>	<u>\$ 797,071,146</u>	<u>\$ 21,963,209</u>

Note 8 - Changes in Long-Term Debt and Debt Service Requirements (continued)

On March 4, 2016, bonds totaling a par amount of \$149.965 million were issued by the District in two transactions. These transactions consisted of a traditional refunding (Series 2016A), as well as an exchange of a portion of the Series 2007 bonds held by Citibank, N.A. (Series 2016B). Bonds refunded total \$159.520 million. The combined transactions resulted in gross savings to the District of \$41.043 million, representing the greatest amount of savings ever achieved by the District in a single refunding event. Present value savings total \$30.265 million (economic gain), or 18.757% of the refunded bonds. The average interest rate of the bonds refunded was 4.99%, whereas the All-In TIC of the new bonds is 3.16%.

The Series 2016A bonds refunded Series 2007 and 2008 bonds with a par amount of \$123.645 million and interest rates averaging 4.99%. Refunding bonds of \$114.620 million were issued with an All-in TIC of 3.14%.

Bonds with a par amount of \$35.345 million were issued as Series 2016B – Exchanged bonds, with an All-In TIC of 3.20%. These bonds refunded outstanding bonds with a par value of \$35.875 million and an interest rate of 5%. In the transaction, bonds were issued in exchange for a portion of Series 2007 bonds owned by Citibank, N.A. that were set to mature on February 15, 2036. Simultaneously with and as a condition to the issuance of the refunding bonds, Citibank, N.A. tendered the Series 2007 bonds for cancellation and the bonds were cancelled. The exchange resulted in a reduction of principal of the bonds and the interest borne thereby.

Bonds will be used to (i) refund a portion of the District's outstanding debt, as more particularly described in order to lower the overall debt service requirements of the District and (ii) pay the costs of issuance of the Bonds. The reacquisition price was less than the net carrying amount of the old debt by \$2,215,944 deferred gain. This amount is being netted against the new debt and amortized over the life of the new debt, which was equal or shorter than the refunded debt.

Issue	Original issuance amount	Interest Rate (%)	Maturity Date Range	Debt Outstanding
LCISD Unlimited Tax Schoolhouse Bonds Series 2007	\$ 142,645,000	5.00%	2/15/2036	\$ 3,700,000
LCISD Unlimited Tax Schoolhouse and Refunding Bonds Series 2008	134,400,000	3.00% to 5.00%	2/15/2038	3,125,000
LCISD Unlimited Tax Schoolhouse and Refunding Bonds Series 2012A	125,060,000	1.50% to 5.00%	2/15/2045	122,255,000
LCISD Unlimited Tax Refunding Series 2012B	46,125,000	2.00% to 5.00%	2/15/2024	44,265,000
LCISD Unlimited Tax Refunding Series 2013	25,640,000	2.00% to 5.00%	2/15/2025	23,470,000
LCISD Unlimited Tax Refunding Series 2013A	33,185,000	3.25%	2/15/2020	26,180,000
LCISD Variable Rate Unlimited Tax Schoolhouse Bonds Series 2014	90,000,000	2.00%	8/15/2047	90,000,000
LCISD Unlimited Tax Schoolhouse Bonds Series 2014B	43,865,000	4.00% to 5.00%	2/15/2033	43,865,000
LCISD Unlimited Tax Schoolhouse and Refunding Bonds Series 2015	213,170,000	4.00% to 5.00%	2/15/2048	213,170,000
LCISD Unlimited Tax Refunding Bonds Series 2016A	114,620,000	2.00% to 5.00%	2/15/2038	114,620,000
LCISD Unlimited Tax Refunding Bonds Series 2016B	35,345,000	3.5%	2/15/2036	35,345,000
				\$ 719,995,000

Note 8 - Changes in Long-Term Debt and Debt Service Requirements (continued)

Bonded long-term debt, at August 31, 2016, is comprised of the following individual issues:

Annual requirements to amortize all bonded and contractual obligation long-term debt outstanding, as of August 31, 2016, follows:

<u>Year Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2017	\$ 21,345,000	\$ 31,776,033	\$ 53,121,033
2018	18,640,000	31,110,060	49,750,060
2019	23,040,000	30,309,366	53,349,366
2020	25,055,000	29,289,854	54,344,854
2021	24,850,000	28,148,487	52,998,487
2022-2026	126,095,000	121,819,552	247,914,552
2027-2031	112,805,000	94,657,688	207,462,688
2032-2036	140,665,000	68,085,280	208,750,280
2037-2041	99,505,000	41,100,075	140,605,075
2042-2046	101,550,000	17,660,350	119,210,350
2047-2048	26,445,000	1,107,125	27,552,125
	<u>\$ 719,995,000</u>	<u>\$ 495,063,870</u>	<u>\$ 1,215,058,870</u>

The District is in compliance with all significant bond and contractual obligation limitations and restrictions.

Defeased Debt

In prior years and in the current year, the District issued refunding bonds for the purpose of generating resources and decreasing the total debt service payments. Placing the proceeds of the refunding bonds in an irrevocable trust has provided for all future debt service payments on the original bonds. Accordingly, the escrow accounts to provide for all future debt service payments are not included in the District's financial statements. Series 2015, refunded Series 2007 and 2008 in the amounts of \$43,085,000 and \$34,390,000 respectfully and the Series 2016 refunded Series' 2007 and 2008 in a total amount of \$123,645,000 for a total a defeased debt as of August 31, 2016 of \$201,120,000.

Note 9 - Fund Equity

According to District policy, as prescribed by GASB Statement No 54, the Board may establish commitments and the Superintendent and Chief Financial Officer may assign fund balances from time to time in order to meet specific District needs. A summary of committed and assigned fund balance as of August 31, 2016, for all governmental types follows:

	General Fund	Nonmajor Governmental Funds
Committed Fund Balance		
Committed - self insurance:		
Health Plan	\$ 2,000,000	\$ -
Workers compensation plan	500,000	-
Total Committed - self insurance	<u>2,500,000</u>	<u>-</u>
Committed - other:		
Debt Service	500,000	-
Food service program	500,000	-
Future land purchase	1,000,000	-
Campus activity funds	-	1,200,141
Total Committed - other	<u>2,000,000</u>	<u>1,200,141</u>
Total Committed	<u>\$ 4,500,000</u>	<u>\$ 1,200,141</u>
Assigned Fund Balance		
Assigned - other:		
Encumbrances	\$ 2,675,562	\$ -
Fleet Replacement	500,000	-
Equipment Replacement	500,000	-
Vending	476,000	-
Total Assigned	<u>\$ 4,151,562</u>	<u>\$ -</u>

Note 10 - Local Revenues

A summary of local revenues as presented in the governmental fund financial statements for the year ended August 31, 2016, follows:

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 134,918,723	\$ 13,251,633	\$ -	\$ -	\$ 148,170,356
Penalties and interest	878,046	82,727	-	-	960,773
Investment income	315,862	8,883	669,916	9,475	1,004,136
Services to other districts	21,021	-	-	-	21,021.00
Tuition and summer school	303,166	-	-	-	303,166
Co-curricular student activities	641,659	-	-	-	641,659
Food sales	-	-	-	4,200,530	4,200,530
Other	1,275,519	32,416,264	-	2,386,207	36,077,990
	<u>\$ 138,353,996</u>	<u>\$ 45,759,507</u>	<u>\$ 669,916</u>	<u>\$ 6,596,212</u>	<u>\$ 191,379,631</u>

Note 11 - General Fund Federal Program Revenues

For purposes of regulatory requirements of the Texas Education Agency, a summary of federal program revenues received in the General fund for the year ended August 31, 2016 are as follows:

Program or Source	CFDA Number	Amount
Medicaid Administrative Claims (MAC)	93.778	\$ 49,031
SHARS	N/A	1,883,201
ROTC	12.000	96,866
E-rate	N/A	719,593
Indirect costs:		
Title I Part A Improving Basic Programs	84.010A	277,821
Total		\$ 3,026,512

Note 12 - Defined Benefit Pension Plan

Plan Description

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

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

Pension Plan Fiduciary Net Position

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

Note 12 - Defined Benefit Pension Plan (continued)

Benefits Provided

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

Contributions

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

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

	Contribution Rates	
	2016	2015
Member	7.20%	6.70%
Non-Employer Contributing Entity	6.80%	6.80%
Employers	6.80%	6.80%

Note 12 - Defined Benefit Pension Plan (continued)

Contributions (continued)

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA). Contributions and pension expense for all contributions were as follows:

	Measurement Year (2015)	Fiscal Year (2016)
	Contributions Made	TRS Contributions
Employer (District) contributions	\$ 4,398,157	\$ 4,955,206
Member (Employee) contributions	10,067,486	12,037,062
Non-employer (State) on-behalf contributions	7,655,465	8,382,233

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

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

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

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

Note 12 - Defined Benefit Retirement Plan (continued)

Actuarial Assumptions

The total pension liability in the August 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2015
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term expected Investment Rate of Return	8.00%
Inflation	2.50%
Salary Increases including inflation	3.5% to 9.5%
Payroll Growth Rate	3.50%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

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

Discount Rate

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

Note 12 - Defined Benefit Retirement Plan (continued)

Discount Rate (continued)

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2015 are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long Term Expected Portfolio Real Rate of Return*
Global Equity			
U.S	18%	7.0%	1.4%
Non-U.S. Developed	13%	7.3%	1.1%
Emerging Markets	9%	8.1%	0.9%
Directional Hedge Funds	4%	5.4%	0.2%
Private Equity	13%	9.2%	1.4%
Stable Value			
U.S. Treasuries	11%	2.9%	0.3%
Absolute Return	0%	4.0%	0.0%
Stable Value Hedge Funds	4%	5.2%	0.2%
Cash	1%	2.0%	0.0%
Real Return			
Global Inflation Linked Bonds	3%	3.1%	0.0%
Real Assets	16%	7.3%	1.5%
Energy and Natural Resources	3%	8.8%	0.3%
Commodities	0%	3.4%	0.0%
Risk Parity			
Risk Parity	5%	8.9%	4.0%
Alpha	0%	0.0%	1.0%
Total	<u>100%</u>		<u>12.3%</u>

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

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2015 Net Pension Liability.

	Discount Rate		
	1% Decrease (7%)	Current Rate (8%)	1% Increase (9%)
District's proportional share of the net pension liability	\$ 82,265,168	\$ 52,504,827	\$ 27,716,313

Note 12 - Defined Benefit Retirement Plan (continued)

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

At August 31, 2016, the District reported a liability of \$52,504,827 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportion of the net pension liability	0.1485%
District's proportionate share of the collective net pension liability	\$ 52,504,827
State's proportionate share that is associated with the District	<u>91,363,163</u>
Total	<u><u>\$ 143,867,990</u></u>

The net pension liability was measured as of August 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2014 through August 31, 2015.

At August 31, 2015, the most recent measurement date, the employer's proportion of the collective net pension liability was 0.1485% which was an increase from its proportion of 0.0962% measured as of August 31, 2014.

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

Changes Since the Prior Actuarial Valuation

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

Economic Assumptions:

1. The inflation assumption was decreased from 3.00% to 2.50%
2. The ultimate merit assumption for long-service employees was decreased from 1.25% to 1.00%
3. In accordance with the observed experience, there were small adjustments in the service-based promotional/longevity component of the salary scale.
4. The payroll growth assumption was lowered from 3.5% to 2.5%
5. The post-retirement mortality tables for non-disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to improve in the future using a fully generational approach and Scale BB.
6. The post-retirement mortality tables for disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
7. The pre-retirement mortality tables for active employees were updated to use 90% of the recently published RP-2014 mortality table for active employees. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.

Note 12 - Defined Benefit Retirement Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Changes Since the Prior Actuarial Valuation (continued)

Other Demographic Assumptions

8. Previously, it was assumed 10% of all members who had contributed in the past 5 years to be an active member. This was an implicit rehire assumption because teachers have historically had a high incidence of terminating employment for a time and then returning to the workforce at a later date. This methodology was modified to add a more explicit valuation of the rehire incidence in the termination liabilities, and therefore these 10% are no longer being counted as active members.
9. There were adjustments to the termination patterns for members consistent with experience and future expectations. The termination patterns were adjusted to reflect the rehire assumption. The timing of the termination decrement was also changed from the middle of the year to the beginning to match the actual pattern in the data.
10. Small adjustments were made to the retirement patterns for members consistent with experience and future expectations.
11. Small adjustments to the disability patterns were made for members consistent with experience and future expectations. Two separate patterns were created based on whether the member has 10 years of service or more.
12. For members that become disabled in the future, it is assumed 20% of them will choose a 100% joint and survivor annuity option.

Actuarial Methods and Policies

13. The method of using celled data in the valuation process was changed to now using individual data records to allow for better reporting of some items, such as actuarial gains and losses by sources.

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

For the year ended August 31, 2016, the District recognized pension expense of \$8,893,556 and revenue of \$13,017,780 for support provided by the State.

Note 12 - Defined Benefit Retirement Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

At August 31, 2016, 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 experience	\$ 312,334	\$ 2,017,807
Changes of assumptions	1,312,747	1,873,142
Difference between projected and actual investment earnings	7,364,253	-
Changes in proportion and differences between District contributions and proportionate share of contributions	13,158,476	5,294
Contributions paid to TRS subsequent to the measurement date	<u>4,955,206</u>	<u>-</u>
Total	<u>\$ 27,103,016</u>	<u>\$ 3,896,243</u>

The \$4,955,206 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2017.

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

<u>Year ended August 31</u>	<u>Pension Expense Amount</u>
2017	\$ 3,275,036
2018	3,275,036
2019	3,275,036
2020	5,130,542
2021	1,878,371
2022	<u>1,417,546</u>
	<u>\$ 18,251,567</u>

Note 13 - Retiree Health Care

Plan Description

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

Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0% and .65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at .55% for fiscal years 2013, 2015, and 2015. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than .25% or greater than .75% of the salary of each active employee of the public school. For staff members funded by federal programs, the federal programs are required to contribute 1.0%.

Contributions made by the State, District, and staff members, for the years ended 2014, 2015, and 2016, are as follows:

Fiscal Year	State TRS Contributions Made on Behalf of the District	District Required Contributions to TRS	Employees Contributions to TRS	Totals	District's Annual Covered Payroll
2014	\$ 1,333,442	\$ 832,798	\$ 908,415	\$ 3,074,655	\$ 139,758,071
2015	1,437,107	898,720	976,691	3,312,518	150,261,996
2016	1,596,577	1,005,171	1,086,679	3,688,427	167,181,389

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

Note 13 - Retiree Health Care (continued)

Funding Policy (continued)

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District. For the years ended August 31, 2016, 2015, and 2014 the subsidy payments received by TRS-Care on behalf of the District are as follows:

Fiscal Year	Medicare Part D
2016	\$ 641,382
2015	610,604
2014	372,286

Note 14 - Commitments and Contingencies

Risk Management

The District is exposed to various risks related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disaster. The District's risk management program encompasses various means of protecting the District against loss by obtaining property, casualty, and liability coverage through commercial insurance carriers, self-insurance, and from participation in a risk pool.

The District established a limited risk management program for Health Insurance and Workers' Compensation by establishing an Internal Service Fund to account for its insured and self-insured risk of loss. The Internal Service Fund (Health Insurance) is principally supported by contributions from the district and the employees. The District makes contributions to cover the employees and the employees are required to make contributions to cover their dependents. The Internal Service Fund charges the General Fund premiums for the District's contribution. The District has obtained excess loss insurance that limits the District's claims paid to \$100,000 for individual and \$1,000,000 in aggregate claims on an annual basis. Estimates of claims payable and of claims incurred but not reported at August 31, 2016 are based on the District's historical experience and are reflected as accrued expenses of the Fund. The liabilities include an amount for claims that have been incurred but were not reported until after August 31, 2016. Because actual claims liabilities depend on such complex factors as inflation, changes in legal requirements and damages awards, the process used in computing claims liability is an estimate.

Analysis of claims liability, for the fiscal years 2014-2016, is as follows:

Fiscal Year	Beginning of Year Accrual	Current Year Estimates	Claims Payments	End of Year Accrual
2014	\$ 1,939,986	\$ 19,585,915	\$ 19,329,572	\$ 2,196,329
2015	2,196,329	25,093,884	24,687,090	2,603,123
2016	2,603,123	24,987,915	25,556,402	2,034,636

Note 14 - Commitments and Contingencies (continued)

Risk Management (continued)

The District also provides workers' compensation to its employees, through a self-insured plan which is accounted for in the Internal Service Fund. The Internal Service Fund charges the General Fund premiums for the District's contribution. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities also include an estimated amount for claims that have been incurred but not reported. The result of the process to estimate the claims liability is based upon the District's historical experience. The District has obtained excess loss insurance that limits the District's claims paid to \$100,000 for any individual participant. Analysis of claims liability for the fiscal years 2014-2016, is as follows:

<u>Fiscal Year</u>	<u>Beginning of Year Accrual</u>	<u>Current Year Estimates</u>	<u>Claims Payments</u>	<u>End of Year Accrual</u>
2014	\$ 819,185	\$ 177,492	\$ 549,299	\$ 447,378
2015	447,378	374,579	492,653	329,304
2016	329,304	587,610	532,482	384,432

During fiscal year 2015-16 the District was a member of the Texas Association of School Boards Property Casualty Joint Account, a public entity risk pool. The district's participation in the risk pool is limited to paying premiums for unemployment insurance and professional legal liability insurance coverage. Settled claims have not exceeded insurance coverage in any of the previous three years. There has not been any significant reduction in insurance coverage from that of the previous year.

Federal Tax Compliance (Arbitrage) for Tax Exempt Debt

In accordance with provisions of Section 148 of the Internal Revenue Code of 1986, as amended, (the "Code") the District's "tax exempt" debt obligations must meet certain minimum criteria to be considered and continue to be considered "tax exempt." This "tax exempt" status means that interest income earned by purchasers of the District's long-term debt instruments is not subject to federal income taxes. Related Treasury Regulations promulgated under section 148 of the Code generally provide that the determination of whether these obligations are tax exempt is made as of the date such obligations are issued based on reasonable expectations regarding the use of the proceeds of the bonds issued. Any tax exempt debt issue that does not meet and continue to meet the minimum criteria of Section 148 of the Code and the related Treasury Regulations described above are considered "arbitrage bonds" and are not considered "tax exempt" as described above.

Rebate

Tax exempt bonds will become arbitrage bonds (as described above) if certain arbitrage profits are not paid to the federal government as rebate under section 148(f) of the Code. The District's obligations to calculate and make rebate payments (if any) will continue as long as there are gross proceeds allocable to outstanding tax exempt debt. The District has performed calculations required under section 148(f) of the Code and has determined that there is no liability as of August 31, 2016.

Note 14 - Commitments and Contingencies (continued)

Rebate (continued)

Unexpended Tax Exempt Debt Issuance Proceeds (Yield Restriction Requirements) - Section 148 of the Code also provides that in order for tax exempt debt not to be considered arbitrage debt (as described above), certain proceeds require yield restriction meaning that proceeds of such debt must be invested at a yield that is not materially higher than the yield on the debt issued. The yield restriction may be accomplished by making yield reduction payments pursuant to Treas. Reg. Section 1.148-5(c). The District is continuing to proceed with reasonable diligence to expend any remaining unexpended debt issuance proceeds on qualifying projects or to retire related debt issues still outstanding.

Note 15 - Deficit Fund Balance and Fund Equity

The Locally Funded Special Revenue Funds, a non-major governmental fund had a deficit fund balance of \$4,880 as of August 31, 2016. The District will cover the deficit during the next fiscal year.

Note 16 - Subsequent Events

In December 2016, the District approved an order authorizing the issuance of \$95.048 million of Unlimited Tax Schoolhouse Bonds, Series 2017. In 2014 the voters of the District authorized the issuance of \$240.6 million of schoolhouse bonds and the \$95.048 million is the remaining bonds to be sold. The bonds will be sold as traditional fixed rate bonds.

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REQUIRED SUPPLEMENTARY INFORMATION

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL-GENERAL FUND
For the year ended August 31, 2016

Exhibit G-1

Data Control Codes		Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
		Original	Final		
	Revenues				
5700	Local revenues	\$ 136,004,700	\$ 137,743,777	\$ 138,353,996	\$ 610,219
5800	State program revenues	96,109,115	102,417,598	104,216,150	1,798,552
5900	Federal program revenues	1,745,000	1,745,000	3,026,512	1,281,512
5020	Total revenues	<u>233,858,815</u>	<u>241,906,375</u>	<u>245,596,658</u>	<u>3,690,283</u>
	Expenditures				
	Current:				
0011	Instruction	148,838,634	157,935,487	154,389,647	3,545,840
0012	Instruction resources and media services	1,242,339	1,485,679	1,353,006	132,673
0013	Curriculum and instructional staff development	2,410,163	2,389,224	2,143,696	245,528
0021	Instructional leadership	1,982,724	2,106,563	1,954,000	152,563
0023	School leadership	13,433,772	14,950,369	14,341,010	609,359
0031	Guidance, counseling and evaluation services	6,973,808	7,328,788	7,118,593	210,195
0032	Social work services	406,474	480,529	360,401	120,128
0033	Health services	2,694,244	3,044,703	2,885,551	159,152
0034	Student transportation	10,792,156	12,980,815	12,103,410	877,405
0035	Food services	73,176	227,108	83,361	143,747
0036	Extracurricular activities	5,205,037	6,294,393	5,906,244	388,149
0041	General administration	5,856,846	5,752,099	5,464,291	287,808
0051	Facilities maintenance and operations	20,088,669	26,051,189	25,243,418	807,771
0052	Security and monitoring services	2,122,052	2,458,682	2,079,163	379,519
0053	Data processing services	4,333,656	4,676,747	4,382,755	293,992
0061	Community services	405,039	393,073	342,278	50,795
0081	Capital outlay	-	2,780,337	2,037,495	742,842
0093	Payments related to shared services arrangements	5,599,025			
0099	Other intergovernmental charges	1,156,128	1,156,128	1,052,498	103,630
6030	Total Expenditures	<u>233,613,942</u>	<u>252,491,913</u>	<u>243,240,817</u>	<u>9,251,096</u>
1100	Excess (deficiency) of revenues over expenditures	<u>244,873</u>	<u>(10,585,538)</u>	<u>2,355,841</u>	<u>12,941,379</u>
1200	Net change in fund balances	244,873	(10,585,538)	2,355,841	12,941,379
100	Fund balances - beginning	<u>77,611,189</u>	<u>77,611,189</u>	<u>77,611,189</u>	<u>-</u>
3000	Fund balances - ending	<u>\$ 77,856,062</u>	<u>\$ 67,025,651</u>	<u>\$ 79,967,030</u>	<u>\$ 12,941,379</u>

Budgets

The District adopts annual appropriations type budgets for the General Fund, the Food Service Special Revenue Fund, and the Debt Service Fund using the same method of accounting as for financial reporting, as required by law. The remaining Special Revenue Funds (primarily federal grant programs) utilize a managerial type budget approved at the fund level by the Board of Trustees upon acceptance of the grants. These grants are subject to State imposed project length budgets and monitoring through submission of reimbursement reports.

The Capital Projects Fund budget is prepared on a project basis based on the proceeds available from bond issuance and planned expenditures outlined in applicable bond ordinances. Capital Projects Fund equity, which represents unexpended appropriations, is reappropriated in the subsequent fiscal year's budget until available funds for acquisition and construction of facilities have been utilized. Each major construction contract is approved based on the existing availability of bond proceeds. The remaining Fund types (Proprietary and Fiduciary) are not integrated into the District's formal budgetary structure.

Expenditures may not legally exceed budgeted appropriations at the function or activity level. Expenditure requests that would require an increase in total budgeted appropriations must be approved by the Trustees through formal budget amendment. State law prohibits trustees from making budget appropriations in excess of funds available and estimated revenues. State law also prohibits amendment of the budget after fiscal year end. Supplemental appropriations were made to the General Fund during the fiscal year ended August 31, 2016.

The administrative level at which responsibility for control of budgeted appropriations begins is at the organizational level within each function of operations. The finance department reviews closely the expenditure requests submitted by the various organizational heads (principal and department heads) throughout the year to ensure proper spending compliance. No public funds of the District shall be expended in any manner other than as provided for in the budget adopted by the Board of Trustees.

The official school budget was prepared for adoption for budgeted governmental fund types on August 20, 2015. The Board of Trustees formally adopted the budget at a duly advertised public meeting prior to the expenditure of funds. The final amended budget is filed with the Texas Education Agency (TEA) through inclusion in the annual financial and compliance report.

Encumbrances

Encumbrance accounting is utilized in all government fund types. Purchase orders or contracts document encumbrances for goods or purchased services. Under Texas law, appropriations lapse at year-end and encumbrances outstanding at that time are appropriately provided for in the subsequent year's budget.

End-of-year outstanding encumbrances that were provided for in the subsequent year's budget were \$2,675,562 for the General Fund.

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Schedules of Required Supplementary Information
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
Teacher Retirement System of Texas
For the Last Two Measurement Year ended August 31

Exhibit G-3

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.1485%	0.0909%
District's proportionate share of the net pension liability	\$ 52,504,827	\$ 24,283,479
State's proportionate share of the net pension liability associated with the District	<u>91,363,163</u>	<u>76,798,291</u>
Total	<u>\$ 143,867,990</u>	<u>\$ 101,081,770</u>
District's covered-employee payroll (for Measurement Year)	\$ 150,260,996	\$ 139,758,071
District's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	34.9%	17.4%
Plan fiduciary net position as a percentage of the total pension liability *	78.43%	83.25%
Plan's net pension liability as a percentage of covered-employee payroll *	91.94%	72.89%

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

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

* Per Teacher Retirement System of Texas' comprehensive annual financial report.

Ten year of data should be presented in this schedule, but data was unavailable prior to 2014
Net pension liability and related ratios will be presented as data becomes available.

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers Retirement System of Texas
Last Ten Fiscal Years

Exhibit G-4

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contributions	\$ 4,955,206	\$ 4,398,157	\$ 2,305,130	\$ 1,988,833	\$ 1,791,235
Contributions in relation to the contractual required contributions	<u>4,955,206</u>	<u>4,398,157</u>	<u>2,305,130</u>	<u>1,988,833</u>	<u>1,791,235</u>
contribution deficiency (excess)	<u>\$ -</u>				
District's covered employee payroll	\$ 167,181,389	\$ 150,260,996	\$ 139,758,071	\$ 132,112,084	\$ 130,928,506
Contributions as a percentage of covered employee payroll	2.96%	2.93%	1.65%	1.51%	1.37%
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually required contributions	\$ 2,131,506	\$ 1,913,857	\$ 1,822,296	\$ 1,626,311	\$ 1,120,437
Contributions in relation to the contractual required contributions	<u>2,131,506</u>	<u>1,913,857</u>	<u>1,822,296</u>	<u>1,626,311</u>	<u>1,120,437</u>
contribution deficiency (excess)	<u>\$ -</u>				
District's covered employee payroll	\$ 134,534,219	\$ 127,560,891	\$ 119,537,534	\$ 112,341,768	\$ 99,995,940
Contributions as a percentage of covered employee payroll	1.58%	1.50%	1.52%	1.45%	1.12%

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LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
For the Fiscal Year Ended August 31, 2016

Exhibit G-5

Notes to Required Supplementary Information – Pension

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

Changes of Assumptions

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

Changes of Benefit Terms

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

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INDIVIDUAL, COMBINING FUND STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are governmental funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. This excludes expendable trusts and major capital projects. These funds utilize the modified accrual basis of accounting. Fund numbers as prescribed by the Texas Education Agency's Financial Accountability System Resource Guide (FASRG) along with Fund names and description have been detailed below.

The following funds are used to account for the indicated *federal programs*:

211 Title I, Part A - Improving Basic Programs - This fund classification is to be used to account, on a project basis, for funds allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children. This program is authorized under P.L. 107-110. (84.010A) (U.S. Department of Education)

215 Title I, Part D, Subpart 2 - Prevention and Intervention Programs for Children and Youth who are Neglected, Delinquent, or at Risk - This fund classification is to be used to account, on a project basis, for funds to carry out high quality education programs to prepare neglected or delinquent youth for secondary school completion, training, employment, or further education. This grant is funded by P.L. 107-110. (84.010A) (U.S. Department of Education)

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. This fund classification includes capacity building and improvement (sliver) sub-grants. (84.027A) (U.S. Department of Education)

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. This grant is funded by PL 105-17. (84.173A) (U.S. Department of Education)

240 National School Breakfast and Lunch Program - This fund classification is to be used for programs using federal reimbursement revenues originating from the United States Department of Agriculture (USDA). (10.553, breakfast; 10.555, lunch)

244 Vocational Education - Basic Grant - This fund classification is to be used to account, on a project basis, for funds granted to develop new and/or improve career and technology education programs. The purpose of this grant is to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population. (84.048A) (U.S. Department of Education)

255 Title II, Part A Teacher Principal Training and Recruiting - This fund classification is to be used to account on a project basis, for funds granted to improve student achievement by elevating teacher and principal quality through recruitment, hiring, and retention strategies to improve teacher and principal quality and increase the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools This program is authorized under P.L. 107-110 (84.367A) (U.S. Department of Education)

Nonmajor Governmental Funds (Continued)

Special Revenue Funds (Continued)

263, Title III, Part A, LEP - Funds are used to provide additional services to students of limited English proficiency by assisting the children to learn English and meet challenging State academic content and student academic achievement standards. This program is authorized under P.L 107-110 (84.365A) (U.S. Department of Education)

281 Summer School LEP - Required summer school program for limited English proficiency students (84.369A) (U.S. Department of Education)

The following funds are used to account for the indicated *state programs*:

385 State Supplemental Visually Impaired (SSVI) - This fund classification is to be used to account for State Supplemental Visually Impaired funds. This fund is to be used by single school districts, on a project basis, to account for any of these funds received from the ESC or district fiscal agent of a shared services arrangement.

397 Advanced Placement Incentives - This fund classification is to be used to account, on a project basis, for funds awarded to school districts under the Texas Advanced Placement Award Incentive Program, Chapter 28, Subchapter C, TEC.

410 Instructional Materials Allotment (IMA) - Legislation from the 82nd Texas Legislature created an Instructional Materials Allotment (IMA) for the purchase of instructional materials, technological equipment and technology-related services. Districts are entitled to an annual allotment from the state instructional materials fund for each student enrolled in the district on a date during the preceding school year specified by the commissioner. An allotment under this section shall be transferred from the state instructional materials fund to the credit of the district's instructional materials account as provided by Section 31.0212.

411 Technology Allotment - This fund classification is to be used to account, on a project basis, for funds awarded to school districts to purchase technological software or equipment that contributes to student learning, or to pay for training for educational personnel involved in the use of these materials. (TEC Chapter 31, Subchapter B)

429 Achievement Literacy- This fund classification is to be used to account for a summer literacy and mathematics achievement academies for teachers who provide reading instruction to students in kindergarten and grade 1 and mathematic instruction to students in grade 2 or 3 to eligibly participants.

461 Campus Activity Funds (see Fund 865 for Student Activity Funds) 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. Gross revenues from sales are recorded in revenue object code 5755. The cost of goods sold is recorded in Function 36, using the appropriate expenditure object code.

499 Locally Funded Special Revenue Funds Locally funded special revenue funds not listed above are to be accounted for in this fund

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

August 31, 2016

Data Control Codes		211	215	224
		Title I, Part A	Title I, Part D	IDEA B Formula
	Assets			
1110	Cash and temporary investments	\$ 321,020	\$ 213	\$ -
	Receivables:			
1240	Receivables from other governments	2,462,379	49,412	1,318,857
1260	Due from other funds	1,699,235	7,232	-
1290	Other receivables	-	-	-
1310	Inventories, at cost	-	-	-
1000	Total Assets	<u>\$ 4,482,634</u>	<u>\$ 56,857</u>	<u>\$ 1,318,857</u>
	Liabilities and Fund Balance			
	Liabilities:			
	Current Liabilities:			
2110	Accounts payable	\$ 165,061	\$ -	\$ 15,076
2160	Accrued wages payable	154,433	9,645	180,650
2170	Due to other funds	4,163,140	47,212	1,123,131
2300	Unearned revenues	-	-	-
2000	Total Liabilities	<u>4,482,634</u>	<u>56,857</u>	<u>1,318,857</u>
	Fund Balance:			
	Restricted:			
3450	Restricted - grant funds	-	-	-
	Committed:			
3545	Committed - other	-	-	-
	Unassigned:			
3600	Unassigned	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 4,482,634</u>	<u>\$ 56,857</u>	<u>\$ 1,318,857</u>

225	240	244	255	263	281
IDEA B Preschool Grant	Child Nutrition	Vocational Ed - Basic	Title II, Part A	Title III, Part A - LEP	Summer School LEP
\$ -	\$ 4,114,685	\$ -	\$ -	\$ -	\$ 17,809
32,336	261,660	78,201	291,834	133,629	-
56,891	-	-	-	-	-
-	129,596	-	-	-	-
-	250,878	-	-	-	-
<u>\$ 89,227</u>	<u>\$ 4,756,819</u>	<u>\$ 78,201</u>	<u>\$ 291,834</u>	<u>\$ 133,629</u>	<u>\$ 17,809</u>
\$ -	\$ 456,829	\$ -	\$ 61,751	\$ 10,473	\$ -
4,339	233,345	-	-	-	-
84,888	218,437	78,201	230,083	123,156	17,809
-	-	-	-	-	-
<u>89,227</u>	<u>908,611</u>	<u>78,201</u>	<u>291,834</u>	<u>133,629</u>	<u>17,809</u>
-	3,848,208	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>3,848,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 89,227</u>	<u>\$ 4,756,819</u>	<u>\$ 78,201</u>	<u>\$ 291,834</u>	<u>\$ 133,629</u>	<u>\$ 17,809</u>

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

August 31, 2016

Data Control Codes	385 State Visually Impaired	397 Advanced Placement Incentive	410 Instructional Materials Allotment
Assets			
1110	\$ -	\$ 49,737	\$ 5,968
Receivables:			
1240	-	-	-
1260	-	-	-
1290	-	-	-
1310	-	-	-
1000	Total Assets	\$ 49,737	\$ 5,968
Liabilities and Fund Balance			
Liabilities:			
Current Liabilities:			
2110	\$ -	\$ -	\$ -
2160	-	-	-
2170	-	-	-
2300	-	49,737	-
2000	Total Liabilities	49,737	-
Fund Balance:			
Restricted:			
3450	-	-	5,968
Committed:			
3545	-	-	-
Unassigned:			
3600	-	-	-
3000	Total Fund Balances	-	5,968
4000	Total Liabilities and Fund Balance	\$ 49,737	\$ 5,968

411	429	461	499 Locally Funded Special Revenue Funds	Total Nonmajor Governmental Funds
<u>Technology Allotment</u>	<u>Achievement Literacy</u>	<u>Campus Activity</u>		
\$ 6,563	\$ -	\$ 1,200,141	\$ 53,376	\$ 5,769,512
-	19,250	-	-	4,647,558
-	-	-	2,399	1,765,757
-	-	-	16	129,612
-	-	-	-	250,878
<u>\$ 6,563</u>	<u>\$ 19,250</u>	<u>\$ 1,200,141</u>	<u>\$ 55,791</u>	<u>\$ 12,563,317</u>
\$ -	\$ -	\$ -	\$ -	\$ 709,190
-	19,250	-	-	601,662
-	-	-	59,321	6,145,378
-	-	-	1,350	51,087
<u>-</u>	<u>19,250</u>	<u>-</u>	<u>60,671</u>	<u>7,507,317</u>
6,563	-	-	-	3,860,739
-	-	1,200,141	-	1,200,141
-	-	-	(4,880)	(4,880)
<u>6,563</u>	<u>-</u>	<u>1,200,141</u>	<u>(4,880)</u>	<u>5,056,000</u>
<u>\$ 6,563</u>	<u>\$ 19,250</u>	<u>\$ 1,200,141</u>	<u>\$ 55,791</u>	<u>\$ 12,563,317</u>

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2016

Data Control Codes	211	215	224
	Title I, Part A	Title I, Part D	IDEA B Formula
Revenues			
5700 Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800 State program revenues	-	-	-
5900 Federal program revenues	5,792,087	193,167	4,343,475
5020 Total Revenues	<u>5,792,087</u>	<u>193,167</u>	<u>4,343,475</u>
Expenditures			
Current:			
0011 Instruction	4,897,805	193,167	3,086,994
0012 Instruction resources and media services	11,691	-	-
0013 Curriculum and instructional staff development	295,766	-	35,243
0021 Instructional leadership	77,949	-	134,158
0023 School leadership	25,932	-	-
0031 Guidance, counseling and evaluation services	66,654	-	1,059,625
0032 Social work services	64,335	-	-
0033 Health services	17,043	-	27,455
0034 Student transportation	18,880	-	-
0035 Food service	-	-	-
0036 Extracurricular activities	-	-	-
0041 General administration	17,472	-	-
0053 Data processing services	24,302	-	-
0061 Community services	274,258	-	-
6030 Total Expenditures	<u>5,792,087</u>	<u>193,167</u>	<u>4,343,475</u>
1100 Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net change in fund balances	-	-	-
0100 Fund Balance - September 1 (beginning)	<u>-</u>	<u>-</u>	<u>-</u>
3000 Fund Balance - August 31 (ending)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

225	240	244	255	263	281
IDEA B Preschool Grant	Child Nutrition	Vocational Ed - Basic	Title II, Part A	Title III, Part A - LEP	Summer School LEP
\$ -	\$ 4,210,005	\$ -	\$ -	\$ -	\$ -
-	75,232	-	-	-	-
74,903	7,822,451	237,050	681,946	413,249	17,809
74,903	12,107,688	237,050	681,946	413,249	17,809
74,903	-	192,507	-	349,407	17,809
-	-	-	-	-	-
-	-	1,634	475,123	20,160	-
-	-	42,909	-	150	-
-	-	-	27,760	-	-
-	-	-	790	-	-
-	-	-	109	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	11,917,163	-	-	-	-
-	-	-	-	-	-
-	-	-	178,164	-	-
-	-	-	-	-	-
-	-	-	-	43,532	-
74,903	11,917,163	237,050	681,946	413,249	17,809
-	190,525	-	-	-	-
-	190,525	-	-	-	-
-	3,657,683	-	-	-	-
\$ -	\$ 3,848,208	\$ -	\$ -	\$ -	\$ -

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2016

Data Control Codes	385 State Visually Impaired	397 Advanced Placement Incentive	410 Instructional Materials Allotment
Revenues			
5700 Local, intermediate, and out-of-state	\$ -	\$ -	\$ 667
5800 State program revenues	10,000	31,256	1,010,812
5900 Federal program revenues	-	-	-
5020 Total Revenues	10,000	31,256	1,011,479
Expenditures			
Current:			
0011 Instruction	10,000	-	1,014,112
0012 Instruction resources and media services	-	-	-
0013 Curriculum and instructional staff development	-	31,256	-
0021 Instructional leadership	-	-	-
0023 School leadership	-	-	-
0031 Guidance, counseling and evaluation services	-	-	-
0032 Social work services	-	-	-
0033 Health services	-	-	-
0034 Student transportation	-	-	-
0035 Food service	-	-	-
0036 Extracurricular activities	-	-	-
0041 General administration	-	-	-
0053 Data processing services	-	-	-
0061 Community services	-	-	-
6030 Total Expenditures	10,000	31,256	1,014,112
1100 Excess (deficiency) of revenues over expenditures	-	-	(2,633)
1200 Net change in fund balances	-	-	(2,633)
0100 Fund Balance - September 1 (beginning)	-	-	8,601
3000 Fund Balance - August 31 (ending)	\$ -	\$ -	\$ 5,968

411	429	461	499 Locally Funded Special Revenue Funds	Total Nonmajor Governmental Funds
<u>Technology Allotment</u>	<u>Achievement Literacy</u>	<u>Campus Activity</u>	<u>Special Revenue Funds</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 2,385,540	\$ -	\$ 6,596,212
-	19,250	-	-	1,146,550
-	-	-	-	19,576,137
<u>-</u>	<u>19,250</u>	<u>2,385,540</u>	<u>-</u>	<u>27,318,899</u>
-	19,250	-	-	9,855,954
-	-	-	-	11,691
-	-	-	-	859,182
-	-	-	-	255,166
-	-	-	-	53,692
-	-	-	-	1,127,069
-	-	-	-	64,444
-	-	-	-	44,498
-	-	-	-	18,880
-	-	-	-	11,917,163
-	-	1,862,165	-	1,862,165
-	-	-	-	195,636
-	-	-	-	24,302
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>317,790</u>
<u>-</u>	<u>19,250</u>	<u>1,862,165</u>	<u>-</u>	<u>26,607,632</u>
<u>-</u>	<u>-</u>	<u>523,375</u>	<u>-</u>	<u>711,267</u>
-	-	523,375	-	711,267
<u>6,563</u>	<u>-</u>	<u>676,766</u>	<u>(4,880)</u>	<u>4,344,733</u>
<u>\$ 6,563</u>	<u>\$ -</u>	<u>\$ 1,200,141</u>	<u>\$ (4,880)</u>	<u>\$ 5,056,000</u>

Internal Service Funds

Internal Service Funds are used to account for the operations of the District's self-funded insurance programs.

Health Insurance Fund - This fund is used to account for the operations of the District's employee health insurance plan which is supported by both employee and employer contributions. Expenses include claims, excess loss insurance and related administrative costs. Estimated amounts due for claims incurred but not reported at year-end are included as fund liabilities.

Workers' Compensation Fund - This fund is used to account for the operations of the District's self-insurance workers compensation plan, which is supported by employer contributions. Expenses include plan benefit payments to employees, excess loss insurance premiums and related charges incurred in administering the plans. Estimated amounts due for claims incurred but not reported at year-end are included as fund liabilities.

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended August 31, 2016

Exhibit H-3

Data Control Codes		753	770	Total
		Health Insurance	Workers' Compensation	
Assets				
Current assets:				
1110	Cash and temporary investments	\$ 5,510,465	\$ 1,236,291	\$ 6,746,756
Receivables:				
1260	Due from other funds	100,000	-	100,000
1290	Other receivables	92,432	-	92,432
1000	Total Current Assets	<u>5,702,897</u>	<u>1,236,291</u>	<u>6,939,188</u>
Liabilities				
Current Liabilities:				
2110	Accounts payable	85,414	43,967	129,381
2200	Accrued expenses	2,034,636	384,432	2,419,068
2000	Total Current liabilities	<u>2,120,050</u>	<u>428,399</u>	<u>2,548,449</u>
Net Position				
3900	Unrestricted net position	3,582,847	807,892	4,390,739
3000	Total Net Position	<u>\$ 3,582,847</u>	<u>\$ 807,892</u>	<u>\$ 4,390,739</u>

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended August 31, 2016

Exhibit H-4

Data Control Codes		753	770	Total
		Health Insurance	Workers' Compensation	
	Operating Revenues			
5754	Charges for services	\$ 32,599,149	\$ 470,806	\$ 33,069,955
5020	Total Operating Revenues	<u>32,599,149</u>	<u>470,806</u>	<u>33,069,955</u>
	Operating Expenses			
6200	Purchased and contracted services	2,931,737	39,500	2,971,237
6400	Claims expense and other operating expenses	24,243,800	592,953	24,836,753
6030	Total Operating Expenses	<u>27,175,537</u>	<u>632,453</u>	<u>27,807,990</u>
1200	Operating Income	<u>5,423,612</u>	<u>(161,647)</u>	<u>5,261,965</u>
	Non-Operating Revenues (Expenses)			
7020	Earnings - temporary deposits and investments	3,630	3,210	6,840
	Total Nonoperating Revenues	<u>3,630</u>	<u>3,210</u>	<u>6,840</u>
1200	Change in Net Position	5,427,242	(158,437)	5,268,805
0100	Net Position - September 1 (Beginning)	<u>(1,844,395)</u>	<u>966,329</u>	<u>(878,066)</u>
3300	Net Position - August 31 (Ending)	<u>\$ 3,582,847</u>	<u>\$ 807,892</u>	<u>\$ 4,390,739</u>

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended August 31, 2016

Exhibit H-5

	753	770	
	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities:			
Cash receipts from customers	\$ 32,472,798	\$ 470,846	\$ 32,943,644
Cash payments for claims	(25,556,402)	(532,482)	(26,088,884)
Cash payments for services	(2,931,737)	(39,500)	(2,971,237)
Net Cash Provided by (Used for) Operating Activities	<u>3,984,659</u>	<u>(101,136)</u>	<u>3,883,523</u>
Cash Flows from Investing Activities:			
Interest on investments	3,630	3,210	6,840
Net Cash Provided by Investing Activities	<u>3,630</u>	<u>3,210</u>	<u>6,840</u>
Net Increase in Cash and Cash Equivalents	3,988,289	(97,926)	3,890,363
Cash and Cash Equivalents at Beginning of Year	<u>1,522,176</u>	<u>1,334,217</u>	<u>2,856,393</u>
Cash and Cash Equivalents at End of Year	<u>\$ 5,510,465</u>	<u>\$ 1,236,291</u>	<u>\$ 6,746,756</u>
Reconciliation to Balance Sheet			
Cash and Cash Equivalents Per Cash Flow	\$ 5,510,465	\$ 1,236,291	\$ 6,746,756
Cash and Cash Equivalents per Balance Sheet	<u>\$ 5,510,465</u>	<u>\$ 1,236,291</u>	<u>\$ 6,746,756</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ 5,423,612	\$ (161,647)	\$ 5,261,965
Change in Assets and Liabilities:			
Decrease (increase) in Receivables	(26,351)	40	(26,311)
Decrease (increase) in Interfund Receivables	(100,000)	-	(100,000)
Increase (decrease) in Accounts Payable	(744,115)	5,343	(738,772)
Increase (decrease) in Accrued Expenses	(568,487)	55,128	(513,359)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 3,984,659</u>	<u>\$ (101,136)</u>	<u>\$ 3,883,523</u>

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUND
For the Year Ended August 31, 2016

Exhibit H-6

	<u>Balance</u> <u>August 31, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>August 31, 2016</u>
Student Activities				
Assets				
Cash and cash equivalents	\$ 819,174	\$ 32,032	\$ 314,390	\$ 536,816
Total Assets	<u>\$ 819,174</u>	<u>\$ 32,032</u>	<u>\$ 314,390</u>	<u>\$ 536,816</u>
Liabilities				
Due to student groups	\$ 819,174	\$ 32,032	\$ 314,390	\$ 536,816
Total Liabilities	<u>\$ 819,174</u>	<u>\$ 32,032</u>	<u>\$ 314,390</u>	<u>\$ 536,816</u>

REQUIRED TEA SCHEDULES

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

For the year ended August 31, 2016

Fiscal Year	Tax Year	Tax Rates		Net Assessed/Appraised Value For School Tax Purposes
		Maintenance	Debt Service	
		1	2	
2007 and prior	Various	Various	Various	Various
2008	2007	1.000050	0.297600	\$ 8,554,239,124
2009	2008	1.020050	0.277600	9,748,829,345
2010	2009	1.020050	0.277600	9,822,284,283
2011	2010	1.020050	0.344500	9,474,627,586
2012	2011	1.020050	0.370000	9,902,099,421
2013	2012	1.040050	0.350000	10,200,906,370
2014	2013	1.040050	0.350000	10,753,325,847
2015	2014	1.040050	0.350000	11,639,761,705
2016	2015	1.040050	0.350000	13,292,078,756
1000 Totals				

10	20	30	30a	40	50
Beginning Balance 9/1/15	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 8/31/16
\$ 585,381	\$ -	\$ 30,463	\$ 3,444	\$ (34,773)	\$ 516,701
191,893	-	5,015	1,453	(1,230)	184,195
587,735	-	8,256	2,107	(410,764)	166,608
581,354	-	52,327	14,151	(334,285)	180,591
605,390	-	79,163	26,736	(260,156)	239,335
631,556	-	170,787	61,949	(92,801)	306,019
693,024	-	188,593	63,466	(88,980)	351,985
759,119	-	249,313	83,899	(49,698)	376,209
1,578,080	-	899,128	302,577	165,920	542,295
-	179,490,340	133,202,833	44,825,725	-	1,461,782
<u>\$ 6,213,532</u>	<u>\$ 179,490,340</u>	<u>\$ 134,885,878</u>	<u>\$ 45,385,507</u>	<u>\$ (1,106,767)</u>	<u>4,325,720</u>
					Penalty and interest receivable on taxes <u>2,590,239</u>
					Total taxes receivable per Governmental Fund Balance Sheet <u>\$ 6,915,959</u>

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

Exhibit J-4

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL -
CHILD NUTRITION FUND**

For the year ended August 31, 2016

Data Control Codes		Child Nutrition			Variance Favorable (Unfavorable)
		Budget		Actual	
		Original	Final		
	Revenues				
5700	Local, Intermediate, and Out-of-State	\$ 4,540,900	\$ 4,540,900	\$ 4,210,005	\$ (330,895)
5800	State Program Revenues	250,000	250,000	75,232	(174,768)
5900	Federal Program Revenues	8,510,000	8,510,000	7,822,451	(687,549)
5030	Total Revenues	<u>13,300,900</u>	<u>13,300,900</u>	<u>12,107,688</u>	<u>(1,193,212)</u>
	Expenditures				
	Current:				
0035	Food Services	13,300,900	13,503,414	11,917,163	1,586,251
6030	Total Expenditures	<u>13,300,900</u>	<u>13,503,414</u>	<u>11,917,163</u>	<u>1,586,251</u>
1100	Excess (Deficiency) Revenues Over Expenditures	-	(202,514)	190,525	393,039
1200	Increase (Decrease) in Fund Balance	-	(202,514)	190,525	393,039
0100	Fund Balance - September 1 (Beginning)	<u>3,657,683</u>	<u>3,657,683</u>	<u>3,657,683</u>	<u>-</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ 3,657,683</u>	<u>\$ 3,455,169</u>	<u>\$ 3,848,208</u>	<u>\$ 393,039</u>

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

Exhibit J-5

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCES ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL -

DEBT SERVICE FUND

For the year ended August 31, 2016

Data Control Codes		Debt Service Fund			Variance Favorable (Unfavorable)
		Budget			
		Original	Final	Actual	
	Revenues				
5700	Local, Intermediate, and Out-of-State	\$ 44,915,049	\$ 45,415,049	\$ 45,759,507	\$ 344,458
5800	State Program Revenues	-	450,000	1,197,641	747,641
5030	Total Revenues	<u>44,915,049</u>	<u>45,865,049</u>	<u>46,957,148</u>	<u>1,092,099</u>
	Expenditures				
	Debt Service:				
0071	Principal	19,030,000	19,030,000	19,030,000	-
0072	Interest and Fiscal Agent Fees	32,229,802	33,679,802	33,354,435	325,367
6030	Total Expenditures	<u>51,259,802</u>	<u>52,709,802</u>	<u>52,384,435</u>	<u>325,367</u>
	Excess (Deficiency) Revenues Over				
1100	Expenditures	(6,344,753)	(6,844,753)	(5,427,287)	1,417,466
	Other Financing Sources (Uses)				
7901	Refunding bonds issued	-	149,965,000	149,965,000	-
7916	Premium or discount on issuance of bonds	-	15,964,136	15,964,136	-
8949	Payment to Bond Refunding Escrow Agency	-	(165,057,277)	(165,057,277)	-
	Total Other Financing Sources (Uses)	<u>-</u>	<u>871,859</u>	<u>871,859</u>	<u>-</u>
1200	Increase (Decrease) in Fund Balance	(6,344,753)	(5,972,894)	(4,555,428)	1,417,466
0100	Fund Balance - September 1 (Beginning)	<u>12,400,725</u>	<u>12,400,725</u>	<u>12,400,725</u>	<u>-</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ 6,055,972</u>	<u>\$ 6,427,831</u>	<u>\$ 7,845,297</u>	<u>\$ 1,417,466</u>

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UNAUDITED STATISTICAL SECTION

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Statistical Section
(Unaudited)

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

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

	Page
Financial Trends	98
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	111
The schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	116
The schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	122
The schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	126
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental Activities:				
Net investment in Capital Assets	\$ 9,581,235	\$ 6,143,914	\$ 4,829,940	\$ 6,707,772
Restricted	11,143,211	7,055,146	9,930,762	8,227,039
Unrestricted	<u>(4,987,771)</u>	<u>15,927,600</u>	<u>36,550,983</u>	<u>38,166,089</u>
Total Primary Government Net Position	<u><u>\$ 15,736,675</u></u>	<u><u>\$ 29,126,660</u></u>	<u><u>\$ 51,311,685</u></u>	<u><u>\$ 53,100,900</u></u>

Table 1

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 4,389,772	\$ 17,617,881	\$ 23,020,436	\$ 29,836,402	\$ 36,920,555	\$ 32,104,066
12,409,567	7,336,674	7,879,995	9,867,622	10,291,075	8,684,169
43,649,083	36,320,461	36,713,287	42,485,492	46,905,317	49,124,349
<u>\$ 60,448,422</u>	<u>\$ 61,275,016</u>	<u>\$ 67,613,718</u>	<u>\$ 82,189,516</u>	<u>\$ 94,116,947</u>	<u>\$ 89,912,584</u>

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

Expenses	2016	2015	2014	2013
Governmental Activities:				
Instruction	\$ 195,439,210	\$ 163,038,822	\$ 152,294,135	\$ 135,457,070
Instructional Resources and Media Services	2,022,594	1,461,225	1,293,773	1,548,243
Curriculum and Instructional Staff Development	3,035,238	2,633,777	2,347,968	2,370,661
Instructional Leadership	2,234,040	2,086,550	1,928,382	1,585,797
School Leadership	14,676,447	13,215,053	12,815,197	11,356,034
Guidance, Counseling, and Evaluation Services	8,279,286	7,890,355	7,020,788	6,436,753
Social Work Services	422,587	474,207	454,461	490,236
Health Services	2,900,052	2,604,809	2,312,349	2,106,916
Student Transportation	13,158,592	11,605,375	10,543,401	8,691,102
Food Services	12,060,326	11,662,632	11,628,499	11,364,664
Cocurricular/Extracurricular Activities	9,454,336	7,128,025	5,910,720	5,582,888
General Administration	5,781,477	5,348,972	4,625,438	4,654,918
Facilities Maintenance and Operations	24,973,027	17,768,950	16,854,511	16,110,594
Security and Monitoring Services	2,774,118	3,211,480	2,447,794	1,814,387
Data Processing Services	6,764,298	5,266,640	4,576,411	3,715,819
Community Services	691,745	513,479	555,302	888,988
Interest on Long-term Debt	30,727,687	25,635,948	21,938,675	23,509,145
Bond Issuance Costs and Fees	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
Payments related to shared services	-	5,275,571	4,871,706	5,746,412
Other governmental charges	1,052,498	1,021,510	912,399	776,743
Total Primary Government Expenses	336,447,558 (1)	287,843,380 (3)	265,331,909 (5)	244,207,370 (7)
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	303,166	269,375	277,334	781,416
Food Services	4,200,530	4,111,176	4,230,520	3,883,804
Cocurricular/Extracurricular Activities	3,027,199	2,187,117	1,084,632	1,011,708
General Administration	21,021	21,000		
Other Activities	521,994	626,965	659,787	182,443
Operating Grants and Contributions	34,369,391	33,770,230	27,976,410	26,762,924
Total Primary Government Program Revenues	42,443,301	40,985,863	34,228,683	32,622,295
Net (Expense)/Revenue				
Total Primary Government Net Expense	\$(294,004,257)	\$(246,857,517)	\$(231,103,226)	\$(211,585,075)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes, Levied for General Purposes	135,796,769	122,083,810	112,988,074	107,510,901
Property Taxes, Levied for Debt Service	43,616,387	43,454,887	38,215,983	35,104,437
Investment Earnings	969,354	173,953	98,848	237,966
State aid-formula grants	99,429,145	84,822,379	77,428,500	64,340,784
Miscellaneous	802,617	1,656,746	582,606	894,301
Extraordinary Item	-	-	-	-
Total Primary Government General Revenues	280,614,272 (2)	252,191,775 (4)	229,314,011 (6)	208,088,389 (8)
Change in Net Position -				
Total Primary Government	\$(13,389,985)	\$ 5,334,258	\$(1,789,215)	\$(3,496,686)

Table 2

2012	2011	2010	2009	2008	2007
\$ 137,412,392	\$ 143,399,736	\$ 138,814,580	\$ 117,629,122	\$ 108,018,630	\$ 93,587,122
1,589,247	1,778,660	2,260,797	1,705,757	1,567,000	1,158,191
2,691,474	3,513,324	2,986,587	2,438,049	2,612,132	2,163,119
1,477,788	1,497,782	1,468,943	1,243,957	1,316,753	1,208,475
11,140,021	11,284,981	10,712,103	9,601,252	9,105,107	8,292,722
7,118,948	7,285,467	6,630,630	6,047,003	5,566,692	4,799,044
553,308	605,624	636,174	587,620	601,659	551,164
2,267,023	2,384,463	2,251,824	2,037,529	1,956,354	1,708,693
8,689,655	8,403,403	8,280,004	7,007,337	7,328,550	5,953,904
11,167,440	11,276,146	10,390,763	9,459,411	9,205,170	7,969,017
6,509,029	5,905,748	5,539,620	3,865,972	3,636,774	3,377,137
4,635,177	4,791,894	4,589,113	4,478,291	4,875,070	4,509,696
16,445,089	16,173,182	15,705,047	15,411,671	19,122,876	18,199,020
1,714,679	2,195,529	1,675,066	1,236,745	1,253,316	1,132,781
4,052,812	3,656,258	4,534,273	4,715,710	2,520,554	1,570,143
588,217	495,936	495,647	420,949	490,238	515,893
21,623,364	20,514,850	21,004,013	21,751,655	20,125,828	12,378,871
-	461,628	322,624	233,442	543,109	817,189
-	708,769	481,333	12,065,078	9,594,625	8,410,957
5,943,137	5,471,222	7,187,489	6,321,587	659,537	-
796,673	706,191	586,410	629,680	-	-
<u>246,415,473</u> (9)	<u>252,510,793</u> (11)	<u>246,553,040</u> (13)	<u>228,887,817</u> (15)	<u>210,099,974</u> (17)	<u>178,303,138</u> (19)
355,149	339,990	315,703	268,599	231,517	139,687
3,922,214	3,835,910	3,681,658	3,559,081	3,306,425	3,137,426
818,214	852,669	727,678	714,180	826,276	705,995
221,640	167,973	216,658	196,404	125,174	141,279
32,765,274	38,469,801	35,518,473	25,741,995	24,451,707	21,568,540
<u>38,082,491</u>	<u>43,666,343</u>	<u>40,460,170</u>	<u>30,480,259</u>	<u>28,941,099</u>	<u>25,692,927</u>
<u>\$(208,332,982)</u>	<u>\$(208,844,450)</u>	<u>\$(206,092,870)</u>	<u>\$(198,407,558)</u>	<u>\$(181,158,875)</u>	<u>\$(152,610,211)</u>
102,467,391	102,022,399	103,643,638	99,539,182	86,717,978	94,043,961
36,648,106	34,004,672	28,226,392	27,112,682	25,669,513	15,616,420
216,129	197,904	347,496	2,813,236	10,227,977	8,071,950
67,432,670	65,269,210	57,908,589	55,994,845	61,791,470	46,276,822
742,092	1,011,563	1,390,957	1,172,521	956,295	557,800
-	-	-	-	-	(523,118)
<u>207,506,388</u> (10)	<u>202,505,748</u> (12)	<u>191,517,072</u> (14)	<u>186,632,466</u> (16)	<u>185,363,233</u> (18)	<u>164,043,835</u> (20)
<u>\$ (826,594)</u>	<u>\$ (6,338,702)</u>	<u>\$ (14,575,798)</u>	<u>\$ (11,775,092)</u>	<u>\$ 4,204,358</u>	<u>\$ 11,433,624</u>

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LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
CHANGES IN NET POSITION (continued)

Table 2

- (1) Instruction and related services increased mainly due to (a) increases in teacher salaries and benefits paid from the general fund, (b) additional staff necessary to accommodate rapid student growth in the District
- (2) An increase in property values resulted in additional tax revenue for the year along with increased student growth resulted in higher state revenues.
- (3) Instruction and related services increased mainly due to (a) increases in teacher salaries and benefits paid from the general fund, (b) additional staff necessary to accommodate rapid student growth in the District
- (4) An increase in property values resulted in additional tax revenue for the year.
- (5) Overall decrease due to a continued reduction in the use of substitutes, resignations and attrition allocations.
- (6) An increase in property values resulted in additional tax revenue for the year.
- (7) Overall decrease due to no pay increases in 2011-12, a reduction in the use of substitutes, adjustments to staffing guidelines, resignations, attrition allocations and reduced out-of-district training (and related travel) for staff.
- (8) Increases in revenue were mainly due to increases in state aid, equalized funding and increased student enrollment
- (9) Instruction and related services increased mainly due to (a) increases in teacher salaries and benefits paid from the general fund, (b) additional staff necessary to accommodate rapid student growth in the District.
- (10) Increases in revenue were mainly due to increases in state aid, equalized funding and increased student enrollment
- (11) Instruction and related services increased mainly due to (a) increases in teacher salaries and benefits paid from the general fund, (b) additional staff necessary to accommodate rapid student growth in the District.
- (12) An increase in property values resulted in additional tax revenue for the year.
- (13) Instruction and related services increased mainly due to (a) increases in teacher salaries and benefits paid from the general fund, (b) additional staff necessary to accommodate rapid student growth in the District.
- (14) An increase in property values resulted in additional tax revenue for the year.
- (15) Instruction and related services increased mainly due to (a) increases in teacher salaries and benefits paid from the general fund, (b) additional staff necessary to accommodate rapid student growth in the District.
- (16) Increases in revenue were mainly due to rapid student growth, but also as a result of the recognition of prior year state aid as additional TRS On-Behalf payments.
- (17) Instruction and related services increased mainly due to (a) increases in teacher salaries and benefits paid from the general fund, (b) additional staff necessary to accommodate rapid student growth in the District. Other significant expenditures included repairs to existing elementary campus due to tornado damage.
- (18) Increases in revenue were mainly due to higher collection rates for property taxes, as well as higher interest rates on invested funds. Investment earnings increased due to investment of additional bond proceeds.
- (19) Instruction and related services increased mainly due to (a) increases in teacher salaries and benefits paid from the general fund, (b) additional staff necessary to accommodate rapid student growth in the District, and (c) the purchase of 1,320 computers as part of a district-wide technology “refresh” program.
- (20) Increases in revenue were mainly due to higher collection rates for property taxes, as well as higher interest rates on invested funds. Investment earnings increased due to rates and investment of additional bond proceeds

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

Fiscal Year Ended 08/31:	2016	2015	2014	2013
General Fund				
Reserved				
Unreserved				
Total General Fund				
Non-spendable - inventories	\$ 337,391	\$ 383,755	\$ 474,271	\$ 609,591
Non-spendable - prepaid items	942,514	954,754	831,083	683,110
Committed:				
Committed - self insurance	2,500,000	2,500,000	2,500,000	2,500,000
Committed - other	2,000,000	2,000,000	2,000,000	3,225,000
Assigned:				
Assigned - other	4,151,562	3,610,239	3,003,148	2,615,720
Unassigned:				
Unassigned	70,035,563	68,162,441	61,570,799	52,570,487
Total General Fund	<u>\$ 79,967,030</u> (1)	<u>\$ 77,611,189</u> (3)	<u>\$ 70,379,301</u> (5)	<u>\$ 62,203,908</u> (7)
All Other Governmental Funds				
Reserved				
Unreserved, reported in:				
Capital Projects Funds				
Other purposes				
Special Revenue Funds				
Total All Other Governmental Funds				
Non-spendable - inventories	\$ -	\$ 205,472	\$ 191,338	\$ 299,406
Restricted:				
Restricted - grant funds	3,860,739	3,467,375	3,447,967	2,555,302
Restricted - capital acquisition program	137,997,964	213,812,223	166,051,511	72,290,201
Restricted - debt service	7,845,297	12,400,725	7,193,504	5,607,667
Committed:				
Committed - other	1,200,141	676,766	251,394	217,983
Unassigned:				
Unassigned	(4,880)	(4,880)	(4,880)	-
	<u>\$ 150,899,261</u> (2)	<u>\$ 230,557,681</u> (4)	<u>\$ 177,130,834</u> (6)	<u>\$ 80,970,559</u> (8)

**** Implementation of GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions"**

<u>2012</u>	<u>**</u> <u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
		\$ 1,598,238	\$ 2,322,875	\$ 2,457,192	\$ 1,838,510
		<u>52,657,983</u>	<u>50,357,172</u>	<u>48,606,076</u>	<u>45,799,274</u>
		(11) \$ <u>54,256,221</u> (13)	\$ <u>52,680,047</u> (15)	\$ <u>51,063,268</u> (17)	\$ <u>47,637,784</u> (20)
\$ 461,084	\$ 362,520				
22,134	13,461				
2,500,000	2,500,000				
1,500,000	1,500,000				
3,170,120	2,757,591				
<u>51,974,586</u>	<u>49,641,234</u>				
<u>\$ 59,627,924</u> (9)	<u>\$ 56,774,806</u>				
		\$ 6,374,154	\$ 8,694,711	\$ 8,924,865 (18)	\$ 7,845,656
		40,456,300	91,448,607	221,494,835	161,139,502
		-	543,940	-	-
		<u>1,381,888</u>	<u>1,384,921</u>	<u>1,283,688</u>	<u>914,514</u>
		(12) \$ <u>48,212,342</u> (14)	\$ <u>102,072,179</u> (16)	\$ <u>231,703,388</u> (19)	\$ <u>169,899,672</u> (21)
\$ 464,452	\$ 485,292				
2,023,484	2,153,239				
109,921,948	20,123,979				
10,041,256	4,731,289				
192,803	193,428				
-	-				
<u>\$ 122,643,943</u> (10)	<u>\$ 27,687,227</u>				

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS (continued)

Table 3

- (1) Increase in fund balance of the General Fund is mainly due to increase local tax revenue and higher state revenue.
- (2) Decrease in fund balance for All Other Governmental Funds is the result of the normal spending of bond proceeds for construction projects.
- (3) Increase in fund balance of the General Fund is mainly due to increases in local tax revenue.
- (4) Increase in fund balance for All Other Governmental Funds is the result of the District issuing \$192,690,000 of Unlimited Tax and Refunding Bonds.
- (5) Increase in fund balance of the General Fund is mainly due to increases in local tax revenue.
- (6) Decreases to unreserved fund balances for All Other Governmental Funds are a result of the normal spending of bond proceeds for construction projects.
- (7) Increase in fund balance of the General Fund is mainly due to increases in local tax revenue.
- (8) Increase in fund balance for All Other Governmental Funds is the result of the District issuing \$125,060,000 of Unlimited Tax Schoolhouse and Refunding Bonds and \$46,125,000 of Unlimited Tax Refunding Bonds.
- (9) Increase in fund balance of the General Fund is mainly due to increases in local tax revenue.
- (10) Decreases to unreserved fund balances for All Other Governmental Funds are a result of the normal spending of bond proceeds for construction projects.
- (11) Increase in fund balance of the General Fund is mainly due to increases in local tax revenue.
- (12) Decreases to unreserved fund balances for All Other Governmental Funds are a result of the normal spending of bond proceeds for construction projects.
- (13) Increase in fund balance of the General Fund is mainly due to increases in local tax revenue.
- (14) Decreases to unreserved fund balances for All Other Governmental Funds are a result of the normal spending of bond proceeds for construction projects.
- (15) Increase in fund balance of the General Fund is mainly due to increases in local tax revenue .
- (16) The District issued \$134,400,000 of Unlimited Tax Schoolhouse and Refunding bonds during the year.
- (17) Increase in fund balance of the General Fund is primarily due to increases in local tax revenue resulting from higher than estimated property values, increase in state aid earned from favorable prior year property value audits, retirements, leave of absence, funded but unfilled positions, and outstanding encumbrances.

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS (continued)

Table 3

- (18) The increase of \$1.3 million to reserved fund balance for All Other Governmental Funds is due to higher collection rates on current and delinquent taxes, greater investment earnings than anticipated. Increases to unreserved fund balances for All Other Governmental Funds are mainly the result of bond proceeds.
- (19) Increase is mainly due to the District issued bonds of \$142,645,000 during the year.
- (20) Increase in fund balance of the General Fund is primarily due to increases in local tax revenue resulting from higher than estimated property values, increase in state aid earned from favorable prior year property value audits, retirements, leave of absence, funded but unfilled positions, and outstanding encumbrances.
- (21) Decreases to unreserved fund balance for All Other Governmental Funds are a result of the normal spending of bond proceeds for construction projects.

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2016	2015	2014
Revenues			
Local, Intermediate, and Out-of-State	\$ 191,379,631	\$ 171,213,581	\$ 157,891,865
State Programs	106,560,341	98,892,700	87,452,015
Federal Programs	22,602,649	20,195,138	17,952,895
Total Revenues	<u>320,542,621</u>	<u>290,301,419</u>	<u>263,296,775</u>
Expenditures			
Current:			
Instruction	175,444,472	149,164,753	138,311,973
Instructional Resources and Media Services	1,952,113	1,393,296	1,253,647
Curriculum and Instructional Staff Development	3,004,864	2,635,273	2,341,564
Instructional Leadership	2,209,166	2,101,929	1,956,493
School Leadership	14,585,492	13,293,155	12,736,222
Guidance, Counseling, and Evaluation Services	8,246,170	7,943,725	6,996,215
Social Work Services	424,845	470,473	454,454
Health Services	2,946,684	2,605,034	2,340,183
Student Transportation	12,262,286	10,068,176	8,870,848
Food Services	12,198,125	11,702,899	11,895,307
Cocurricular/Extracurricular Activities	8,557,012	6,324,506	5,089,030
General Administration	5,711,699	5,260,963	4,530,111
Facilities Maintenance and Operations	25,601,874	17,569,301	16,618,950
Security and Monitoring Services	2,699,584	2,863,696	2,253,472
Data Processing Services	6,679,726	5,327,462	5,812,815
Community Services	660,068	509,849	556,324
Debt Service:			
Principal on Long-term Debt	19,030,000	16,440,000	17,375,000
Interest on Long-term Debt	30,870,547	26,767,616	22,868,940
Bond Issuance Cost and Fees	2,483,888	1,656,415	1,435,978
Capital Outlay:			
Facilities Acquisition and Construction	62,095,946	94,818,940	32,203,724
Intergovernmental:			
Payments related to shared services arrangements	-	5,275,571	4,871,706
Other intergovernmental charges	1,052,498	1,021,510	912,399
Total Expenditures	<u>398,717,059</u>	<u>385,214,542</u>	<u>301,685,355</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(78,174,438)</u>	<u>(94,913,123)</u>	<u>(38,388,580)</u>
Other Financing Sources (Uses)			
Refunding bonds issued	149,965,000	-	58,825,000
Issuance of Capital Related Debt (Regular Bonds)	-	213,170,000	133,865,000
Premium/Discount from Issuance of Bonds	15,964,136	25,770,443	15,992,146
Sale of Real and Personal Property	-	-	-
Other Resources	-	990,926	-
Transfers In	-	-	1,824,979
Transfers Out	-	-	(1,824,979)
Payment to Refunded Bond Escrow Agent	(165,057,277)	(84,359,511)	(65,957,898)
Total Other Financing Sources (Uses)	<u>871,859</u>	<u>155,571,858</u>	<u>142,724,248</u>
Special Item			
Extraordinary items resource	-	-	-
Extraordinary items (use)	-	-	-
Net Change in Fund Balances	<u>\$ (77,302,579)</u>	<u>\$ 60,658,735</u>	<u>\$ 104,335,668</u>
Debt Service as a Percentage of Noncapital Expenditures	14.94%	14.94%	15.03%

Table 4

2013	2012	2011	2010	2009	2008	2007
\$ 150,720,745	\$ 145,536,593	\$ 142,491,805	\$ 137,530,324	\$ 135,374,532	\$ 128,030,744	\$ 121,933,270
73,011,521	75,817,840	74,770,687	66,888,037	66,614,424	71,829,989	54,983,310
18,092,187	24,380,104	28,968,324	26,539,025	15,122,416	14,413,186	12,862,053
<u>241,824,453</u>	<u>245,734,537</u>	<u>246,230,816</u>	<u>230,957,386</u>	<u>217,111,372</u>	<u>214,273,919</u>	<u>189,778,633</u>
122,343,597	123,766,893	129,832,851	127,798,461	117,109,971	107,353,779	94,109,087
1,466,090	1,491,526	1,683,696	2,210,176	1,692,739	1,547,183	1,174,154
2,379,027	2,692,128	3,485,408	2,972,941	3,022,738	2,600,004	2,172,835
1,560,667	1,485,784	1,484,958	1,475,843	1,243,440	1,309,665	1,212,943
11,334,875	11,197,728	11,106,793	10,820,983	9,509,554	9,075,721	8,396,703
6,539,394	7,160,478	7,168,603	6,630,101	6,044,185	5,531,344	4,869,099
484,182	499,586	599,364	636,413	587,649	598,295	553,580
2,103,647	2,279,009	2,332,843	2,251,626	2,034,171	1,938,199	1,719,037
12,802,492	7,618,144	7,013,253	11,540,114	6,252,095	9,684,508	6,806,429
11,466,995	11,050,252	11,093,931	10,320,872	9,405,481	9,143,173	7,991,823
4,973,695	5,718,556	5,237,063	4,911,537	3,821,324	3,718,236	3,414,688
4,583,299	4,602,045	4,747,472	4,550,014	4,521,553	5,042,908	4,707,668
16,236,182	16,493,309	15,913,316	15,833,600	15,597,473	19,213,371	18,814,432
1,693,693	1,464,295	1,537,641	1,386,736	1,249,903	1,256,910	1,144,896
4,522,038	4,582,538	4,250,183	4,764,991	6,569,714	3,059,833	1,713,327
890,694	594,560	491,132	488,142	419,607	486,706	515,747
16,640,000	43,285,007	13,987,760	11,083,678	9,574,989	7,946,805	6,482,624
25,207,179	22,562,113	21,943,499	22,840,345	23,275,390	21,446,916	12,103,758
15,252	666,800	174,443	732,580	176,055	1,369,135	1,619,926
27,155,700	16,229,857	14,349,041	32,966,529	116,688,121	68,400,904	21,382,976
5,746,412	5,943,137	5,471,222	7,187,489	6,321,587	659,537	-
776,743	796,673	706,191	586,410	629,680	-	-
<u>280,921,853</u>	<u>292,180,418</u>	<u>264,610,663</u>	<u>283,989,581</u>	<u>345,747,419</u>	<u>281,383,132</u>	<u>200,905,732</u>
(39,097,400)	(46,445,881)	(18,379,847)	(53,032,195)	(128,636,047)	(67,109,213)	(11,127,099)
-	74,960,000	-	-	-	9,220,000	-
-	96,225,000	-	149,965,000	149,965,000	125,180,000	142,645,000
-	27,354,368	-	-	-	7,888,341	8,477,961
-	298,472	-	-	-	-	15,000
-	-	373,317	748,532	-	-	-
1,235,000	857,278	1,500,000	3,272,756	5,432,499	3,102,388	830,854
(1,235,000)	(857,278)	(1,500,000)	(3,272,756)	(5,432,499)	(3,102,388)	(830,854)
-	(54,582,125)	-	-	-	(9,949,378)	-
<u>-</u>	<u>144,255,715</u>	<u>373,317</u>	<u>150,713,532</u>	<u>149,965,000</u>	<u>132,338,963</u>	<u>151,137,961</u>
-	-	-	-	-	-	-
-	-	-	-	-	(550)	(523,118)
<u>\$ (39,097,400)</u>	<u>\$ 97,809,834</u>	<u>\$ (18,006,530)</u>	<u>\$ 97,681,337</u>	<u>\$ 21,328,953</u>	<u>\$ 65,229,200</u>	<u>\$ 139,487,744</u>
17.01%	24.01%	14.40%	13.89%	14.54%	14.12%	10.47%

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LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Table 5

Fiscal Year Ended 8/31:	Actual Value			Total Assessed Value	Total Direct Rate (1)
	Real Property Value	Personal Property Value	Less: Exemptions		
2016	\$ 11,239,605,513	\$5,628,695,502	\$ 3,576,222,259	\$ 13,292,078,756	\$ 1.390050
2015	9,341,633,876	5,415,425,764	3,117,297,935	11,639,761,705	1.390050
2014	8,601,947,834	5,212,699,339	3,061,321,326	10,753,325,847	1.390050
2013	8,155,482,147	5,148,175,169	3,102,750,946	10,200,906,370	1.390050
2012	7,835,174,569	5,074,974,979	3,008,050,127	9,902,099,421	1.390050
2011	7,401,309,818	5,108,676,845	3,040,515,555	9,469,471,108	1.364550
2010	7,544,250,780	5,243,137,523	2,965,104,020	9,822,284,283	1.297650
2009	7,524,890,524	4,756,412,713	2,532,473,925	9,748,829,345	1.297650
2008	6,758,161,439	4,022,056,319	2,083,258,626	8,554,239,124	1.297650
2007	5,415,342,222	3,346,863,667	1,727,766,997	7,034,438,892	1.547650

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

Taxing Authority	2016	2015	2014	2013
Overlapping Rates:				
Beasley, City of	\$ 0.4671	\$ 0.4991	\$ 0.4991	\$ 0.4991
Fort Bend County	0.4580	0.4650	0.4728	0.4808
Fort Bend County LID #6	0.5000	0.5000	0.5000	0.5000
Fort Bend County LID #20	0.5500	0.5500	0.5500	0.4500
Fort Bend County LID #10	0.6430	0.6430	0.6430	0.6200
Fort Bend County LID #11	0.2000	0.2050	0.2250	0.2600
Fort Bend County LID #12	0.0900	0.1000	0.1150	0.1250
Fort Bend County MUD #5	0.3700	1.5000	1.5000	1.5000
Fort Bend County MUD #19	1.2700	1.4000	1.4000	0.1899
Fort Bend County MUD #50	0.9100	0.9100	0.9100	0.7400
Fort Bend County MUD #66	1.2100	1.2500	1.3900	1.5000
Fort Bend County MUD #81	0.3293	0.3200	0.3300	0.3500
Fort Bend County MUD #94	0.5000	0.5800	0.6600	0.7700
Fort Bend County MUD #106	0.3000	0.3450	0.4600	0.5000
Fort Bend County MUD #108	0.1900	0.2900	0.4100	0.4400
Fort Bend County MUD #109	0.3400	0.4400	0.6200	0.6500
Fort Bend County MUD #116	1.0700	1.0800	1.1400	1.2100
Fort Bend County MUD #117	0.4300	0.4800	0.6500	0.6800
Fort Bend County MUD #121	1.1200	1.1200	1.1700	1.2000
Fort Bend County MUD #122	0.9750	0.9900	1.0150	1.0400
Fort Bend County MUD #123	1.0990	1.1000	1.1550	1.1550
Fort Bend County MUD #133	1.4300	1.4300	1.5000	1.5000
Fort Bend County MUD #140	1.2500	1.2500	1.3400	1.3400
Fort Bend County MUD #142	0.7700	0.8500	0.9500	1.2700
Fort Bend County MUD #144	0.8000	0.8000	0.8000	0.8000
Fort Bend County MUD #145	1.2150	1.2300	1.2500	1.2500
Fort Bend County MUD #146	0.8700	0.9400	1.0100	1.1000
Fort Bend County MUD #148	0.8300	0.8800	0.9000	0.9000
Fort Bend County MUD #151	1.0000	1.1100	1.2200	1.2600
Fort Bend County MUD #152	1.2800	1.3700	1.4500	1.4500
Fort Bend County MUD #155	1.0400	1.1400	1.2900	1.3900
Fort Bend County MUD #158	1.1200	1.2500	1.3900	1.4500
Fort Bend County MUD #159	0.7200	0.7200	0.7800	0.8400
Fort Bend County MUD #162	1.0900	1.0900	1.1200	1.1200
Fort Bend County MUD #167	0.8500	0.8500	0.8900	0.8900
Fort Bend County MUD #176	0.5500	0.5500	0.5500	0.6500
Fort Bend County MUD #182	1.5000	1.5000	1.5000	1.5000
Fort Bend County MUD #187	0.9300	0.9700	1.0000	1.0000
Fort Bend County MUD #194	1.2500	1.2500	1.2500	1.2500
Fort Bend County WCID #3	0.4400	0.4400	0.4500	0.4500
Fort Bend County WCID #8	1.0700	1.0700	1.0500	1.0500
Fulshear MUD #1	1.1700	1.1900	1.1900	1.1900
Pecan Grove MUD	0.6250	0.6400	0.6500	0.5600
Plantation MUD	0.6450	0.6850	0.7400	0.7400
Richmond, City of	0.7350	0.7550	0.7700	0.7865
Rosenberg, City of	0.4700	0.4700	0.4900	0.5100
Willow Creek Farms MUD	1.0950	1.1500	1.2500	1.2500
District Direct Rates:				
Maintenance & Operations	\$ 1.04005	\$ 1.04005	\$ 1.04005	\$ 1.04005
Debt Service	0.3500	0.3500	0.3500	0.3500
Total District Direct Rates	\$ 1.39005	\$ 1.39005	\$ 1.39005	\$ 1.39005

Source: Fort Bend County Appraisal District

** N/A Political entity not in existence at the time or taxes not yet levied

Table 6

2012	2011	2010	2009	2008	2007
\$ 0.4931	\$ 0.4483	\$ 0.4483	\$ 0.4483	\$ 0.4169	\$ 0.4189
0.4810	0.4802	0.4790	0.4838	0.4987	0.5167
0.5000	0.5000	0.5000	0.5000	**N/A	**N/A
0.4500	0.4500	0.4500	0.4500	**N/A	**N/A
0.4750	0.4750	0.4750	0.4750	0.4600	0.4600
0.2800	0.2800	0.2700	0.2700	0.2700	0.2700
0.1300	0.1400	0.1500	0.1900	0.2500	0.3500
0.6500	0.6500	0.5300	0.6500	0.6500	0.6800
1.3800	1.3800	1.2400	1.2000	1.2000	1.2000
0.9000	0.9000	0.9000	0.9000	0.9000	0.9000
1.5000	1.3500	1.3500	1.3500	1.3500	**N/A
0.3700	0.3700	0.3800	0.4250	0.4250	0.4700
0.7700	0.7700	0.7100	0.7100	0.7100	0.7100
0.5200	0.4900	0.4500	0.4500	0.4700	0.4700
0.4400	0.4200	0.3900	0.3900	0.4000	0.4000
0.6600	0.6300	0.5800	0.5070	0.5100	0.5100
1.2200	1.2200	1.2200	1.1300	1.1300	1.1500
0.6900	0.6600	0.6600	0.6600	0.6700	0.6700
1.2000	1.2000	1.2000	1.2000	1.2500	1.2500
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1.1500	1.1400	1.0800	1.0000	1.0000	1.0000
1.5000	1.5000	1.5000	1.5000	1.5000	**N/A
1.2500	1.2500	1.2500	1.2500	1.2500	1.2500
1.3200	1.3200	1.3200	1.3200	1.3200	1.3900
0.8000	0.8000	0.8000	0.8000	0.8000	0.8000
1.2500	1.2500	1.2500	1.2500	1.2500	**N/A
1.1500	1.1500	1.1500	1.2000	1.2000	1.2500
0.9000	0.9000	0.9000	0.9000	0.9000	0.9000
1.2600	1.2700	1.3000	1.3000	1.3000	1.3000
1.4500	1.4500	1.4500	1.4500	1.4500	1.4500
1.3900	1.3900	1.3900	1.3900	1.3900	1.3900
1.4500	1.4500	1.4500	1.4500	1.4500	1.4500
0.8400	0.8400	0.8400	0.8400	0.8400	0.8400
1.0000	0.8000	0.7400	0.7000	0.5500	0.5500
0.8900	0.8900	0.8500	0.8500	0.8500	0.8500
0.6500	0.6500	0.6500	0.6500	0.7000	**N/A
**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
1.0000	1.0000	1.0000	1.0000	**N/A	**N/A
1.2500	1.2500	1.2500	**N/A	**N/A	**N/A
0.4500	0.4500	0.4800	0.5000	0.5000	0.5000
0.9500	0.9500	0.9500	0.9500	0.9500	0.9500
1.1900	1.1900	1.1900	1.1900	**N/A	**N/A
0.5500	0.5500	0.4680	0.4700	0.4700	0.4800
0.7400	0.6600	0.6600	0.6300	0.6300	0.6300
0.7865	0.7865	0.7865	0.7900	0.7900	0.7900
0.5000	0.5000	0.5000	0.5202	0.5450	0.5550
1.2500	1.2500	1.2500	1.2500	**N/A	**N/A
\$ 1.02005	\$ 1.02005	\$ 1.02005	\$ 1.02005	\$ 1.0000	\$ 1.3300
0.3700	0.3445	0.27760	0.27760	0.2976	0.2176
<u>\$ 1.39005</u>	<u>\$ 1.36455</u>	<u>\$ 1.29765</u>	<u>\$ 1.29765</u>	<u>\$ 1.2976</u>	<u>\$ 1.5476</u>

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Table 7

Taxpayer	2016			2007		
	Assessed Value (1)	Rank	Percentage of Total Assessed Value (2)	Assessed Value (1)	Rank	Percentage of Total Assessed Value (3)
NRG Texas LP	\$ 929,474,330	1	6.99%	\$ 1,798,895,360	1	25.57%
Frito-Lay Inc	101,608,050	2	0.76%	48,769,050	6	0.69%
Centerpoint Energy Electric	89,235,160	3	0.67%	69,423,680	5	0.99%
Brazos Valley Energy LLC	87,212,170	4	0.66%	132,593,290	2	1.88%
Brazos Town Center Partnership	75,231,210	5	0.57%	-		
Bella Terra Dunhill LLC	47,631,290	6	0.36%	-		
Brazos Town Center South Partnership	44,631,240	7	0.34%	-		
Santikos West Houstong LTD	38,686,090	8	0.29%	-		
RioCan Sugar Land Riverpark TX LP	38,669,080	9	0.29%	-		
Seaway Crude Pipeline Company	37,920,924	10	0.29%	-		
Texas Genco LP	-			87,398,320	3	1.24%
A-S 70 Hwy 59-FM 762 LP	-			31,173,420	8	0.44%
Southwestern Bell Telephone	-			27,017,580	9	0.38%
Inland Western Sugar Land Riverpark I LP	-			21,281,130	10	0.30%
Horizon Producing & Operating	-			33,827,790	7	0.48%
Jetta Operating Company	-			71,514,400	4	1.02%
Totals	<u>\$ 1,490,299,544</u>		<u>11.22%</u>	<u>\$ 2,321,894,020</u>		<u>33.00%</u>

(1) Assessed (taxable) value equals appraised value after exemptions.

(2) Total assessed value equals: \$ 13,292,078,756

(3) Total assessed value equals: \$ 7,034,438,892

Source: Fort Bend County (Texas) Appraisal District

Note: Centerpoint Energy was previously Reliant Energy

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Table 8

Fiscal Year Ended 8/31:	Net Tax Levy for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Net Tax Levy		Amount	Percent of Total Tax Collections To Net Tax Levy
2016	\$ 179,490,340	\$ 178,028,558	99.19%	\$ -	\$ 178,028,558	99.19%
2015	161,798,508	160,220,428	99.02%	1,367,625	161,588,053	99.87%
2014	149,476,606	148,220,912	99.16%	283,514	148,504,426	99.35%
2013	141,797,699	140,561,034	99.13%	163,079	140,724,113	99.24%
2012	137,644,133	136,117,707	98.89%	139,935	136,257,642	98.99%
2011	134,372,146	132,662,874	98.73%	(154,257)	132,508,617	98.61%
2010	130,454,120	128,154,416	98.24%	(267,807)	127,886,609	98.03%
2009	125,451,149	123,171,452	98.18%	(400,401)	122,771,051	97.86%
2008	110,340,597	108,651,032	98.47%	5,238	108,656,270	98.47%
2007	107,036,099	104,997,277	98.10%	(866)	104,996,411	98.09%

(1) Appraised value less exemptions equal taxable value. The beginning taxable value net of adjustments times the tax rate set by the District's Board of Trustees each fall equals the total net tax levy. The net tax levy for prior years reflects ongoing adjustments applied to that year's tax levy.

Source: Fort Bend County (Texas) Appraisal District provides the District's with appraised values for properties within the District's taxing authority.

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Table 9

Fiscal Year Ended 8/31:	Governmental Activities		Total Primary Government	Ratio of Debt to Assessed Value (1)	Debt Per Student (2)
	General Obligation Bonds	Capital Leases			
2016	\$719,995,000	\$ -	\$719,995,000	5.42%	\$ 24,249
2015	748,580,000	-	748,580,000	6.43%	26,422
2014	629,325,000	-	629,325,000	5.85%	23,240
2013	515,590,000	-	515,590,000	5.05%	19,728
2012	532,230,000	-	532,230,000	5.37%	21,055
2011	453,390,001	16,520	453,406,521	4.79%	18,403
2010	467,362,031	32,250	467,394,281	4.76%	19,586
2009	477,400,709	-	477,400,709	4.90%	20,795
2008	486,975,697	-	486,975,697	5.69%	22,200
2007	372,621,461	428,576	373,050,037	5.30%	18,015

(1) See Table 5 for assessed value data.

(2) See Table 16 for student enrollment data.

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Table 10

Fiscal Year Ended 8/31:	Gross Bonded Debt (1)	Less Reserve for Retirement of Bonded Debt	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value (2)	Net Bonded Debt per Student (3)
2016	\$ 719,995,000	\$ 7,845,297	\$ 712,149,703	5.36%	\$ 23,985
2015	748,580,000	12,400,725	736,179,275	6.32%	25,984
2014	629,325,000	7,193,504	622,131,496	5.79%	22,975
2013	515,590,000	5,607,667	509,982,333	5.00%	19,513
2012	532,230,000	10,041,256	522,188,744	5.27%	20,658
2011	453,390,001	4,731,288	448,658,713	4.74%	18,211
2010	467,362,031	4,858,855	462,503,176	4.71%	19,381
2009	477,400,709	7,957,482	469,443,227	4.82%	20,448
2008	486,975,697	8,503,247	478,472,450	5.59%	21,812
2007	372,621,461	7,504,809	365,116,652	5.19%	17,632

(1) Includes general obligation bonds.

(2) See Table 5 for assessed value data.

(3) See Table 16 for student enrollment data.

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LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
August 31, 2016

Table 11

Taxing Authority	Gross Debt Outstanding	Percent Overlapping (1)	Amount Applicable to School District
Overlapping:			
Beasley, City of	\$ -	100.00%	\$ -
Fort Bend County	523,195,000	21.46%	112,277,647
Fort Bend County LID #6	10,655,000	100.00%	10,655,000
Fort Bend County LID #20	2,610,000	100.00%	2,610,000
Fort Bend County LID #10	12,120,000	100.00%	12,120,000
Fort Bend County LID #11	17,965,000	100.00%	17,965,000
Fort Bend County LID #12	13,035,000	50.24%	6,548,784
Fort Bend County MUD #5	7,585,000	100.00%	7,585,000
Fort Bend County MUD #19	1,205,000	100.00%	1,205,000
Fort Bend County MUD #50	44,575,000	100.00%	44,575,000
Fort Bend County MUD #66	1,760,000	100.00%	1,760,000
Fort Bend County MUD #81	4,775,000	100.00%	4,775,000
Fort Bend County MUD #94	5,255,000	100.00%	5,255,000
Fort Bend County MUD #106	7,160,000	100.00%	7,160,000
Fort Bend County MUD #108	1,900,000	100.00%	1,900,000
Fort Bend County MUD #109	9,120,000	100.00%	9,120,000
Fort Bend County MUD #116	28,165,000	100.00%	28,165,000
Fort Bend County MUD #117	17,440,000	100.00%	17,440,000
Fort Bend County MUD #121	35,745,000	100.00%	35,745,000
Fort Bend County MUD #122	18,245,000	100.00%	18,245,000
Fort Bend County MUD #123	32,055,000	100.00%	32,055,000
Fort Bend County MUD #133	46,825,000	100.00%	46,825,000
Fort Bend County MUD #140	11,495,000	100.00%	11,495,000
Fort Bend County MUD #142	66,205,000	57.55%	38,100,978
Fort Bend County MUD #144	15,905,000	100.00%	15,905,000
Fort Bend County MUD #145	4,425,000	100.00%	4,425,000
Fort Bend County MUD #146	46,925,000	75.70%	35,522,225
Fort Bend County MUD #148	4,910,000	100.00%	4,910,000
Fort Bend County MUD #151	80,450,000	20.36%	16,379,620
Fort Bend County MUD #152	8,505,000	100.00%	8,505,000
Fort Bend County MUD #155	26,160,000	100.00%	26,160,000
Fort Bend County MUD #158	11,025,000	100.00%	11,025,000
Fort Bend County MUD #159	4,975,000	100.00%	4,975,000
Fort Bend County MUD #162	8,815,000	100.00%	8,815,000
Fort Bend County MUD #167	25,265,000	100.00%	25,265,000
Fort Bend County MUD #170	13,046,528	100.00%	13,046,528
Fort Bend County MUD #176	2,510,000	100.00%	2,510,000
Fort Bend County MUD #182	15,970,000	98.09%	15,664,973
Fort Bend County MUD #187	23,635,000	100.00%	23,635,000
Fort Bend County MUD #194	24,450,000	100.00%	24,450,000
Fort Bend County WCID #3	3,180,000	100.00%	3,180,000
Fort Bend County WCID #8	1,840,000	100.00%	1,840,000
Fulshear MUD #1	8,840,000	100.00%	8,840,000
Pecan Grove MUD	54,810,000	34.39%	18,849,159
Plantation MUD	6,055,000	100.00%	6,055,000
Richmond, City of	32,330,000	100.00%	32,330,000
Rosenberg, City of	67,588,000	100.00%	67,588,000
Willow Creek Farms MUD	24,085,000	0.75%	180,638
Subtotal, Overlapping Debt			853,638,552
Direct:			
Lamar Consolidated Independent School District	719,995,000	100.00%	719,995,000
Total Direct and Overlapping Debt			\$ 1,573,633,552

Source: "Texas Municipal Reports" published by the Municipal Advisory Council of Texas and the District's Financial Advisor

- (1) The percentage of overlapping debt is estimated using taxable assessed property values. Percentages were estimated by determining the portion of the overlapping taxing authority's taxable assessed value that is within the District's boundaries and dividing it by the overlapping taxing authority's total taxable assessed value.

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 1,329,207,876	\$ 1,163,976,171	\$ 1,075,332,585	\$ 1,020,090,637
Total Net Debt Applicable to Limit	<u>712,149,703</u>	<u>736,179,275</u>	<u>622,131,496</u>	<u>509,982,333</u>
Legal Debt Margin	<u>\$ 617,058,173</u>	<u>\$ 427,796,896</u>	<u>\$ 453,201,089</u>	<u>\$ 510,108,304</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	53.58%	63.25%	57.85%	49.99%

Legal Debt Margin Calculation for Fiscal Year 2016:

Assessed Value	\$ 13,292,078,756
Debt Limit Percentage of Assessed Value	<u>10%</u>
Debt Limitation	<u>1,329,207,876</u>
Debt Applicable to Debt Limitation:	
Total Bonded Debt	\$ 719,995,000
Less Reserve for Retirement of Bonded Debt	<u>7,845,297</u>
Total Amount of Debt Applicable to Debt Limitation	<u>712,149,703</u>
Legal Debt Margin	<u>\$ 617,058,173</u>

The District voted its maintenance tax under former Article 2784e-1, which provided that the net indebtedness of the District shall not exceed 10% of all assessed real and personal property in the District.

Table 12

2012	2011	2010	2009	2008	2007
\$ 990,209,942	\$ 946,947,111	\$ 982,228,428	\$ 974,882,935	\$ 855,423,912	\$ 703,443,889
<u>522,188,744</u>	<u>448,658,713</u>	<u>462,503,176</u>	<u>469,443,227</u>	<u>478,472,450</u>	<u>365,116,652</u>
<u><u>\$ 468,021,198</u></u>	<u><u>\$ 498,288,398</u></u>	<u><u>\$ 519,725,252</u></u>	<u><u>\$ 505,439,708</u></u>	<u><u>\$ 376,951,462</u></u>	<u><u>\$ 338,327,237</u></u>
52.74%	47.38%	47.09%	48.15%	55.93%	51.90%

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Table 13

Fiscal Year Ended 08/31:	Residential Units (1)	Total Assessed Value of Residential Units (1)	Average Assessed Value Per Residential Unit	Per Capita Income (3)	Enrollment (2)	Unemployment Rate (4)
2016	44,798	\$ 10,145,779,652	\$ 226,478	*	29,692	5.7%
2015	42,306	8,389,375,542	198,302	*	28,332	4.4%
2014	40,192	7,408,265,159	184,322	*	27,079	5.1%
2013	38,768	6,849,140,153	176,670	*	26,135	5.6%
2012	38,732	6,852,323,813	176,916	*	25,278	6.3%
2011	34,605	6,397,226,008	184,864	*	24,637	8.1%
2010	33,675	6,127,989,765	181,974	*	23,864	8.5%
2009	32,410	5,631,153,692	173,747	*	22,958	8.1%
2008	30,166	4,796,429,366	159,001	*	21,936	5.2%
2007	27,973	4,119,204,671	147,256	\$ 41,779	20,708	3.9%

* Information not yet available

(1) Source: Fort Bend County (Texas) Appraisal District

(2) Source: District Records

(3) Source: TRACER of Texas Workforce Commission; Income Information is for Fort Bend County

(4) Source: TRACER of Texas Workforce Commission; Unemployment rate is for Fort Bend County

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Table 14

Employer	2016			2007		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Lamar CISD	3,680	1	N/A	2,650	1	N/A
Fort Bend County	2,389	2	N/A	1,889	2	N/A
Richmond State School	1,241	3	N/A	1,370	3	N/A
Oak Bend Medical Center	1164	4	N/A	615	5	N/A
Texana Center	867	5	N/A			
Frito-Lay, Inc.	994	6	N/A	495	7	N/A
Memorial Hermann-Sugar Land	563	7	N/A			
City of Rosenberg	260	8	N/A			N/A
City of Richmond	155	9	N/A			
CenterPoint Energy				670	4	
Hines Nurseries				600	6	N/A
Hudson Products				280	9	N/A
Southwestern Bell Telephone				350	8	N/A
Quanex Corporation				275	10	N/A

Source: Fort Bend Economic Development Council
N/A Estimate of Total Employment for the District was unavailable

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION
LAST TEN FISCAL YEARS

Position	2016	2015	2014	2013	2012
Administrator	24.00	22.00	22.00	22.00	23.00
Associate/Assistant Principal	54.00	51.00	49.00	49.00	47.00
Food Service	259.00	239.00	230.00	244.00	231.00
Counselor	56.00	55.00	57.00	57.00	57.00
Librarian/Library Assistant/Historian	34.00	33.00	33.00	33.00	31.00
Maintenance/Operation	320.00	311.00	317.00	302.00	289.00
Nurse	32.00	32.00	32.00	32.00	31.00
Other Professional*	141.00	136.00	122.00	152.00	140.00
Other Support Staff	155.00	160.00	155.00	160.00	223.00
Principal	37.00	35.00	35.00	36.00	33.00
Secretary/Clerical	183.00	187.00	183.00	171.00	167.00
Security Guard	14.00	13.00	13.00	13.00	11.00
Special Education	284.00	272.00	260.00	244.00	250.00
Teacher	1,842.00	1,682.00	1,663.00	1,655.00	1,544.00
Technical	23.00	24.00	23.00	23.00	21.00
Transportation	222.00	223.00	228.00	225.00	210.00
Total Employees	3,680.00	3,475.00	3,422.00	3,418.00	3,308.00

* Includes Diagnosticians, Psychologist, Program Coordinators, Case Managers, Speech Pathologists, Social Workers, Accountants and other professional staff not otherwise listed above.

Source: District Records

Table 15

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
16.19	16.19	16.19	16.19	15.99
44.00	44.00	43.00	42.00	40.00
204.00	204.00	204.00	188.70	198.60
57.98	57.98	52.56	50.00	48.98
29.93	29.93	27.93	26.00	22.88
302.00	301.00	301.00	303.00	315.00
33.93	33.93	32.65	28.00	28.23
112.00	110.00	108.50	106.25	104.25
300.00	301.00	300.34	300.34	301.25
32.00	32.00	32.00	31.00	29.00
153.00	153.00	151.25	150.23	158.75
16.00	16.00	15.00	15.00	12.00
183.30	182.23	182.23	181.30	189.78
1,467.00	1,456.00	1,448.00	1,366.00	1,291.53
18.00	18.00	18.00	18.00	18.00
204.00	204.00	202.00	188.26	192.00
<u>3,173.33</u>	<u>3,159.26</u>	<u>3,134.65</u>	<u>3,010.27</u>	<u>2,966.24</u>

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended 8/31:</u>	<u>Enrollment</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Student</u>	<u>Percentage Change</u>
2016	29,692	\$ 281,679,723	\$ 9,487	9.96%
2015	28,332	244,432,695	8,627	3.29%
2014	27,079	226,175,427	8,352	6.94%
2013	26,135	204,115,438	7,810	-4.94%
2012	25,278	207,679,593	8,216	-5.15%
2011	24,637	213,398,249	8,662	-1.39%
2010	23,864	209,618,804	8,784	4.57%
2009	22,958	192,848,260	8,400	3.89%
2008	21,936	177,362,134	8,085	6.46%
2007	20,708	157,279,272	7,595	1.94%
2006	19,547	145,635,741	7,451	-3.59%

Source: Nonfinancial information from district records.

(1) Operating expenditures are total expenditures less debt service and capital outlay (to the extent capitalized for the government-wide statement of net assets) and expenditures for capitalized assets included within the functional expenditures categories.

N/A - Due to the implementation of GASB Statement No. 34 effective September 1, 2001, data not available

Table 16

Government Wide Expenses	Cost Per Student	Percentage Change	Teaching Staff	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program
\$ 336,771,958	\$ 11,342	11.64%	1,842	16.12	46%
287,843,380	10,160	3.69%	1,682	16.84	46%
265,331,909	9,798	4.86%	1,663	16.28	46%
244,207,370	9,344	-3.13%	1,655	15.79	46%
243,835,753	9,646	-5.88%	1,499	16.86	47%
252,510,793	10,249	-0.80%	1,532	16.08	47%
246,553,040	10,332	3.63%	1,457	16.38	47%
228,887,817	9,970	4.14%	1,448	15.85	47%
210,009,270	9,574	11.19%	1,366	16.06	47%
178,303,138	8,610	2.59%	1,292	16.03	47%
164,064,827	8,393	-1.04%	1,240	15.77	40%

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LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT*Table 17***TEACHER BASE SALARIES****LAST TEN FISCAL YEARS**

Fiscal Year Ended 08/31:	Minimum Salary (1)	Maximum Salary (1)	County Average Salary (2)	Statewide Average Salary (2)
2016	\$ 51,500	\$ 75,000	\$ 56,327	\$ 51,892
2015	50,000	75,000	55,571	50,715
2014	47,500	65,450	53,605	49,692
2013	46,000	64,450	52,583	48,821
2012	46,000	65,240	51,712	48,375
2011	46,000	65,240	52,262	48,639
2010	45,500	64,740	51,574	48,263
2009	44,500	63,740	50,561	47,158
2008	43,500	62,740	49,589	46,178
2007	42,000	60,800	48,159	44,897

(1) Source: District records

(2) Source: Texas Education Agency website

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2016	2015	2014	2013	2012
High Schools					
Lamar Consolidated (1949)					
Square Footage	292,702	292,702	292,702	292,702	292,702
Capacity	2,000	2,000	2,000	2,000	2,000
Enrollment	1,513	1,513	1,527	1,526	1,441
B.F. Terry (1980)					
Square Footage	287,929	287,929	287,929	287,929	281,629
Capacity	2,050	2,050	2,050	2,050	2,050
Enrollment	1,787	1,787	1,688	1,644	1,609
Foster (2001)					
Square Footage	361,330	361,330	361,330	361,330	361,330
Capacity	2,000	2,000	2,000	2,000	2,000
Enrollment	2,130	2,130	1,953	1,936	1,916
George Ranch (2010)					
Square Footage	356,625	356,625	356,625	356,625	356,625
Capacity	2,000	2,000	2,000	1,400	1,400
Enrollment	2,215	2,215	2,060	2,064	1,834
Churchill Fulshear Jr. (2016)					
Square Footage	381,522	-	-	-	-
Capacity	1,400	-	-	-	-
Enrollment	385	-	-	-	-
Junior High Schools					
Lamar Junior High (1957)					
Square Footage	176,590	176,590	176,590	176,590	176,590
Capacity	1,273	1,273	1,273	1,273	1,273
Enrollment	860	860	796	801	761
George Junior High (1973)					
Square Footage	179,300	179,300	179,300	179,300	179,300
Capacity	1,225	1,225	1,225	1,225	1,225
Enrollment	1,036	1,036	1,032	1,021	987
Briscoe Junior High (2001)					
Square Footage	193,298	193,298	193,298	193,298	193,298
Capacity	1,200	1,200	1,200	1,200	1,200
Enrollment	1,191	1,191	1,103	1,113	1,015
Reading Junior High (2010)					
Square Footage	182,877	182,877	182,877	182,877	182,877
Capacity	1,200	1,200	1,200	1,200	1,200
Enrollment	1,163	1,163	1,123	1,138	1,601
Dean Leaman Junior High (2016) (6-8)					
Square Footage	203,235	-	-	-	-
Capacity	1,200	-	-	-	-
Enrollment	746	-	-	-	-
Middle Schools					
Navarro Middle (1987)					
Square Footage	85,678	85,678	85,678	85,678	85,678
Capacity	660	660	660	660	660
Enrollment	504	504	528	530	463
Polly Ryon Middle (2013)					
Square Footage	85,538	85,538	85,538	85,538	-
Capacity	680	680	680	680	-
Enrollment	560	560	530	523	-
Wertheimer Middle (2008)					
Square Footage	86,045	86,045	86,045	86,045	86,045
Capacity	680	680	680	680	680
Enrollment	613	613	517	528	535
Wessendorf Middle (1997)					
Square Footage	86,045	86,045	86,045	86,045	86,045
Capacity	680	680	680	680	680
Enrollment	456	456	458	461	455

Table 18
Page 1 of 3

2011	2010	2009	2008	2007
292,702	292,702	292,702	292,702	292,702
2,000	2,000	2,000	2,000	1,900
1,653	1,799	1,943	1,943	1,912
281,629	281,629	281,629	281,629	279,063
2,050	2,050	2,050	2,050	2,050
1,594	1,630	1,717	1,835	1,777
361,330	361,330	361,330	361,330	361,330
2,000	2,000	2,000	2,000	1,440
1,931	1,948	2,155	2,036	1,919
356,625	356,625	-	-	-
1,400	1,400	-	-	-
1,316	791	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
176,590	176,590	176,590	176,590	164,190
1,273	1,273	1,273	1,200	1,080
777	788	1,101	1,101	1,098
179,300	179,300	179,300	179,300	179,300
1,225	1,225	1,225	1,225	1,220
898	898	1,006	876	839
193,298	193,298	193,298	193,298	193,298
1,200	1,200	1,200	1,200	1,220
926	939	1,540	1,540	1,443
182,877	182,877	-	-	-
1,200	1,200	-	-	-
1,504	1,472	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
85,678	85,678	85,678	85,678	85,678
660	660	660	660	660
501	433	505	470	405
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
86,045	86,045	86,045	86,045	-
680	680	680	680	-
499	440	564	586	-
86,045	86,045	86,045	86,045	85,803
680	680	680	680	680
427	439	662	586	541

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2016	2015	2014	2013	2012
Elementary Schools					
Arredondo (2015)					
Square Footage	90,741	90,741	-	-	-
Capacity	750	750	-	-	-
Enrollment	643	643	-	-	-
Austin (1990)					
Square Footage	64,860	64,860	64,860	64,860	64,860
Capacity	720	720	720	720	720
Enrollment	572	572	575	576	553
Adolphus (2013)					
Square Footage	91,900	91,900	91,900	91,900	-
Capacity	750	750	750	750	-
Enrollment	574	574	477	486	-
Beasley (1985)					
Square Footage	42,800	42,800	42,800	42,800	42,800
Capacity	370	370	370	370	370
Enrollment	420	420	418	430	407
Bowie (1961)					
Square Footage	73,564	73,564	73,564	73,564	73,564
Capacity	640	640	640	640	640
Enrollment	642	642	663	679	695
Campbell (2000)					
Square Footage	92,210	92,210	92,210	92,210	92,210
Capacity	720	720	720	720	720
Enrollment	701	701	731	732	763
Dickinson (1993)					
Square Footage	86,050	86,050	86,050	86,050	86,050
Capacity	750	750	750	750	750
Enrollment	560	560	564	563	573
Frost (2000)					
Square Footage	92,210	92,210	92,210	92,210	92,210
Capacity	720	720	720	720	720
Enrollment	404	404	395	407	722
Hubenak (2009)					
Square Footage	89,920	89,920	89,920	89,920	89,920
Capacity	750	750	750	750	750
Enrollment	1,087	1,087	911	919	808
Huggins (1979)					
Square Footage	58,200	58,200	58,200	58,200	58,200
Capacity	650	650	650	650	650
Enrollment	637	637	557	563	490
Hutchison (2005)					
Square Footage	95,000	95,000	95,000	95,000	95,000
Capacity	750	750	750	750	750
Enrollment	793	793	778	787	776
Jackson (1947)					
Square Footage	66,330	66,330	66,330	66,330	65,860
Capacity	520	520	520	520	520
Enrollment	394	394	394	391	394

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2011	2010	2009	2008	2007
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
64,860	64,860	64,860	64,860	64,860
720	720	720	720	720
609	601	564	620	590
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
42,800	42,800	42,800	42,800	42,800
370	370	370	370	370
454	413	353	318	302
73,564	73,564	73,564	73,564	73,564
640	640	640	640	640
758	754	712	658	624
92,210	92,210	92,210	92,210	92,210
720	720	720	720	720
767	763	757	998	964
86,050	86,050	86,050	86,050	86,050
750	750	750	750	750
620	630	645	730	728
92,210	92,210	92,210	92,210	92,210
720	720	720	720	720
706	709	652	1,125	890
89,920	89,920	89,920	-	-
750	750	750	-	-
689	429	353	-	-
58,200	58,200	58,200	58,200	58,200
650	650	650	650	650
458	458	431	594	519
95,000	95,000	95,000	95,000	95,000
750	750	750	750	740
762	779	792	656	588
65,860	65,860	65,860	65,860	65,860
520	520	520	520	520
379	402	389	384	395

LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2016	2015	2014	2013	2012
Elementary Schools					
Long (1949)					
Square Footage	80,176	80,176	80,176	80,176	80,176
Capacity	740	740	740	740	740
Enrollment	603	603	587	591	589
McNeil (2008)					
Square Footage	91,321	91,321	91,321	91,321	91,321
Capacity	750	750	750	750	750
Enrollment	838	838	772	773	823
Meyer (1985)					
Square Footage	69,500	69,500	69,500	69,500	69,500
Capacity	750	750	750	750	750
Enrollment	682	682	636	627	601
Pink (1997)					
Square Footage	92,210	92,210	92,210	92,210	92,210
Capacity	720	720	720	720	720
Enrollment	607	607	648	627	635
Ray (1979)					
Square Footage	67,160	67,160	67,160	67,160	67,160
Capacity	750	750	750	750	750
Enrollment	595	595	596	585	603
Seguin (1957)					
Square Footage	50,000	50,000	50,000	50,000	50,000
Capacity	460	460	460	460	460
Enrollment	389	389	403	398	421
Smith (1966)					
Square Footage	80,965	80,965	80,965	80,965	80,965
Capacity	600	600	600	600	600
Enrollment	528	528	543	543	550
Thomas (2009)					
Square Footage	89,920	89,920	89,920	89,920	89,920
Capacity	750	750	750	750	750
Enrollment	1,007	1,007	943	949	816
Travis (1949)					
Square Footage	77,666	77,666	77,666	77,666	77,666
Capacity	680	680	680	680	680
Enrollment	665	665	669	678	665
Velasquez (2006)					
Square Footage	95,000	95,000	95,000	95,000	95,000
Capacity	740	740	740	740	740
Enrollment	686	686	655	645	687
Williams (1985)					
Square Footage	84,925	84,925	84,925	84,925	84,925
Capacity	740	740	740	740	740
Enrollment	801	801	744	757	719

Source: District Records

Table 18
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2011	2010	2009	2008	2007
80,176	80,176	80,176	80,176	59,372
740	740	740	740	740
571	566	494	503	497
91,321	91,321	91,321	91,321	-
750	750	750	750	-
767	905	810	695	-
69,500	69,500	69,500	69,500	69,500
750	750	750	750	640
577	571	537	756	642
92,210	92,210	92,210	92,210	92,210
720	720	720	720	720
643	615	657	601	573
67,160	67,160	67,160	67,160	67,160
750	750	750	750	640
686	692	751	706	673
50,000	50,000	50,000	50,000	50,000
460	460	460	460	460
207	255	274	294	314
80,965	80,965	80,965	80,965	80,965
600	600	600	600	600
561	608	659	667	642
89,920	89,920	89,920	-	-
750	750	750	-	-
774	703	597	-	-
77,666	77,666	77,666	77,666	77,666
680	680	680	680	680
764	783	755	733	725
95,000	95,000	95,000	95,000	95,000
740	740	740	740	740
646	626	652	613	596
84,925	84,925	84,925	84,925	84,925
740	740	740	740	740
649	659	644	438	367

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**LAMAR CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS**

Exhibit L-1

DO NOT PRINT IN REPORT

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

SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF8	Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$0
SF11	Net Pension Assets (1920) at fiscal year-end.	\$0
SF12	Net Pension Liabilities (2540) at fiscal year-end.	\$52,504,827
SF13	Pension Expense (6147) at fiscal year-end.	\$8,893,556