

Comprehensive Annual Financial Report

for the Year Ended
June 30, 2015



FRISCO
INDEPENDENT SCHOOL DISTRICT

**Our mission is to know every
student by name and need.**

5515 Ohio Drive | Frisco, Texas 75035 | www.friscoisd.org



FRISCO
INDEPENDENT SCHOOL DISTRICT

**FRISCO INDEPENDENT SCHOOL DISTRICT
FRISCO, TEXAS**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED

JUNE 30, 2015



FRISCO
INDEPENDENT SCHOOL DISTRICT

**FRISCO INDEPENDENT SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015**

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FRISCO
INDEPENDENT SCHOOL DISTRICT

INTRODUCTORY SECTION

CERTIFICATE OF THE BOARD

Frisco Independent School District

Collin

043-905

Name of School District

County

County-District No.

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and ✓ approved _____ disapproved for the year ended June 30, 2015 at a meeting of the Board of Trustees of such school district on the 9th day of November, 2015.


Signature of Board President


Signature of Board Secretary

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



5515 Ohio Drive
Frisco, Texas 75035
469.633.6000
469.633.6050 (fax)
www.friscoisd.org

November 3, 2015

To: The Board of Trustees and the Citizens of Frisco Independent School District:

In compliance with Texas Education Code requirements, school districts must submit a set of financial statements to the Texas Education Agency within 150 days of the close of each fiscal year. The financial statements adhere to the Generally Accepted Accounting Principles (GAAP) and are audited by a firm of licensed Certified Public Accountants. In relation to this requirement, we hereby submit the Comprehensive Annual Financial Report of the Frisco Independent School District for the fiscal year ended June 30, 2015.

The report consists of managements' representations concerning the finances of the District. Management assumes full responsibility for the completeness and reliability of the information presented in this report. To the best of our knowledge, this report is complete and reliable in all respects.

The financial statements of the District have been audited by Weaver and Tidwell, L.L.P. a licensed certified public accounting firm. The independent audit performed by an external auditing firm is intended to provide the District with reasonable assurance that the financial statements of the District for the fiscal year ended on June 30, 2015 are free of material misstatement. The independent audit examines evidence supporting the financial statements, analyzes accounting principles applied to the statements, and assesses significant estimates made by management in evaluating the overall reliability of the financial statements of the District. The independent auditors concluded, following their review, that there was a reasonable basis to issue an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2015 are fairly presented in conformity with Generally Accepted Accounting Principles. The independent auditor's report presented as the first component of the Financial Section of this report.

The independent audit of the financial statements is a part of broader, federally mandated single audit designed to meet the special needs of federal grantor agencies. The standards governing single audit engagements require the independent auditors to report on the audited entity's internal controls and compliance with legal requirements involving the administration of federal awards, as well the aforementioned presentation of financial statements. These reports may be found in the Federal Awards Section of this report.

Generally Accepted Accounting Principles requires management to provide a narrative introduction, overview, and analysis of the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found in the Financial Section, immediately following the independent auditor's report.

PROFILE OF THE DISTRICT

Frisco ISD is an independent public education agency, recognized by the State of Texas, to provide appropriate educational services to the students in pre-kindergarten through grade twelve. Frisco ISD is located in Collin County, in north central Texas (Dallas-Ft. Worth metroplex area), and serves, wholly or partially, the communities of Frisco, Plano, McKinney, and Little Elm. The District's history dates back to 1876, even before the railroad and the establishment of the town of Frisco. No other district in the nation has grown faster than Frisco ISD on a percentage basis in the past 20 years. During that period of time the District has grown from 2,160 students in fiscal year 2005 to 50,349 in fiscal year 2015, a rate of by approximately 2,231% and continues to grow by approximately 3,500 students per year. The District is projected to have almost 53,200 students during the 2015-16 school year.

Governance and oversight of the District is provided by a non-compensated, seven member Board of Trustees. Members of the Board are elected to office for three year terms on a rotating basis with two or three places being filled through a general election held annually on the first Saturday of May. Should a vacancy occur on the Board the position may be filled by appointment or left vacant until the next scheduled election. In addition to general oversight and governance, the Trustees are charged with calling trustee and other school elections, adopting and amending the annual operating budget, setting the tax rate, setting salary schedules, acting as a board of appeals for student and personnel matters, and employing the Superintendent of Schools. In the performance of these duties the Board must adhere to all state regulations and other legal restrictions. Since the Board is elected by the community, the decisions of the Board provide administrative guidance to the District in meeting community standards.

Frisco Independent School District believes that it should “Know every student by name and need”. As such, the District strives to provide each student with the quality educational experience that has led our district to attain the highest possible ratings on the state accountability system, “Met Standard”, for the last two years under this new rating system. In addition, all 57 campuses received the “Met Standard” rating label. Our current accountability system is based on a four part index system which demonstrates student achievement in the following manners: Index 1: Student Achievement; Index 2: Student Progress; Index 3: Closing Performance Gaps; Index 4: Post Secondary Readiness. In all instances, scores for the District and campuses were well above the state targets. In addition, 102 different distinction designations were earned by campuses for outstanding academic performance based upon the 2014-15 STAAR results.

Index 1: Student Achievement

Index 2: Student Progress

Target Score: 20 Frisco ISD Score: 45

Target Score: 28 Frisco ISD Score: 54

Target Score: 57 Frisco ISD Score: 85

Other measures of student success would include results of ACT testing and drop-out rates.

2014-15 ACT SCORES					
	English	Math	Reading	Science	Composite
Frisco ISD	23.5	24.2	24.4	24.0	24.1
State	19.8	21.1	21.1	21.0	20.9

SAT Scores – 2015

	Mean Score
Frisco	533
Texas	470
Nation	495

The District's 2013-14 drop-out rate was 0.1% compared to the State average rate of 2.4%.

I. FINANCIAL CONTROLS

Internal Controls

The management of the District has established an internal control structure designed to ensure that assets of the District are protected from loss, theft, or misuse, and to provide accurate and adequate financial data to be used in the compilation of the District's financial statements which comply with generally accepted accounting principles. The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The management of the District monitors the internal control system to determine its effectiveness and makes appropriate revisions when necessary. The internal control system should be "cost-effective" and enhance the operations of the District in such a way as to contribute to both the effectiveness and the efficiency of the District's operations. The District's management believes that the internal control system as developed adequately meets the objectives described above.

Budgetary Controls

The District has established and maintains a system of budgetary controls. The purpose of budgetary controls is to ensure that the development and administration of the budget complies with all state mandated legal provisions and locally adopted Board policies appropriate to this activity. The management of the District is responsible for developing the budget, within the established control system, and presenting the budget to the Board of Trustees for final adoption. The budget represents the allocation of resources and the plan for expending the allocated resources in the General Fund, National Lunch and Breakfast Program Fund, and Debt Service Fund. In addition to the major funds described, budgets for Special Revenue Funds are developed based on grant allocations distributed on a project basis. The District maintains budgetary control (the level at which expenditures cannot legally exceed allocations) at the functional category level for each fund. The functional categories are defined in the Financial Accountability System Resource Guide published by the Texas Education Agency. This publication describes each functional category and the allowable transactions associated with each function. Oversight of all transactions within the expenditure budgets are maintained at this level of control by the District's Finance Department staff. The District believes that this method of control provides the optimum level of oversight and flexibility to meet its budgetary needs.

MAJOR INITIATIVES

Capital Projects

The community supported and passed a bond authorization package for \$775 million in 2014. The bond package was designed to meet the needs of the District's growth up to 66,000 students. Since passing this bond, the District's needs for new construction are monitored by bond committee members for the appropriate usage of these funds in terms of grade level instructional buildings and locations. While the original plans for these funds may be revised, the overall objective of meeting the needs of 66,000 students has not changed. We currently have 2 elementary schools, 2 middle schools and 2 high schools under construction.

Funding for these projects is obtained through sale of Unlimited Tax School Building Bonds. During fiscal year ended June 30, 2015 the district issued \$251,705,000 in new debt for construction, renovation of school buildings and equipment. In addition to the new debt issues the District issued \$50,990,000 in Unlimited Tax Refunding Bonds for a realized interest savings of \$4,885,499. While the District is retiring debt appropriately, it continues to experience rapid growth in its student population and will continue to need to issue new debt to address the facility needs associated with its growth.

Relevant Financial Guidelines

The Board of Trustees and management of the District realize that maintaining an appropriate fund balance is important for the District to meet its needs during times of economic uncertainty. Additionally, maintaining a healthy fund balance has enabled the District to obtain high underlying ratings from both Standard and Poor's (AA+) and Moody's (Aa1), even with the continued high levels of new debt required to fund growth within the District. Currently, the guidelines communicated to management from the Board for appropriate levels of fund balance is to maintain at least a 20% of the General Fund Budget in fund balance, with the goal of maintaining 25% in the future. For the fiscal year ended June 30, 2015, the General Fund has a fund balance of \$92,479,106 which represents 23.65% of the fiscal year 2015 General Fund Expenditure budget.

Long-Term Financial Planning

The District makes the following assumptions for budget development and planning for financial stability in subsequent fiscal years:

- Student population growth will continue with approximately 3,200 to 3,600 new students enrolling annually
- Taxable values in the District are conservatively estimated to grow by approximately 8.0-10.0% per year
- Bond issuance will continue on a bi-annual basis
- Maintenance and operational costs will increase with additional buildings and aging of existing buildings
- Support activity costs will increase proportionate to the growth in student population
-

Economic Condition and Outlook

Frisco Independent School District has enjoyed a recent upturn in the local economy. New housing developments and commercial activity is increasing in recent months. While the District experienced the impact of the recent national and state-wide recession, the effect on the District was minimal comparatively. The District's proximity to the Dallas-Fort Worth Metroplex and the dynamic nature of the communities served continues to make Frisco ISD an attractive destination for development. Joint ventures with the City of Frisco have enabled the District to avoid costly construction of necessary support facilities such as athletic complexes and multi-use facilities. The most recent cooperative project will allow the District access to the facilities being constructed for the Dallas Cowboy's World Headquarters.

The District's largest taxpayer comprises only 0.62% of the taxable value of the District. For fiscal year ended June 30, 2015 the total assessed value for all of the top ten taxpayers in the District comprises only 3.44% of its taxable value. As such, the loss of a single taxpayer would not have a significant impact on the District's ability to provide educational services or impact its ability to meet future financial obligations.

The taxable values of the District increased by approximately 14.61% for fiscal year ended June 30, 2015. The District anticipates that this trend will continue with probable increases exceeding this rate of growth in the future. The combination of continued student growth and economic development has resulted in the District enjoying a stable economic platform to plan and operate from.

II. AWARDS

Frisco Independent School District was awarded the Certificate of Excellence for Financial Reporting by both the Government Finance Officers Association (GFOA) and the Association of School Business Officials (ASBO) for the District's Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2014. This award (GFOA) is the highest form of recognition in the area of governmental accounting and financial reporting. The CAFR is judged by an impartial panel to determine if it meets the high standards of the program, demonstrating a constructive "spirit of full disclosure", to clearly communicate the District's financial story, and confirm the District's commitment to financial accountability and transparency.

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

The ASBO award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. Management believes that the CAFR for the fiscal year ended June 30, 2015, which will be submitted to ASBO for review, also conforms to their principles and standards.

The state of Texas initiated the Financial Integrity Rating System of Texas (F.I.R.S.T.) program in 1999. The goal of this legislation was to develop an accountability system, similar to the academic accountability system, by which school districts could be rated on their financial management practices. Frisco ISD has received the highest possible rating of "Superior Achievement" for its financial practices, management, and monitoring for each year since the inception of the F.I.R.S.T. Report.

Frisco ISD was one of the first twelve school districts in the state to receive the Texas Comptroller Leadership Circle Platinum Award for financial reporting and transparency. In order to be considered for this award the District had to meet stringent financial reporting criteria including detailed bonded debt and repayment information, budget summaries, check registers, audit reports, and other pertinent financial information.


An integral part of the overall financial management of the District's resources is the expenditure of allocated resources. Many aspects of this process are managed by the Procurement Department. This department includes activities related to purchasing, accounts payable, and accounts receivable. The Texas Association of School Business Officials recognizes outstanding Purchasing Departments annually with its Award of Merit for Purchasing Operations. The Purchasing Department must meet certain stringent requirements and undergo a rigorous review of procedures and practices to be considered for this prestigious award. The Frisco ISD purchasing department has received this award each year since its creation in 2009, one of only 6 school districts in the state to have done so.

ACKNOWLEDGEMENTS

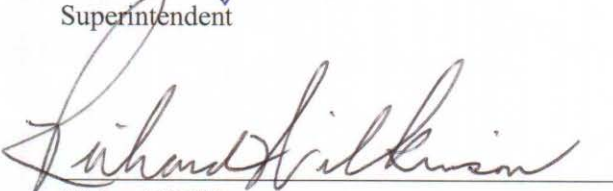
The continued effort and support of the Board of Trustees, the citizens of the District, parents, and business owners, greatly contributes to the success of Frisco ISD and is very much appreciated. Without this support and effort the District could not have attained the high level of excellence it currently enjoys, nor could it strive for even greater attainment in the future for all programs supported by the District.

Additionally, we would like to recognize the cooperative spirit and contributions the employees of Frisco ISD make to successful planning and implementation of the financial activities within the District. the Without this cooperation the staff of the Finance Department could not function in its role of supporting District's operations.

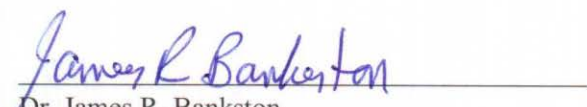
With these acknowledgements, we respectfully submit this report for your review. The information contained in this report is accurate and complete to the best of our knowledge.



Dr. Jeremy Lyon
Superintendent



Richard Wilkinson
Deputy Superintendent of Business Operations



Dr. James R. Bankston
Chief Financial Office

**FRISCO INDEPENDENT SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2015
PRINCIPAL OFFICERS AND ADVISORS**

BOARD OF TRUSTEES

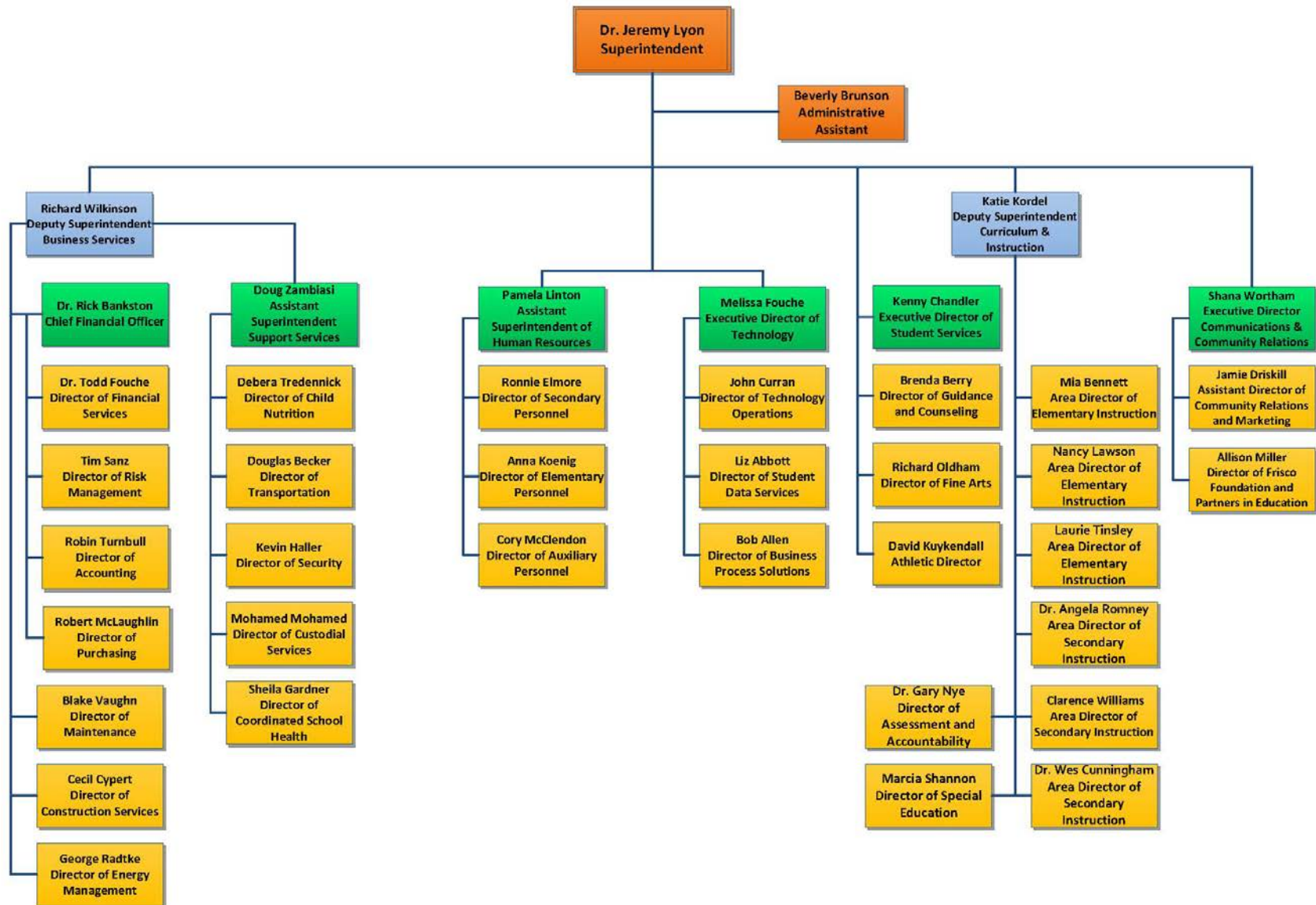
<u>Name</u>	<u>Term Expires</u>	<u>Length of Service</u>	<u>Occupation</u>
Anne McCausland, President	2017	4 Years	Homemaker
John Hoxie, Vice-President	2018	6 Years	Director of Sales Finance
Debbie Gillespie, Secretary	2017	4 Years	Homemaker
Renee Ehmke	2016	11 Years	Homemaker
Bryan Dodson	2016	2 Years	Sales
John Classe	2018	1 Year	Financial Advisor
Chad Rudy	2016	New	Financial Advisor

APPOINTED OFFICIALS

<u>Name</u>	<u>Position</u>	<u>Length of Education Service</u>
Dr. Jeremy Lyon	Superintendent	28 Years
Katie Kordel	Deputy Superintendent for Curriculum and Instruction	17 Years
Richard Wilkinson	Deputy Superintendent for Business and Operations	32 Years
Pamela Linton	Assistant Superintendent for Human Resources	25 Years
Doug Zambiasi	Assistant Superintendent for Administrative Services	32 Years
Shana McKay Wortham	Executive Director of Communications and Community Relations	25 Years
Melissa Fouche	Executive Director of Technology	21 Years
Kenny Chandler	Executive Director for Student Services	31 Years
Dr. James R. Bankston	Chief Financial Officer	37 Years

CONSULTANTS AND ADVISORS

Weaver and Tidwell, LLP Independent Auditors	SAMCO Capital Markets, Inc. Financial Advisors
McCall, Parkhurst, & Horton, L.L.P. Bond Counsel	Law Offices of Robert E. Luna, P.G. Attorney



FRISCO INDEPENDENT SCHOOL DISTRICT ORGANIZATIONAL CHART 2015



Government Finance Officers Association

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

Presented to

**Frisco Independent School District
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Association of School Business Officials International



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

Frisco Independent School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

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



A handwritten signature in black ink, appearing to read "M. Pepera", is written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read "John D. Musso", is written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

FINANCIAL SECTION



FRISCO
INDEPENDENT SCHOOL DISTRICT

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Frisco Independent School District
Frisco, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Frisco Independent School District (the District) as of and for the year ended June 30, 2015, 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 of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2015, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As discussed in Note 16 to the financial statements, in 2015 the District adopted new accounting guidance, GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and TRS pension schedules on pages 4 through 10, 47 and 48, 49 and 50, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund statements and schedules, required Texas Education Agency schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

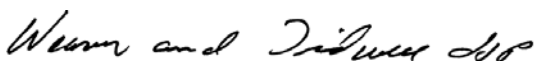
The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual fund statements and schedules, required Texas Education Agency schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 fund statements and schedules, required Texas Education Agency schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* the District's internal control over financial reporting and compliance.



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
November 3, 2015



FRISCO
INDEPENDENT SCHOOL DISTRICT

**FRISCO INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015
(Unaudited)**

This section of the Frisco Independent School District annual financial report presents the discussion and analysis of the District's financial performance during the year ended June 30, 2015. The following report and analysis will be an extension to the District's financial statements.

Financial Highlights

The District's total liabilities as presented on the government-wide Statement of Net Position exceeded total assets by \$245.4 million. The net position of the District decreased by \$96.2 million (\$25.1 million from operating activity and \$71.1 million from GASB 68 prior period adjustment) during the year ended June 30, 2015.

The District's governmental funds financial statements reported combined ending fund balance of \$320.7 million. Of this amount, the General Fund has a total of \$92.5 million of which \$0.4 million is nonspendable and \$92.1 million is unassigned available for spending at the District's discretion. Fund balance of \$79.8 million is restricted for use by the Debt Service Fund and \$141.1 million restricted for use by the Capital Projects Fund. The Special Revenue Funds have a fund balance of \$7.4 million that is either restricted or committed with a small amount in nonspendable.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position (Exhibit A-1) and the Statement of Activities (Exhibit B-1). These reports provide information about the activities of the District as a whole, long-term view of the District's property, debt obligations, and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting with Exhibit C-1) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For government activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They also reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District.

The notes to the financial statements (following Exhibit E-1) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for non-major funds contain additional information about the District's individual funds. These statements are not required by TEA. This information may be found in Exhibits G-2 and G-3.

The sections labeled TEA Required Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the budgetary appropriations and terms of the grants awarded. New for fiscal year ended June 30, 2015, are Exhibits F-3 and F-4 related to Required Supplemental Information in compliance with GASB 68, Accounting and Financial Reporting for Pensions.

Reporting the District Financial Performance as a Whole

Government-wide Statements: The Statement of Net Position and the Statement of Activities

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position, Exhibit A-1, includes all of the government's assets and liabilities. The Statement of Activities, Exhibit B-1, accounts for all of the current period's revenue and expenses.

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

Within the government-wide financial statements of the District, most of the District's basic services are included, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes, grants, and state revenues finance most of the activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

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

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

This District has two kinds of funds:

- **Governmental funds** - Most of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances at the end of the fiscal period. The governmental funds statements provide a detailed, short-term view of the District's general operations and the basic services it provides. The difference between the governmental activities (reported in the Statement of Net Position and Statement of Activities) and governmental funds are described in reconciliation narratives following each of the fund financial statements. (Exhibits C-2 and C-4)

- **Fiduciary funds** - The District is the trustee, or fiduciary, for money raised by student activities. All of the District's fiduciary activities are reported in the Statement of Fiduciary Assets and Liabilities (Exhibit E-1). We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purpose

Financial Analysis of the District as a Whole

The District implemented GASB Statement No. 34 during the 2001-2002 fiscal years. As of the 2014-2015 fiscal years, the analysis will present both current and prior year data and discuss significant changes in the accounts. Our analysis focuses on the net position (Table A1) and changes in net position (Table A2) of the District's governmental activities.

Net Position - The District's combined net position was (\$245,443,341) on June 30, 2015. The prior year's net position was (\$149,213,992) (See Table A1).

Table A-1
District's Net Position

	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>Percentage Change</u>
Current Assets	\$ 417,323,001	\$ 334,369,603	24.81%
Capital Assets	<u>1,425,533,408</u>	<u>1,272,797,870</u>	12.00%
Total Assets	<u>1,842,856,409</u>	<u>1,607,167,473</u>	14.66%
Deferred Outflows of Resources	<u>27,157,415</u>	<u>17,166,580</u>	58.20%
Current Liabilities	117,589,575	94,382,018	24.59%
Long-term Liabilities	<u>1,978,957,577</u>	<u>1,679,166,027</u>	17.85%
Total Liabilities	<u>2,096,547,152</u>	<u>1,773,548,045</u>	18.21%
Deferred Inflows of Resources	<u>18,910,013</u>	<u>-</u>	0.00%
Net Position (Deficit):			
Net Investment in Capital Assets	(305,309,356)	(273,081,937)	11.80%
Restricted	59,512,551	57,708,876	3.13%
Unrestricted	<u>353,464</u>	<u>66,159,069</u>	-99.47%
Total Net Position (Deficit)	<u><u>\$ (245,443,341)</u></u>	<u><u>\$ (149,213,992)</u></u>	64.49%

Table A2
Changes in Net Position

	Fiscal Year June 30, 2015	Fiscal Year June 30, 2014	Percentage Change
Revenues:			
Program Revenues			
Charges for Service	\$ 20,799,525	\$ 18,765,699	10.84%
Operating Grants and Contributions	38,071,093	26,278,448	44.88%
Total Program Revenues	58,870,618	45,044,147	30.70%
General Revenues			
Property Taxes	359,056,572	310,827,394	15.52%
State Aid Formula	120,405,390	119,733,020	0.56%
Investment Earnings	166,062	98,009	69.44%
Other	3,625,774	2,754,365	31.64%
Total General Revenues	483,253,798	433,412,788	11.50%
Total Revenues	542,124,416	478,456,935	13.31%
Expenses:			
Instruction	284,653,714	237,776,317	19.71%
Instructional Resources and Media Services	9,187,036	7,563,264	21.47%
Curriculum and Staff Development	8,527,459	7,496,653	13.75%
Instructional Leadership	5,075,185	4,625,073	9.73%
School Leadership	28,254,017	21,657,026	30.46%
Guidance, Counseling and Evaluation Services	14,672,505	12,828,364	14.38%
Social Work Services	352,044	360,371	-2.31%
Health Services	4,700,476	3,885,439	20.98%
Student Transportation	11,631,466	10,489,264	10.89%
Food Services	22,671,955	20,138,815	12.58%
Extracurricular Activities	17,804,290	15,493,350	14.92%
General Administration	8,271,754	6,752,192	22.50%
Facilities Maintenance and Operations	37,020,121	31,796,821	16.43%
Security and Monitoring Services	3,808,630	3,595,026	5.94%
Data Processing Services	9,499,233	7,194,012	32.04%
Community Services	1,992,750	1,516,206	31.43%
Debt Service - Interest on Long Term Debt	73,966,028	45,233,434	63.52%
Debt Service - Bond Issuance Costs and Fees	2,511,829	1,288,269	94.98%
Contracted Instructional Services Between Schools	1,177,873	1,004,896	17.21%
Payments to Juvenile Justice Alternative Ed. Prg.	47,931	23,499	103.97%
Payments to Tax Increment Fund	19,317,219	17,605,466	9.72%
Other Intergovernmental Charges	2,102,040	1,924,946	9.20%
Total Expenses	567,245,555	460,248,703	23.25%
Increase/(Decrease) in Net Position	(25,121,139)	18,208,232	237.97%
Beginning Net Position (Deficit)	(149,213,992)	(167,422,224)	10.88%
Cumulative Effect of Change in Accounting Principle	(71,108,210)	-	0.00%
Ending Net Position (Deficit)	<u>\$ (245,443,341)</u>	<u>\$ (149,213,992)</u>	-64.49%

Our analysis focuses on net position and changes in net position of the District's governmental activities. The District's total net position decreased by \$96.2 million (\$25.1million from operating activity and \$71.1 million from GASB 68 prior period adjustment). Current Assets increased by \$83.0 million which is attributable primarily to new school construction bonds sold for the completion of ongoing and future school construction projects. Capital Assets increased by \$152.7 million during fiscal year 2015 due primarily to new school construction.

Current liabilities increased by \$23.2 million primarily due to an increase in the amounts owed to other vendors and employees.

Noncurrent liabilities increased \$299.8 million. The increase is primarily due to the issuance of new school building bonds and related bond premiums.

Changes in Net Position. The District's total revenues were \$542.1 million. A significant portion (66.2%) of the District's revenue comes from taxes, which increased by 15.5% over fiscal year 2014. State aid comprised 22.2% of the District's revenue while operating grants provided 7.0%. Charges for services contributed 3.8%. Interest revenue and other sources including miscellaneous local revenue are 0.7%. The total cost of all programs and services was \$567.2 million.

Financial Analysis of Major Governmental Funds

General Fund: As of June 30, 2015, fund balance in the General Fund was \$92.5 million, a \$7.3 million increase over the previous year. This increase can be attributed primarily to higher property valuations and the increase in property tax collections.

Debt Service Fund: As of June 30, 2015, fund balance in the Debt Service Fund was \$79.8 million, a \$2.2 million increase over the previous year. This increase can be attributed to new properties, increased valuations, including in TIRZ #1, and the impact on the fiscal year tax collections.

Capital Projects Fund: As of June 30, 2015, fund balance in the Capital Projects Fund was \$141.1 million, a \$48.5 million increase over the previous year. This increase can be attributed to increased new school construction bond sales with proceeds payable to the completion of ongoing school construction projects.

Budgetary Highlights:

General Fund

In the General Fund, the final budgeted amount for revenues was \$393.5 million, an increase of \$2.5 million from the original budget. This increase consisted primarily of adjustments to the property values of the District that resulted in higher than expected assessed values which yielded greater property tax collections.

The final expenditure budget in the General Fund was \$391.0 million, which represents a \$1.0 million (0.3%) increase over the original budget. This minimal budget increase was the result of variations in several expenses and more accurately budgeting costs at the function level.

Capital Assets and Debt Administration

At the end of 2015, the District had invested \$1,425,533,408 in various capital assets, including land, furniture and equipment, buildings, and construction in progress. The following table (A3) represents the District's total Capital Assets:

Table A3
Capital Assets

	June 30, 2015	June 30, 2014	Percentage Change
Land	\$ 158,655,276	\$ 147,482,951	7.58%
Buildings	1,292,146,932	1,126,042,027	14.75%
Furniture and Equipment	46,896,769	40,802,136	14.94%
Construction in Progress	212,309,433	207,379,203	2.38%
Total Historical Cost	1,710,008,410	1,521,706,317	12.37%
Total Accumulated Depreciation	(284,475,002)	(248,908,447)	14.29%
Net Capital Assets	\$ 1,425,533,408	\$ 1,272,797,870	12.00%

Additions to the District's capital assets during fiscal year 2015 included completion of 4 new schools, related furniture and equipment for these campuses, and land acquisitions for future campuses. Additional information on capital assets is contained in Note 6 of the Notes to the Basic Financial Statements.

At the end of the 2015 fiscal year, the District had \$1,801,656,203 in bonds outstanding as compared to \$1,581,733,571 the previous fiscal year.

Table A4
Long-Term Debt

	June 30, 2015	June 30, 2014	Percentage Change
Bond Payable	\$ 1,801,656,203	\$ 1,581,733,571	13.90%
Bond Premium	70,242,727	56,675,458	23.94%
Accreted Interest	45,241,616	40,756,998	11.00%
Net Pension Liability	61,817,031	75,906,243	-18.56%
Total Long-Term Debt	\$ 1,978,957,577	\$ 1,755,072,270	

During fiscal year 2015, the District's long-term debt increased by \$224 million primarily the result of the issuance of \$159,795,000 Unlimited Tax School Building Bonds, Series 2014 and \$139,525,000 Unlimited Tax School Building and Refunding Bonds, Series 2015. More detailed information is available about the District's debt in Note 7 of the Notes to the Basic Financial Statements.

Economic Factors and Next Year's Budget and Rates

- The certified net taxable values used for the 2016 budget preparation have increased to approximately \$24,753,526,364 which represents a 8.627% increase from the prior year values of \$22,787,651,925. The District continues to have an excellent current year tax collection rate of 99.14% in fiscal year 2015 as compared to 99.10% in fiscal year 2014.
- The District's 2015-2016 student enrollment is expected to be approximately 53,200 which represents a 5.66% increase over the enrollment in 2014-2015 of 50,349. The District is expecting to see continued growth and is reported to have five of the top ten fastest growing subdivisions in the Dallas-Fort Worth Metroplex within the District's boundaries.
- The District's debt obligations will continue to have a financial impact as long as the District continues to add additional buildings and campuses.

Moody's lists the following rationale when maintaining Frisco ISD's 'Aa1' credit rating for 2015-2016:

- Structurally balanced operations and healthy resources;
- Strong management;
- Conservative budgeting;
- Large affluent tax base in rapidly growing Dallas-Fort Worth metropolitan area.
- Frisco ISD has received a rating of "Superior Achievement" under Texas' financial accounting rating system. The Superior Achievement rating is the state's highest, demonstrating the quality of the District's financial management and reporting system. This is the thirteenth year of Schools FIRST (Financial Integrity Rating System of Texas), a financial accountability system for school districts developed by Texas Education Agency. The primary goal of FIRST is to achieve quality performance in the management of the District's financial resources. Frisco ISD has received a Superior Achievement rating for all thirteen years of the program.
- The Comptroller's Financial Allocation Study for Texas (FAST) identifies school districts and campuses that combine high academic achievement with cost effective operations and groups them with "fiscal peers" that operate in similar cost environments. Frisco ISD achieved a 5 star rating in 2010, 2013 and 2014. The District received a rating of 4.5 stars in 2011 and 2012.
- The office of the Comptroller for the State of Texas reviews school district website postings and recognizes those districts that include specific financial reports and data in efforts to ensure financial transparency. The highest award given for this effort is the Platinum Member award. Frisco ISD received this distinction in 2014, one of only 12 school districts in the state to achieve this level of financial transparency. The District's 2015 financial transparency website postings have been recognized with the Platinum Member award for the second consecutive year.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the District's Financial Services Office.



FRISCO
INDEPENDENT SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

EXHIBIT A-1

**FRISCO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015**

Data Control Codes		Primary Government Governmental Activities
ASSETS		
1110	Cash and Cash Equivalents	\$ 395,740,443
1220	Property Taxes Receivable (Delinquent)	8,079,003
1230	Allowance for Uncollectible Taxes	(1,373,431)
1240	Due from Other Governments	14,077,436
1290	Other Receivables, Net	343,002
1410	Deferred Expenses	456,548
Non-current Assets		
Capital Assets:		
1510	Land	158,655,276
1520	Buildings, Net	1,041,214,080
1530	Furniture and Equipment, Net	13,354,619
1580	Construction in Progress	212,309,433
1000	Total Assets	1,842,856,409
DEFERRED OUTFLOWS OF RESOURCES		
1701	Deferred Loss on Refunding	15,150,884
1705	Deferred Outflows of Resources - Pensions	12,006,531
1700	Total Deferred Outflows of Resources	27,157,415
LIABILITIES		
2110	Accounts Payable	31,442,049
2113	Retainage Payable	9,605,337
2140	Accrued Interest Payable	26,932,567
2150	Payroll Deductions & Withholdings	2,569,722
2160	Accrued Wages Payable	46,013,569
2180	Due to Other Governments	157
2200	Accrued Expenses	858,000
2300	Unearned Revenues	168,174
Non-Current Liabilities		
2501	Due within One Year	33,860,000
2502	Due in More than One Year	1,883,280,546
2540	Net Pension Liability	61,817,031
2000	Total Liabilities	2,096,547,152
DEFERRED INFLOWS OF RESOURCES		
2605	Deferred Inflows of Resources - Pension	18,910,013
2600	Total Deferred Inflows of Resources	18,910,013
NET POSITION (DEFICIT)		
3200	Net Investment in Capital Assets	(305,309,356)
Restricted for:		
3820	Restricted for Federal and State Programs	5,261,965
3850	Restricted for Debt Service	54,250,586
3900	Unrestricted	353,464
3000	Total Net Position (Deficit)	\$ (245,443,341)

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

EXHIBIT B-1

**FRISCO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

		Program Revenues		Net (Expense) Revenue and Changes in Net Position	
	1	3	4	6	
Data Control Codes	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities	
Primary Government:					
GOVERNMENTAL ACTIVITIES:					
11	Instruction	\$ 284,653,714	\$ 396,872	\$ 13,768,418	\$ (270,488,424)
12	Instructional Resources and Media Services	9,187,036	-	331,308	(8,855,728)
13	Curriculum and Instructional Staff Development	8,527,459	-	8,672,258	144,799
21	Instructional Leadership	5,075,185	-	406,124	(4,669,061)
23	School Leadership	28,254,017	-	1,568,757	(26,685,260)
31	Guidance, Counseling and Evaluation Services	14,672,505	-	3,698,983	(10,973,522)
32	Social Work Services	352,044	-	23,206	(328,838)
33	Health Services	4,700,476	-	342,048	(4,358,428)
34	Student (Pupil) Transportation	11,631,466	-	435,947	(11,195,519)
35	Food Services	22,671,955	16,242,616	5,169,386	(1,259,953)
36	Extracurricular Activities	17,804,290	1,605,535	1,477,761	(14,720,994)
41	General Administration	8,271,754	-	408,937	(7,862,817)
51	Facilities Maintenance and Operations	37,020,121	2,554,502	1,205,307	(33,260,312)
52	Security and Monitoring Services	3,808,630	-	117,853	(3,690,777)
53	Data Processing Services	9,499,233	-	342,170	(9,157,063)
61	Community Services	1,992,750	-	102,630	(1,890,120)
72	Debt Service - Interest on Long Term Debt	73,966,028	-	-	(73,966,028)
73	Debt Service - Bond Issuance Costs and Fees	2,511,829	-	-	(2,511,829)
91	Contracted Instructional Services Between Schools	1,177,873	-	-	(1,177,873)
95	Payments to Juvenile Justice Alternative Ed. Prg.	47,931	-	-	(47,931)
97	Payments to Tax Increment Fund	19,317,219	-	-	(19,317,219)
99	Other Intergovernmental Charges	2,102,040	-	-	(2,102,040)
(TG) Total Governmental Activities:		567,245,555	20,799,525	38,071,093	(508,374,937)
(TP) TOTAL PRIMARY GOVERNMENT:		\$ 567,245,555	\$ 20,799,525	\$ 38,071,093	\$ (508,374,937)

Data	
Control General Revenues:	
Codes Taxes:	
MT Property Taxes, Levied for General Purposes	265,133,759
DT Property Taxes, Levied for Debt Service	93,922,813
SF State Aid - Formula Grants	120,405,390
IE Investment Earnings	166,062
MI Miscellaneous Local and Intermediate Revenue	3,625,774
TR Total General Revenues	483,253,798
CN Change in Net Position	(25,121,139)
NB Net Position - Beginning	(149,213,992)
PA Cumulative Effect of Change in Accounting Principle	(71,108,210)
NE Net Position - Ending	\$ (245,443,341)

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

**FRISCO INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

Data Control Codes		10 General Fund	50 Debt Service Fund	60 Capital Projects
ASSETS:				
1110	Cash and Cash Equivalents	\$ 127,289,850	\$ 79,945,560	\$ 179,156,516
1220	Property Taxes - Delinquent	5,751,501	2,327,502	-
1230	Allowance for Uncollectible Taxes (Credit)	(977,756)	(395,675)	-
1240	Due from Other Governments	12,500,893	-	-
1260	Due from Other Funds	590,026	-	-
1290	Other Receivables	343,002	-	-
1410	Prepaid Expenditures	410,917	-	-
1000	Total Assets	<u>\$ 145,908,433</u>	<u>\$ 81,877,387</u>	<u>\$ 179,156,516</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES:				
2110	Accounts Payable	\$ 2,318,404	\$ -	\$ 28,343,395
2113	Retainage Payable	-	-	9,605,337
2140	Accrued Interest Payable	-	505,600	-
2150	Payroll Deductions and Withholdings Payable	2,569,722	-	-
2160	Accrued Wages Payable	43,676,845	-	151,618
2170	Due to Other Funds	-	-	-
2180	Due to Other Governments	-	-	-
2200	Accrued Expenditures	858,000	-	-
2300	Unearned Revenue	149,575	-	-
2000	Total Liabilities	<u>49,572,546</u>	<u>505,600</u>	<u>38,100,350</u>
DEFERRED INFLOWS OF RESOURCES:				
2601	Unavailable Revenue - Property Taxes	<u>3,856,781</u>	<u>1,562,400</u>	<u>-</u>
2600	Total Deferred Inflows of Resources	<u>3,856,781</u>	<u>1,562,400</u>	<u>-</u>
FUND BALANCES:				
Nonspendable Fund Balance:				
3430	Prepaid Expenditures	410,917	-	-
Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-
3470	Capital Acquisitions and Contractual Obligation	-	-	141,056,166
3480	Retirement of Long-Term Debt	-	79,809,387	-
Committed:				
3545	Local Special Revenue	-	-	-
3600	Unassigned Fund Balances	<u>92,068,189</u>	<u>-</u>	<u>-</u>
	Total Fund Balances	<u>92,479,106</u>	<u>79,809,387</u>	<u>141,056,166</u>
	Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 145,908,433</u>	<u>\$ 81,877,387</u>	<u>\$ 179,156,516</u>

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

EXHIBIT C-1

Non-major Governmental Funds	Total Governmental Funds
\$ 9,348,517	\$ 395,740,443
-	8,079,003
-	(1,373,431)
1,576,543	14,077,436
-	590,026
-	343,002
45,631	456,548
<u>\$ 10,970,691</u>	<u>\$ 417,913,027</u>
\$ 780,250	\$ 31,442,049
-	9,605,337
-	505,600
-	2,569,722
2,185,106	46,013,569
590,026	590,026
157	157
-	858,000
18,599	168,174
<u>3,574,138</u>	<u>91,752,634</u>
-	5,419,181
-	5,419,181
45,631	456,548
5,261,965	5,261,965
-	141,056,166
-	79,809,387
2,088,957	2,088,957
-	92,068,189
<u>7,396,553</u>	<u>320,741,212</u>
<u>\$ 10,970,691</u>	<u>\$ 417,913,027</u>

EXHIBIT C-2

**FRISCO INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2015**

Total Fund Balances - Governmental Funds	\$ 320,741,212
1 Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds financial statements.	1,710,008,410
2 Accumulated depreciation on capital assets is not reported in the governmental funds financial statements.	(284,475,002)
3 Bonds payable and contractual obligations do not require current financial resources and therefore are not reported in governmental funds financial statements.	(1,801,656,203)
4 Accreted interest for capital appreciation bonds is not reported as a liability in the governmental funds financial statements.	(45,241,616)
5 Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental funds financial statements, interest expenditures are reported when due.	(26,426,967)
6 Amounts reported as deferred inflows of resources in the governmental funds financial statements are recognized as revenue in the government-wide financial statements.	5,419,181
7 Premiums and discounts on the issuance of current interest bonds are reflected in the statement of net position in the government-wide financial statements, net of amortization, but are not reported in the balance sheet in the governmental funds financial statements.	(70,242,727)
8 Deferred loss on refunding amount is reflected in the statement of net position of government-wide financial statements, net of amortization, but it is not reported in governmental funds financial statements.	15,150,884
9 Included in the items related to debt is the District's proportionate share of the TRS net pension liability of (\$61,817,031), a deferred resource inflow of (\$18,910,013) and a deferred resource outflow of \$12,006,531. The net effect is a decrease in net position.	<u>(68,720,513)</u>
Net Position of Governmental Activities	<u>\$ (245,443,341)</u>

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



FRISCO
INDEPENDENT SCHOOL DISTRICT

FRISCO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes		10 General Fund	50 Debt Service Fund	60 Capital Projects
REVENUES:				
5700	Total Local and Intermediate Sources	\$ 253,432,061	\$ 92,999,733	\$ 16,292,089
5800	State Program Revenues	131,228,624	-	48,248
5900	Federal Program Revenues	1,304,865	-	-
5020	Total Revenues	385,965,550	92,999,733	16,340,337
EXPENDITURES:				
Current:				
0011	Instruction	229,506,172	-	-
0012	Instructional Resources and Media Services	5,578,384	-	-
0013	Curriculum and Instructional Staff Development	7,993,746	-	-
0021	Instructional Leadership	4,882,507	-	-
0023	School Leadership	23,582,649	-	-
0031	Guidance, Counseling and Evaluation Services	11,496,305	-	-
0032	Social Work Services	343,027	-	-
0033	Health Services	4,534,066	-	-
0034	Student (Pupil) Transportation	9,490,841	-	67,617
0035	Food Services	-	-	-
0036	Extracurricular Activities	11,537,783	-	75,500
0041	General Administration	6,324,069	-	146,345
0051	Facilities Maintenance and Operations	30,597,474	-	21,497
0052	Security and Monitoring Services	3,066,062	-	25,790
0053	Data Processing Services	6,206,388	-	-
0061	Community Services	890,853	-	-
Debt Service:				
0071	Debt Service - Principal on Long Term Debt	-	28,407,368	-
0072	Debt Service- Interest on Long Term Debt	-	70,090,988	-
0073	Debt Service - Bond Issuance Cost and Fees	-	444,336	2,067,493
Capital Outlay:				
0081	Facilities Acquisition and Construction	-	-	231,716,698
Intergovernmental:				
0091	Contracted Instructional Services Between Schools	1,177,873	-	-
0095	Payments to Juvenile Justice Alternative Ed. Prg.	47,931	-	-
0097	Payments to Tax Increment Fund	19,317,219	-	-
0099	Other Intergovernmental Charges	2,102,040	-	-
6030	Total Expenditures	378,675,389	98,942,692	234,120,940
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	7,290,161	(5,942,959)	(217,780,603)
OTHER FINANCING SOURCES (USES):				
7911	Refunding Bonds Issued	-	47,615,000	-
7911	Capital Related Debt Issued (Regular Bonds)	-	-	251,705,000
7912	Sale of Real and Personal Property	-	-	6,916,575
7915	Transfers In	44,238	7,710,232	-
7916	Premium or Discount on Issuance of Bonds	-	3,791,458	15,396,204
8911	Transfers Out (Use)	(20,000)	-	(7,710,232)
8949	Payment to Bond Escrow Agent (Use)	-	(50,990,000)	-
7080	Total Other Financing Sources (Uses)	24,238	8,126,690	266,307,547
1200	Net Change in Fund Balances	7,314,399	2,183,731	48,526,944
0100	Fund Balance - July 1 (Beginning)	85,164,707	77,625,656	92,529,222
3000	Fund Balance - June 30 (Ending)	\$ 92,479,106	\$ 79,809,387	\$ 141,056,166

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

EXHIBIT C-3

Nonmajor Governmental Funds	Total Governmental Funds
\$ 18,470,112	\$ 381,193,995
2,698,363	133,975,235
11,127,630	12,432,495
<u>32,296,105</u>	<u>527,601,725</u>
5,254,667	234,760,839
187	5,578,571
314,165	8,307,911
10,684	4,893,191
5,584	23,588,233
2,616,594	14,112,899
-	343,027
32,002	4,566,068
-	9,558,458
19,973,220	19,973,220
1,548,458	13,161,741
-	6,470,414
355,796	30,974,767
-	3,091,852
-	6,206,388
742,973	1,633,826
-	28,407,368
-	70,090,988
-	2,511,829
-	231,716,698
-	1,177,873
-	47,931
-	19,317,219
-	2,102,040
<u>30,854,330</u>	<u>742,593,351</u>
<u>1,441,775</u>	<u>(214,991,626)</u>
-	47,615,000
-	251,705,000
-	6,916,575
20,000	7,774,470
-	19,187,662
(44,238)	(7,774,470)
-	(50,990,000)
<u>(24,238)</u>	<u>274,434,237</u>
1,417,537	59,442,611
5,979,016	261,298,601
<u>\$ 7,396,553</u>	<u>\$ 320,741,212</u>

**FRISCO INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO
THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds	\$ 59,442,611
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The effect of removing the 2015 capital outlays is to increase net position.	205,885,312
Current year long-term debt principal payments on bonded debt are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements. This amount represents the sum of principal payments on bonds payable, \$25,545,000, and the payment of premium on capital appreciation bonds, \$2,862,368.	28,407,368
Interest on capital appreciation bonds is recognized as an expense when incurred in the government-wide financial statements; whereas in the fund financial statements, interest expenditures are reported when due. This amount represents the net effect of current year accretion of interest, (\$5,367,250), and payment of accreted interest, \$882,632.	(4,484,618)
Interest is accrued on outstanding debt in the government-wide financial statements. Whereas in the fund financial statements an interest expenditure is reported when due. This amount represents the current year increase in interest payable.	(2,995,119)
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The effect of recording the current year's depreciation is to decrease net position.	(35,714,531)
Disposal of capital assets results in a reduction of net position, but the net effect is not reported in the governmental funds.	(17,435,242)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	3,298,349
Implementation of GASB 68 required certain expenditures be de-expended and recorded as deferred resource inflows. Contributions made after the measurement date caused the change in net position to increase by \$7,032,335. Contributions before the measurement date also caused an increase in the change in net position of \$1,069,254. The net share of the District's amount of deferred inflows and outflows of resources decreased the net position by \$5,713,892. This amount is the net effect.	2,387,697
Current year increases (\$323,604) and amortization of deferred gain on refunding, (\$2,339,304), and amortization of premium on issuance of bonds, \$5,620,396, are not recognized on the governmental fund financial statements.	3,604,696
Proceeds from debt issued through bond proceeds are reflected as other financing sources on the governmental fund financial statements, but are shown as a long term liability in the government-wide financial statements.	(299,320,000)
Current year payment to escrow agent for refunded debt are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	50,990,000
Premium on issuance of bonds is recognized in the fund financial statements as an other financing source, but it is amortized over the term of the bonds in the government-wide financial statements.	(19,187,662)
Change in Net Position of Governmental Activities	<u><u>\$ (25,121,139)</u></u>

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

**FRISCO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2015**

	Agency Fund
<hr/>	
ASSETS:	
Cash and Cash Equivalents	\$ 1,002,988
	<hr/>
Total Assets	\$ 1,002,988
	<hr/> <hr/>
LIABILITIES:	
Accounts Payable	\$ 62,662
Due to Student Groups	940,326
	<hr/>
Total Liabilities	\$ 1,002,988
	<hr/> <hr/>

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



FRISCO
INDEPENDENT SCHOOL DISTRICT

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Frisco Independent School District (the District) is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the Board) elected by registered voters of the District. The District prepares its basic financial statements in conformity with accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the Resource Guide) and the requirements of contracts and grants of agencies from which it receives funds.

Reporting Entity

The Board is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity", as amended by Statements No. 39, "Determining Whether Certain Organizations are Component Units", and No. 61, "The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34". There are no component units included within the reporting entity.

Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds 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.

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 fiduciary fund financial statements (with the exception of Agency Funds, which are custodial in nature and, thus, do not have a measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. With this measurement focus, only current assets, current liabilities, deferred inflows of resources, deferred outflows of resources and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible to accrual concept, that is, when they are both measurable and available. The District considers them “available” if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting and Financial Statement Presentation – Continued

The Fiduciary Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. Agency Funds are custodial in nature and do not involve measurement of results or operations.

Funds

The District reports the following major governmental funds:

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

Debt Service Fund - The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.

Capital Projects Fund - The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.

Additionally, the District reports the following non-major governmental funds:

Special Revenue Funds - The District accounts for resources restricted to, or committed for, specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Fiduciary Funds:

Agency Funds - The District accounts for resources held for others in a custodial capacity in agency funds. The District's Agency Fund is for student activities.

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Assets, Liabilities and Net Position or Equity

Deposits and Investments

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

Due From (To) Other Funds

Inter-fund receivables and payables arise from inter-fund transactions and are recorded in all affected funds in the period in which transactions are executed in the normal course of operations.

Prepaid Expenditures

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. Prepaid expenditures are accounting for under the consumption method.

Capital Assets

Capital assets, which include property, plant, and equipment, are 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.

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

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Assets, Liabilities and Net Position or Equity – Continued

Capital Assets – Continued

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

<u>Asset Classification</u>	<u>Useful Life</u>
Buildings	40 years
Building improvements	20 years
Vehicles	10 years
Office equipment	7 years
Computer equipment	5 years

Vacation and Sick Leave

Vacations are to be taken within the same year they are earned, and any unused days at the end of the year are forfeited. Therefore, no liability has been accrued in the accompanying basic financial statements. Employees of the District are entitled to sick leave based on category/class of employment. Sick leave is allowed to be accumulated but does not vest. Therefore, a liability for unused sick leave has not been recorded in the accompanying basic financial statements.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses when incurred.

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.

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Assets, Liabilities and Net Position or Equity – Continued

Fund Equity

The governmental fund financial statements present fund balance classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Non-spendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by a resolution of the Board. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent is expressed by formal action of the Board. The authority to assign fund balance has not been delegated by the Board to any individuals at this time.

Unassigned: This classification includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Assets, Liabilities and Net Position or Equity – Continued

Fund Equity – Continued

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

Data Control Codes

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

Management's 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 at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

The amount of state foundation revenue a school district earns for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is possible that the foundation revenue estimate for the year ended June 30, 2015 will change.

Encumbrance Accounting

The District employs encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase orders and contracts. An encumbrance represents a commitment or Board appropriation related to unperformed contracts for goods and services. The issuance of a purchase order or the signing of a contract creates an encumbrance but does not represent an expenditure for the period, only a commitment to expend resources. Appropriations lapse at June 30 and encumbrances outstanding at that time are either canceled or appropriately provided for in the subsequent year's budget. There were no outstanding encumbrances at year end.

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 2. DEPOSITS AND INVESTMENTS

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

At June 30, 2015, the carrying amount of the District's cash, savings, and time deposits was \$19,867,872 and the bank balance was \$20,980,626. The District's combined deposits at June 30, 2015, and during the year ended June 30, 2015 were fully insured by federal depository insurance or collateralized with securities pledged to the District and held by the District's agent.

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

- a. Name of bank: JPMorgan Chase Bank, Frisco, Texas.
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$50,400,799.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$48,316,736 and occurred on January 13, 2015.
- d. Total amount of FDIC coverage at the time of highest combined balance was \$250,000.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff qualifications and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit; (3) certain municipal securities; (4) money market savings account; (5) repurchase agreements, (6) bankers acceptances, (7) mutual fund; (8) investment pools; (9) guaranteed investment contracts; and (10) common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 2. DEPOSITS AND INVESTMENTS - CONTINUED

In compliance with the Public Funds Investment Act, the District has adopted a deposit and investment policy. That policy addresses the following risks:

Custodial Credit Risk - Deposits: In the case of deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's policy regarding types of deposits allowed and collateral requirements is: the Depository may be a state bank authorized and regulated under Texas law; a national bank, savings and loan association, or savings bank authorized and regulated by federal law; or a savings and loan association or savings bank organized under Texas law; but shall not be any bank the deposits of which are not insured by the Federal Deposit Insurance Corporation (FDIC). The District is not exposed to custodial credit risk for its deposits, as all are covered by depository insurance and pledged securities.

Custodial Credit Risk - Investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District investments are with the Lone Star Investment Pool (Lone Star) and Texas Term Investment Pool (Texas Term). Both pools are public funds investment pools created to provide a safe environment for the placement of local government funds in authorized short-term investments. Local investment pools operate in a manner consistent with the Security and Exchange Commission's Rule 2a7 of the Investment Company Act of 1940.

Administration of both Lone Star and Texas Term is performed by a Board of Directors, which is an administrative agency created under the Interlocal Act. The District is not exposed to custodial credit risk for its investments.

Credit Risk - This is the risk that an issuer of an investment will be unable to fulfill its obligations. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. The credit quality ratings for both Lone Star and Texas Term at year end were AAA by Moody's Investor Service.

Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase. The weighted average maturity for the District's investment in external investment pools is less than 60 days.

Foreign Currency Risk - This is the risk that exchange rates will adversely affect the fair value of an investment. The District is not exposed to foreign currency risk.

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 2. DEPOSITS AND INVESTMENTS - CONTINUED

Concentration of Credit Risk - This is the risk of loss attributed to the magnitude of the District's investment in a single issuer (i.e., lack of diversification). Concentration risk is defined as positions of 5 percent or more in the securities of a single issuer. Investments issued by the U. S. Government and investments in investment pools are excluded from the 5 percent disclosure requirement. The District is not exposed to concentration of credit risk.

The District's temporary investments at June 30, 2015, were as follows:

<u>Investment type:</u>	<u>Fair Value</u>
Lone Star investment pool	\$346,862,241
Texas Term investment pool	<u>30,013,318</u>
Total	<u>\$376,875,559</u>

NOTE 3. PROPERTY TAXES

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the period following the October 1 levy date. The assessed value of the property tax roll on August 1, 2014, upon which the levy for the 2014-2015 fiscal year was based, was \$22,787,651,925.

The roll was subsequently increased to a period end assessed value of \$22,887,058,425. Taxes are delinquent if not paid by January 31. Delinquent taxes are subject to both penalty and interest charges plus 20% delinquent collection fees for attorney costs after June 30.

The tax rates assessed for the year ended June 30, 2015, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.04 and \$0.42 per \$100 valuation, respectively, for the total of \$1.46 per \$100 valuation.

Total tax collections for the year ended June 30, 2015 were 99.14% of the period end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of June 30, 2015, property taxes receivable, net of estimated uncollectible taxes, totaled \$4,773,745 and \$1,931,827 for the General and Debt Service Funds, respectively.

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 4. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs.

Amounts due from federal and state governments as of June 30, 2015, are summarized below. All federal grants shown below are passed through the TEA and are reported on the balance sheet as Due from Other Governments.

<u>Fund</u>	<u>State Entitlements</u>	<u>Federal Grants</u>	<u>Total</u>
General Fund	\$ 12,500,893	\$ -	\$ 12,500,893
Non-major Governmental Fund	-	1,576,543	1,576,543
Total	<u>\$ 12,500,893</u>	<u>\$ 1,576,543</u>	<u>\$ 14,077,436</u>

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances in the fund financial statements as of June 30, 2015 is as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 590,026	\$ -
Non-major Governmental Funds	-	590,026
Totals	<u>\$ 590,026</u>	<u>\$ 590,026</u>

The primary interfund transactions at year-end include amounts due to the General Fund from Non-major Governmental Funds for expenditures made by the funds prior to receiving reimbursements from the federal or state sources.

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS– CONTINUED

Transfers made during fiscal year 2015 were as follows:

From	To	Amount	Purpose
Capital Projects Fund	Debt Service Fund	\$ 7,676,521	To transfer Tax Increment Zone funds received
Capital Projects Fund	Debt Service Fund	33,711	Additional debt proceeds received
Nonmajor Governmental Funds	General Fund	44,238	To reimburse General Fund
General Fund	Nonmajor Governmental Funds	20,000	To provide school startup funding
Total Transfers		<u>\$ 7,774,470</u>	

NOTE 6. CAPITAL ASSETS

Capital asset activity for the period ended June 30, 2015, was as follows:

	Primary Government			
	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 147,482,951	\$ 28,514,751	\$ (17,342,426)	\$ 158,655,276
Construction in Progress	207,379,203	172,570,419	(167,640,189)	212,309,433
Total capital assets not being depreciated	<u>354,862,154</u>	<u>201,085,170</u>	<u>(184,982,615)</u>	<u>370,964,709</u>
Capital assets being depreciated:				
Buildings and Improvements	1,126,042,027	166,104,905	-	1,292,146,932
Furniture and Equipment	40,802,136	6,335,426	(240,793)	46,896,769
Total capital assets being depreciated	<u>1,166,844,163</u>	<u>172,440,331</u>	<u>(240,793)</u>	<u>1,339,043,701</u>
Less accumulated depreciation for:				
Buildings and Improvements	(218,675,020)	(32,257,832)	-	(250,932,852)
Furniture and Equipment	(30,233,427)	(3,456,699)	147,976	(33,542,150)
Total accumulated depreciation	<u>(248,908,447)</u>	<u>(35,714,531)</u>	<u>147,976</u>	<u>(284,475,002)</u>
Total capital assets being depreciated, Net	<u>917,935,716</u>	<u>136,725,800</u>	<u>(92,817)</u>	<u>1,054,568,699</u>
Governmental Activities capital assets, net	<u>\$ 1,272,797,870</u>	<u>\$ 337,810,970</u>	<u>\$ (185,075,432)</u>	<u>\$ 1,425,533,408</u>

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 6. CAPITAL ASSETS – CONTINUED

Depreciation expense was charged to governmental functions as follows:

Governmental activities:

Instruction	\$ 23,014,625
Instructional resources and media services	1,320,251
Curriculum and instructional staff development	14,195
School leadership	2,337,072
Student transportation	1,512,806
Food services	1,675,863
Co-curricular/extracurricular activities	2,593,542
General administration	1,226,662
Plant maintenance and operations	1,002,647
Security and monitoring services	71,571
Data processing services	690,711
Community services	254,586
	<hr/>
Total depreciation expense-governmental activities	<u><u>\$ 35,714,531</u></u>

Construction Commitments

At June 30, 2015, the District had several projects under construction. A summary of the status of these projects and the related binding contracts with contractors is as follows:

Project	Scheduled Completion Date	Contract Amount	Cost Incurred Through 06/30/15	Amount Retained
Building Projects				
Barrow Transportation	January 2016	\$ 1,359,000	\$ 455,896	\$ 17,878
Career and Technology Center Addition	August 2015	13,689,900	10,685,448	494,250
Craig Ranch Elementary	On Hold	-	47,793	-
Lawler Middle School	August 2017	29,680,000	152,653	-
Lebanon Trail H.S.	August 2016	85,902,970	32,187,795	1,385,000
Memorial H.S.	August 2017	90,730,000	3,651,515	-
Memorial Stadium Expansion	March 2016	3,731,000	1,400,170	51,619
Miller Elementary School	August 2016	16,455,598	1,398,800	46,914
Miscellaneous	On Hold	-	706,228	-
Nelson Middle School	August 2016	30,391,849	5,793,862	247,478
Norris Elementary School	August 2015	17,981,777	17,629,042	831,441
Pearson Middle School	August 2015	29,509,024	26,350,892	1,245,341
Reedy H.S.	August 2015	87,674,471	84,020,141	3,902,101
Trent Middle School	August 2015	26,599,236	26,356,652	1,240,159
Vaughn Elementary School	August 2016	16,449,462	1,472,545	50,365
			<hr/>	
Total Ongoing Construction			<u><u>\$ 212,309,433</u></u>	

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 7. LONG-TERM DEBT

The District's long-term debt activity for the year ended June 30, 2015, was as follows:

Description	Interest Rates	Amounts Original Issue	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Bonded Indebtedness:							
1999 School Bldg & Refunding	4.3-5.75%	\$ 40,033,092	\$ 9,905,454	\$ -	\$ -	\$ 9,905,454	\$ -
2002A School Bldg & Refunding	3.0-5.375%	38,019,141	24,768,542	-	-	24,768,542	-
2004 School Bldg & Refunding	5.0-5.25%	60,661,071	1,985,000	-	(1,985,000)	-	-
2005A School Bldg	4.0-5.5%	40,000,000	12,500,000	-	(710,000)	11,790,000	-
2005B School Bldg	4.0-5.5%	25,000,000	630,000	-	(630,000)	-	-
2005C School Bldg & Refunding	3.9-5.0%	104,595,831	56,715,000	-	(53,780,000)	2,935,000	2,935,000
2006 School Bldg	2.75-5.25%	85,000,000	77,765,000	-	(1,520,000)	76,245,000	1,600,000
2006A School Bldg	4.0-6.0%	80,000,000	73,205,000	-	(1,340,000)	71,865,000	1,405,000
2007 School Bldg & Refunding	4.0-4.5%	95,186,595	86,945,000	-	(3,160,000)	83,785,000	3,315,000
2007A School Bldg	3.75-5.25%	100,000,000	91,770,000	-	(1,920,000)	89,850,000	2,020,000
2008 School Bldg	4.125-5.5%	90,000,000	84,385,000	-	(1,580,000)	82,805,000	1,655,000
2008A School Bldg	5.0-6.125%	100,000,000	102,171,266	-	(1,463,897)	100,707,369	1,381,749
2009 School Bldg	4.0-5.5%	85,000,000	87,620,432	-	(700,574)	86,919,858	669,257
2009 Refunding	2.0-4.75%	14,170,000	11,650,000	-	(755,000)	10,895,000	785,000
2009A School Bldg	2.0-5.0%	34,570,000	33,515,000	-	(220,000)	33,295,000	220,000
2009A Refunding	2.0-5.0%	50,680,000	42,660,000	-	(3,210,000)	39,450,000	3,285,000
2010 School Bldg	0.00%	20,195,000	17,505,000	-	(1,345,000)	16,160,000	1,345,000
2010 Refunding	4.0-4.25%	26,855,000	23,557,912	-	(4,127,912)	19,430,000	4,435,000
2011 School Bldg	4.625-5.0%	50,000,000	50,000,000	-	-	50,000,000	-
2011A School Bldg & Refunding	4.0-5.0%	83,981,260	83,981,260	-	(210,000)	83,771,260	2,690,000
2011 Refunding	2.0-5.0%	62,078,491	62,078,491	-	-	62,078,491	355,000
2012 School Bldg & Refunding	2.0-5.0%	85,531,867	86,693,477	-	(220,000)	86,473,477	225,000
2012A School Bldg & Refunding	2.0-5.0%	71,190,000	71,190,000	-	(55,000)	71,135,000	50,000
2012B School Bldg & Refunding	2.0-5.0%	99,545,000	98,724,745	-	(464,985)	98,259,760	244,760
2013 School Bldg & Refunding	2.0-5.0%	68,471,992	68,471,992	-	-	68,471,992	1,260,000
2013 Refunding	2.0-5.0%	19,040,000	19,040,000	-	-	19,040,000	650,000
2013 School Bldg	3.0-5.0%	90,845,000	90,845,000	-	-	90,845,000	1,360,000
2014 School Bldg & Refunding	2.0-4.0%	111,455,000	111,455,000	-	-	111,455,000	1,280,000
2014 School Building	2.0-5.0%	159,795,000	-	159,795,000	-	159,795,000	-
2015 School Building & Refunding	0.42-5.0%	139,525,000	-	139,525,000	-	139,525,000	-
Subtotal			1,581,733,571	299,320,000	(79,397,368)	1,801,656,203	33,165,766
Bond Premium			56,675,458	19,187,665	(5,620,396)	70,242,727	-
Accreted Interest			40,756,998	5,367,250	(882,632)	45,241,616	694,234
Total Bonded Indebtedness			1,679,166,027	323,874,915	(85,900,396)	1,917,140,546	33,860,000
Net Pension Liability			75,906,243	14,576,946	28,666,158	61,817,031	-
Total Long-Term Debt			\$ 1,755,072,270	\$ 338,451,861	\$ (57,234,238)	\$ 1,978,957,577	\$ 33,860,000

* The amount due within one year includes the current portion of CAB premium (\$2,105,766).

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 7. LONG-TERM DEBT – CONTINUED

Bonds Payable – Continued

The following table summarizes the annual debt service requirements of the outstanding debt issues at June 30, 2015, to maturity:

Year Ending June 30	Bond Principal	Bond Interest	Totals
2016	\$ 33,165,766	\$ 78,482,209	\$ 111,647,975
2017	39,423,068	78,448,307	117,871,375
2018	43,906,144	74,993,820	118,899,964
2019	46,649,001	73,195,344	119,844,345
2020	47,166,260	72,130,303	119,296,563
2021-2025	256,254,490	343,681,686	599,936,176
2026-2030	283,193,863	320,272,890	603,466,753
2031-2035	326,971,000	276,079,907	603,050,907
2036-2040	430,451,611	127,493,635	557,945,246
2041-2045	289,245,000	22,010,789	311,255,789
2046	5,230,000	104,600	5,334,600
	<u>\$ 1,801,656,203</u>	<u>\$ 1,466,893,490</u>	<u>\$ 3,268,549,693</u>

During the year, the District issued \$159,795,000 Unlimited Tax School Building Bonds, Series 2014. Proceeds from the sale of the bonds are being used to acquire, construct, renovate, and equip school buildings in the District.

There are a number of limitations and restrictions contained in the various general obligation bonds indentures. The District is in compliance with all significant limitations and restrictions at June 30, 2015.

Defeasance of Debt

During the year, the District issued \$139,525,000 Unlimited Tax School Building and Refunding Bonds, Series 2015. Proceeds in the amount of \$96,178,609 are being used to acquire, construct, renovate, and equip school buildings in the District and pay the cost of issuing the bonds. Proceeds in the amount of \$52,707,773, including a \$1,126,767 issuer contribution, were used to refund \$50,990,000 of Series 2005C bonds. Of these proceeds, \$52,116,767 was placed in an irrevocable trust to provide for future debt service payments on the defeased bonds. This refunding resulted in a decrease in the District's debt service payments of \$6,669,686, which resulted in an economic gain (difference between present value of debt service payments of old debt and new debt) of \$4,885,499.

In prior years, the District defeased previously issued and outstanding bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. As of June 30, 2015, \$50,990,000 of outstanding bonds are considered legally defeased.

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 7. LONG-TERM DEBT – CONTINUED

Arbitrage

The District is monitoring its compliance with Federal arbitrage regulations. As of June 30, 2015, the District is in compliance with Federal regulations and the District has no liability for arbitrage rebates.

NOTE 8. UNEARNED REVENUE / DEFERRED INFLOWS OF RESOURCES

Governmental funds report *deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned revenues).

As of June 30, 2015, the various components of *unearned revenue* and *deferred inflows of resources* reported in the governmental funds were as follows:

	General Fund	Debt Service Fund	Non-major Governmental Funds	Total
Unearned revenue:				
Grant Revenues Not Expended	\$ -	\$ -	\$ 18,599	\$ 18,599
Summer Camp	134,850	-	-	134,850
Instrument Rental	14,225	-	-	14,225
Fees For Next School Year	500	-	-	500
Total unearned revenue	<u>\$ 149,575</u>	<u>\$ -</u>	<u>\$ 18,599</u>	<u>\$ 168,174</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	<u>\$ 3,856,781</u>	<u>\$ 1,562,400</u>	<u>\$ -</u>	<u>\$ 5,419,181</u>

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 9. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

During the fiscal year 2015, revenues from local and intermediate sources consisted of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Non-major Governmental Funds	Total
Property Taxes	\$ 224,310,978	\$ 90,587,448	\$ -	\$ -	\$ 314,898,426
Food Sales	-	-	-	16,242,616	16,242,616
Investment Income	69,037	30,768	64,333	1,924	166,062
Penalties, Interest and Other					
Tax Related Income	22,250,767	2,381,517	16,227,513	-	40,859,797
Co-Curricular Student Activities	1,605,535	-	-	-	1,605,535
Rent	2,554,502	-	-	-	2,554,502
Other	2,641,242	-	243	2,225,572	4,867,057
Total	\$ 253,432,061	\$ 92,999,733	\$ 16,292,089	\$ 18,470,112	\$ 381,193,995

NOTE 10. RISK MANAGEMENT

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

Litigation and Contingencies

The District is a party to various legal actions none of which is believed by administration to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying combined financial statements for such contingencies. The District participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 10. RISK MANAGEMENT – CONTINUED

Health Care Coverage

For the year ending June 30, 2015, all employees of the District are covered by the TRS active care insurance plan (the Plan). The District paid premiums of \$280 per month per employee to the Plan and employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to licensed insurer. The Plan was authorized by Article 3.51-2., Texas Insurance Code, and was documented by contractual agreement.

NOTE 11. EMPLOYEES' RETIREMENT PLAN

Plan Description

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

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

Pension Plan Fiduciary Net Position

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

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 11. EMPLOYEES' RETIREMENT PLAN-CONTINUED

Benefits Provided

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

Contributions

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

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

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 11. EMPLOYEES' RETIREMENT PLAN – CONTINUED

Contributions – Continued

	<u>Contribution Rates</u>	
	<u>2014</u>	<u>2015</u>
Member	6.4%	6.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
2014 Employer Contributions	\$ 5,867,287	
2014 Member Contributions	\$ 17,893,927	
2014 NECE On-behalf Contributions	\$ 11,499,170	

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

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

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

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 11. EMPLOYEES' RETIREMENT PLAN – CONTINUED

Contributions-Continued

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

Actuarial Assumptions

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

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

**Includes Inflation of 3%*

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

Discount Rate

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates.

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 11. EMPLOYEES' RETIREMENT PLAN-CONTINUED

Discount Rate – Continued

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2014 are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return*
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%	0.4%
Alpha			1.0%
Total	<u>100%</u>		<u>8.7%</u>

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

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 11. EMPLOYEES' RETIREMENT PLAN-CONTINUED

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2014 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
District's proportionate share of the net pension liability:	\$110,463,287	\$61,817,031	\$25,438,692

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

At August 31, 2014, the District reported a liability of \$61,817,031 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate share of the collective net pension liability	\$ 61,817,031
State's proportionate share that is associated with District	121,412,312
Total	<u>\$ 183,229,343</u>

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

At August 31, 2014 the District's proportion of the collective net pension liability was 0.2314258%. Since this is the first year of implementation, the District does not have the proportion measured as of August 31, 2013. The Notes to the Financial Statements for August 31, 2014 for TRS stated that the change in proportion was immaterial and, therefore, disregarded this year.

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

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 11. EMPLOYEES' RETIREMENT PLAN-CONTINUED

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

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

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective September 1, 2013. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

For the year ended August 31, 2014, the District recognized pension expense of \$11,224,342 and revenue of \$11,224,342 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 956,020	\$ -
Changes in actuarial assumptions	4,018,176	-
Difference between projected and actual investment earnings	-	(18,893,809)
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	(16,204)
Contributions paid to TRS subsequent to the measurement date	7,032,335	-
Total	<u>\$ 12,006,531</u>	<u>\$ (18,910,013)</u>

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 11. EMPLOYEES' RETIREMENT PLAN-CONTINUED

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

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

	Pension Expense (Income)
Year ended August 31:	
2016	\$ 3,145,294
2017	(3,887,041)
2018	(3,887,041)
2019	(3,887,041)
2020	836,412
Thereafter	775,935
Total	<u>\$ (6,903,482)</u>

NOTE 12. RETIREE HEALTH PLAN

Plan Description - The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas.

The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS web site at www.trs.state.tx.us, by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling 1-800-223-8778.

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.

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 12. RETIREE HEALTH PLAN-CONTINUED

Funding Policy – Continued

The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2013, 2014, and 2015. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school.

For the years ended June 30, 2013, June 30, 2014 and June 30, 2015, the State's contributions to TRS-Care were \$1,515,920, \$1,625,657 and \$1,790,275 respectively, the active member contributions were \$1,511,721, \$1,625,706, and \$1,790,263 respectively, and the District's contributions were \$1,279,143, \$1,375,579, and \$1,514,833 respectively, which equaled the required contributions each year. In addition to the pension plan and TRS-Care on behalf, the District is allocated a portion of the Medicare Part D retiree drug subsidy the TRS-Care receives. The amount allocated on behalf for the year ended June 30, 2015 is estimated by TRS at \$820,969.

NOTE 13. WORKERS' COMPENSATION INSURANCE

For its workers' compensation insurance, the District is self-funded and has an annual Interlocal Agreement with Claims Administrative Services, Inc. (CAS) to serve as the District's third party administrator. The District pays service fees to CAS for its claims management services. The District also has in place an excess workers compensation insurance policy with MECC-Midwest Employers Casualty Company for claims exceeding the specific retention of \$350,000. At June 30, 2015, the District's unpaid claims total \$858,000 including incurred but not reported (IBNR) claims of \$330,000, estimated. The District has reported the unpaid claims as a liability in the General Fund.

Changes in the balances of claims liability amounts in fiscal years 2014 and 2015 are as follows:

	2015	2014
Unpaid Claims, beginning of fiscal year	\$ 894,000	\$ 981,000
Incurred claims (including IBNR)	408,000	290,000
Claim payments during the year	(444,000)	(377,000)
Claims payable, end of fiscal year	<u>\$ 858,000</u>	<u>\$ 894,000</u>

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 14. NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement No. 72, Fair Value Measurement, which will be effective for periods beginning after June 15, 2015. The objective of this Statement is to improve accounting and financial reporting related to fair value measurements. This Statement applies to all state and governmental entities. The District will evaluate the impact of the standard on its Financial Statements and will take the necessary steps to implement it.

The GASB issued Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, which will be effective for periods beginning after December 15, 2015. The objective of this Statement is to identify the hierarchy of generally accepted accounting principles (GAAP). This Statement applies to all state and governmental entities. The District will evaluate the impact of the standard on its Financial Statements and will take the necessary steps to implement it.

NOTE 15. EVALUATION OF SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 3, 2015, the date which the financial statements were available to be issued.

NOTE 16. CUMULATIVE EFFECT OF ADOPTION OF GASB STATEMENTS

As a result of implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27", and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date", an adjustment has been made to record the District's net pension liability as of July 1, 2014. As a result, beginning net position of the governmental activities has been decreased by \$71,108,210, the net effect of the beginning net pension liability of \$75,906,243 and employer contributions made prior to the beginning of the measurement period in the amount of \$4,798,033.



FRISCO
INDEPENDENT SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT F-1

**FRISCO INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015**

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 243,670,000	\$ 251,170,000	\$ 253,432,061	\$ 2,262,061
5800	State Program Revenues	146,298,000	141,298,000	131,228,624	(10,069,376)
5900	Federal Program Revenues	1,000,000	1,000,000	1,304,865	304,865
5020	Total Revenues	390,968,000	393,468,000	385,965,550	(7,502,450)
EXPENDITURES:					
	Current:				
0011	Instruction	235,922,000	234,522,000	229,506,172	5,015,828
0012	Instructional Resources and Media Services	6,114,000	6,214,000	5,578,384	635,616
0013	Curriculum and Instructional Staff Development	8,744,000	8,844,000	7,993,746	850,254
0021	Instructional Leadership	5,467,000	5,467,000	4,882,507	584,493
0023	School Leadership	24,325,000	24,625,000	23,582,649	1,042,351
0031	Guidance, Counseling and Evaluation Services	12,275,000	12,575,000	11,496,305	1,078,695
0032	Social Work Services	378,000	428,000	343,027	84,973
0033	Health Services	4,501,000	4,799,000	4,534,066	264,934
0034	Student (Pupil) Transportation	8,760,000	9,760,000	9,490,841	269,159
0036	Extracurricular Activities	13,381,000	12,684,600	11,537,783	1,146,817
0041	General Admininstration	5,898,000	6,374,300	6,324,069	50,231
0051	Facilities Maintenance and Operations	32,769,000	30,919,100	30,597,474	321,626
0052	Security and Monitoring Services	2,898,000	3,598,000	3,066,062	531,938
0053	Data Processing Services	6,391,000	6,641,000	6,206,388	434,612
0061	Community Services	907,000	957,000	890,853	66,147
	Intergovernmental:				
0091	Contracted Instructional Services Between Schools	1,300,000	1,200,000	1,177,873	22,127
0095	Payments to Juvenile Justice Alternative Ed. Prg.	140,000	60,000	47,931	12,069
0097	Payments to Tax Increment Fund	17,750,000	19,100,000	19,317,219	(217,219)
0099	Other Intergovernmental charges	2,000,000	2,200,000	2,102,040	97,960
6030	Total Expenditures	389,920,000	390,968,000	378,675,389	12,292,611
1100	Excess of Revenues Over Expenditures	1,048,000	2,500,000	7,290,161	4,790,161
OTHER FINANCING SOURCES (USES):					
7915	Transfers In	-	-	44,238	44,238
8911	Transfers Out (Use)	-	-	(20,000)	(20,000)
7080	Total Other Financing Sources (Uses)	-	-	24,238	24,238
1200	Net Change in Fund Balances	1,048,000	2,500,000	7,314,399	4,814,399
0100	Fund Balance - July 1 (Beginning)	85,164,707	85,164,707	85,164,707	-
3000	Fund Balance - June 30 (Ending)	\$ 86,212,707	\$ 87,664,707	\$ 92,479,106	\$ 4,814,399

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015**

OFFICIAL BUDGET

The Board of Trustees adopts an “appropriated budget” for the General Fund, Debt Service Fund and the National Breakfast and Lunch Program Fund (which is reported as a Special Revenue Fund). The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit F-1 and the other two reports are in Exhibit G-1 and G-4.

The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

Prior to the regularly scheduled Board meeting, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.

A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days’ public notice of the meeting must be given.

Prior to July 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end. The budget was properly amended throughout the year by the Board.

Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

EXHIBIT F-3

**FRISCO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>2015</u>
District's Proportion of the Net Pension Liability (Asset)	0.2314258%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 61,817,031
States Proportionate Share of the Net Pension Liability (Asset) associated with the District	<u>121,412,312</u>
Total	<u><u>\$ 183,229,343</u></u>
District's Covered Employee Payroll	\$ 253,369,679
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Employee Payroll	24.40%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	83.25%

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

EXHIBIT F-4

**FRISCO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>2015</u>
Contractually Required Contribution	\$ 8,101,589
Contribution in Relation to the Contractually Required Contribution	<u>(8,101,589)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
District's Covered Employee Payroll	\$ 275,426,852
Contributions as a percentage of Covered Employee Payroll	2.94%

Note: GASB 68, Paragraph 81.2.b requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2013 - August 31, 2014.

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



FRISCO
INDEPENDENT SCHOOL DISTRICT

**COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**

EXHIBIT G-1

**FRISCO INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDEND JUNE 30, 2015**

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 89,207,000	\$ 89,207,000	\$ 92,999,733	\$ 3,792,733
5020	Total Revenues	89,207,000	89,207,000	92,999,733	3,792,733
EXPENDITURES:					
Debt Service:					
0071	Debt Service - Principal on Long Term Debt	26,195,000	26,195,000	28,407,368	(2,212,368)
0072	Debt Service - Interest on Long Term Debt	82,505,000	82,505,000	70,090,988	12,414,012
0073	Debt Service - Bond Issuance Cost and Fees	100,000	100,000	444,336	(344,336)
6030	Total Expenditures	108,800,000	108,800,000	98,942,692	9,857,308
1100	Deficiency of Revenues Under Expenditures	(19,593,000)	(19,593,000)	(5,942,959)	13,650,041
OTHER FINANCING SOURCES (USES):					
7911	Refunding Bonds Issued	-	-	47,615,000	47,615,000
7915	Transfers In	-	-	7,710,232	7,710,232
7916	Premium or Discount on Issuance of Bonds	-	-	3,791,458	3,791,458
8949	Payment to Bond Escrow Agent (Use)	-	-	(50,990,000)	(50,990,000)
7080	Total Other Financing Sources (Uses)	-	-	8,126,690	8,126,690
1200	Net Change in Fund Balances	(19,593,000)	(19,593,000)	2,183,731	21,776,731
0100	Fund Balance - July 1 (Beginning)	77,625,656	77,625,656	77,625,656	-
3000	Fund Balance - June 30 (Ending)	\$ 58,032,656	\$ 58,032,656	\$ 79,809,387	\$ 21,776,731

FRISCO INDEPENDENT SCHOOL DISTRICT NON MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

The Special Revenue Funds account for the proceeds of specific revenue sources that have been restricted or committed to expenditures for specific purposes other than expendable trusts or for major capital projects. The programs included within these funds are as follows:

Head Start Fund is used to account for funds granted for the Head Start Program by the U.S. Department of Health and Human Services, as passed through the State of Texas.

ESEA, Title I, Part A Fund is used to account for funds allocated by the U.S. Department of Education, as passed through Region X ESC, to enable schools to provide opportunities for children served to acquire the knowledge and skills to meet state performance standards.

IDEA-B Formula Fund is funded by the U.S. Department of Education, as passed through the State of Texas, for the purpose of providing special education and related services to children with disabilities, ages 3-21.

IDEA-B Preschool Fund is funded by the U.S. Department of Education, as passed through the State of Texas, for the purpose of providing special education and related services to children with disabilities, ages 3-5.

IDEA-B Discretionary Fund is funded by the U.S. Department of Education, as passed through the State of Texas, for the purpose of providing special education and related services to children with disabilities.

National Breakfast and Lunch Program Fund is used for programs using federal reimbursement revenues originating from the U.S. Department of Agriculture, as passed through the State of Texas, for the purpose of charging and providing meals to students.

Career and Technical Basic Grant Fund is a fund granted by the U.S. Department of Education, as passed through the State of Texas, to provide Career and Technical education to develop new and/or improve Career and Technical education programs for paid and unpaid employment. Full participation in the grant is from individuals who are members of special populations, at 1) a limited number of campuses or 2) a limited number of program areas.

ESEA, Title II, Part A – Teacher and Principal Training and Recruiting is funded by U.S. Department of Education as passed through Region X ESC to be used to provide financial assistance to local education agencies to (1) Increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools, and (2) hold local education agencies and schools accountable for improving student academic achievement.

TITLE III-A English Language Acquisition is funded by the U.S. Department of Education, as passed through the Region X ESC, to improve the education of limited English proficient children, by assisting the children to learn English and meet challenging State academic content and student academic achievement standards.

FRISCO INDEPENDENT SCHOOL DISTRICT NON MAJOR GOVERNMENTAL FUNDS

Medicaid Administrative Claiming is funded by U.S. Department of Health and Human Services as passed through the State of Texas to be used to account, on a project basis, for funds allocated to local education agencies for reimbursement of eligible administrative cost for activities attributed to the implementation of the Medicaid state plan.

Other Federal Special Revenue Funds is funded by the State of Texas, for a Required Summer School Program which provides a summer school program for limited English proficient (LEP) students who will be eligible for admission to kindergarten and first grade at the beginning of the next school year.

Visually Impaired SSVI is used to account for State Supplemental Visually Impaired funds. This fund is 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 service arrangement.

Noneducational Community Based Support is used to account, on a project basis, for the provision on noneducational community-based support services to students with disabilities who would remain or have to be placed in residential facilities for educational reasons without the provision of the services.

Advanced Placement Incentives is funded by the State of Texas, to provide test fee subsidies for AP and IB exams taken by public school students with demonstrated financial need. Additionally, these funds will reimburse teacher training, on TEA approved Pre-AP, AP and IB Training, for eligible teachers.

State Textbook Fund is funded by the State, 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.

Read to Succeed license plate program is funded by the State, designed to help generate money for public school libraries and strengthen the campus reading program. Funds are generated through the sale of specialty license plates sold to members of the community who support the District.

Campus Activity Funds each campus has an activity fund and the campus principal is accountable for all aspects of the fund at that campus. Revenues are generated by sales and fund raising events at the campus locations.

Child Development Center is sponsored by Frisco Independent School District, to account for day care services provided to District employees' children.



FRISCO
INDEPENDENT SCHOOL DISTRICT

**FRISCO INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015**

Data Control Codes		205 Head Start	211 ESEA I, A Improving Basic Programs	224 IDEA- Part B Formula	225 IDEA- Part B Preschool	226 IDEA- Part B Discretionary	240 National Breakfast and Lunch Program
ASSETS:							
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,032,544
1240	Due from Other Governments	45,925	275,816	918,735	6,061	55,082	113,780
1410	Prepaid Expenditures	-	-	-	-	-	-
1000	Total Assets	<u>\$ 45,925</u>	<u>\$ 275,816</u>	<u>\$ 918,735</u>	<u>\$ 6,061</u>	<u>\$ 55,082</u>	<u>\$ 5,146,324</u>
LIABILITIES AND FUND BALANCES:							
Liabilities:							
2630	Accounts Payable	\$ -	\$ 8,176	\$ 4,778	\$ -	\$ 17,906	\$ 40,131
2160	Accrued Wages Payable	11,048	150,729	582,114	4,168	-	1,243,378
2170	Due to Other Funds	34,877	116,911	331,843	1,893	37,176	-
2180	Due to Other Governments	-	-	-	-	-	-
2300	Unearned Revenues	-	-	-	-	-	-
2000	Total Liabilities	<u>45,925</u>	<u>275,816</u>	<u>918,735</u>	<u>6,061</u>	<u>55,082</u>	<u>1,283,509</u>
Fund Balances:							
Non Spendable:							
3430	Prepaid Expenditures	-	-	-	-	-	-
Restricted:							
3450	Federal and State Grant Restrictions	-	-	-	-	-	3,862,815
Committed:							
3545	Local Special Revenue	-	-	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,862,815</u>
4000	Total Liabilities and Fund Balances	<u>\$ 45,925</u>	<u>\$ 275,816</u>	<u>\$ 918,735</u>	<u>\$ 6,061</u>	<u>\$ 55,082</u>	<u>\$ 5,146,324</u>

EXHIBIT G-2 (CON'T)

244 Career and Technical Basic Grant	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	272 Medicaid Administrative Claiming	289 Other Federal Special Revenue Funds	385 Visually Impaired SSVI	392 Non-Ed. Community Based Support	397 Advanced Placement Incentives
\$ - 36,157 -	\$ - 29,596 -	\$ - 83,728 -	\$ 3,286 11,215 -	\$ 18,986 - -	\$ - - -	\$ - 448 -	\$ - - -
<u>\$ 36,157</u>	<u>\$ 29,596</u>	<u>\$ 83,728</u>	<u>\$ 14,501</u>	<u>\$ 18,986</u>	<u>\$ -</u>	<u>\$ 448</u>	<u>\$ -</u>
\$ 10,262 - 25,895 - -	\$ - - 29,439 157 -	\$ - 72,184 11,544 - -	\$ - - - - 14,501	\$ - 14,888 - - 4,098	\$ - - - - -	\$ - - 448 - -	\$ - - - - -
<u>36,157</u>	<u>29,596</u>	<u>83,728</u>	<u>14,501</u>	<u>18,986</u>	<u>-</u>	<u>448</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 36,157</u>	<u>\$ 29,596</u>	<u>\$ 83,728</u>	<u>\$ 14,501</u>	<u>\$ 18,986</u>	<u>\$ -</u>	<u>\$ 448</u>	<u>\$ -</u>

**EXHIBIT G-2
(Concluded)**

**FRISCO INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015**

Data Control Codes		410 State Textbook Fund	429 Read To Succeed	461 Campus Activity Funds	498 Child Development Center	Total Nonmajor Governmental Funds
ASSETS:						
1110	Cash and Cash Equivalents	\$ 1,928,429	\$ -	\$ 1,962,460	\$ 402,812	\$ 9,348,517
1240	Due from Other Governments	-	-	-	-	1,576,543
1410	Prepaid Expenditures	-	-	45,631	-	45,631
1000	Total Assets	<u>\$ 1,928,429</u>	<u>\$ -</u>	<u>\$ 2,008,091</u>	<u>\$ 402,812</u>	<u>\$ 10,970,691</u>
LIABILITIES AND FUND BALANCES:						
Liabilities:						
2630	Accounts Payable	\$ 529,279	\$ -	\$ 169,403	\$ 315	\$ 780,250
2160	Accrued Wages Payable	-	-	-	106,597	2,185,106
2170	Due to Other Funds	-	-	-	-	590,026
2180	Due to Other Governments	-	-	-	-	157
2300	Unearned Revenues	-	-	-	-	18,599
2000	Total Liabilities	<u>529,279</u>	<u>-</u>	<u>169,403</u>	<u>106,912</u>	<u>\$ 3,574,138</u>
Fund Balances:						
Non Spendable:						
3430	Prepaid Expenditures	-	-	45,631	-	45,631
Restricted:						
3450	Federal and State Grant Restrictions	1,399,150	-	-	-	5,261,965
Committed:						
3545	Local Special Revenue	-	-	1,793,057	295,900	2,088,957
3000	Total Fund Balances	<u>1,399,150</u>	<u>-</u>	<u>1,838,688</u>	<u>295,900</u>	<u>7,396,553</u>
4000	Total Liabilities and Fund Balances	<u>\$ 1,928,429</u>	<u>\$ -</u>	<u>\$ 2,008,091</u>	<u>\$ 402,812</u>	<u>\$ 10,970,691</u>



FRISCO
INDEPENDENT SCHOOL DISTRICT

**FRISCO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

Data Control Codes	205 Head Start	211 ESEA I, A Improving Basic Programs	224 IDEA- Part B Formula	225 IDEA- Part B Preschool	226 IDEA- Part B Discretionary	240 National Breakfast and Lunch Program
REVENUES:						
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,244,540
5800 State Program Revenues	-	-	-	-	-	457,033
5900 Federal Program Revenues	87,136	1,399,167	4,421,576	25,661	145,719	4,450,303
5020 Total Revenues	87,136	1,399,167	4,421,576	25,661	145,719	21,151,876
EXPENDITURES:						
Current:						
0011 Instruction	87,136	1,198,699	1,784,610	25,661	145,719	-
0012 Instructional Resources and Media Services	-	-	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	194,383	6,461	-	-	-
0021 Instructional Leadership	-	-	10,684	-	-	-
0023 School Leadership	-	2,922	2,662	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	1,581	2,615,013	-	-	-
0033 Health Services	-	1,582	2,146	-	-	-
0035 Food Services	-	-	-	-	-	19,973,220
0036 Extracurricular Activities	-	-	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-	-	355,796
0061 Community Services	-	-	-	-	-	-
6030 Total Expenditures	87,136	1,399,167	4,421,576	25,661	145,719	20,329,016
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	822,860
OTHER FINANCING SOURCES (USES):						
7915 Transfers In	-	-	-	-	-	-
8911 Transfers Out	-	-	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-	-	822,860
0100 Fund Balance - July 1 (Beginning)	-	-	-	-	-	3,039,955
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,862,815

EXHIBIT G-3 (CON'T)

244 Career and Technical Basic Grant	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	272 Medicaid Administrative Claiming	289 Other Federal Special Revenue Funds	385 Visually Impaired SSVI	392 Non-Ed. Community Based Support	397 Advanced Placement Incentives
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	5,780	448	46,293
<u>223,154</u>	<u>96,904</u>	<u>233,916</u>	<u>28,274</u>	<u>15,820</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>223,154</u>	<u>96,904</u>	<u>233,916</u>	<u>28,274</u>	<u>15,820</u>	<u>5,780</u>	<u>448</u>	<u>46,293</u>
221,319	31,711	233,916	-	15,820	5,780	-	-
-	-	-	-	-	-	-	-
1,835	65,193	-	-	-	-	-	46,293
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	28,274	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	448	-
<u>223,154</u>	<u>96,904</u>	<u>233,916</u>	<u>28,274</u>	<u>15,820</u>	<u>5,780</u>	<u>448</u>	<u>46,293</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**EXHIBIT G-3
(Concluded)**

**FRISCO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

Data Control Codes	410 State Textbook Fund	429 Read To Succeed	461 Campus Activity Funds	498 Child Development Center	Total Nonmajor Governmental Funds
REVENUES:					
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ 1,519,155	\$ 706,417	\$ 18,470,112
5800 State Program Revenues	2,154,253	187	-	34,369	2,698,363
5900 Federal Program Revenues	-	-	-	-	11,127,630
5020 Total Revenues	<u>2,154,253</u>	<u>187</u>	<u>1,519,155</u>	<u>740,786</u>	<u>32,296,105</u>
EXPENDITURES:					
Current:					
0011 Instruction	1,504,296	-	-	-	5,254,667
0012 Instructional Resources and Media Services	-	187	-	-	187
0013 Curriculum and Instructional Staff Development	-	-	-	-	314,165
0021 Instructional Leadership	-	-	-	-	10,684
0023 School Leadership	-	-	-	-	5,584
0031 Guidance, Counseling and Evaluation Services	-	-	-	-	2,616,594
0033 Health Services	-	-	-	-	32,002
0035 Food Services	-	-	-	-	19,973,220
0036 Extracurricular Activities	-	-	1,548,458	-	1,548,458
0051 Facilities Maintenance and Operations	-	-	-	-	355,796
0061 Community Services	-	-	-	742,525	742,973
6030 Total Expenditures	<u>1,504,296</u>	<u>187</u>	<u>1,548,458</u>	<u>742,525</u>	<u>30,854,330</u>
1100 Excess (Deficiency) of Revenues Over (Under)					
Expenditures	649,957	-	(29,303)	(1,739)	1,441,775
OTHER FINANCING SOURCES (USES):					
7915 Transfers In	-	-	20,000	-	20,000
8911 Transfers Out	-	-	(44,238)	-	(44,238)
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(24,238)</u>	<u>-</u>	<u>(24,238)</u>
1200 Net Change in Fund Balance	649,957	-	(53,541)	(1,739)	1,417,537
0100 Fund Balance - July 1 (Beginning)	749,193	-	1,892,229	297,639	5,979,016
3000 Fund Balance - June 30 (Ending)	<u>\$ 1,399,150</u>	<u>\$ -</u>	<u>\$ 1,838,688</u>	<u>\$ 295,900</u>	<u>\$ 7,396,553</u>

EXHIBIT G-4

**FRISCO INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
NATIONAL BREAKFAST AND LUNCH PROGRAM
FOR THE YEAR ENDEND JUNE 30, 2015**

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 15,527,700	\$ 16,327,700	\$ 16,244,540	\$ (83,160)
5800	State Program Revenues	78,000	403,000	457,033	54,033
5900	Federal Program Revenues	4,241,000	4,400,000	4,450,303	50,303
5020	Total Revenues	19,846,700	21,130,700	21,151,876	21,176
EXPENDITURES:					
0035	Food Services	18,985,782	21,020,200	19,973,220	1,046,980
0051	Facilities Maintenance and Operations	751,500	376,500	355,796	20,704
0061	Community Services	109,418	-	-	-
6030	Total Expenditures	19,846,700	21,396,700	20,329,016	1,067,684
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(266,000)	822,860	1,088,860
0100	Fund Balance - July 1 (Beginning)	3,039,955	3,039,955	3,039,955	-
3000	Fund Balance - June 30 (Ending)	\$ 3,039,955	\$ 2,773,955	\$ 3,862,815	\$ 1,088,860

EXHIBIT G-5

**FRISCO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Balance July 1 2014	Additions	Deductions	Balance June 30 2015
STUDENT ACTIVITIES FUNDS				
Assets:				
Cash and Cash Equivalents	\$ 817,698	\$ 1,507,560	\$ 1,322,270	\$ 1,002,988
Total Assets	<u>\$ 817,698</u>	<u>\$ 1,507,560</u>	<u>\$ 1,322,270</u>	<u>\$ 1,002,988</u>
Liabilities:				
Accounts Payable	\$ 45,139	\$ 1,251,971	\$ 1,234,448	\$ 62,662
Due to Student Groups	<u>772,559</u>	<u>185,026</u>	<u>17,259</u>	<u>940,326</u>
Total Liabilities	<u>\$ 817,698</u>	<u>\$ 1,436,997</u>	<u>\$ 1,251,707</u>	<u>\$ 1,002,988</u>

**REQUIRED
TEXAS EDUCATION AGENCY
SCHEDULES**

**FRISCO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED JUNE 30, 2015**

Last 10 Years Ended June 30	(1) (2) Tax Rates		(3) Assessed/Appraised Value for School Tax Purposes	(10) Beginning Balance July 1, 2014
	Maintenance	Debt Service		
2006 & PRIOR	Various	Various	\$ Various	\$ (195,759)
2007	1.2100	0.3700	12,238,776,962	(41,121)
2008	0.9600	0.3900	14,041,683,185	133,033
2009	1.0000	0.3700	16,189,276,569	280,540
2010	1.0000	0.3900	16,848,644,101	365,326
2011	1.0000	0.3900	16,658,645,540	384,226
2012	1.0000	0.4200	17,208,710,493	391,676
2013	1.0400	0.4200	18,321,609,110	551,317
2014	1.0400	0.4200	19,898,789,630	2,599,925
2015	1.0400	0.4200	22,787,651,925	-
1000	Totals			<u>\$ 4,469,163</u>

9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code

\$ -

EXHIBIT H-1

(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance June 30, 2015
\$ -	\$ -	\$ -	\$ (62,814)	\$ (258,573)
-	2,396	734	-	(44,251)
-	18,290	7,430	(13,351)	93,962
-	127,190	47,060	125,700	231,990
-	491,972	191,869	844,580	526,065
-	466,559	181,958	1,330,310	1,066,019
-	498,256	209,268	1,249,853	934,005
-	1,014,520	409,710	1,953,673	1,080,760
-	2,759,610	1,114,458	2,870,523	1,596,380
<u>329,808,389</u>	<u>235,406,126</u>	<u>95,067,857</u>	<u>3,518,240</u>	<u>2,852,646</u>
<u>\$ 329,808,389</u>	<u>\$ 240,784,919</u>	<u>\$ 97,230,344</u>	<u>\$ 11,816,714</u>	<u>\$ 8,079,003</u>
-	<u>\$ 16,163,267</u>	<u>\$ -</u>		



FRISCO
INDEPENDENT SCHOOL DISTRICT

STATISTICAL SECTION

STATISTICAL SECTION *(Unaudited)*

This section of the Frisco Independent School District's Comprehensive Annual Financial Report presents information that augments the financial statements, notes, and supplementary information contained in the annual financial report. This information is unaudited and is intended to contribute to the analysis of the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the District's performance and well being have changed over time.	65
Revenue Capacity	
These schedules contain information to help the reader assess the District's property tax valuations, it's most significant source of revenue.	75
Debt Capacity	
These schedules present information related to the District's current levels of outstanding debt and its ability to issue debt in the future.	80
Demographic and Economic Information	
These schedules offer information related to the demographic and economic indicators within the District and provides the reader with insight to the financial environment that the District operates within.	83
Operating Information	
These schedules contain information that assists the reader in understanding the services the District provides and activities it performs.	85

FINANCIAL TRENDS

FRISCO INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(Accrual Basis of Accounting)

	Fiscal Year			
	2006	2007	2008 ¹	2009
Governmental Activities				
Net Investment in Capital Assets	\$ (87,158,826)	\$ (116,874,349)	\$ (122,276,884)	\$ (171,154,403)
Restricted for Federal and State Programs	951,703	1,195,187	2,161,968	3,121,981
Restricted for Debt Services	779,182	4,965,217	46,270,566	59,011,864
Restricted for Capital Projects	18,467,338	20,527,925	3,083,347	4,187,350
Unrestricted Net Position	9,833,882	24,984,396	30,377,993	21,933,272
TOTAL NET POSITION	\$ (57,126,721)	\$ (65,201,624)	\$ (40,383,010)	\$ (82,899,936)

¹ Fiscal year 2008 represents a 10-month transitional year for the period of August 31 to June 30.

Source: Frisco ISD Annual Financial Reports

EXHIBIT S-1

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ (204,940,333)	\$ (233,522,841)	\$ (274,216,290)	\$ (293,661,182)	\$ (273,081,937)	\$ (305,309,356)
2,831,739	2,606,162	3,208,210	2,904,294	3,789,148	5,261,965
68,589,961	64,478,051	71,170,986	72,023,378	53,919,728	54,250,586
7,833,126	-	-	-	-	-
22,911,965	26,295,778	47,511,053	51,311,286	66,159,069	353,464
<u>\$ (102,773,542)</u>	<u>\$ (140,142,850)</u>	<u>\$ (152,326,041)</u>	<u>\$ (167,422,224)</u>	<u>\$ (149,213,992)</u>	<u>\$ (245,443,341)</u>

FRISCO INDEPENDENT SCHOOL DISTRICT
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Unaudited)
(Accrual Basis of Accounting)

	Fiscal Year			
	2006	2007	2008 ¹	2009
Expenses				
Governmental Activities:				
Instruction	\$ 94,890,796	\$ 123,673,720	\$ 133,565,149	\$ 179,255,336
Instructional Resources and Media Services	4,947,752	5,814,988	4,759,048	7,527,217
Curriculum and Instructional Staff Development	1,729,223	2,316,441	2,440,703	3,701,535
Instructional Leadership	2,145,044	2,255,388	2,513,617	3,707,131
School Leadership	8,664,580	10,539,490	10,875,501	13,771,309
Guidance, Counseling and Evaluation Services	4,567,547	5,982,008	6,888,436	8,615,821
Social Work Services	29,725	91,325	275,107	233,822
Health Services	1,607,202	1,931,999	2,474,489	2,875,656
Student (Pupil) Transportation	4,503,575	5,402,592	5,889,588	7,405,694
Food Services	9,208,288	10,826,270	10,181,062	12,921,293
Extracurricular Activities	6,420,903	8,638,873	9,456,889	12,113,595
General Administration	5,194,536	7,463,325	5,800,055	9,650,382
Facilities Maintenance and Operations	17,422,806	18,712,489	19,271,020	27,055,506
Security and Monitoring Services	2,883,048	1,069,644	1,077,827	1,529,372
Data Processing Services	1,494,163	2,301,139	1,785,957	4,766,862
Community Services	953,333	1,104,139	850,082	1,424,151
Debt Service - Interest on Long Term Debt	37,459,602	46,364,712	39,593,981	66,796,474
Debt Service - Bond Issuance Cost and Fees	71,890	78,352	102,649	213,326
Contracted Instructional Services Between Schools	19,595,555	14,435,582	8,276,629	12,904,887
Payments to Fiscal Agent/Member Districts of SSA	150,749	43,493	149,060	127,022
Payments to Juvenile Justice Alternative Ed. Prg.	42,176	108,482	115,834	112,838
Payments to Tax Increment Fund	9,667,109	11,226,405	11,073,196	15,516,540
Other Intergovernmental Charges	-	-	-	-
Total Governmental Activities Expenses	<u>233,649,602</u>	<u>280,380,856</u>	<u>277,415,879</u>	<u>392,225,769</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	\$ 102,683	\$ 161,584	\$ 73,267	\$ 315,818
Food Service	7,381,386	8,297,447	8,619,622	10,534,707
Extracurricular Activities	381,021	500,303	564,693	746,020
Facilities Maintenance and Operations	450,389	572,888	537,487	761,560
Community Services	-	627,332	539,047	-
Operating Grants and Contributions	11,385,032	13,654,337	16,447,353	18,596,276
Total Governmental Activities Program Revenues	<u>19,700,511</u>	<u>23,813,891</u>	<u>26,781,469</u>	<u>30,954,381</u>
Net (Expense) Revenue				
Total Primary Government Net Expenses	<u>\$ (213,949,091)</u>	<u>\$ (256,566,965)</u>	<u>\$ (250,634,410)</u>	<u>\$ (361,271,388)</u>

¹ Fiscal Year 2008 represents 10 months of financial data due to change of fiscal year end of June 30 from August 31.
Source: Frisco ISD Annual Financial Report

EXHIBIT S-2

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 200,270,949	\$ 210,372,150	\$ 207,257,489	\$ 220,404,517	\$ 237,776,317	\$ 284,653,714
7,456,175	7,041,284	5,072,392	6,878,260	7,563,264	9,187,036
4,416,790	4,196,290	5,540,212	6,695,992	7,496,653	8,527,459
4,152,342	4,183,981	3,496,529	4,538,265	4,625,073	5,075,185
16,296,540	19,604,431	18,585,563	22,284,476	21,657,026	28,254,017
10,135,488	11,165,424	11,195,982	12,552,997	12,828,364	14,672,505
311,030	309,809	292,395	343,427	360,371	352,044
3,401,665	3,612,048	3,388,277	3,738,802	3,885,439	4,700,476
9,747,990	9,511,115	9,476,656	9,854,542	10,489,264	11,631,466
15,352,293	17,089,059	16,966,824	18,662,958	20,138,815	22,671,955
13,978,597	16,269,145	14,145,666	14,929,811	15,493,350	17,804,290
7,289,357	7,371,999	7,647,253	6,560,127	6,752,192	8,271,754
29,109,608	31,567,513	28,970,801	30,168,059	31,796,821	37,020,121
1,610,482	2,219,918	2,418,991	2,731,959	3,595,026	3,808,630
4,986,191	5,930,740	6,275,652	6,718,444	7,194,012	9,499,233
1,498,050	1,539,113	1,514,281	1,572,685	1,516,206	1,992,750
60,341,816	61,708,857	64,807,149	70,402,767	45,233,434	73,966,028
224,619	303,281	784,857	1,034,160	1,288,269	2,511,829
1,331,260	3,004,389	1,582,625	1,785,899	1,004,896	1,177,873
135,132	195,897	-	-	-	-
87,929	90,309	60,791	44,573	23,499	47,931
13,078,366	12,475,699	15,300,909	16,558,936	17,605,466	19,317,219
1,613,714	1,637,072	1,658,054	1,801,088	1,924,946	2,102,040
<u>406,826,383</u>	<u>431,399,523</u>	<u>426,439,348</u>	<u>460,262,744</u>	<u>460,248,703</u>	<u>567,245,555</u>
\$ 195,799	\$ 234,762	\$ 206,936	\$ 290,231	\$ 350,717	\$ 396,872
11,381,160	12,372,825	13,077,118	13,685,406	14,494,346	16,242,616
926,755	1,475,974	1,522,873	1,506,143	1,525,824	1,605,535
731,934	536,802	1,913,519	2,299,332	2,394,812	2,554,502
-	-	-	-	-	-
31,313,190	32,628,060	25,145,775	22,544,354	26,278,448	38,071,093
<u>44,548,838</u>	<u>47,248,423</u>	<u>41,866,221</u>	<u>40,325,466</u>	<u>45,044,147</u>	<u>58,870,618</u>
<u>\$ (362,277,545)</u>	<u>\$ (384,151,100)</u>	<u>\$ (384,573,127)</u>	<u>\$ (419,937,278)</u>	<u>\$ (415,204,556)</u>	<u>\$ (508,374,937)</u>

FRISCO INDEPENDENT SCHOOL DISTRICT
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(Accrual Basis of Accounting)

	Fiscal Year			
	2006	2007	2008¹	2009
Net (Expense) Revenue				
Total Primary Government Net Expense	<u>\$ (213,949,091)</u>	<u>\$ (256,566,965)</u>	<u>\$ (250,634,410)</u>	<u>\$ (361,271,388)</u>
General Revenues				
Governmental Activities:				
Taxes:				
Property Taxes Levied for General Purposes	\$ 135,336,769	\$ 150,870,075	\$ 134,235,359	\$ 168,875,322
Property Taxes Levied for Debt Service	29,254,479	42,623,152	54,533,671	57,650,495
State Aid-Formula Grants	8,769,845	27,599,183	52,027,127	68,601,051
Unrestricted Grants and Contributions	-	18,373	-	27,945
Investment Earnings	4,964,633	7,878,823	6,400,879	2,509,504
Miscellaneous Local and Intermediate Revenue	16,269,667	19,502,456	28,255,988	21,090,145
Total General Revenue	<u>\$ 194,595,393</u>	<u>\$ 248,492,062</u>	<u>\$ 275,453,024</u>	<u>\$ 318,754,462</u>
Change in Net Position (Deficit)	\$ (19,353,698)	\$ (8,074,903)	\$ 24,818,614	\$ (42,516,926)
Net Position (Deficit) Beginning	(37,773,023)	(57,126,721)	(65,201,624)	(40,382,010)
Prior Period Adjustment	-	-	-	-
Net Position (Deficit), Ending	<u>\$ (57,126,721)</u>	<u>\$ (65,201,624)</u>	<u>\$ (40,383,010)</u>	<u>\$ (82,898,936)</u>

Fiscal Year 2008 represents 10 months of financial information due to change of fiscal year end to June 30 from

¹ August 31.

EXHIBIT S-3

Fiscal Year					
2010	2011	2012	2013	2014	2015
<u><u>\$ (362,277,545)</u></u>	<u><u>\$ (384,151,100)</u></u>	<u><u>\$ (384,573,127)</u></u>	<u><u>\$ (419,937,278)</u></u>	<u><u>\$ (415,204,556)</u></u>	<u><u>\$ (508,374,937)</u></u>
\$ 173,721,989	\$ 171,001,679	\$ 177,079,758	\$ 199,562,589	\$ 229,889,558	\$ 265,133,759
62,409,766	61,736,118	68,875,705	72,822,119	80,937,836	93,922,813
85,246,982	99,211,962	104,324,856	117,087,935	119,733,020	120,405,390
17,407	180	20,083	516,970	-	-
358,496	246,295	184,963	238,659	98,009	166,062
16,969,299	17,308,973	21,901,571	20,559,060	2,754,365	3,625,774
<u><u>\$ 338,723,939</u></u>	<u><u>\$ 349,505,207</u></u>	<u><u>\$ 372,386,936</u></u>	<u><u>\$ 410,787,332</u></u>	<u><u>\$ 433,412,788</u></u>	<u><u>\$ 483,253,798</u></u>
\$ (23,553,606)	\$ (34,645,893)	\$ (12,183,191)	\$ (9,149,946)	\$ 18,208,232	\$ (25,121,139)
(82,899,936)	(102,773,542)	(140,142,850)	(152,326,041)	(167,422,224)	(149,213,992)
3,680,000	(2,723,415)	-	(5,946,237)	-	(71,108,210)
<u><u>\$ (102,773,542)</u></u>	<u><u>\$ (140,142,850)</u></u>	<u><u>\$ (152,326,041)</u></u>	<u><u>\$ (167,422,224)</u></u>	<u><u>\$ (149,213,992)</u></u>	<u><u>\$ (245,443,341)</u></u>

**FRISCO INDEPENDENT SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

(Unaudited)
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2006	2007	2008 ¹	2009
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Unreserved /Unassigned	11,446,048	26,675,356	22,473,686	21,962,721
Total General Fund	<u>\$ 11,446,048</u>	<u>\$ 26,675,356</u>	<u>\$ 22,473,686</u>	<u>\$ 21,962,721</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Reserved/Restricted				
Debt Service Fund	779,182	495,217	46,270,566	59,011,864
Child Nutrition Service	951,703	1,195,187	2,161,968	3,121,981
Other Federal or State	-	-	-	-
Designated /Restricted				
Construction	18,467,338	48,231,691	80,804,147	69,653,941
Other Purposes	-	-	21,000,000	23,000,000
Committed				
Local Special Revenue	-	-	-	-
Unreserved/Unassigned	-	-	-	-
Special Revenue Funds	481,848	738,950	1,680,111	1,499,215
Total All Other Governmental Funds	<u>\$ 20,680,071</u>	<u>\$ 50,661,045</u>	<u>\$ 151,916,792</u>	<u>\$ 156,287,001</u>
Total Governmental Funds	<u>\$ 32,126,119</u>	<u>\$ 77,336,401</u>	<u>\$ 174,390,478</u>	<u>\$ 178,249,722</u>

¹ Fiscal year 2008 represents a 10-month transitional year for the period of June 30 through August 31.

Source: Frisco ISD Annual Financial Reports

EXHIBIT S-4

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 51,281	\$ -	\$ -	\$ -	\$ -	\$ -
-	251,404	141,684	163,824	264,523	410,917
-	-	-	-	-	-
-	-	-	-	-	-
46,286,952	42,818,991	60,123,335	72,501,978	84,900,184	92,068,189
<u>\$ 46,338,233</u>	<u>\$ 43,070,395</u>	<u>\$ 60,265,019</u>	<u>\$ 72,665,802</u>	<u>\$ 85,164,707</u>	<u>\$ 92,479,106</u>
\$ -	\$ -	\$ -	\$ -	\$ 71,910	\$ 45,631
67,245,565	63,198,994	70,379,793	71,265,715	77,625,656	79,809,387
2,831,739	2,606,162	3,208,210	2,904,294	3,039,955	3,862,815
-	-	-	-	749,193.00	1,399,150
7,833,126	52,951,695	5,353,313	51,648,102	92,529,222	141,056,166
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,171,829	2,117,958	2,088,957
1,569,851	1,750,466	1,958,933	-	-	-
<u>\$ 79,480,281</u>	<u>\$ 120,507,317</u>	<u>\$ 80,900,249</u>	<u>\$ 127,989,940</u>	<u>\$ 176,133,894</u>	<u>\$ 228,262,106</u>
<u>\$ 125,818,514</u>	<u>\$ 163,577,712</u>	<u>\$ 141,165,268</u>	<u>\$ 200,655,742</u>	<u>\$ 261,298,601</u>	<u>\$ 320,741,212</u>

FRISCO INDEPENDENT SCHOOL DISTRICT
ALL GOVERNMENTAL FUNDS: CHANGES IN FUND BALANCES
LAST TEN FISCAL YEARS

(Unaudited)
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2006	2007	2008 ¹	2009
Revenues:				
Total Local and Intermediate Sources	\$ 193,625,967	\$ 230,028,149	\$ 232,308,432	\$ 262,542,603
State Program Revenues	15,738,581	36,130,785	62,382,339	80,784,250
Federal Program Revenues	4,416,296	5,141,108	6,092,141	6,441,022
	<u>\$ 213,780,844</u>	<u>\$ 271,300,042</u>	<u>\$ 300,782,912</u>	<u>\$ 349,767,875</u>
Expenditures:				
Current:				
Instruction	\$ 82,899,266	\$ 102,230,895	\$ 118,453,890	\$ 150,799,050
Instructional Resources and Media Services	3,512,534	3,870,563	4,484,132	5,621,291
Curriculum and Instructional Staff Development	1,725,001	2,305,523	2,444,288	3,702,110
Instructional Leadership	2,140,822	2,252,464	2,517,202	3,705,939
School Leadership	8,453,565	10,291,483	10,727,046	13,377,731
Guidance, Counseling, and Evaluation Service	4,559,104	5,976,113	6,899,190	8,618,090
Social Work Services	29,725	91,325	275,107	233,822
Health Services	1,602,980	1,923,602	2,478,074	2,781,160
Student (Pupil) Transportation	3,694,387	4,264,597	4,913,154	5,878,917
Food Services	8,068,021	9,523,209	9,325,193	11,615,911
Cocurricular/Extracurricular Activities	4,341,926	5,466,654	6,426,914	8,131,289
General Administration	4,216,153	4,887,581	5,534,560	6,952,987
Plant Maintenance and Operations	14,576,147	16,718,153	17,784,247	23,214,246
Security and Monitoring Services	731,588	755,793	1,006,037	1,237,700
Data Processing Services	1,114,505	1,270,381	1,274,856	1,770,527
Community Services	937,077	1,089,306	849,783	1,412,118
Debt Services:				
Debt Service - Principal on long-term debt	7,693,851	10,938,899	22,670,113	14,393,638
Debt Service - Interest on long-term debt	30,942,676	37,689,296	546,209	47,192,970
Debt Service - Bond Issuance Costs and Fees	93,000	520,124	-	3,069,950
Capital Outlay:				
Facilities Acquisition & Construction	140,149,713	124,044,445	160,908,619	197,245,977
Intergovernmental Charges				
Contracted Instructional Services Between Schools	19,595,555	14,435,582	8,276,629	12,904,887
Payments to Fiscal Agent/Members District of SSA	150,749	43,493	149,060	127,022
Payments to Juvenile Justice Alternative Ed. Prog.	42,176	108,482	115,834	112,838
Payments to Tax Increment Fund	9,667,109	11,226,405	11,073,196	15,516,540
Other Intergovernmental Charges	-	-	-	-
Total Expenditures	<u>350,937,630</u>	<u>371,924,368</u>	<u>399,133,333</u>	<u>539,616,710</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(137,073,086)	(100,624,326)	(98,350,421)	(189,866,835)
Other Financing Sources (Uses):				
Capital Related Debt Issued (Regular and Refunding Bonds)	85,000,000	175,186,595	190,000,000	199,170,000
Sales of Real and Personal Property	24,850	119,699	339,103	17,096
Premium or Discount of Issuance Bonds	-	-	595,395	8,865,586
Transfers In	1,217,847	2,888,239	-	10,491,431
Other Resources	-	-	-	-
Transfer Out (Uses)	(1,217,847)	(119,699)	-	(10,491,431)
Other (Uses)	-	(27,770,226)	-	(14,326,603)
Total Other Financing Sources (Uses)	<u>85,024,850</u>	<u>150,304,608</u>	<u>190,934,498</u>	<u>193,726,079</u>
Net Change in Fund Balances	(52,048,236)	49,680,282	92,584,077	3,859,244
Fund Balances (Beginning)	84,174,355	32,126,119	81,806,401	174,390,478
Prior Period Adjustments	-	-	-	-
Fund Balance (Ending)	<u>\$ 32,126,119</u>	<u>\$ 81,806,401</u>	<u>\$ 174,390,478</u>	<u>\$ 178,249,722</u>
Debt service as a percentage of Non - Capital Expenditures	18.34%	19.83%	9.75%	18.88%

¹ Fiscal year 2008 represents a 10-month transitional year for the period of June 30 through August 31.

Source: Frisco ISD Annual Financial Reports

EXHIBIT S-5

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 266,355,275	\$ 265,159,734	\$ 286,574,924	\$ 309,077,472	\$ 333,806,178	\$ 381,193,995
97,190,014	111,289,016	115,321,314	129,671,656	133,799,695	133,975,235
19,387,565	20,551,186	14,169,400	10,477,603	11,423,023	12,432,495
<u>\$ 382,932,854</u>	<u>\$ 396,999,936</u>	<u>\$ 416,065,638</u>	<u>\$ 449,226,731</u>	<u>\$ 479,028,896</u>	<u>\$ 527,601,725</u>
\$ 173,467,078	\$ 182,496,322	\$ 176,860,360	\$ 196,244,658	\$ 210,384,860	\$ 234,760,839
5,119,964	5,048,034	4,411,159	5,057,068	5,272,336	5,578,571
4,417,134	4,173,666	5,497,695	6,696,310	7,496,653	8,307,911
4,152,686	4,161,357	3,452,915	4,538,583	4,625,073	4,893,191
15,986,938	19,117,432	17,936,465	21,966,564	21,321,892	23,588,233
10,136,519	11,120,177	11,067,229	12,553,335	12,827,113	14,112,899
311,030	309,809	292,395	343,427	360,371	343,027
3,386,708	3,562,679	3,328,177	3,729,920	3,872,931	4,566,068
7,832,691	7,529,367	7,454,070	8,124,128	8,769,634	9,558,458
14,103,336	15,105,284	15,090,635	16,800,946	18,146,918	19,973,220
9,615,377	11,031,634	11,480,974	12,155,988	12,380,344	13,161,741
6,228,714	6,431,057	4,991,034	5,706,743	5,685,941	6,470,414
26,336,467	28,722,255	24,674,238	27,818,925	28,974,793	30,974,767
1,326,543	1,768,526	1,923,659	1,865,957	2,510,096	3,091,852
1,775,221	2,163,063	3,309,326	5,146,610	5,307,632	6,206,388
1,496,786	1,527,079	1,502,248	1,560,970	1,514,385	1,633,826
19,153,596	20,672,773	18,376,134	20,579,605	27,935,713	28,407,368
56,970,707	55,877,774	60,861,887	62,655,429	61,273,182	70,090,988
841,153	942,386	555,641	1,034,160	1,288,269	2,511,829
92,337,806	66,948,012	97,792,344	81,302,872	167,713,439	231,716,698
1,331,260	3,004,389	1,582,625	1,785,899	1,004,896	1,177,873
135,132	195,897	-	-	-	-
87,929	90,309	60,791	44,573	23,499	47,931
13,078,366	12,475,699	15,300,909	16,558,936	17,605,466	19,317,219
1,613,714	1,637,072	1,658,054	1,801,088	1,924,946	2,102,040
<u>471,242,855</u>	<u>466,112,052</u>	<u>489,460,964</u>	<u>516,072,694</u>	<u>628,220,382</u>	<u>742,593,351</u>
(88,330,001)	(69,112,116)	(73,395,326)	(66,845,963)	(149,191,486)	(214,991,626)
85,250,000	181,031,260	147,610,357	258,246,992	202,300,000	299,320,000
-	13,057	2,412	7,464,755	2,253,199	6,916,575
2,361,017	9,692,980	11,084,272	30,271,957	10,436,146	19,187,662
28,148,312	12,325,434	8,958,340	16,486,477	14,511,144	7,774,470
-	-	270	-	-	-
(28,148,312)	(13,621,257)	(13,241,717)	(16,422,968)	(14,511,144)	(7,774,470)
(51,712,224)	(79,849,745)	(103,431,052)	(169,710,776)	(5,155,000)	(50,990,000)
<u>35,898,793</u>	<u>109,591,729</u>	<u>50,982,882</u>	<u>126,336,437</u>	<u>209,834,345</u>	<u>274,434,237</u>
(52,431,208)	40,482,613	(22,412,444)	59,490,474	60,642,859	59,442,611
178,249,722	125,818,514	163,577,712	141,165,268	200,655,742	261,298,601
-	(2,723,415)	-	-	-	-
<u>\$ 125,818,514</u>	<u>\$ 163,577,712</u>	<u>\$ 141,165,268</u>	<u>\$ 200,655,742</u>	<u>\$ 261,298,601</u>	<u>\$ 320,741,212</u>
20.31%	19.41%	20.37%	19.38%	19.18%	18.35%



FRISCO
INDEPENDENT SCHOOL DISTRICT

REVENUE CAPACITY

FRISCO INDEPENDENT SCHOOL DISTRICT
TAXABLE ASSESSED VALUATION BY PROPERTY USE CATEGORY LESS EXEMPTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Actual Value					
	Single Family Property	Multi-Family Property	Vacant Lots Tracts	Acreage (Land Only)	Farm and Ranch Improvements	Commercial & Industrial (Real)
2006	6,399,818,588	557,775,749	257,888,548	1,820,443,559	16,259,801	1,781,535,583
2007	7,972,987,001	594,010,822	235,550,761	2,170,730,485	18,018,840	2,097,327,042
2008 ¹	9,798,010,024	697,691,492	266,328,691	2,258,395,104	21,299,008	2,640,463,134
2009	10,968,639,445	818,695,375	396,264,241	2,272,350,941	23,431,597	3,215,066,625
2010	11,318,629,269	959,222,680	379,432,588	1,978,541,543	21,394,569	3,481,674,802
2011	11,504,077,061	998,825,739	299,761,332	1,752,437,036	20,930,610	3,215,213,475
2012	12,062,374,158	1,048,925,351	305,794,907	1,726,339,089	18,546,875	3,316,365,172
2013	12,627,501,202	1,202,898,036	293,379,271	1,730,873,484	17,685,947	3,499,967,601
2014	13,675,913,279	1,413,163,612	298,801,710	1,393,693,816	321,808,894	3,764,176,806
2015	15,793,610,094	1,704,527,510	397,306,356	1,564,168,999	371,885,899	4,178,276,253

Source: Comptroller of Public Accounts - School District Summary Worksheet

¹ Fiscal Year 2008 represents 10 months of financial information due to change from fiscal ending August 31 to June 30

EXHIBIT S-6

Fiscal Year	Actual Value			Assessed Value	Less: Exemptions	Total Taxable Value	Total District Rate ¹
	Utilities	Commercial & Industrial (Personal)	Other				
2006	53,299,271	530,727,929	583,797,082	12,001,548,116	1,837,104,178	10,164,443,938	1.6900
2007	109,286,747	535,087,927	709,052,130	14,442,053,762	2,150,919,578	12,291,134,184	1.6000
2008	112,861,870	635,539,523	788,876,767	17,219,467,621	2,291,854,327	14,927,613,294	1.3300
2009	127,215,788	716,602,406	516,112,940	19,054,381,367	2,421,069,338	16,633,312,029	1.3900
2010	130,731,808	787,615,513	399,621,865	19,456,866,647	2,277,356,494	17,179,510,153	1.3900
2011	115,645,665	706,809,701	362,745,531	18,976,448,161	2,100,605,660	16,875,842,501	1.4200
2012	128,181,093	733,630,488	307,640,722	19,647,799,867	2,143,611,277	17,504,188,590	1.4200
2013	130,695,320	775,039,766	262,013,501	20,540,056,141	2,128,873,517	18,411,182,624	1.4600
2014	136,448,465	828,032,175	353,434,184	22,185,474,955	2,112,698,722	20,072,776,233	1.4600
2015	151,707,976	886,060,653	363,911,153	25,411,454,893	2,405,683,365	23,005,771,528	1.4600

EXHIBIT S-7

**FRISCO INDEPENDENT SCHOOL DISTRICT
PROPERTY TAXES – DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Frisco ISD	Overlapping Rates								
		City of Frisco	Collin County	Collin Co. Community College (CCCC)	City of McKinney	City of Plano	Denton County	Town of Little Elm	City of Hackberry	Denton County FWSD
2006	1.6300	0.4500	0.2500	0.0877	0.5200	0.4735	0.2319	0.4700	0.5230	1.0000
2007	1.5800	0.4500	0.2500	0.0870	0.5200	0.4735	0.2359	0.5358	0.5798	1.0000
2008	1.3500	0.4500	0.2450	0.0865	0.6100	0.4735	0.2357	0.5697	0.5798	1.0000
2009	1.3700	0.4650	0.2425	0.0863	0.6100	0.4886	0.2498	0.6345	0.4478	1.0000
2010	1.3900	0.4650	0.2425	0.0863	0.6100	0.4886	0.2739	0.6652	0.4754	1.0000
2011	1.3900	0.4620	0.2400	0.0863	0.6100	0.4886	0.2774	0.6650	0.4766	1.0000
2012	1.4200	0.4620	0.2400	0.0863	0.6100	0.4886	0.2829	0.6650	0.4857	1.0000
2013	1.4600	0.4620	0.2380	0.0863	0.6100	0.4886	0.2829	0.6650	0.4627	1.0000
2014	1.4600	0.4620	0.2380	0.0836	0.5855	0.4886	0.2850	0.6650	0.4627	1.0000
2015	1.4600	0.4600	0.2250	0.0820	0.5830	1.4390	0.2620	0.6616	0.4009	1.0000

Source: Collin and Denton County Appraisal Districts

EXHIBIT S-8

**FRISCO INDEPENDENT SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

		2015	
<u>Taxpayer</u>	<u>Business</u>	<u>Taxable Value</u>	<u>Percentage of Total Taxable Value</u>
Capital One National Association	Banking & Finance	\$ 142,606,357	0.62 %
BPR Shopping Center LP	Shopping Center	121,741,860	0.53 %
Tollway/121 Partners LTD	Real Estate Development	96,780,525	0.42 %
Tenet Frisco LTD	Medical Center	73,416,555	0.32 %
BV-RV LLC	Commercial	68,928,539	0.30 %
Hall Office Portfolio DB LLC	Real Estate Development	68,500,000	0.30 %
Capital One National Association	Banking & Finance	58,176,841	0.25 %
Specified Properties LLP	Real Estate Development	56,750,000	0.25 %
Sabra Texas Holdings LP	Investments	52,101,369	0.23 %
Granite Park LLC	Real Estate Development	51,500,000	0.22 %
Total		\$ 790,502,046	3.44 %

Capital One National Association

		2006	
<u>Taxpayer</u>	<u>Business</u>	<u>Taxable Value</u>	<u>Percentage of Total Taxable Value</u>
Tollway 121 Partners LTD	Land Developer	\$ 95,278,595	0.94 %
Tenant Frisco LTD	Healthcare	92,529,664	0.91 %
UDR Texas Properties LP	Real Estate Development	42,727,278	0.42 %
Stonebriar Hotel LLC	Hotel	40,934,000	0.40 %
Virtu Investments LLC	Real Estate Development	39,481,242	0.39 %
OTR	Real Estate Development	37,211,492	0.37 %
TXU Electric Delivery	Utility	36,930,480	0.36 %
Hendry Properties LTD	Real Estate Development	35,791,365	0.35 %
Shaddock Developers LTD	Real Estate Development	18,267,452	0.18 %
Hunter Tract Associates LP	Real Estate Development	13,056,836	0.13 %
		\$ 452,208,404	4.45 %

Source: Frisco ISD Official Statements (Bond Information)

EXHIBIT S-9

**FRISCO INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Taxes Levied for Fiscal Year *	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Current Fiscal Year (2014) Adjusted Levy for For Tax Year **	Total Collections to Date	
		Amount	Percentage of Levy			Amount ***	Percentage of Levy
2006	164,518,171	162,759,840	98.93%	1,841,854	164,701,307	164,601,694	99.94%
2007	193,268,272	190,616,176	98.63%	3,942,699	194,376,664	194,558,875	100.00%
2008	188,873,783	186,511,500	98.75%	3,382,384	188,742,540	189,893,884	100.00%
2009	226,592,154	222,910,277	98.38%	3,508,751	226,699,567	226,419,028	99.88%
2010	236,338,412	232,171,603	98.24%	3,941,224	236,478,153	236,112,827	99.85%
2011	233,360,846	230,656,112	98.84%	2,221,526	233,261,863	232,877,638	99.84%
2012	246,595,889	244,576,313	99.18%	2,775,373	247,743,962	247,351,686	99.84%
2013	271,222,819	269,428,955	99.34%	1,871,402	271,851,689	271,300,357	99.80%
2014	292,572,378	289,972,452	99.10%	-	296,590,556	289,972,452	97.77%
2015	329,808,389	330,473,983	100.20%	-	333,326,629	330,473,983	99.14%

* Includes adjustments to levy made during current year assignment.

** Includes all adjustments to tax levy made during subsequent years.

*** Includes taxes collected for listed fiscal year plus penalties and interest.

DEBT CAPACITY

**FRISCO INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS (DEBT)
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Population	Personal Income	Bonded Debt	Bonded Debt to Personal Income	Bonded Debt per Capita
2006	92,737	4,701,663,590	665,085,287	14.15%	7,172
2007	106,768	4,744,026,430	802,862,979	16.92%	7,520
2008	122,922	5,266,857,570	992,862,679	18.85%	8,077
2009	141,521	5,828,009,200	1,163,469,342	19.96%	8,221
2010	162,932	5,736,497,260	1,178,615,745	20.55%	7,234
2011	167,332	6,277,062,090	1,265,634,232	20.16%	7,564
2012	173,002	7,054,209,240	1,310,323,851	18.58%	7,574
2013	186,743	7,941,628,760	1,353,110,843	17.04%	7,246
2014	195,558	8,423,152,562	1,679,166,027	19.94%	8,587
2015	206,900	8,906,351,924	1,917,140,546	21.53%	9,266

Sources: U.S. Census Bureau, American Community Survey Data, Texas Workforce Commission, Frisco ISD Official Statements (Bond Information)

**FRISCO INDEPENDENT SCHOOL DISTRICT
ESTIMATED OVERLAPPING DEBT STATEMENT
(Unaudited)**

<u>Taxing Body</u>	<u>Amount</u>	<u>Percentage Overlapping</u>	<u>Amount Overlapping</u>
Collin County	\$ 361,920,000	18.57 %	\$ 67,208,544
Collin County CCD	34,595,000	18.57 %	6,424,292
Denton County	609,410,000	9.87 %	60,148,767
Denton County FWSD # 8-C	23,884,985	100.00 %	23,884,985
City of Frisco	233,184,733	90.78 %	211,685,101
City of Hackberry	35,000	100.00 %	35,000
Town of Little Elm	35,762,969	33.72 %	12,059,273
City of McKinney	218,030,000	17.18 %	37,457,554
City of Plano	299,370,000	10.53 %	31,523,661
Subtotal, overlapping debt			450,427,176
District gross bonded debt			<u>1,694,070,187</u>
Total direct and overlapping debt			<u><u>\$ 2,144,497,363</u></u>
Ratio of Net Direct and Overlapping Debt to Net Taxable Valuation			8.29%
Per Capita Direct and Overlapping Debt			\$ 11,592

Sources: Municipal Advisory Council of Texas

The method of determining the percentage overlapping was not disclosed to the District.

EXHIBIT S-12

FRISCO INDEPENDENT SCHOOL DISTRICT
RATIO OF BONDED DEBT TO TAXABLE ASSESSED VALUATION AND NET BONDED
DEBT PER CAPITA
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Taxable Assessed Value	Bonded Debt Outstanding at Year End	Ratio Bonded Debt to Taxable Assessed Valuation	Estimated Population	Taxable Assessed Valuation Per Capita	Bonded Debt per Capita
2006	10,156,598,457	665,085,284	6.55%	92,737	109,520	7,172
2007	12,291,132,177	802,862,979	6.53%	106,768	115,120	7,520
2008	14,921,727,758	992,862,979	6.65%	122,922	121,392	8,077
2009	16,633,310,020	1,163,469,342	6.99%	141,521	117,532	8,221
2010	17,179,508,143	1,178,615,748	6.86%	162,932	105,440	7,234
2011	16,875,840,490	1,265,634,232	7.50%	167,332	100,852	7,564
2012	17,504,186,578	1,310,323,851	7.49%	173,002	101,179	7,574
2013	18,411,180,611	1,353,110,843	7.35%	186,743	98,591	7,246
2014	20,072,774,219	1,679,166,027	8.37%	195,558	102,644	8,587
2015	23,005,771,528	1,911,006,819	8.31%	206,900	111,193	9,236

Source: Frisco ISD Official Statement bond marketing information.

DEMOGRAPHIC INFORMATION

**FRISCO INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2006	92,737	4,701,663,590	50,699	4.00
2007	106,768	4,744,026,430	44,433	3.70
2008	122,922	5,266,857,570	42,847	4.10
2009	141,521	5,828,009,200	41,181	5.90
2010	162,932	5,736,497,260	35,208	6.80
2011	167,332	6,277,062,090	37,513	6.30
2012	173,002	7,054,209,240	40,775	5.40
2013	186,743	7,941,628,760	42,527	5.00
2014	195,558	8,423,152,562	43,072	5.40
2015	206,900	8,906,351,924	43,047	3.20

Sources: U.S. Census Bureau, American Community Survey Data, Texas Workforce Commission

EXHIBIT S-14

**FRISCO INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Employer	2015			Employer	2006		
	Approximate Number of Employees	Percentage of Total Estimated Employees	Rank		Approximate Number of Employees	Percentage of Total Estimated Employees	Rank
Frisco Independent School District	6,100	6.69%	1	Stonebriar Centre	2,500	5.48%	1
T-Mobile	1,500	1.64%	2	Frisco Independent School Distirct	2,439	5.34%	2
City of Frisco	1,102	1.21%	3	Centre at Preston Ridge	1,500	3.29%	3
Mario Sinacola and Sons Excavating	603	0.66%	4	Rodman Companies	780	1.71%	4
CCCD Preston Ridge Campus	550	0.60%	5	City of Frisco	658	1.44%	5
Amerisource Bergens Specialty Group	500	0.55%	6	Mario Sinacola and Sons	380	0.83%	6
CLA USA Inc.	450	0.49%	7	Tenet Healthcare Corporation	340	0.74%	7
IKEA Frisco	400	0.44%	8	Fijitsu Transaction Solutions	300	0.66%	8
Tenet Texas RBO	300	0.33%	9	Option One Mortgage Co.	250	0.55%	9
Market Street	300	0.33%	10	IntegraSys	200	0.44%	10
Total	<u>11,805</u>			Total	<u>9,347</u>		

Sources:

Frisco ISD, Municipal Advisory Council of Texas and Frisco Economic Development Corp.

Sources:

Texas Employment Commission, Onco Economic Deveopment Department 2006 Community Profile, Frisco ISD Official Statements (Bond Information)



FRISCO

INDEPENDENT SCHOOL DISTRICT

OPERATING INFORMATION

EXHIBIT S-15

FRISCO INDEPENDENT SCHOOL DISTRICT
FTE COUNTS OF DISTRICT EMPLOYEES BY IDENTIFIABLE ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>FTE Count</u>	<u>Average Base Pay</u>
Teaching Staff		
Pre-Kindergarten	3.00	\$ 56,184
Kindergarten	207.27	50,681
Elementary (Grades 1-6)	1116.00	51,721
Middle School (Grades 6-8)	576.18	51,975
High School (Grades 9-12)	813.67	52,319
Secondary (Grades 7-12)	63.66	52,041
All Grade Levels	471.97	52,411
	<u>3251.75</u>	<u>\$ 52,476</u>
Support Staff		
Athletic Trainer	2.38	\$ 51,681
Counselor	97.86	65,473
Educational Diagnostician	37.88	68,421
Librarian	51.08	58,105
LSSP/Psychologist	17.59	56,274
Therapist	17.45	57,628
Other Campus Professionals	66.01	7,925
Other Non-Instructional	110.44	72,277
School Nurse	59.93	52,482
Social Workers	1.00	71,083
Speech Therapist/Pathologist	67.91	56,319
Teacher Facilitator	52.00	54,436
Tuant Officer/Visitn Teacher	3.00	70,333
	<u>584.53</u>	<u>\$ 57,111</u>
Administrative Staff		
Assistant Principal	99.11	\$ 72,100
Asst./Deputy Superintendent	2.00	152,772
Athletic Director	3.00	104,091
Business Manager	1.00	132,182
Director of Personnel/Human Resources	4.00	102,399
District Instructional Program Director	26.50	94,649
Principal	61.00	90,775
Superintendent	1.00	265,000
Teacher Supervisor	7.00	83,296
	<u>204.61</u>	<u>\$ 121,918</u>
Paraprofessional Staff/Auxillary		
Educational Aide	504.02	\$ 24,443
Auxillary	1326.89	25,062
	<u>1830.91</u>	<u>\$ 24,753</u>
Total	<u><u>5871.80</u></u>	<u><u>\$ 72,792</u></u>

Source: Public Education Information Management System (TEA)

**FRISCO INDEPENDENT SCHOOL DISTRICT
EXPENDITURES, ENROLLMENT, AND PER PUPIL COSTS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Operating Expenditures	Enrollment	Cost Per Pupil	Student Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2006	157,934,969	19,765	7,991	14.7	11.4 %
2007	181,481,984	23,649	7,674	14.0	10.9 %
2008 *	197,743,632	27,256	7,255	13.8	10.6 %
2009	253,901,503	30,584	8,302	13.6	11.5 %
2010	266,562,107	33,757	7,896	13.5	12.8 %
2011	284,358,042	37,043	7,676	14.0	12.4 %
2012	282,133,403	39,903	7,070	15.0	12.3 %
2013	322,642,543	42,707	7,555	15.1	12.0 %
2014	378,675,389	46,053	8,223	15.1	11.3 %
2015	378,675,389	50,349	7,521	15.1	12.16 %

Source: Frisco ISD Audited Financial Statements, TEA

* Fiscal Year 2008 represents 10 months of financial information due to change on fiscal year end to June 30 from August 31

EXHIBIT S-17

**FRISCO INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION (HIGH SCHOOLS)
LAST TEN FISCAL YEARS
(Unaudited)**

			2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
High Schools: (Grades 9-12)												
Frisco High												
Site:	45.1 acres	Square Feet	245,024	245,024	245,024	245,024	245,024	245,024	289,866	289,866	289,866	352,978
Opened:	1995	Enrollment	2,036	1,670	1,477	1,398	1,442	1,587	1,688	1,810	1,893	2,139
Centennial High												
Site:	76.48 acres	Square Feet	288,561	288,561	288,561	288,561	288,561	335,346	335,346	335,346	335,346	379,897
Opened:	2000	Enrollment	2,061	1,714	1,626	1,477	1,618	1,800	1,904	2,010	2,156	2,021
Wakeland High												
Site:	71.39 acres	Square Feet	NA	302,645	302,645	302,645	302,645	302,645	339,716	339,716	339,716	345,646
Opened:	2006	Enrollment	NA	854	1,459	1,857	2,056	1,727	1,639	1,868	1,993	2,199
Liberty High												
Site:	63.33 acres	Square Feet	NA	306,179	306,179	306,179	306,179	306,179	344,261	344,261	344,261	348,496
Opened:	2007	Enrollment	NA	677	1,223	1,795	1,641	1,739	1,772	2,009	2,203	2,025
Heritage High												
Site:	46.81 acres	Square Feet	NA	NA	NA	NA	355,695	355,695	355,695	355,695	355,695	356,738
Opened:	2009	Enrollment	NA	NA	NA	NA	634	1,043	1,541	1,753	1,951	1,802
Lone Star High												
Site:	56.32 acres	Square Feet	NA	NA	NA	NA	NA	354,722	354,722	354,722	354,722	345,445
Opened:	2010	Enrollment	NA	NA	NA	NA	NA	523	823	963	1,245	1,379
Independence												
Site:	63.426	Square Feet	NA	NA	NA	NA	NA	NA	NA	NA	NA	345,969
Opened:	2014	Enrollment	NA	NA	NA	NA	NA	NA	NA	NA	NA	1,168

Source: Frisco ISD real property inventory and demographic records.

FRISCO INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION (MIDDLE SCHOOLS)
LAST TEN FISCAL YEARS
(Unaudited)

			2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Middle Schools: (Grades 6 thru 8)												
Staley												
Site:	74.87 acres	Square Feet	128,330	128,330	128,330	128,330	128,330	128,330	128,330	128,330	128,330	128,330
Opened:	1987	Enrollment	701	726	669	626	610	606	643	675	717	707
Clark												
Site:	36.69 acres	Square Feet	147,926	147,926	147,926	147,926	147,926	147,926	147,926	147,926	147,926	147,926
Opened:	2000	Enrollment	872	937	563	658	776	800	826	865	864	853
Pioneer												
Site:	39.99 acres	Square Feet	135,803	135,803	135,803	135,803	135,803	135,803	135,803	135,803	135,803	135,803
Opened:	2000	Enrollment	600	664	826	919	1,012	609	701	762	897	1,085
Wester												
Site:	20.35 acres	Square Feet	135,803	135,803	135,803	135,803	135,803	135,803	135,803	135,803	135,803	135,803
Opened:	2002	Enrollment	782	842	802	801	766	809	829	879	902	877
Griffin												
Site:	31.43 acres	Square Feet	138,428	138,428	138,428	138,428	138,428	138,428	138,428	138,428	138,428	138,428
Opened:	2004	Enrollment	651	938	1,132	854	977	526	598	672	705	855
Roach												
Site:	20.21 acres	Square Feet	138,651	138,651	138,651	138,651	138,651	138,651	138,651	138,651	138,651	138,428
Opened:	2005	Enrollment	558	848	1,118	799	902	619	691	784	865	855
Fowler												
Site:	20.47 acres	Square Feet	NA	NA	138,650	138,650	138,650	138,650	138,650	138,650	138,650	138,651
Opened:	2006	Enrollment	NA	NA	713	851	971	1,076	1,172	859	890	939
Scoggins												
Site:	21.47 acres	Square Feet	NA	NA	NA	142,108	142,108	142,108	142,108	142,108	142,108	142,108
Opened:	2008	Enrollment	NA	NA	NA	550	711	820	853	586	683	805
Stafford												
Site:	21.40 acres	Square Feet	NA	NA	NA	142,108	142,108	142,108	142,108	142,108	142,108	142,108
Opened:	2008	Enrollment	NA	NA	NA	620	678	689	793	928	1,029	1,134
Cobb												
Site:	21.65 acres	Square Feet	NA	NA	NA	NA	NA	143,160	143,160	143,160	143,160	143,160
Opened:	2010	Enrollment	NA	NA	NA	NA	NA	643	756	817	911	906
Maus												
Site:	25.00 acres	Square Feet	NA	NA	NA	NA	NA	143,160	143,160	143,160	143,160	143,160
Opened:	2010	Enrollment	NA	NA	NA	NA	NA	491	604	723	831	907
Hunt												
Site:	32.44 acres	Square Feet	NA	NA	NA	NA	NA	143,160	143,160	143,160	143,160	143,160
Opened:	2010	Enrollment	NA	NA	NA	NA	NA	573	625	698	738	797
Vandeventer												
Site:	acres	Square Feet	NA	NA	NA	NA	NA	NA	NA	143,160	143,160	143,160
Opened:	2012	Enrollment	NA	NA	NA	NA	NA	NA	NA	782	891	1,056

Source: Frisco ISD real proptert inventory and demographic records.

FRISCO INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION (ELEMENTARY SCHOOLS)
LAST TEN FISCAL YEARS
(Unaudited)

Elementary Schools: (Grades K-5)			2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Rogers												
Site:	9.81 acres	Square Feet	64,586	64,586	64,586	64,586	64,586	64,586	64,586	64,586	64,586	64,586
Opened:	1987	Enrollment	627	651	635	654	665	673	662	622	610	557
Curtsinger												
Site:	15.22 acres	Square Feet	76,762	76,762	76,762	76,762	76,762	76,762	76,762	76,762	76,762	76,762
Opened:	1995	Enrollment	759	751	729	707	691	672	642	660	813	661
Smith												
Site:	Shared	Square Feet	73,922	73,922	73,922	73,922	73,922	73,922	73,922	73,922	73,922	73,922
Opened:	1997	Enrollment	741	448	792	801	811	778	721	694	646	617
Anderson												
Site:	7.99 acres	Square Feet	74,010	74,010	74,010	74,010	74,010	74,010	74,010	74,010	74,010	74,010
Opened:	1999	Enrollment	826	613	635	619	654	651	717	688	656	710
Christie												
Site:	8.83 acres	Square Feet	74,010	74,010	74,010	74,010	74,010	74,010	74,010	74,010	74,010	74,010
Opened:	1999	Enrollment	652	659	720	667	702	735	730	700	707	640
Shawnee												
Site:	9.51 acres	Square Feet	74,977	74,977	74,977	74,977	74,977	74,977	74,977	74,977	74,977	74,977
Opened:	2000	Enrollment	692	772	564	573	609	681	655	614	639	583
Borchardt												
Site:	8.31 acres	Square Feet	71,806	71,806	71,806	71,806	71,806	71,806	71,806	71,806	71,806	71,806
Opened:	2001	Enrollment	583	551	580	668	660	637	633	662	725	725
Bright												
Site:	10.36 acres	Square Feet	74,591	74,591	74,591	74,591	74,591	74,591	74,591	74,591	74,591	74,591
Opened:	2001	Enrollment	516	551	540	548	509	549	535	536	541	558
Fisher												
Site:	10.00 acres	Square Feet	73,327	73,327	73,327	73,327	73,327	73,327	73,327	73,327	73,327	73,327
Opened:	2001	Enrollment	639	578	613	661	711	704	708	658	660	664
Sparks												
Site:	8.00 acres	Square Feet	72,399	72,399	72,399	72,399	72,399	72,399	72,399	72,399	72,399	72,399
Opened:	2002	Enrollment	639	578	613	661	711	704	708	658	689	710
Spears												
Site:	9.76 acres	Square Feet	71,755	71,755	71,755	71,755	71,755	71,755	71,755	71,755	71,755	71,755
Opened:	2002	Enrollment	953	646	706	770	636	708	732	716	741	780
Gunstream												
Site:	8.67 acres	Square Feet	71,755	71,755	71,755	71,755	71,755	71,755	71,755	71,755	71,755	71,755
Opened:	2002	Enrollment	501	502	644	680	687	710	695	705	709	708
Riddle												
Site:	9.38 acres	Square Feet	73,572	73,572	73,572	73,572	73,572	73,572	73,572	73,572	73,572	73,572
Opened:	2003	Enrollment	462	539	588	636	656	743	814	756	772	761
Boals												
Site:	8.08 acres	Square Feet	75,736	75,736	75,736	75,736	75,736	75,736	75,736	75,736	75,736	75,736
Opened:	2003	Enrollment	848	849	651	731	736	784	810	643	679	715
Isbell												
Site:	12.00 acres	Square Feet	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904
Opened:	2004	Enrollment	671	630	670	709	740	764	782	765	737	684
Pink												
Site:	Shared	Square Feet	75,326	75,326	75,326	75,326	75,326	75,326	75,326	75,326	75,326	75,326
Opened:	2005	Enrollment	526	756	576	689	806	635	735	710	719	586
Ashley												
Site:	9.15 acres	Square Feet	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904
Opened:	2005	Enrollment	860	753	601	631	763	570	687	754	850	828
Bledsoe												
Site:	8.00 acres	Square Feet	75,326	75,326	75,326	75,326	75,326	75,326	75,326	75,326	75,326	75,326
Opened:	2005	Enrollment	437	585	685	791	606	721	789	705	845	700

EXHIBIT S-19 (Con't)

FRISCO INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION (ELEMENTARY SCHOOLS)
LAST TEN FISCAL YEARS
(Unaudited)

Elementary Schools: (Grades K-5)				2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Taylor													
Site:	10.70 acres	Square Feet	NA		75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904
Opened:	2006	Enrollment	NA		371	492	543	554	565	561	615	674	678
Corbell													
Site:	9.00 acres	Square Feet	NA		75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904
Opened:	2006	Enrollment	NA		568	661	712	775	589	616	608	675	712
Ogle													
Site:	10.00 acres	Square Feet	NA		75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904
Opened:	2006	Enrollment	NA		611	782	519	554	607	643	604	684	647
Sem													
Site:	acres	Square Feet	NA		75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904
Opened:	2006	Enrollment	NA		503	687	470	426	464	517	514	679	651
Carroll													
Site:	12.03 acres	Square Feet	NA		NA	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902
Opened:	2007	Enrollment	NA		NA	416	543	629	704	730	713	729	520
Mooneyham													
Site:	10.55 acres	Square Feet	NA		NA	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902
Opened:	2007	Enrollment	NA		NA	526	668	712	627	735	792	810	807
Robertson													
Site:	7.69 acres	Square Feet	NA		NA	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902
Opened:	2007	Enrollment	NA		NA	563	726	795	721	854	736	810	780
Elliott													
Site:	9.12 acres	Square Feet	NA		NA	NA	75,902	75,902	75,902	75,902	75,902	75,902	75,902
Opened:	2008	Enrollment	NA		NA	NA	579	682	780	829	506	553	553
Tadlock													
Site:	8.18 acres	Square Feet	NA		NA	NA	77,184	77,184	77,184	77,184	77,184	77,184	77,184
Opened:	2008	Enrollment	NA		NA	NA	430	462	533	617	685	783	723
Allen													
Site:	9.78 acres	Square Feet	NA		NA	NA	NA	83,960	83,960	83,960	83,960	83,960	83,960
Opened:	2009	Enrollment	NA		NA	NA	NA	617	683	748	614	654	630
Purefoy													
Site:	8.75 acres	Square Feet	NA		NA	NA	NA	NA	79,844	79,844	79,844	79,844	79,844
Opened:	2010	Enrollment	NA		NA	NA	NA	NA	625	683	713	703	690
Sonntag													
Site:	9.38 acres	Square Feet	NA		NA	NA	NA	NA	77,184	77,184	77,184	77,184	77,184
Opened:	2010	Enrollment	NA		NA	NA	NA	NA	511	586	668	814	696
Comstock													
Site:	15.09 acres	Square Feet	NA		NA	NA	NA	NA	NA	NA	79,844	79,844	79,844
Opened:	2012	Enrollment	NA		NA	NA	NA	NA	NA	NA	442	533	640
Nichols													
Site:	10.95 acres	Square Feet	NA		NA	NA	NA	NA	NA	NA	83,332	83,332	83,332
Opened:	2012	Enrollment	NA		NA	NA	NA	NA	NA	NA	619	717	677
Phillips													
Site:	12.52 acres	Square Feet	NA		NA	NA	NA	NA	NA	NA	79,844	79,844	79,844
Opened:	2012	Enrollment	NA		NA	NA	NA	NA	NA	NA	570	804	758
Newman													
Site:	9.43	Square Feet	NA		NA	NA	NA	NA	NA	NA	NA	NA	82,530
Opened:	2014	Enrollment	NA		NA	NA	NA	NA	NA	NA	NA	NA	650
Scott													
Site:	8.56	Square Feet	NA		NA	NA	NA	NA	NA	NA	NA	NA	82,530
Opened:	2014	Enrollment	NA		NA	NA	NA	NA	NA	NA	NA	NA	618
McSpedden													
Site:	17.99	Square Feet	NA		NA	NA	NA	NA	NA	NA	NA	NA	81,118
Opened:	2014	Enrollment	NA		NA	NA	NA	NA	NA	NA	NA	NA	587
Hosp													
Site:	9.05	Square Feet	NA		NA	NA	NA	NA	NA	NA	NA	NA	81,118
Opened:	2014	Enrollment	NA		NA	NA	NA	NA	NA	NA	NA	NA	471

Frisco ISD real property inventory and demographic records.



FRISCO
INDEPENDENT SCHOOL DISTRICT

FEDERAL AWARDS SECTION



FRISCO
INDEPENDENT SCHOOL DISTRICT

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

Board of Trustees
Frisco Independent School District
5515 Ohio Drive
Frisco, Texas 75035

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Frisco Independent School District (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 3, 2015.

Internal Control over Financial Reporting

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

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

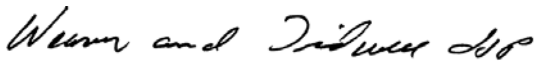
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script, likely reading "Weaver and Tidwell LLP".

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
November 3, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Trustees
Frisco Independent School District
5515 Ohio Drive
Frisco, Texas 75035

Report on Compliance for Each Major Federal Program

We have audited Frisco Independent School District's (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

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

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

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

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



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
November 3, 2015

EXHIBIT K-1

**FRISCO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF EDUCATION			
<u>Direct Programs</u>			
Impact Aid - P.L. 81.874	84.041		\$ 15,417
Total Direct Programs			15,417
<u>Passed Through Region X ESC</u>			
ESEA Title I Part A - Improving Basic Programs	84.010A	15610101057950	1,399,167
Title III Part A - English Language Acquisition	84.365A	15671001057950	233,916
ESEA Title II Part A - Teacher/Principal Training	84.367A	15694501057950	96,904
Total Passed Through Region X ESC			1,729,987
<u>Passed Through State Department of Education</u>			
IDEA - Part B, Formula	84.027	15660012043905	4,421,576
IDEA - Part B, Discretionary	84.027	15660012043905	145,719
IDEA - Part B, Preschool	84.173	15661001043905	25,661
Total Special Education Cluster			4,592,956
Career and Technical - Basic Grant	84.048	15420006043905	223,154
Summer School - LEP	84.369A	6969551402	15,820
Total Passed Through State Department of Education			4,831,930
TOTAL U.S. DEPARTMENT OF EDUCATION			6,577,334
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through State Department of Education</u>			
Head Start	93.600	06CH7092	87,136
Total Passed Through State Department of Education			87,136
<u>Passed Through State Health and Human Services Commission</u>			
Medicaid Administrative Claiming	93.778		28,274
Total Passed Through State Health and Human Services Commission			28,274
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			115,410
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through Texas Department of Human Services</u>			
*Donated Commodities	10.555		755,902
Total Passed Through Texas Department of Human Services			755,902
<u>Passed Through State Department of Agriculture</u>			
*National School Breakfast & Lunch Program	10.555		3,694,401
Total Passed Through State Department of Agriculture			3,694,401
TOTAL U.S. DEPARTMENT OF AGRICULTURE			4,450,303
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 11,143,047

*Child Nutrition Cluster

Note: School Health and Related Services reimbursements of \$1,289,448 are recorded as federal program revenue in the general fund, but are not considered awards for the purpose of this schedule.

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

1. The District utilizes the fund types specified in the Texas Education Agency Financial Accountability System Resource Guide.

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

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund which is a Governmental Fund type. With this measurement focus, only current assets, current liabilities, and fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable.

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

3. The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustments by the grantor agencies; therefore, to the extent that the District has not complied with rules and regulations governing the grants, refund of any money received may be required and the collectability of any related receivable at June 30, 2015 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

**FRISCO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

I. Summary of the Auditor's Results:

Financial Statements

- a. An unmodified opinion was issued on the financial statements.
- b. Internal control over financial reporting:
- Material weakness(es) identified? ☐ Yes ☒ No
 - Significant deficiency(ies) identified that are not considered a material weakness? ☐ Yes ☒ None reported
- c. Noncompliance material to financial statements noted. ☐ Yes ☒ No

Major Programs

- d. Internal control over major programs:
- Material weakness(es) identified? ☐ Yes ☒ No
 - Significant deficiency(ies) identified that are not considered a material weakness? ☐ Yes ☒ None reported
- e. An unmodified opinion was issued on compliance for major programs.
- f. Any audit findings disclosed that were required to be reported under Section 510(a) of OMB Circular A-133. ☐ Yes ☒ No
- g. Identification of major programs:
- | | |
|---------------------------|----------------|
| Special Education Cluster | 84.027, 84.173 |
|---------------------------|----------------|
- h. The dollar threshold used to distinguish between Type A and Type B programs. \$334,291
- i. Auditee qualified as a low-risk auditee. ☒ Yes ☐ No

**FRISCO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

II. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with *Generally Accepted Government Auditing Standards*.

None

III. Findings and Questioned Costs for Federal Awards Including Audit Findings as Described in 1.f Above

None

**FRISCO INDEPENDENT SCHOOL DISTRICT
SUMMARY OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2015**

**IV. Findings Relating to the Financial Statements Which Are Required To Be Reported in
Accordance with *Generally Accepted Government Auditing Standards*.**

None



FRISCO
INDEPENDENT SCHOOL DISTRICT