

Frisco Independent School District

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Frisco Independent School District
5515 Ohio Drive
Frisco, Texas 75035

Fiscal Year Ended
June 30, 2019

Prepared by:
Finance Department

The Frisco ISD Finance Department is proud to showcase the artwork of eleven Frisco ISD students whose work was honored at the 2019 State High School Visual and Scholastic Arts Event (VASE). Student artwork is featured on the cover as well as throughout the publication.

Cover art:
My Confidence Empowered
by Sariah Ferguson
Independence High School
Teacher: Leonard Buscemi

**FRISCO INDEPENDENT SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019**

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INTRODUCTORY SECTION
(UNAUDITED)

CERTIFICATE OF THE BOARD

Frisco Independent School District
Name of School District

Collin
County

043-905
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, 2019, at a meeting of the Board of Trustees of such school district on the 11th day of NOVEMBER, 2019.

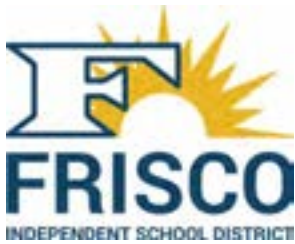


Signature of Board President



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
www.friscoisd.org

November 11, 2019

To the Citizens of the Frisco Independent School District:

The Comprehensive Annual Financial Report (CAFR) of the Frisco Independent School District ("FISD" or the "District") for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds of FISD. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. The District discusses its financial position in greater detail in the Management's Discussion and Analysis (MD&A) in the Financial Section of this report.

State law and District policy require an annual audit by independent certified public accountants. The financial statements for the fiscal year ended June 30, 2019, have been audited by Weaver and Tidwell, L.L.P., a licensed certified public accounting firm, and their report is presented as the first component of the Financial Section of this report.

The independent audit of the financial statements is part of a broader, federally mandated single audit designed to meet the special needs of federal grantor agencies. Information related to the single audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and the independent auditor's reports on internal control, compliance, and other matters are included in the Federal Awards Section of this 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 twelfth grade. The District is located in Collin County, in north central Texas (Dallas/Fort 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 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. The District has grown by over 78% in the past decade, from 33,757 students in 2009/2010 to 60,182 students in 2018/2019. The District is projected to have more than 62,000 students by the fall of 2019. A schedule listing the last ten years enrollment can be found in the Statistical Section of this report.

The District has 42 elementary schools, 17 middle schools, 10 high schools and 3 special program centers. Two additional high schools and one additional elementary school are planned to open over the next three years. The District currently employs approximately 7,048 full and part-time employees, including 4,071 teachers.

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 in 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, 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.

EDUCATION

Frisco ISD's mission is to know every student by name and need. As such, the District strives to provide a quality educational experience that is personalized to each student. Curriculum is written in-house by FISD educators to emphasize critical thinking, writing and problem solving. Rigorous lessons set high standards for achievement and challenge all learners.

In addition to core classes in English, mathematics, science and social studies, the District offers a wide variety of electives as diverse as our students themselves. Students choose from courses in broadcast journalism, animal science, aerospace engineering, 3D animation, pharmacology, sports marketing, video game design and art history, just to name a few. FISD strives to provide authentic, real-world learning experiences in which students can explore their interests and get a jumpstart on a future career. Students are encouraged to challenge themselves in a growing number of Advanced Placement (AP) and Pre-AP courses. Additionally, dual-credit opportunities are available through a partnership with Collin College. In the fall of 2018, the District began the process of implementing the International Baccalaureate Primary Years and Diploma Programmes at one elementary and one high school, respectively.

Current and emerging technology is integrated into all content areas to extend student learning and keep students engaged in the process. Special programs are provided in the District on home campuses or through centralized programming. These include Gifted and Talented, Special Education, ESL/Bilingual, Dyslexia, Head Start, Accelerated Reading/Math Instruction, Credit Recovery and GED. The District's Career and Technical Education Center offers more than 30 programs of study for high school students to explore their future, while the Student Opportunity Center provides extra support to help struggling students reach their maximum potential. A free half-day pre-kindergarten program is offered at the Early Childhood School for qualifying families, and plans to expand that program to full-day are underway.

Frisco ISD continues to raise the bar for student achievement. Test scores continue to be well above state and national averages. In 2018/2019 92% of students met the state standard on the State of Texas Assessments of Academic Readiness (STARR). Additionally, FISD students earn an average ACT score of 24.7 and an average SAT score of 1187. More than 75% of seniors take one or more college entrance exams, and approximately 90% of graduating seniors plan to continue their education at a college, university, technical school or the military following high school. Each year, graduating classes earn millions of dollars in scholarships to further their education. Other notable academic accomplishments during the 2018/2019 school year include:

- Bright Academy became the District's first school of choice as an International Baccalaureate Primary Years Programme.
- 3 District high schools were ranked in the top 10 at the National Academic Decathlon, where a Frisco ISD student scored the highest score in US Academic Decathlon history.
- Frisco ISD officially became the first public school district in the nation to become an IMSLEC accredited dyslexia therapist training center.
- 19 students scored the highest possible ACT score, and 2 scored the highest possible SAT score.
- 61 high school seniors were named National Merit Finalists.
- Pink Elementary School was recognized as a STEM Certified Campus and was named the Heart Healthy School of the Year by the American Heart Association.
- Frisco ISD was named to the 9th annual AP District Honor Roll for significant gains in student performance and access to AP courses.
- Frisco ISD was named one of the Best Communities for Music Education in the United States.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

Frisco ISD has experienced dynamic growth as a result of new commercial and housing developments throughout the City of Frisco and neighboring areas. A number of major corporations have recently moved their headquarters into the area. That corporate presence combined with ongoing mixed use developments like the "Platinum Corridor" continue to make the communities served by Frisco ISD attractive destinations for homeowners. Additionally, Money Magazine named Frisco, TX the best place to live in America in 2018, citing Frisco ISD schools as a top draw for families.

The influx of businesses and homeowners has continued to drive up the taxable values of properties within Fisd, which have increased 135% over the past decade. Values increased approximately 13.4% from fiscal year 2018 to fiscal year 2019. Approximately 19% of the District's area is still vacant land as of 2019. As the City of Frisco and the District continue build out, the District anticipates continued property value growth, but at a somewhat slower rate, for the foreseeable future.

The District's largest taxpayer comprises only 0.86% of the taxable value of the District, and the total assessed value for all of the top ten taxpayers comprises only 4.82% of the District's taxable value. As such, the loss of a single taxpayer would not have a significant effect on the District's ability to provide educational services or impact its ability to meet future financial obligations.

Capital Projects

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 is with the PGA of America, which will provide Fisd students with golf practice and tournament facilities as well as a number of new internship and mentorship opportunities for students in career fields related to the operations of the PGA and Omni Hotel and Resorts, such as sports management, marketing and culinary arts. Joint ventures such as this are paid for by tax revenue collected from a Tax Increment Reinvestment Zone comprised of commercial and multi-family residential property that was established in 1997.

In 2014, the Fisd community supported and passed a bond authorization package of \$775 million to meet the capital needs associated with the District's rapid enrollment growth. The bond package was designed to provide educational facilities for up to 66,000 students. As we near the end of that bond program, a group of citizens, staff, and students began meeting in the fall of 2017 to review Fisd's high school model and long-term plans for continued growth. That committee ultimately recommended a \$691 million bond program, which included funds for four new schools, expansions and updates to existing facilities, additional classroom technology, and additional resources for school security, among other things. This new bond program, authorized by voters in November 2018, is projected to accommodate further growth in the District up to 72,000 students, and projects are anticipated to occur between 2019 and 2026.

Long-Term Financial Planning

Frisco ISD uses a number of financial management strategies, including multi-year financial planning, periodic analysis of peer district comparative financial data, and regular discussion with the Frisco Instructional Support Team and Board of Trustees throughout the year regarding budgetary decisions. The District has also engaged a group of more than 100 community members and staff, known as the Long-Range Planning Committee, to serve as an advisory group to Administration and the Board of Trustees. Fisd, with the input of our stakeholders, has been effective in anticipating, planning, and implementing strategies that permit it to work within the constraints of available revenues but not reduce the overall quality of its educational programs.

Projecting student enrollment growth and dealing with the limitations of the State's school funding system are two major factors affecting the District's long-term financial plans. Student enrollment has increased an average of 6% per year for the past 5 years, and the growth from 2018 to 2019 was just over 1,700 students. District management and external demographers predict additional increases of 1,000 to 1,800 new students each year for the next 5 years.

Although the District receives additional funding from the State for each new student enrolled, the methodology of the State's funding mechanism presents some significant challenges. Over the past decade, as the Texas economy has strengthened and property values state-wide have increased, the State has slowly shifted the burden of public education spending to local taxpayers. Because of the nature of the equalized formula, school districts like Fisd do not receive additional operating dollars when property values rise. When property values rise and the District collects more tax revenue, the State reduces its share of funding. In June 2019, the legislature passed House Bill 3, which will infuse additional state dollars into the school funding formula beginning in 2019/2020 and reduce school property tax rates. The bill will also allow more local property tax revenue to remain with school districts by reducing amounts due under the State's recapture program. In total, Fisd expects to generate approximately \$25 million in additional revenue annually as a result of House Bill 3.

While the most recent school finance legislation was beneficial to FISD, the District can make no representation or prediction regarding legislation that may be enacted in the future or its potential effect on funding. Long-range planning is based on current law and the Texas Education Agency's guidelines and interpretations of that law. The Texas State legislature meets every two years, and the District is in constant communication with lawmakers to ensure they understand the challenges faced by public school districts.

INTERNAL CONTROL

The Board and Administration of FISD are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. District management monitors the internal control system to determine its effectiveness and makes appropriate revisions when necessary.

Budgetary Controls

The District has established and maintains a system of budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated (official) budget as adopted by the Board of Trustees. District management is responsible for developing the budget, within the established control system, and presenting the budget to the Board for final adoption. The official budget represents the allocation of resources in the General Fund, Child Nutrition Fund, and Debt Service Fund. The level of budgetary control (i.e. the level at which expenditures cannot legally exceed the appropriated amount) is at the fund-function level as required by the Texas Education Agency. In addition, lower level organizational units' expenditures are controlled at varying combinations of the account code structure. Oversight control of all FISD expenditures is maintained by the District's Finance Department staff.

The District also utilizes an encumbrance accounting system to maintain budgetary control through a transactions' life cycle. At the end of a fiscal year, outstanding encumbrances, subject to review and approval, are rolled forward into the subsequent fiscal period, with the subsequent budget amended accordingly.

The District believes that these methods of control provide the optimum level of oversight and flexibility to meet its budgetary needs.

AWARDS

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting, and the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to FISD for its comprehensive annual financial report for the fiscal year ended June 30, 2018. 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. The GFOA award is considered 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. Both certificates are valid for a period of one year only. Management believes that this CAFR for the year ended June 30, 2019, which will be submitted for review to both associations, continues to meet the criteria of both ASBO and GFOA's certificate programs.

The state of Texas initiated the Financial Integrity Rating System of Texas (FIRST) 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 for its financial practices, management, and monitoring for each year since the inception of FIRST.

The Texas Comptroller of Public Accounts' Transparency Stars program recognizes local governments for going above and beyond in their transparency efforts. Frisco ISD is eligible to apply for Transparency Stars in the areas of traditional finances, contracts and procurement, and debt obligations. As of June 30, 2019, FISD has earned 2 of the 3 Transparency Stars for which we are eligible and is in the process of applying for the third.

ACKNOWLEDGMENTS

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. This support and effort allows the District to know every student by name and need.

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

With these acknowledgments, this report is respectfully submitted for your review.

A handwritten signature in blue ink that reads "K. Smith". The signature is fluid and cursive, with a large initial "K" and a long, sweeping underline.

Kimberly Smith, Chief Financial Officer

**FRISCO INDEPENDENT SCHOOL DISTRICT
PRINCIPAL OFFICERS AND ADVISORS**

BOARD OF TRUSTEES

<u>NAME</u>	<u>TERM EXPIRES</u>	<u>LENGTH OF SERVICE</u>	<u>OCCUPATION</u>
Chad Rudy, President	2022	4 years	Certified Financial Planner™, Retirement Investment Advisors, Inc.
John Classe, Vice President	2021	5 years	Certified Financial Planner™, Bell Financial Group
Debbie Gillespie, Secretary	2020	8 years	Community and school volunteer
Gopal Ponangi	2022	<1 year	Senior Manager, Tata Consultancy Services, Dallas
Natalie Hebert	2022	<1 year	Certified Texas Teacher and community and school volunteer
Anne McCausland	2020	8 years	Community and school volunteer
Rene Archambault	2021	1 year	Deputy Director, Southern Methodist University - Guildhall

APPOINTED OFFICIALS

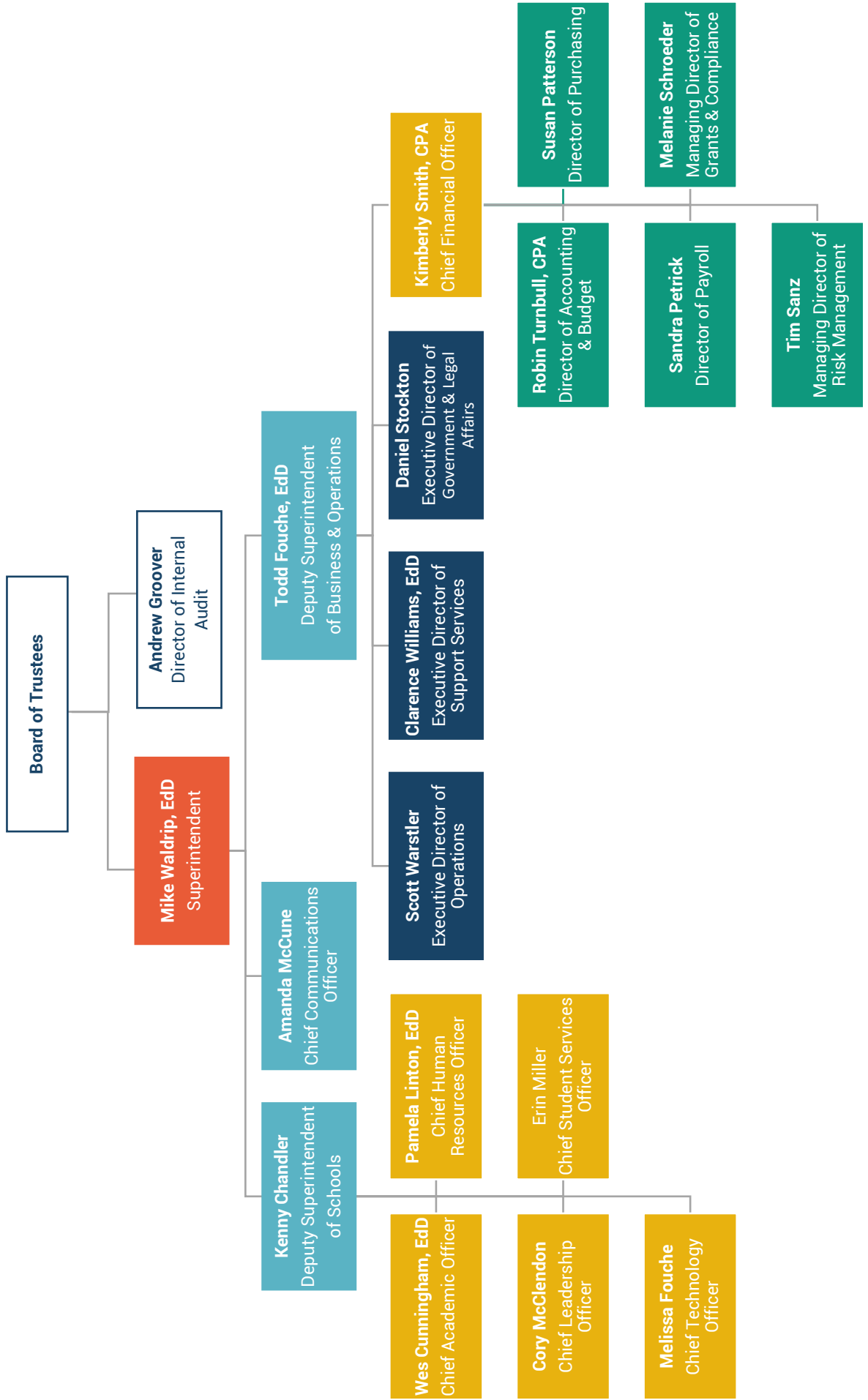
<u>NAME</u>	<u>POSITION</u>	<u>LENGTH OF EDUCATION SERVICE</u>
Dr. Mike Waldrip	Superintendent	37 years
Dr. Todd Fouche	Deputy Superintendent of Business and Operations	16 years
Kenny Chandler	Deputy Superintendent of Schools	35 years
Dr. Wes Cunningham	Chief Academic Officer	26 years
Amanda McCune	Chief Communications Officer	3 years
Kimberly Smith	Chief Financial Officer	8 years
Dr. Pamela Linton	Chief Human Resources Officer	29 years
Cory McClendon	Chief Leadership Officer	20 years
Erin Miller	Chief Student Services Officer	23 years
Melissa Fouche	Chief Technology Officer	25 years

CONSULTANTS AND ADVISORS

Weaver and Tidwell, L.L.P. Independent Auditors	Law Offices of Robert E. Luna, P.G. Attorneys
SAMCO Capital Markets, Inc. Financial Advisors	Abernathy, Roeder, Boyd, & Hullett, P.C. Attorneys
McCall, Parkhurst & Horton, L.L.P. Bond Counsel	First Southwest Asset Management Investment Advisors

Frisco Independent School District

Administration and Finance 2019/2020





ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Frisco Independent School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, appearing to read 'Tom Wohlleber'.

Tom Wohlleber, CSR
President

A handwritten signature in black ink, appearing to read 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operating Officer



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, 2018

Christopher P. Morill

Executive Director/CEO



Woman In Dress Playing Violin
2019 State VASE Medalist

JESSICA NGUYEN

Centennial High School
Teacher: Ashley Ham

FINANCIAL SECTION



Painting- Overlaid Canvases

2019 State VASE Medalist

LAURALEE FISH

Heritage High School

Teacher: Carolyn Funk

Independent Auditor's Report

To the Board of Trustees of
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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

The Board of Trustees of
Frisco Independent School District

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, schedules of the District's proportionate share of the net pension liability and the net OPEB liability, and schedules of District pension and OPEB contributions on pages 4 through 14, and 45 through 50, 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 schedule 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 the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The combining and individual fund statements and schedules, required Texas Education Agency schedule, 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, required Texas Education Agency schedule, 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.

The Board of Trustees of
Frisco Independent School District

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
November 8, 2019



A Day Captured

2019 State VASE Gold Seal Winner

ANANYA MAHESH

Independence High School

Teacher: Leonard Buscemi

**FRISCO INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

As management of the Frisco Independent School District (the "District"), we offer the readers of these financial statements this narrative overview and analysis of the District's financial performance for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found on pages ii-vi of this report, as well as the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's maintenance & operations tax rate increased by \$0.13 this year, while the interest & sinking tax rate was reduced by \$0.15, for a total property tax rate decrease of \$0.02. Despite the overall decrease, rising property values provided the District with more tax revenue than the prior year.
- Additional tax revenue caused the District's net position to increase by \$12.7 million over the prior year, resulting in a year-end deficit net position of (\$407,656,757). Of the total net position, (\$363,992,174) represents the District's net investment in capital assets. Frisco ISD is fast growing and the majority of our school buildings are relatively new – with 17 new schools built in the past 5 years – so we have more debt outstanding than capital assets. As building needs slow and debt is repaid, the net investment in capital assets will shift from negative to positive.
- The General Fund, which is the District's main operating fund, recognized a \$43.8 million surplus for the year, which was largely attributable to tax revenue generated from the \$0.13 increase in the maintenance & operations tax rate. Further details are described on pages 10-11 of Management's Discussion and Analysis. We ended the year with an unassigned fund balance of \$169,214,689, which represents 30% of the 2019/2020 adopted budget.
- When combined, the total fund balance for all of the District's funds increased \$164.3 million from the prior year due mainly to the General Fund surplus and the issuance of new construction bonds in the Capital Projects Fund. We ended the year with a total combined governmental fund balance of \$541,575,794.
- The District issued \$265,390,000 of school building and refunding bonds during the year. \$134,880,000 was issued for new construction, and the remainder was used to refund \$144,365,000 of bonds from 2009 at an interest cost savings of over \$43 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's financial statements, which are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the 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, with a 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 governmental 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 benefits of those outside of the District.

Figure A-1 on the next page summarizes the major features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain.

(Continued)

Figure A-1. Major Features of the District’s Government-Wide and Fund Financial Statements

Type of Statement	Government-Wide	Governmental Funds	Fiduciary Funds
Scope	All activities of the District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary	Activities for which the District is the trustee or agent for another entity’s resources
Required financial statements	Statement of Net Position Statement of Activities	Balance sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Fiduciary Assets and Liabilities
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual basis of accounting, no measurement focus (custodial in nature)
Type of period-end information reported	All assets, liabilities, and deferred inflows/outflows, both financial and capital, short-term and long-term	Only assets, liabilities, and deferred inflows/outflows expected to be used or due during the year or soon thereafter; no capital or long-term items are included	All assets, liabilities, and deferred inflows/outflows, both financial and capital, short-term and long-term; the Agency Funds do not currently contain capital assets, although they can
Type of activities reported	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and payment is due during the year or soon thereafter	None (custodial in nature)

Government-Wide Financial Statements

Government-wide financial statements are designed to provide readers with a broad overview of the District’s finances in a manner similar to private-sector business. All of the District’s services are reported in the government-wide financial statements, including but not limited to instruction, student support services, student transportation, general administration, school leadership, facilities acquisition and construction, food services, and capital and debt financing. Property taxes and state and federal aid finance most of these activities.

The *Statement of Net Position* presents information on all of the District’s assets, liabilities, and deferred inflows/outflows of resources, with the net of these amounts reported as net position. Net position serves as an indicator of the District’s overall financial position.

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

The government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). All of the activities of the District are considered *governmental activities*.

The government-wide financial statements can be found on pages 15-16 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants while others are established by the Board of Trustees for various purposes. The fund financial statements provide more detailed information about the District's most significant funds rather than the District as a whole.

All of the District's funds can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on (1) the flow of cash and other current financial assets and (2) the balance of spendable resources available at the end of the fiscal year. Such information provides a detailed, short-term view of the current financial resources available to finance the District's programs.

Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. We provide reconciliations of the fund financial statements to the government-wide financial statements in Exhibits C-1R and C-2R to facilitate the comparison.

The District maintains a number of governmental funds, three of which – The General Fund, Debt Service Fund, and Capital Projects Fund – are considered major funds and are reported separately on the governmental funds *Balance Sheet* and *Statement of Revenues, Expenditures, and Changes in Fund Balances*. The remaining governmental funds of the District are reported together as non-major governmental funds.

Governmental fund financial statements can be found on pages 17 and 19 of this report.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the District. The District acts in a trustee capacity and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. However, these funds are not reported in the government-wide financial statements because their resources are not available to support the District's operations.

The *Statement of Fiduciary Assets and Liabilities* reports all of the District's fiduciary activities and can be found on page 21 of this report.

Notes to the Financial Statements

The notes to the financial statements provide narrative explanations or additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-44 of this report.

Other Information

The combining statements for non-major funds contain additional information about the District's individual funds. This information may be found in Exhibits G-2 and G-3.

The Federal Awards Section contains 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.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's overall financial position. At June 30, 2019, the District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$407.7 million.

Table A-2. The District's Net Position

	June 30, 2019	June 30, 2018	Increases / (Decreases)
Assets:			
Current and other assets	\$ 633,809,037	\$ 464,568,365	\$ 169,240,672
Capital assets	1,610,279,610	1,646,063,286	(35,783,676)
Total Assets	2,244,088,647	2,110,631,651	133,456,996
Deferred outflows of resources	140,217,544	73,020,197	67,197,347
Total Assets and Deferred Outflows	\$ 2,384,306,191	\$ 2,183,651,848	\$ 200,654,343
Liabilities:			
Current liabilities	\$ 169,339,665	\$ 161,253,125	\$ 8,086,540
Long-term liabilities	2,542,903,604	2,345,888,790	197,014,814
Total Liabilities	2,712,243,269	2,507,141,915	205,101,354
Deferred inflows of resources	79,719,679	96,829,185	(17,109,506)
Net Position:			
Net investment in capital assets	(363,992,174)	(346,371,603)	(17,620,571)
Restricted	117,272,373	116,657,999	614,374
Unrestricted	(160,936,956)	(190,605,648)	29,668,692
Total Net Position	(407,656,757)	(420,319,252)	12,662,495
Total Liabilities, Deferred Inflows and Net Position	\$ 2,384,306,191	\$ 2,183,651,848	\$ 200,654,343

The largest portion of the District's net position is its net investment in capital assets (e.g. land, buildings, furniture and equipment), net of any related outstanding debt that was used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay that debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities. Although the District maintains an aggressive debt repayment schedule (paying off at least 30% of principal every ten years on thirty-year bonds), the majority of the District's capital assets are less than 20 years old, so total debt still outweighs the value of total capital assets, making that investment negative.

An additional portion of the District's net position, \$117.3 million, represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted net position may be used to meet the District's ongoing obligations.

The District's net position increased by \$12,662,495 from June 30, 2018 to June 30, 2019 due mainly to rising property values. Although the District's property tax rate decreased by \$0.02 from the prior year, rising values resulted in higher property tax revenue than the prior year.

The total cost of all governmental activities for the fiscal year ended June 30, 2019 was \$757,810,772. Approximately \$89.9 million of those costs were funded by program revenues directly attributable to specific activities. The remaining costs were funded primarily by property taxes and state revenue, which are not attributable to specific programs.

(Continued)

The following Table A-3 illustrates the changes in net position over the most recent fiscal year. This information can also be found on the government-wide *Statement of Activities* (Exhibit B-1).

Table A-3. Schedule of Changes in the District's Net Position

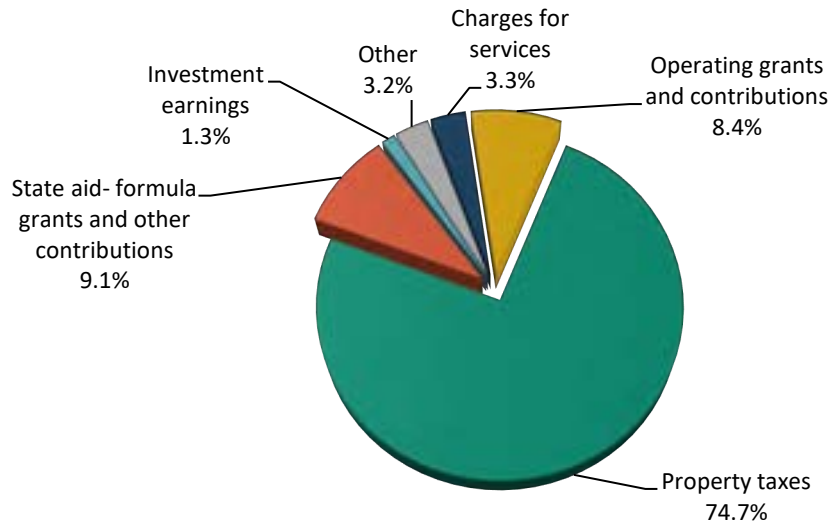
	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018	Increases / (Decreases)
Revenues:			
Program Revenues:			
Charges for services	\$ 25,252,407	\$ 24,662,605	\$ 589,802
Operating grants and contributions	64,655,694	(58,806,085)	123,461,779
General Revenues:			
Property taxes	575,696,278	518,032,492	57,663,786
State aid- formula grants and other contributions	70,549,059	101,172,062	(30,623,003)
Investment earnings	9,862,834	5,260,009	4,602,825
Other	24,456,995	23,075,918	1,381,077
Total Revenues	770,473,267	613,397,001	157,076,266
Expenses:			
Instruction	385,220,355	227,342,595	157,877,760
Instructional resources and media services	8,849,546	6,373,309	2,476,237
Curriculum and instructional staff development	11,026,050	6,858,766	4,167,284
Instructional leadership	8,153,468	4,615,947	3,537,521
School leadership	37,705,167	23,791,263	13,913,904
Guidance, counseling and evaluation services	22,074,050	11,811,319	10,262,731
Social work services	206,324	119,107	87,217
Health services	6,590,798	3,702,581	2,888,217
Student transportation	15,649,573	10,690,822	4,958,751
Food services	26,438,963	21,130,662	5,308,301
Extracurricular activities	23,276,818	17,052,390	6,224,428
General administration	12,707,266	8,358,009	4,349,257
Facilities maintenance and operations	54,392,409	47,446,326	6,946,083
Security and monitoring services	4,399,063	3,293,454	1,105,609
Data processing services	11,961,523	9,372,444	2,589,079
Community services	2,072,276	1,452,458	619,818
Debt service - interest on long-term debt	82,228,452	77,551,045	4,677,407
Debt service - bond issuance costs and fees	2,143,297	691,035	1,452,262
Contracted instructional services between schools	14,017,478		14,017,478
Payments to juvenile justice alternative education programs	35,666	30,118	5,548
Payments to tax increment fund	25,169,882	25,397,908	(228,026)
Other intergovernmental charges	3,492,348	3,040,455	451,893
Total Expenses	757,810,772	510,122,013	247,688,759
Change in Net Position	12,662,495	103,274,988	(90,612,493)
Beginning Net Position, as previously reported	(420,319,252)	(246,372,324)	(173,946,928)
Cumulative effect of change in accounting principles		(277,221,916)	277,221,916
Ending Net Position	\$ (407,656,757)	\$ (420,319,252)	\$ 12,662,495

During the previous fiscal year, changes to the District's proportionate share of the State's Net OPEB Liability resulted in approximately \$157.9 million of negative expenses, which accounts for the majority of the significant increase in expenses from fiscal year 2018 to 2019. The remaining increase in expenses can be attributable to enrollment growth and payments to the state's recapture program.

(Continued)

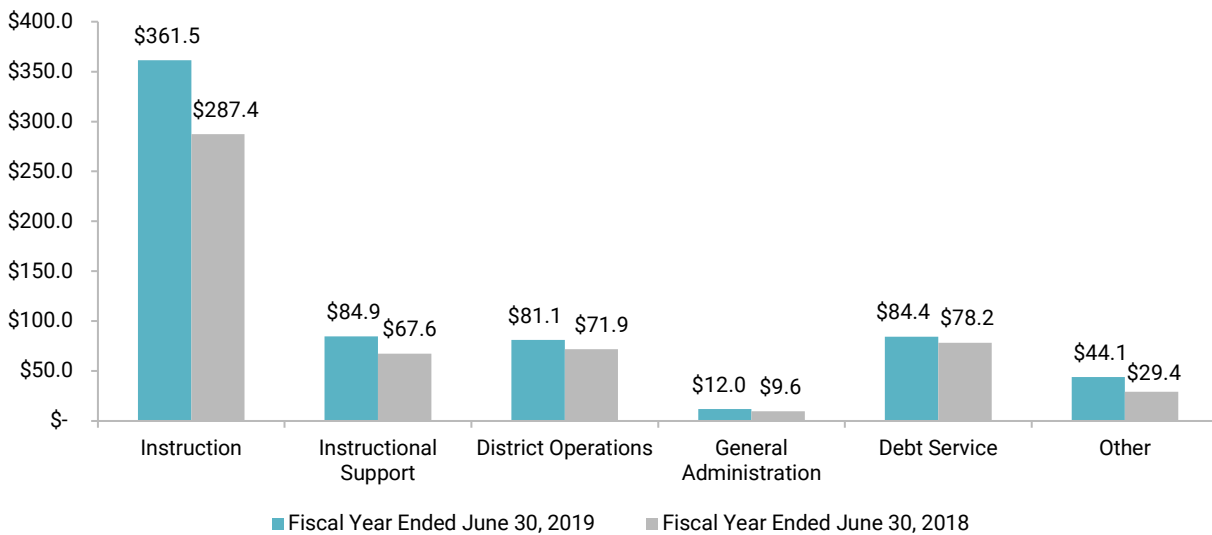
The following Figure A-4 illustrates the District's sources of revenue for the 2018/2019 fiscal year. General revenues provide 88.3% of the funding available to cover the District's annual expenses. The remaining 11.7% of revenues come from operating grants or charges for services specifically attributable to District programs.

Figure A-4. Sources of Revenue for the Fiscal Year Ended June 30, 2019



The following Figure A-5 depicts the change in net cost of services (total cost less program revenue and intergovernmental aid) for the District's major functions for the fiscal years ended June 30, 2019, and June 30, 2018. The net cost reflects the portion funded by local tax dollars, state aid and other miscellaneous general revenues.

Figure A-5. Net Cost of the District's Major Functions (in millions of dollars)



FUND LEVEL FINANCIAL ANALYSIS

As explained earlier, the District uses fund accounting to demonstrate compliance with finance-related legal requirements and to provide a more detailed account of specific District programs and activities.

The focus of the District’s governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District’s net resources available for discretionary use, since this is the portion of fund balance that has not yet been limited to a particular purpose.

At June 30, 2019, the District’s total combined fund balances for governmental funds were \$541,575,794, which represents an increase of \$164.3 million from June 30, 2018. Approximately 31.2%, or \$169,214,689, of the total combined fund balances is unassigned and available for spending at the District’s discretion. The remainder of the fund balances is either nonspendable, restricted, committed or assigned for specific purposes:

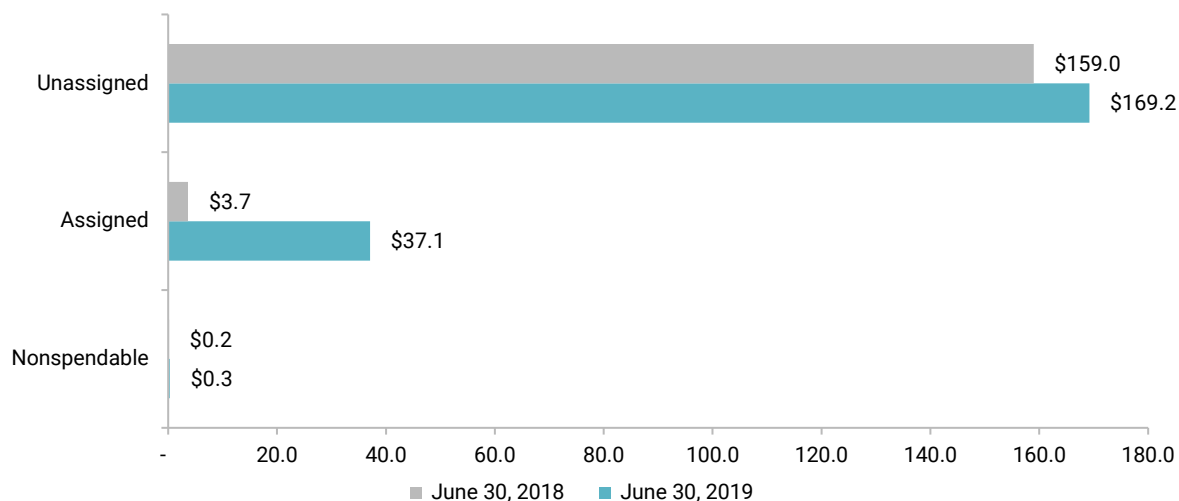
- *Nonspendable* balances of \$375,205 are not in spendable form because they relate to prepaid expenditures.
- *Restricted* balances of \$319,200,288 are either legally required to remain intact or are restricted for particular purposes by a third party.
- *Committed* balances of \$2,691,345 have been committed by the District’s Board of Trustees to service programs funded by local grants, awards or contributions.
- *Assigned* balances of \$50,094,267 have been tentatively earmarked by management for a particular program or purpose.

Further details of each type of fund balance can be found within note 1 on pages 25-26 of this report.

General Fund

Figure A-6 below depicts the breakdown of fund balances in the General Fund, the District’s main operating fund, as of June 30, 2019 and 2018.

Figure A-6. Components of Fund Balance – General Fund (in millions of dollars)



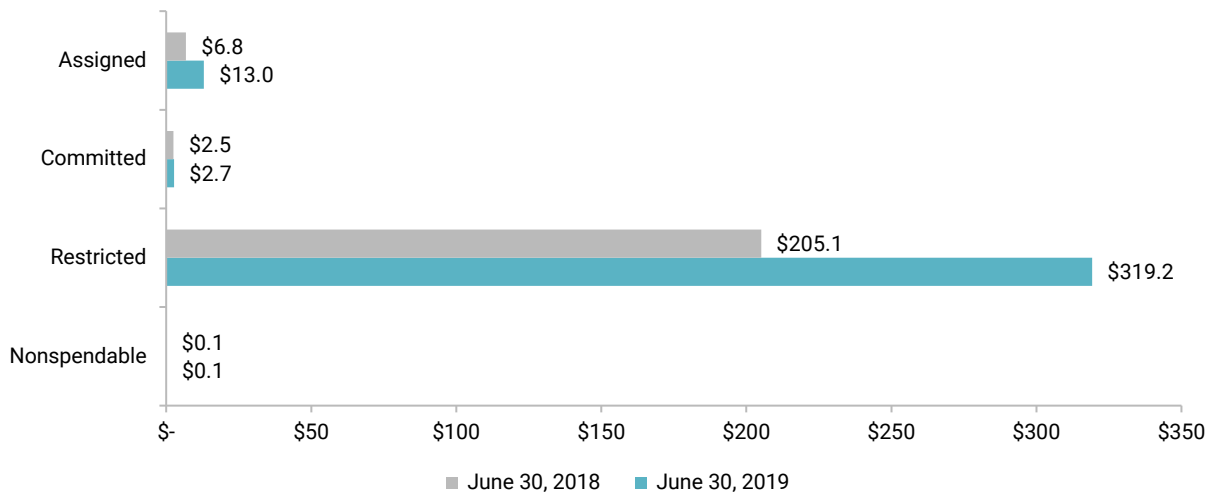
It is useful to compare unassigned fund balance to total expenditures in the General Fund as a measure of liquidity – to determine the portion of annual operating costs that could be funded without cash inflows. Due to the timing of cash inflows from the state and the property tax collection calendar, the District is cash flow negative for the first 4 to 5 months of each fiscal year. Common practice among Texas school districts is to strive to maintain an unassigned fund balance equal to at least 20% of expenditures to help accommodate the period of negative cash flow. Because of our fast growth and the necessity to increase expenditures proportionally for enrollment growth each year, Frisco ISD strives to maintain at least 25% of expenditures in unassigned fund balance. The June 30, 2019 unassigned fund balance represents 30% of the subsequent fiscal year’s adopted budget.

The General Fund recognized an increase in total fund balance of \$53,720,142 over the previous year before transfers. An increase in the maintenance and operations tax rate of \$0.13 resulted in approximately \$54 million more revenue than was originally budgeted for the 2019 fiscal year. \$30 million of that surplus tax revenue was set aside, and fund balance was assigned, to pay for future retention incentives and classroom supply stipends, which will be built into the District’s compensation plans over the next five years. Additionally, \$10 million was transferred out of the General Fund to the Capital Projects Fund to pay for capital expenditures that were not planned for as part of the bond program, leaving the General Fund with a net increase to fund balance of \$43,799,775.

Other Governmental Funds

The District’s combined total fund balance increased by \$164.3 million from June 30, 2018, to June 30, 2019. \$43.8 million related to the General Fund, which was explained above. The remaining increase was mainly attributable to the Capital Projects Fund as a result of cash received from debt issued during the year in excess of construction expenditures. The components of fund balance in the District’s other governmental funds for the 2018 and 2019 fiscal years are illustrated in Figure A-7 below.

Figure A-7. Components of Fund Balance – Other Governmental Funds (in millions of dollars)



Changes in the fund balances of other governmental funds were as follows:

- The Debt Service Fund recognized a decrease in fund balance of \$5,240,172, which resulted from principal and interest payments on debt being greater than property tax revenue levied for debt service. The District lowered the interest & sinking tax rate by \$0.15 in 2019 with plans to utilize Debt Service fund balance to pay any excess debt service costs.

(Continued)

- Non-Major Governmental Funds recognized a net increase of \$5,279,306 in fund balance over the previous year. The majority of these funds are used to account for reimbursement grants, which receive revenues as expenditures occur and therefore do not carry a fund balance or recognize surpluses or deficits. The Child Nutrition Fund, however, which is a self-funded breakfast and lunch program, generated a surplus of just over \$2 million. Savings from personnel turnover and greater than expected federal revenue contributed to that surplus. The State Textbook Fund also carries a fund balance because revenue is allocated and paid to districts on a biennial basis. That fund generated a surplus of just over \$3 million in 2019, which is expected to be spent in 2020.

General Fund Budgetary Highlights

The Board of Trustees originally adopted a \$521,132 surplus for the 2019 fiscal year. As previously discussed, the actual surplus recognized in the General Fund was \$43,799,775.

Revenues generated from the \$0.13 increase in the maintenance & operations (M&O) property tax rate increase were approximately \$54 million. The District adopted its budget in June 2018, prior to holding a tax ratification election in November to increase the M&O tax rate. Therefore, the original adopted budget was based on significantly less tax revenue than was actually received.

Expenditures exceeded the originally adopted budget by approximately \$10.8 million. After the higher tax rate was ratified, the School Board amended the original budget to allow for additional teaching positions, the purchase of additional classroom technology, and some increased spending in targeted areas during the remainder of the fiscal year.

Budget amendments and adjustments were made over the course of the year to give flexibility within functional budgets. Additionally, significant amendments were made at the end of the fiscal year in anticipation of liabilities that may be owed but not paid by June 30 and to safeguard against overspending at the fund-function level. Adjustments during the year resulted in the final amended budget being \$16.6 million greater than actual expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets as of June 30, 2019 was \$1,610,279,610 (net of accumulated depreciation). This investment includes land, buildings, building improvements, furniture, equipment, and vehicles and represents a 2.2% net decrease in capital assets over the previous year.

Table A-8. Capital Assets

	As of June 30, 2019	As of June 30, 2018	Increases / (Decreases)
Land	\$ 193,928,724	\$ 193,527,477	\$ 401,247
Buildings	1,798,235,340	1,700,584,200	97,651,140
Furniture and equipment	63,269,867	60,526,366	2,743,501
Construction in progress	13,193,624	101,418,493	(88,224,869)
Total Capital Assets	2,068,627,555	2,056,056,536	12,571,019
Accumulated depreciation	(458,347,945)	(409,993,250)	(48,354,695)
Net Capital Assets	\$ 1,610,279,610	\$ 1,646,063,286	\$ (35,783,676)

(Continued)

The decrease in net capital assets is the result of a slowdown in our bond program. The majority of the District's capital assets are relatively new and still being depreciated, so a slowdown in new construction causes depreciation expense to exceed additions.

More detailed information about the District's capital assets can be found in Note 6 on pages 31-32 of this report.

Long-Term Debt

The District's debt management policies seek to maintain the most favorable debt profile and funding structure for the District while adhering to taxpayers' expectations that the District will be a prudent and conservative steward of public funds. Our debt repayment schedule is structured so that we generally match asset useful lives with the liabilities incurred to finance those assets. Due to changes in the federal tax laws that took effect during the 2018 fiscal year, the District can no longer refinance debt in advance of the call date. However, we continue to monitor the interest rate climate and will restructure or repay debt when it becomes callable and we are able to recognize positive savings.

During the year, the District maintained our favorable underlying bond ratings of AA1 from Moody's Investors Service, Inc. and AA+ from S&P Global Ratings. All bonds issued during the year were rated AAA due to the State's Permanent School Fund Guarantee Program. Favorable ratings result in lower debt issuance costs for the District.

At the end of the 2019 fiscal year, the District had total bonded debt outstanding of \$2,236,379,576, all of which is considered to be direct tax supported debt. The remainder of the District's long-term obligations is comprised of the District's portions of the TRS net pension and OPEB liabilities.

Table A-9. Long-Term Debt

	As of June 30, 2019	As of June 30, 2018	Increases / (Decreases)
Bonds payable	\$ 2,029,542,224	\$ 1,958,501,225	\$ 71,040,999
Accreted interest	66,581,281	60,607,558	5,973,723
Unamortized bond premium	140,256,071	117,964,558	22,291,513
Total Bonded Debt	2,236,379,576	2,137,073,341	99,306,235
District's portion of TRS net pension liability	170,483,528	100,324,581	70,158,947
District's portion of TRS net OPEB liability	189,371,760	157,910,868	31,460,892
Total Long-Term Liabilities	\$ 2,596,234,864	\$ 2,395,308,790	\$ 200,926,074

Total outstanding long-term liabilities increased by 8.4% from the previous year due to a combination of increases in pension and OPEB liabilities as well as the issuance of new debt. The District issued \$134.9 million of new construction bonds during the year. Note 7 on pages 33-34 of this report contains more detailed information about the District's long-term debt activity, including incremental payment schedules, while Note 11 on pages 36-44 contains more information about the District's portion of the State's pension and OPEB liabilities.

The amount of general bonded debt outstanding and the total primary government debt per capita are also useful indicators of the District's debt position. That data is represented in Exhibit S-11 on page 74 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Enrollment growth continues to be a significant challenge for the District. In 2019, Frisco ISD was the 12th largest district in the state of Texas and one of the fastest growing. The District has grown by more than 160% in the last decade, adding over 1,700 students in 2019 alone. We work with both internal and third party demographers to develop our best estimates of student growth from year to year. Our financial projections for the next five years are based on continued growth of 1,000 to 1,800 students per year.

State funding also continues to be a major factor in the development of financial plans, and changes enacted by the 86th Texas Legislature will have a significant impact on future budgets. On June 12, 2019, the Governor signed the most comprehensive school finance reform bill in decades, House Bill 3. The bill includes \$11.6 billion in funding for public education, which is made up of \$6.5 billion in new spending plus \$5.1 billion in property tax relief for local taxpayers. Highlights of the bill include:

- An 8-cent state-wide property tax rate reduction,
- Increases in basic educational funding per student,
- Requirements for teacher raises,
- The implementation of full-day pre-kindergarten programming for eligible 4-year-olds, and
- A reduction in the amount of money property wealthy districts must spend to subsidize educational spending through the State's recapture program.

The bill also shifted the use of prior year property values in the State's funding formula to current year values, which will have a significant impact on districts throughout the state. While in the past the one year lag allowed districts time to budget based on actual assessed values and plan ahead for any shifts in the market, this change will now require districts to budget using estimates and ensure they have enough in reserve to maintain adequate cash flow in a down year. Over the past several years, Frisco ISD has been planning for the elimination of the funding lag, so the impact of the change on our future financial plans is minimal.

More information about the District's annual budget and economic challenges can be found in the 2019/2020 Budget Book, which can be obtained on the Internet at <http://www.friscoisd.org/departments/finance/financial-transparency/budgets>.

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 questions about this report or need additional financial information, contact the Chief Financial Officer at 5515 Ohio Drive, Frisco, Texas 75035, or call 469.633.6330.



Venice Dreams

2019 State VASE Medalist

SRINJOYI LAHIRI

Lebanon Trail High School

Teacher: Kristen Summers

GOVERNMENT-WIDE FINANCIAL STATEMENTS

FRISCO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

EXHIBIT A-1

Data Control Codes		Governmental Activities
	ASSETS	
1110	Cash and investments	\$ 609,703,691
1220	Property taxes receivable (delinquent)	7,042,315
1230	Allowance for uncollectible taxes	(1,197,194)
1240	Due from other governments	17,404,253
1250	Accrued interest	267,773
1290	Other receivables, net	212,994
1410	Prepaid Expenses	375,205
1510	Land	193,928,724
1520	Buildings and improvements, net	1,387,762,279
1530	Furniture and equipment, net	15,394,983
1580	Construction in progress	13,193,624
1000	Total Assets	<u>2,244,088,647</u>
	DEFERRED OUTFLOWS OF RESOURCES	
1701	Deferred losses on debt refunding transactions	20,406,396
1705	Deferred pension outflows	95,397,337
1710	Deferred OPEB outflows	24,413,811
1700	Total Deferred Outflows of Resources	<u>140,217,544</u>
	LIABILITIES	
2110	Accounts payable	17,714,503
2113	Retainage payable	1,052,155
2140	Accrued interest payable	27,895,815
2150	Payroll deductions and withholdings	3,922,692
2160	Accrued wages payable	61,404,857
2200	Accrued expenses	2,335,000
2300	Unearned revenues	1,683,383
	Noncurrent Liabilities:	
2501	Due within one year	53,331,260
2502	Due in more than one year	2,183,048,316
2540	Net pension liability	170,483,528
2545	Net OPEB liability	189,371,760
2000	Total Liabilities	<u>2,712,243,269</u>
	DEFERRED INFLOWS OF RESOURCES	
2601	Deferred gains on debt refunding transactions	386,665
2605	Deferred pension inflows	19,449,102
2610	Deferred OPEB inflows	59,883,912
2600	Total Deferred Inflows of Resources	<u>79,719,679</u>
	NET POSITION	
3200	Net investment in capital assets	(363,992,174)
	Restricted for:	
3820	Federal and state grant programs	11,690,601
3850	Debt service	105,581,772
3900	Unrestricted	(160,936,956)
3000	Total Net Position	<u>\$ (407,656,757)</u>

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

**FRISCO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT B-1

Data Control Codes	1 Expenses	Program Revenues		6 Governmental Activities	Net (Expense)/ Revenue and Changes in Net Position
		3 Charges for Services	4 Operating Grants and Contributions		
GOVERNMENTAL ACTIVITIES:					
11 Instruction	\$ 385,220,355	\$ 923,344	\$ 41,035,179	\$ (343,261,832)	
12 Instructional resources and media services	8,849,546		465,397	(8,384,149)	
13 Curriculum and instructional staff development	11,026,050		1,250,463	(9,775,587)	
21 Instructional leadership	8,153,468		843,274	(7,310,194)	
23 School leadership	37,705,167		2,710,825	(34,994,342)	
31 Guidance, counseling and evaluation services	22,074,050		4,808,282	(17,265,768)	
32 Social work services	206,324		17,101	(189,223)	
33 Health services	6,590,798		540,309	(6,050,489)	
34 Student transportation	15,649,573		689,084	(14,960,489)	
35 Food services	26,438,963	18,335,195	7,201,295	(902,473)	
36 Extracurricular activities	23,276,818	2,362,725	1,860,611	(19,053,482)	
41 General administration	12,707,266		662,407	(12,044,859)	
51 Facilities maintenance and operations	54,392,409	3,631,143	1,346,820	(49,414,446)	
52 Security and monitoring services	4,399,063		106,279	(4,292,784)	
53 Data processing services	11,961,523		420,866	(11,540,657)	
61 Community services	2,072,276		697,502	(1,374,774)	
72 Debt service - interest on long-term debt	82,228,452			(82,228,452)	
73 Debt service - bond issuance costs and fees	2,143,297			(2,143,297)	
91 Contracted instructional services between schools	14,017,478			(14,017,478)	
95 Payments to juvenile justice alternative education programs	35,666			(35,666)	
97 Payments to tax increment fund	25,169,882			(25,169,882)	
99 Other intergovernmental charges	3,492,348			(3,492,348)	
TG Total Governmental Activities	<u>\$ 757,810,772</u>	<u>\$ 25,252,407</u>	<u>\$ 64,655,694</u>	<u>(667,902,671)</u>	

Data Control Codes	General Revenues	
Taxes:		
MT	Property taxes, levied for general purposes	471,611,015
DT	Property taxes, levied for debt service	104,085,263
SF	State aid - formula grants	64,028,393
GC	Grants and contributions not restricted to specific programs	6,520,666
IE	Investment earnings	9,862,834
MI	Miscellaneous local and intermediate revenue	24,456,995
TR	Total General Revenues	<u>680,565,166</u>
CN	Change in net position	12,662,495
NB	Net position - beginning	(420,319,252)
NE	Net position - ending	<u>\$ (407,656,757)</u>

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



Resonance Of Music
2019 State VASE Medalist

ASHLEY LIU

Independence High School
Teacher: Leonard Buscemi

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

**FRISCO INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

EXHIBIT C-1

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects Fund	Non-Major Governmental Funds	98 Total Governmental Funds	
ASSETS						
1110	Cash and investments	\$ 256,060,167	\$ 132,043,240	\$ 201,984,499	\$ 19,615,785	\$ 609,703,691
1220	Property taxes receivable (delinquent)	5,378,317	1,663,998			7,042,315
1230	Allowance for uncollectible taxes	(914,314)	(282,880)			(1,197,194)
1240	Due from other governments	12,899,119			4,505,134	17,404,253
1250	Accrued interest	214,544	53,229			267,773
1260	Due from other funds	2,806,641				2,806,641
1290	Other receivables, net	163,484			49,510	212,994
1410	Prepaid expenditures	315,816			59,389	375,205
1000	Total Assets	<u>\$ 276,923,774</u>	<u>\$ 133,477,587</u>	<u>\$ 201,984,499</u>	<u>\$ 24,229,818</u>	<u>\$ 636,615,678</u>
LIABILITIES						
2110	Accounts payable	2,094,324		12,408,487	3,211,692	17,714,503
2113	Retainage payable			1,052,155		1,052,155
2140	Accrued interest payable		628,406			628,406
2150	Payroll deductions and withholdings	3,922,692				3,922,692
2160	Accrued wages payable	58,700,514			2,704,343	61,404,857
2170	Due to other funds				2,806,641	2,806,641
2200	Accrued expenditures	2,335,000				2,335,000
2300	Unearned revenue	617,576			1,065,807	1,683,383
2000	Total Liabilities	<u>67,670,106</u>	<u>628,406</u>	<u>13,460,642</u>	<u>9,788,483</u>	<u>91,547,637</u>
DEFERRED INFLOWS OF RESOURCES						
2601	Unavailable property tax revenue	2,645,973	846,274		-	3,492,247
2600	Total Deferred Inflows of Resources	<u>2,645,973</u>	<u>846,274</u>	<u>-</u>	<u>-</u>	<u>3,492,247</u>
FUND BALANCES						
Nonspendable:						
3430	Prepaid expenditures	315,816			59,389	375,205
Restricted for:						
3450	Federal and state grant programs				11,690,601	11,690,601
3470	Capital acquisitions and contractual obligations			175,506,780		175,506,780
3480	Retirement of long-term debt		132,002,907			132,002,907
Committed to:						
3545	Local grants, awards and contributions				2,691,345	2,691,345
Assigned to:						
3560	Claims and judgments	6,000,000				6,000,000
3570	Capital expenditures			13,017,077		13,017,077
3590	Employee compensation	30,000,000				30,000,000
3590	Future expenditures	1,077,190				1,077,190
3600	Unassigned	169,214,689				169,214,689
3000	Total Fund Balances	<u>206,607,695</u>	<u>132,002,907</u>	<u>188,523,857</u>	<u>14,441,335</u>	<u>541,575,794</u>
4000	Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 276,923,774</u>	<u>\$ 133,477,587</u>	<u>\$ 201,984,499</u>	<u>\$ 24,229,818</u>	<u>\$ 636,615,678</u>

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

**FRISCO INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019**

EXHIBIT C-1R

Total Fund Balances - Governmental Funds (Exhibit C-1)		\$ 541,575,794
Amounts reported for governmental activities in the Statement of Net Position (Exhibit A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds financial statements.		1,610,279,610
Accounting gains and losses resulting from debt refunding transactions are deferred inflows and outflows of resources, respectively, on the government-wide Statement of Net Position and are amortized over the life of the debt but are not reported in the governmental funds financial statements.		
Deferred losses on debt refunding transactions		20,406,396
Deferred gains on debt refunding transactions		(386,665)
Long-term liabilities, including bonds payable, are not due and payable in the current period and are therefore not reported as liabilities on the Balance Sheet of the governmental funds financial statements. Long-term liabilities at year-end consist of:		
Bonds payable		(2,029,542,224)
Accrued interest on the bonds		(27,267,409)
Accreted interest on capital appreciation bonds		(66,581,281)
Unamortized bond premiums		(140,256,071)
Certain receivables will be earned this year but are not available soon enough to pay for the current period's expenditures and are therefore deferred inflows of resources at the fund level.		3,492,247
The District's proportionate share of the TRS net pension liability and related deferred inflows and outflows of resources are not current in nature and are therefore not reported in the governmental funds financial statements:		
Proportionate share of net pension liability		(170,483,528)
Deferred pension inflows		(19,449,102)
Deferred pension outflows		95,397,337
The District's proportionate share of the TRS Net OPEB liability and related deferred inflows and outflows of resources are not current in nature and are therefore not reported in the governmental funds financial statements:		
Proportionate share of net OPEB liability		(189,371,760)
Deferred OPEB inflows		(59,883,912)
Deferred OPEB outflows		24,413,811
Net Position - Governmental Activities (Exhibit A-1)		<u>\$ (407,656,757)</u>

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

FRISCO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT C-2

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects Fund	Non-Major Governmental Funds	98 Total Governmental Funds
REVENUES					
5700 Local and intermediate sources	\$ 487,450,080	\$ 126,590,735	\$ 2,492,555	\$ 20,744,108	\$ 637,277,478
5800 State program revenues	85,303,754	1,498,057		7,545,835	94,347,646
5900 Federal program revenues	6,520,666			18,266,059	24,786,725
5020 Total Revenues	<u>579,274,500</u>	<u>128,088,792</u>	<u>2,492,555</u>	<u>46,556,002</u>	<u>756,411,849</u>
EXPENDITURES					
Current:					
0011 Instruction	312,362,215		1,208,593	11,884,080	325,454,888
0012 Instructional resources and media services	5,987,511		152,594	12,036	6,152,141
0013 Curriculum and instructional staff development	9,870,038			636,085	10,506,123
0021 Instructional leadership	7,463,056			219,275	7,682,331
0023 School leadership	31,604,561		347,230	84,684	32,036,475
0031 Guidance, counseling and evaluation services	17,394,606			3,393,664	20,788,270
0032 Social work services	193,601				193,601
0033 Health services	6,203,475			5,313	6,208,788
0034 Student transportation	13,246,684		71,988		13,318,672
0035 Food services	28,700			23,150,424	23,179,124
0036 Extracurricular activities	16,602,196		338,589	900,254	17,841,039
0041 General administration	10,994,089				10,994,089
0051 Facilities maintenance and operations	38,350,138		597,111	262,195	39,209,444
0052 Security and monitoring services	3,741,441		92,400		3,833,841
0053 Data processing services	7,783,055		1,329,178		9,112,233
0061 Community services	1,013,618			724,591	1,738,209
Debt Service:					
0071 Principal on long-term debt		49,984,001			49,984,001
0072 Interest on long-term debt		83,323,903			83,323,903
0073 Bond issuance costs and fees		1,057,014	1,086,283		2,143,297
Capital Outlay:					
0081 Facilities acquisition and construction			37,922,746		37,922,746
Intergovernmental:					
0091 Contracted instructional services between schools	14,017,478				14,017,478
0095 Payments to juvenile justice alternative education programs	35,666				35,666
0097 Payments to tax increment fund	25,169,882				25,169,882
0099 Other intergovernmental charges	3,492,348				3,492,348
6030 Total Expenditures	<u>525,554,358</u>	<u>134,364,918</u>	<u>43,146,712</u>	<u>41,272,601</u>	<u>744,338,589</u>
1100 Excess (deficiency) of revenues over (under) expenditures	<u>53,720,142</u>	<u>(6,276,126)</u>	<u>(40,654,157)</u>	<u>5,283,401</u>	<u>12,073,260</u>
OTHER FINANCING SOURCES (USES)					
7901 Refunding bonds issued		130,510,000			130,510,000
7911 Capital related debt issued (regular bonds)			134,880,000		134,880,000
7916 Premium on issuance of bonds		14,073,929	16,206,282		30,280,211
7912 Proceeds from the sale of property	75,538				75,538
7915 Transfers in	18,795		10,000,000	14,700	10,033,495
8911 Transfers out	(10,014,700)			(18,795)	(10,033,495)
8949 Payment to refunded bond escrow agent		(143,547,975)			(143,547,975)
7080 Total Other Financing Sources (Uses)	<u>(9,920,367)</u>	<u>1,035,954</u>	<u>161,086,282</u>	<u>(4,095)</u>	<u>152,197,774</u>
1200 Net change in fund balances	43,799,775	(5,240,172)	120,432,125	5,279,306	164,271,034
0100 Fund balances - beginning	162,807,920	137,243,079	68,091,732	9,162,029	377,304,760
3000 Fund balances - ending	<u>\$ 206,607,695</u>	<u>\$ 132,002,907</u>	<u>\$ 188,523,857</u>	<u>\$ 14,441,335</u>	<u>\$ 541,575,794</u>

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

**FRISCO INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

EXHIBIT C-2R

Total Net Change in Fund Balances - Governmental Funds (Exhibit C-2)	\$ 164,271,034
Amounts reported for governmental activities in the Statement of Activities (Exhibit B-1) are different because:	
Governmental funds report capital outlays as expenditures. However in the Statement of Activities, the costs of those assets are capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$14,427,614) fell below depreciation (\$49,291,152) in the current period.	(34,863,538)
In the statement of activities, only the gains or losses on asset disposals are reported; whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of the assets disposed.	(1,321,385)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	209,177
Repayment of long-term debt principal (\$194,349,001) and payments of accreted interest on capital appreciation bonds (\$250,998) are expenditures in the governmental funds, but these activities reduce long-term liabilities in the Statement of Activities.	194,599,999
Bond issuances are reported as other resources in the governmental funds but are shown as increases in long-term debt in the Statement of Net Position:	
Bond issuances	(265,390,000)
Premiums on bonds	(30,280,211)
Certain debt related items that effect the Statement of Net Position but are not reported in the governmental funds:	
Amortization of bond premiums	7,988,698
Amortization of deferred gains and losses on refunding transactions	(2,326,881)
Increases in deferred (gains)/losses on refunding transactions	(396,096)
Accreted interest on capital appreciation bonds	(6,224,721)
Change in interest payable	986,428
Amortization and other changes in deferred outflows and deferred inflows related to the District's portion of the TRS net pension liabilities effect government-wide pension expense but have no impact on the governmental funds.	
Contributions during the measurement period	1,573,932
Contributions after the measurement date	10,119,493
Proportionate share of collective pension expense	(80,593,005)
Net proportionate share of deferred pension inflows/outflows	57,366,315
Amortization and other changes in deferred outflows and deferred inflows related to the District's portion of the TRS net OPEB liabilities effect government-wide pension expense but have no impact on the governmental funds.	
Contributions prior to the measurement period	(1,102,001)
Contributions after the measurement date	2,324,950
Proportionate share of collective OPEB expense	(34,076,086)
Net proportionate share of deferred OPEB inflows/outflows	29,796,393
Change in Net Position of Governmental Activities (Exhibit B-1)	<u>\$ 12,662,495</u>

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



A Brothers Contemplation
2019 State VASE Gold Seal Winner

NOOR SAYED

Independence High School
Teacher: Leonard Buscemi

FIDUCIARY FUND FINANCIAL STATEMENTS

**FRISCO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2019**

EXHIBIT E-1

Data Control Codes		Agency Fund
	ASSETS	
1110	Cash and investments	\$ 1,343,980
	Total Assets	<u>\$ 1,343,980</u>
	LIABILITIES	
2110	Accounts payable	\$ 59,624
2190	Due to student groups	1,284,356
	Total Liabilities	<u>\$ 1,343,980</u>

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

NOTES TO THE FINANCIAL STATEMENTS

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 (GASB), and it complies with the requirements of the appropriate version of the 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 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 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 within the reporting entity.

Government-Wide and Fund Financial Statements

The *Statement of Net Position* and the *Statement of Activities* report information on all nonfiduciary activities of the District. Taxes and intergovernmental revenues normally support governmental activities. The effect of interfund activity has been removed from these statements.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues include (1) charges for services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Program revenues included in the *Statement of Activities* reduce the cost of the function to be financed from general activities. Taxes and other items not identifiable as program revenues are reported instead as general revenues.

The District reports all direct expenses by function in the *Statement of Activities*. Direct expenses are those clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the program expenses of each function.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the grantor 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). Revenues are recognized in the accounting period in which they become both measurable and available. Expenditures are generally recorded when a liability is incurred, if measurable, except for unmatured principal and interest on long-term debt, which is recognized when due. 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. Revenues are considered to be available when they are collectible within the current period or soon enough

thereafter to pay liabilities of the current period. The District considers all revenues available if they are collectible within 60 days of year-end.

Revenues from local sources consist primarily of property taxes, which are susceptible to accrual and considered available if collected within 60 days of the end of the fiscal year. Under GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, property taxes are imposed non-exchange revenues. Assets from imposed non-exchange transactions are recorded when the entity has an enforceable, legal claim to the asset or when the entity receives the resources, whichever comes first. The enforceable legal claim date for property taxes is the assessment date. Therefore, the District recognized taxes receivable and a deferred inflow of resources for taxes assessed as of October 1, 2018, which were not available as of June 30, 2019.

Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until received. Investment earnings are recorded as earned since they are both measurable and available at the earnings date.

The special revenue funds, except for the Child Nutrition Fund, include programs that are financed on a project grant basis. These projects have grant periods that range from less than twelve months to in excess of two years. Grant funds are considered to be earned to the extent expenditures are made under the provisions of the grant. When grant funds are received in advance of being earned, they are recorded as unearned revenue until earnings criteria are met.

Fiduciary Fund Financial Statements are accounted for on a flow of economic resources measurement focus. With this 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 its financial activities through the use of “fund accounting”. The activities of the District are organized on the basis of funds. The operations of each fund are accounted for within a separate set of self-balancing accounts to reflect results of activities. Fund accounting segregates funds according to their intended purposes to assist management in demonstrating compliance with finance-related legal and contractual provisions.

Governmental Funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District’s expendable financial resources and the related liabilities are accounted for through the governmental funds. The following are the District’s major governmental funds:

General Fund - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenses that are not paid through other funds are paid from the General Fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the retirement of, long-term debt principal, interest and related costs.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition, renovation or construction of major capital projects.

Other Non-Major Governmental Funds consist of special revenue funds that account for resources that are legally restricted or locally committed to expenditures for specified purposes. Most Federal and some State financial assistance is accounted for in special revenue funds.

Agency Funds are fiduciary funds that are custodial in nature (assets equal liabilities). These funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, organizations, and/or other funds. The Student Activity Fund accounts for the receipt and disbursement of monies from student activity organizations. These organizations exist with the explicit approval of, and are subject to revocation by, the District’s Board of Trustees. This accounting reflects the District’s agency relationship with the student activity organizations.

Assets, Liabilities and Deferred Inflows/Outflows

Cash and Cash Equivalents – The District’s cash and cash equivalents include cash on hand, demand deposits, money markets, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments – Investments, except for the investment pools, are recorded at fair value. Fair value is determined by the amount at which a financial instrument can be exchanged in a current transaction between willing parties. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. District management believes that the District adheres to the requirements of the State of Texas Public Funds Investment Act regarding investment practice, management reports and establishment of appropriate policies. Additionally, management believes that the investment practices of the District are in accordance with local policies for the current fiscal year.

Interfund Receivables and Payables – Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.” All residual balances between governmental activities are eliminated in the government-wide financial statements.

Prepaid Expenditures – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements and expended in a subsequent period using the consumption method. All prepaid expenditures are offset at fiscal year-end by nonspendable fund balance in the fund financial statements.

Capital Assets – Capital assets, which include land, buildings, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District 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 acquisition value as of the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Asset Classification</u>	<u>Useful Life</u>
Buildings	40 years
Building improvements	20 years
Vehicles	10 years
Buses	7 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, no liability exists for unused sick leave.

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the *Statement of Net Position*. Bond premiums and discounts are reported as a liability or contra-liability, as appropriate, and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premiums or discounts. Bond issuance costs are expensed as incurred.

In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are also reported as other financing sources while discounts on debt issuances and payments to bond refunding escrow agents are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

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

Deferred Outflows/Inflows of Resources – In addition to assets and liabilities, the government-wide *Statement of Net Position* and governmental fund *Balance Sheet* report separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent the acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In addition to deferred losses on debt refunding transactions, which are reported as deferred outflows of resources, the District reports certain deferred inflows and outflows related to pensions and other post-employment benefits on the government-wide *Statement of Net Position*. At the governmental fund level, earned but unavailable tax revenue is reported as a deferred inflow of resources.

Fund Balances and Net Position

Net position on the government-wide *Statement of Net Position* includes the following:

Net Investment in Capital Assets reports the difference between capital assets, net of accumulated depreciation, and the outstanding balance of debt, excluding unspent bond proceeds that is directly attributable to the acquisition, construction or improvement of those capital assets.

Restricted for Federal and State Grant Programs is the component of net position restricted to be spent for specific purposes prescribed by federal and state granting agencies.

Restricted for Debt Service is the component of net position that is restricted for payment of debt service by constraints established by the bond covenants.

Unrestricted Net Position is the residual difference between assets, deferred outflows, liabilities and deferred inflows that is not invested in capital assets or restricted for specific purposes.

It is the District's policy to spend funds available from restricted sources prior to unrestricted sources.

Fund balances on the governmental funds' *Balance Sheet* include the following:

Nonspendable Fund Balance is the portion of the gross fund balance that is not expendable because it is either not in spendable form or it is legally or contractually required to be maintained intact.

Restricted Fund Balance includes amounts restricted for a specific purpose by the provider (such as a grantors, bondholders, and high levels of government), through constitutional provisions, or by enabling legislation. Debt service resources are to be used for future servicing of the District's bonded debt and are restricted through debt covenants. Capital Projects bond funds are restricted by the bondholders for the specific purpose of capital projects and capital outlays. Federal and State grant resources are restricted pursuant to the mandates of the granting agency.

Committed Fund Balance is that portion of fund balance that is committed to a specific purpose by the District's Board of Trustees. The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. These amounts cannot be used for any other purpose unless the Board removes or changes the constraint by exercising the same type of action originally used to commit the funds.

Assigned Fund Balance is that portion of fund balance that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose. On June 20, 2016, the Board delegated through formal action the authority to assign fund balance to the Chief Financial Officer; although the Board may also directly assign fund balance for specific purposes. This can be done through adoption and amendment of the budget. As of June 30, 2019, the District has assigned fund balance in the General Fund for the following purposes:

- Claims and judgments – assigned for the coverage of potential legal fees, settlements, and deductibles of certain insurance policies.
- Capital Expenditures – assigned for the expenditure of funds for capital outlay not planned to be paid with bond funds.
- Employee Compensation – assigned for the payment of future employee retention incentives and classroom supplies stipends.
- Future Expenditures – assigned to satisfy outstanding General Fund encumbrances as of the fiscal year end.

Unassigned Fund Balance is the difference between the total fund balance and the total of the nonspendable, restricted, committed, and assigned fund balances and can be utilized for any legal purpose. This portion of the total fund balance in the General Fund is available to finance operating expenditures.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first from committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

Data Control Codes

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

Management's Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimations and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows 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.

Encumbrance Accounting

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of funds are recorded in the accounting system in order to assign the portion of the applicable appropriation. This methodology is employed in the governmental fund financial statements. Encumbrances are not liabilities and are therefore not recorded as expenditures until receipt of the material or service. For budgetary purposes, appropriations lapse at fiscal year-end, and outstanding encumbrances at year-end are re-appropriated in the next fiscal year. Management has assigned a portion of fund balance for future expenditures equal to the General Fund outstanding encumbrances at June 30, 2019. None of the individual encumbrances reported are considered significant to the financial statements.

NOTE 2. CASH AND INVESTMENTS

The District's funds are required to be deposited under the terms of a depository contract pursuant to the School Depository Act. The depository bank places approved 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 dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

At June 30, 2019, the carrying amount of the District's deposits (cash) and outstanding checks was \$10,986,562. The combined bank balance was \$12,619,538. At June 30, 2019 and during the year then ended, the District's combined deposits were fully insured by FDIC insurance or collateralized with securities held by the District's agent in the District's name.

Depository information required to be reported to the Texas Education Agency is as follows:

- A. Depository: JP Morgan Chase Bank, Frisco, TX
- B. The date of the highest deposit was November 13, 2018, when combined cash, savings and time deposits amounted to \$47,498,010.
- C. The amount of bond and pledged collateral as of the date of the highest combined balance on deposit was \$50,000,573
- D. The total amount of FDIC coverage at the time of the largest 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, which must address the following areas:

- Safety of principal and liquidity,
- Portfolio diversification,
- Allowable investments,
- Acceptable risk levels,
- Expected rates of return,
- Maximum allowable stated maturity of portfolio investments,
- Maximum average dollar weighted maturity allowed based on the stated maturity date for the portfolio,
- Investment staff qualifications and capabilities, and
- Bid solicitation preferences for certificates of deposit.

Statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, municipal securities, repurchase agreements and certain other investments. The investments owned at fiscal year-end are held by the District or its agent in the District's name.

All investment pools utilized by the District meet the requirements of the Texas Public Funds Investment Act (PFIA). The fair value of the positions in the pools is the same as the value of the pools. The District invests the following investment pools:

- *The Lone Star Investment Pool* is governed by an 11 member board, all of whom are participants in the pool. American Beacon Advisors and BNY Mellon Cash Investment Strategies manage the investment of Lone Star's assets.
- *The TexasTERM Investment Pool*, which offers two portfolios, TexasTERM and TexasDAILY, is governed by a 7 member advisory board made up of experienced local government officials elected by the pool's investors. PFM Asset Management LLC manages the investments of TexasTERM's assets.
- *TexPool* is a public funds pool administered by the State Comptroller of Texas. The portfolio of TexPool is managed by Federated Investors, Inc., and the assets are held in a separate custodial account at the State Street Bank in the name of TexPool.

In compliance with the PFIA, the District has adopted a deposit and investment policy, which addresses the following risks:

- Credit risk is the risk that a security issuer may default on an interest or principal payment. The District controls and monitors this risk by purchasing quality rated instruments that have been evaluated by nationally recognized agencies such as Standard and Poor's (S&P) or Moody's Investors Service.
- Custodial credit risk is the risk that, in the event of the failure of a depository financial institution or counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover its deposits, value of its investments, or collateral securities that are in the possession of an outside party. The PFIA, the District's investment policy, and Government Code Chapter 2257 "Collateral for Public Funds" contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits and investments. The District's funds are deposited and invested under terms of a depository contract with amounts greater than the FDIC insurance coverage protected by approved pledged securities held on behalf of the District. Public funds investment pools created to function as money market mutual funds must mark their portfolios to market daily, and, to the extent reasonably possible, stabilize at a \$1 net asset value. The District's policy manages custodial credit risk by requiring securities purchased by a broker-dealer for the District to be held in a Safekeeping account in the District's name. The policy also requires that security transactions be conducted on a delivery-versus-payment basis.
- Concentration of credit risk is the risk associated with holding investments that are not pools and full faith credit securities. These risks are controlled by limiting the percentages of these investments in the District's portfolio.
- Interest rate risk is the risk that interest rates will rise and an investment in a fixed-income security will decrease in value. Interest rate risk is reduced by diversifying, investing in securities with different durations, and laddering maturity dates. The District's manages its exposure to interest rate risk by limiting the weighted average maturity of its investment portfolio to less than two years-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 is the potential for loss due to fluctuations in exchange rates. The District's policy does not allow for any direct foreign investments, and therefore the District is not exposed to foreign currency risk.

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

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

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The District has recurring fair value measurements as presented in the table below. The District's investment balances and weighted average maturity of such investments are as follows:

	<u>Fair Value Measurements Using:</u>					
	<u>Value at June 30, 2019</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	<u>Percent of Total Investments</u>	<u>Weighted Average Maturity (Days)</u>
<i>Cash and Cash Equivalents:</i>						
Bank Deposits	\$ 10,986,562					
Total Cash and Cash Equivalents	<u>\$ 10,986,562</u>					
<i>Investments measured at Amortized Costs:</i>						
TexPool	\$ 61,460,596				10.3%	35
Lone Star Investment Pool	379,431,850				63.4%	26
<i>Investments measured at Net Asset Value:</i>						
TexasTERM portfolio – Texas DAILY	20,136,785				3.4%	34
<i>Investments by Fair Value Level:</i>						
<i>US Government Agency Securities:</i>						
Federal Home Loan Bank	22,970,194		\$ 22,970,194		3.8%	36
Federal Farm Credit Bank	8,020,091		8,020,091		1.3%	208
U.S. Treasury Bonds	7,995,463	\$ 7,995,463			1.3%	15
Commercial Paper	98,702,150		98,702,150		16.5%	63
Total Investments	<u>598,717,129</u>	<u>7,995,463</u>	<u>129,692,435</u>			
Total Cash and Investments	<u>\$ 609,703,691</u>	<u>\$ 7,995,463</u>	<u>\$ 129,692,435</u>			

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

The TexasTERM investment pool is an external investment pool measured at its net asset value. TexasTERM's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The District has no unfunded commitments related to investment pools. The District participates in two separate TexasTERM portfolios – TexasDAILY, which seeks to maintain a stable net asset value of \$1.00 per share and may be redeemed daily, and TexasTERM, which seeks to achieve a net asset value of \$1.00 per share at a stated maturity date. As of June 30, 2019, none of the District's investments in the TexasTERM investment pool was invested in the TexasTERM portfolio, and the \$20,136,785 was invested in the TexasDAILY portfolio. TexasDAILY has received an AAAM rating from S&P, and the TexasTERM portfolio has received a rating of AAAs from S&P, which meets the standards set by the Public Funds Investment Act.

NOTE 3. PROPERTY TAXES

The District’s ad valorem property tax is levied on all real and business personal property located in the District. A lien exists on all property on January 1st of each year. Tax statements are mailed on October 1st each year or as soon thereafter as possible. Taxes are due upon receipt and become delinquent if not paid before February 1st of the following calendar year. The assessed value of the roll as of the end of the fiscal year was \$40,349,486,303.

The tax rates levied for the fiscal year ended June 30, 2019, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.17 and \$0.27 per \$100 valuation, respectively, for a total of \$1.44 per \$100 valuation.

Current year tax collections for the period ended June 30, 2019, were 99.33% of the levy.

The ad valorem tax rate is allocated each year between the General Fund and the Debt Service Fund. The full amount estimated to be required for general obligation bond retirement is provided by the debt service tax together with interest earned within the Debt Service Fund.

Allowances for uncollectible taxes within the General Fund and Debt Service Fund are based on historical experience. 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, 2019, the allowance for uncollectible taxes was approximately 17% of total delinquent property taxes receivable.

Tax Increment Financing

On January 13, 1997, the Board of Trustees approved a resolution to enter into an Interlocal Agreement with the City of Frisco, Texas and established Frisco Tax Increment Reinvestment Zone (TIRZ) Number One, in accordance with Chapter 311 of the Texas Tax Code. The purpose of the TIRZ is to promote development through the use of tax increment financing within or adjacent to the 700 acres around Stonebriar Mall.

FISD agreed to participate in the TIRZ, beginning with the 1997 tax year, by contributing 100% of the taxes levied and collected against the captured appraised value of real property within the zone. The proposed duration of the TIRZ is 40 years, ending December 31, 2036.

An Educational Facilities Account has been established with TIRZ proceeds to repay cash expenditures for project costs or the principal of and interest on bonds or other indebtedness for educational facilities within or adjacent to the zone. As of June 30, 2019, approximately \$212.8 million of TIRZ proceeds have been used to finance the construction of FISD educational facilities since the agreement began.

NOTE 4. RECEIVABLES

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 Foundation School Program and Available School Fund.

Receivables due from other governments as of June 30, 2019, for the District’s individual major funds and Non-Major Governmental Funds are as follows:

	General Fund	Non-Major Governmental Funds	Total
Due from the State of Texas	\$ 12,793,701		\$12,793,701
Due from the Federal Government		\$ 4,505,134	4,505,134
Due from Other Governments	105,418		105,418
Total	\$12,899,119	\$4,505,134	\$17,404,253

NOTE 5. INTERFUND TRANSACTIONS

Interfund balances at June 30, 2019, consisted of the following individual fund receivables and payables:

	Receivable	Payable
General fund	\$ 2,806,641	
Non-major governmental funds		\$ 2,806,641
Total	\$ 2,806,641	\$ 2,806,641

All interfund balances represent transactions between the General Fund and other funds. Non-major funds owed the General Fund for grant expenditures financed by General Fund cash prior to receiving reimbursements from federal or state agencies. All interfund balances reported at June 30, 2019, were liquidated shortly after year-end.

The following is a summary of the District’s internal transfers for the fiscal year ended June 30, 2019:

From	To	Amount	Purpose
General Fund	Non-Major Funds	\$ 14,700	Transfer for Advanced Placement Training
Non-Major Funds	General Fund	18,795	Camp Payroll Costs
General Fund	Capital Project Fund	10,000,000	Transfer for Locally Defined Capital Outlay
Total Transfers		\$10,033,495	

NOTE 6. CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended June 30, 2019, follows:

	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
Capital assets not being depreciated:				
Land	\$ 193,527,477	\$ 401,247		\$ 193,928,724
Construction in progress	101,418,493	11,383,931	\$ 99,608,800	13,193,624
	294,945,970	11,785,178	99,608,800	207,122,348
Capital assets being depreciated:				
Buildings and improvements	1,700,584,200	97,651,140		1,798,235,340
Furniture and equipment	60,526,366	3,808,683	1,065,182	63,269,867
	1,761,110,566	101,459,823	1,065,182	1,861,505,207
Less: Accumulated depreciation for:				
Buildings and improvements	365,467,532	45,005,529		410,473,061
Furniture and equipment	44,525,718	4,285,623	936,457	47,874,884
	409,993,250	49,291,152	936,457	458,347,945
Total capital assets for governmental activities, net	\$ 1,646,063,286	\$ 63,953,849	\$ 99,737,525	\$ 1,610,279,610

The current period's depreciation was expensed to the following functions:

<u>Function</u>	<u>Expensed</u>
11 Instruction	\$ 32,653,726
12 Instructional resources and media services	1,865,444
13 Curriculum and instructional staff development	34,102
23 School leadership	3,242,195
34 Student transportation	1,898,694
35 Food services	2,507,742
36 Extracurricular activities	3,904,212
41 General administration	1,201,415
51 Facilities maintenance and operations	1,068,562
52 Security and monitoring services	88,213
53 Data processing services	565,551
61 Community services	261,296
Total depreciation expense	<u>\$ 49,291,152</u>

Construction Commitments

The District was obligated at June 30, 2019, under major contracts, for construction of new facilities and renovations or repair of various existing facilities. The outstanding construction commitments associated with these projects totaled approximately \$30.4 million as of June 30, 2019.

NOTE 7. LONG-TERM DEBT

A summary of changes in long-term debt for the fiscal year ended June 30, 2019, is as follows:

Description	Original Issue Amount	Interest Rate(s)	Maturity	Balance at June 30, 2018	Issued/Increases	Retired/Refunded	Balance at June 30, 2019	Amount Due Within One Year
Unlimited Tax School Building Bonds:								
Series 2006	\$ 85,000,000	2.750%-5.250%	8/15/2039	\$ 10,055,000			\$ 10,055,000	
Series 2006A	\$ 80,000,000	4.000%-6.000%	8/15/2040	21,645,000			21,645,000	
Series 2007A	\$ 100,000,000	3.750%-5.250%	8/15/2038	12,250,000			12,250,000	
Series 2008	\$ 90,000,000	4.125%-5.500%	8/15/2040	1,910,000		\$ 1,910,000	-	
Series 2008A	\$ 100,000,000	5.000%-6.125%	8/15/2038	2,030,000		2,030,000	-	
Series 2009	\$ 85,000,000	4.000%-5.500%	8/15/2041	84,440,000		83,615,000	825,000	\$ 825,000
Series 2009A	\$ 34,570,000	2.000%-5.000%	8/15/2039	32,610,000		32,360,000	250,000	250,000
Series 2010	\$ 20,195,000	0.00%	2/15/2027	12,125,000		1,345,000	10,780,000	1,345,000
Series 2011	\$ 50,000,000	4.625%-5.000%	8/15/2041	50,000,000			50,000,000	
Series 2013	\$ 90,845,000	3.000%-5.000%	8/15/2043	86,350,000		1,820,000	84,530,000	1,910,000
Series 2014	\$ 159,795,000	2.000%-5.000%	8/15/2044	153,765,000		3,240,000	150,525,000	3,300,000
Series 2015A	\$ 68,125,000	2.000%-5.000%	8/15/2045	66,860,000		1,325,000	65,535,000	1,390,000
Series 2016B	\$ 75,790,000	2.500%-5.000%	8/15/2046	75,790,000		1,245,000	74,545,000	1,300,000
Series 2018	\$ 49,865,000	3.000%-5.000%	8/15/2048	49,865,000			49,865,000	870,000
Unlimited Tax School Refunding Bonds:								
Series 2009	\$ 14,170,000	2.000%-4.750%	8/15/2025	8,445,000		7,515,000	930,000	930,000
Series 2009A	\$ 50,680,000	2.000%-5.000%	8/15/2029	29,340,000		25,585,000	3,755,000	3,755,000
Series 2010	\$ 26,855,000	4.000%-4.250%	8/15/2024	9,435,000		2,920,000	6,515,000	1,015,000
Series 2011	\$ 62,078,491	2.000%-5.000%	8/15/2030	60,988,491		380,000	60,608,491	395,000
Series 2013	\$ 19,040,000	2.000%-5.000%	7/15/2033	17,035,000		715,000	16,320,000	750,000
Series 2016	\$ 104,555,000	3.000%-5.000%	8/15/2037	99,390,000		3,540,000	95,850,000	3,660,000
Unlimited Tax School Building & Refunding Bonds:								
Series 1999	\$ 40,033,092	4.300%-5.750%	8/15/2029	783,092			783,092	
Series 2002A	\$ 38,018,141	3.000%-5.375%	8/15/2034	10,174,141			10,174,141	
Series 2011A	\$ 83,981,260	4.000%-5.000%	8/15/2041	71,426,260		5,210,000	66,216,260	5,871,260
Series 2012	\$ 85,531,867	2.000%-5.000%	8/15/2041	84,626,867		235,000	84,391,867	240,000
Series 2012A	\$ 71,190,000	2.000%-5.000%	8/15/2041	69,955,000		1,115,000	68,840,000	1,155,000
Series 2012B	\$ 99,545,000	2.000%-5.000%	8/15/2042	96,590,000		3,105,000	93,485,000	3,250,000
Series 2013	\$ 68,471,992	2.000%-5.000%	8/15/2043	62,105,000		260,000	61,845,000	265,000
Series 2014	\$ 111,455,000	2.000%-4.000%	8/15/2044	105,370,000		2,535,000	102,835,000	2,615,000
Series 2015	\$ 139,525,000	0.420%-5.000%	8/15/2045	133,205,000		4,905,000	128,300,000	5,020,000
Series 2016A	\$ 208,960,000	2.000%-5.000%	8/15/2046	208,050,000		6,660,000	201,390,000	7,005,000
Series 2017	\$ 206,445,000	2.000%-5.000%	8/15/2047	206,445,000		215,000	206,230,000	6,215,000
Series 2018	\$ 265,390,000	3.000%-5.000%	8/15/2049		\$ 265,390,000		265,390,000	
CAB Premiums:								
Series 1999				9,122,362			9,122,362	
Series 2002A				14,594,401			14,594,401	
Series 2009				564,001		564,001	-	
Series 2012				1,161,610			1,161,610	
Total bonds payable				1,958,501,225	265,390,000	194,349,001	2,029,542,224	53,331,260
Accreted interest on capital appreciation bonds				60,607,558	6,224,721	250,998	66,581,281	
Unamortized bond premium				117,964,558	30,280,211	7,988,698	140,256,071	
Total bonded debt				2,137,073,341	301,894,932	202,588,697	2,236,379,576	53,331,260
District's portion of net pension liability				100,324,581	80,593,005	10,434,058	170,483,528	
District's portion of net OPEB liability				157,910,868	34,076,086	2,615,194	189,371,760	
Total long-term debt				\$ 2,395,308,790	\$ 416,564,023	\$ 215,637,949	\$ 2,596,234,864	\$ 53,331,260

Changes in debt-related deferred outflows and inflows of resources for the fiscal year ended June 30, 2019, were:

	Balance at June 30, 2018	Issued/Increases	Retired/Refunded	Balance at June 30, 2019
Deferred loss on refunding transactions	\$ 22,742,708		\$ 2,336,312	\$ 20,406,396
Deferred gain on refunding transactions		\$ 396,096	9,431	386,665

During the year the District issued \$265,390,000 of Unlimited Tax School Building and Refunding Bonds, Series 2019 with interest rates of 3.00 to 5.00%. Proceeds were delivered on May 21, 2019. \$134,880,000 (par value) was issued to acquire, construct, renovate and equip school buildings. Deposits to escrow agents of \$143,547,975 were used to purchase direct obligations of the U.S. government which were irrevocably pledged to the payment of \$83,605,000 of the District's Unlimited Tax School Building Bonds, Series 2009, \$32,110,000 of the Districts' Unlimited Tax School Building Bonds, Series, 2009A, \$6,630,000 of the Districts' Unlimited Tax Refunding Bonds, Series 2009, and \$22,020,000 of the District's Unlimited tax Refunding Bonds, Series 2009A. The District's refunding resulted in an economic gain of \$32,039,864 and a book gain of \$396,096 which will be amortized over the life of the refunded debt. The refunding decreased the District's future debt service requirement by \$43,161,342.

Capital Appreciation Bonds

A capital appreciation bond (CAB) is a bond bearing no interest that is sold at a significant discount but matures at a stated value. Accreted interest is the obligation associated with CABs and reflects period increases in the obligation to reflect the bond at stated value at maturity. CAB premiums represent premium received on the issuance of these bonds which must also be paid back at maturity. Current year accreted interest expense recognized in the government-wide financial statements was \$6,224,721, and \$250,998 of outstanding accreted interest was paid off during the year. Total accreted interest on CABs at June 30, 2019 is \$66,581,281, and total premiums on CABs are \$24,878,373, both of which are reported as long-term liabilities in the government-wide financial statements.

Bond Authorization and Obligations

General obligation bonds of the District are reported as long-term liabilities of the governmental activities. At June 30, 2019, \$132,002,907 was available in the Debt Service Fund to service these bonds.

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management asserts that the District is in compliance with all significant limitations and restrictions at June 30, 2019.

In May 2014, voters in the District approved \$775,000,000 of general obligation bonds. As of June 30, 2019, \$90,000,000 remains authorized but unissued.

In November 2018, voters in the District approved \$691,000,000 of general obligation bonds. As of June 30, 2019, \$621,000,000 remains authorized but unissued.

The following table summarizes the annual debt service requirements of outstanding debt at June 30, 2018, to maturity:

Year ending June 30,	Principal*	Interest	Total
2020	\$ 53,331,260	81,007,243	\$134,338,503
2021	53,986,393	82,075,255	136,061,648
2022	59,591,761	79,568,052	139,159,813
2023	62,206,545	76,856,170	139,062,715
2024	62,591,610	77,194,601	139,786,211
2025-2029	331,332,939	369,711,737	701,044,676
2030-2034	388,129,008	312,256,545	700,385,553
2035-2039	457,332,708	203,962,387	661,295,095
2040-2044	442,785,000	63,799,114	506,584,114
2045-2049	111,180,000	9,233,210	120,413,210
2050	7,075,000	141,500	7,216,500
Total	\$ 2,029,542,224	\$ 1,355,805,814	\$ 3,385,348,038

*includes premiums on capital appreciation bonds

NOTE 8. UNEARNED REVENUE

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

	General Fund	Non-Major Funds	Total
Summer school	\$ 587,576		\$ 587,576
Tower Rentals	30,000		30,000
Advance Placement Incentives		\$ 14,700	14,700
School Lunch Deposits		1,051,107	1,051,107
Total	\$ 617,576	\$ 1,065,807	\$ 1,683,383

NOTE 9. REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

During fiscal year 2019, 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	\$ 469,668,500	\$ 103,755,892			\$ 573,424,392
Food sales				\$ 18,335,195	18,335,195
Investment income	5,875,869	2,330,174	\$ 1,488,512	168,279	9,862,834
Penalties, interest and other tax related income	1,904,021	20,504,669			22,408,690
Co-curricular student activities	2,362,725				2,362,725
Shared Services Revenue				152,654	152,654
Facilities rentals	3,631,143				3,631,143
Other	4,007,822		1,004,043	2,087,980	7,099,845
Total	\$ 487,450,080	\$ 126,590,735	\$ 2,492,555	\$ 20,744,108	\$ 637,277,478

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 year 2019, 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. \$5,000,000 of the \$6,000,000 fund balance assigned for claims and judgments is intended to cover potential insurance deductibles and related liabilities.

Health Care Coverage

For the year ending June 30, 2019, all employees of the District were offered health care coverage under the TRS ActiveCare insurance plan (the Plan), which is a statewide health coverage program for public education employees established by the 77th Texas Legislature. The District contributed \$325 per month per enrolled employee to the Plan, and employees, at their option, authorized payroll withholdings to pay the additional cost of premiums for themselves and dependents.

Workers' Compensation

The District is self-funded for workers' compensation insurance and has an 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 maintains an excess workers compensation insurance policy with MECC-Midwest Employers Casualty Company for claims exceeding the specific retention of \$350,000. At June 30, 2019, the District's unpaid claims totaled \$2,335,000, which include incurred but not reported claims. The liability is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information obtained prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing the claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Changes in the workers' compensation claims liability for fiscal year 2018 and fiscal year 2019 were:

	2018	2019
Beginning liability	\$ 1,480,000	\$ 1,887,000
Claims and changes in estimates	2,566,000	2,451,000
Claim payments	(2,159,000)	(2,003,000)
Ending liability	\$ 1,887,000	\$ 2,335,000

Litigation and Contingencies

The District is the defendant in a small number of lawsuits arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a materially adverse effect on the accompanying financial statements. \$1,000,000 of the \$6,000,000 fund balance assigned for claims and judgments is intended to cover potential legal fees and insurance deductibles for this type of litigation.

State and Federal Programs

The District participates in numerous state and federal funding 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 the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2019, 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.

NOTE 11. PENSION PLAN AND OTHER POST EMPLOYMENT BENEFITS

Defined Benefit Pension Plan

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

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

Pension Plan Fiduciary Net Position - Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2018.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling 512.542.6592.

Benefits Provided – TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3% (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, when 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 above.

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 85th Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same.

	<u>Contribution Rates</u>	
	<u>2018</u>	<u>2019</u>
Member	7.7%	7.7%
Non-employer contributing entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
FISD 2018 plan year member contributions		\$ 25,956,124
FISD 2018 plan year State contributions		\$ 15,877,457
FISD 2018 plan year District contributions		\$ 10,434,058

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. The District is 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.

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

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

Actuarial Assumptions - The total pension liability in the August 31, 2017 actuarial valuation rolled forward to August 31, 2018 was determined using the following actuarial assumptions:

Valuation date	August 31, 2017 rolled forward to August 31, 2018
Actuarial cost method	Individual Entry Age Normal
Asset valuation method	Market Value
Single discount rate	6.907%
Long-term expected investment rate of return	7.25%
Inflation	2.30%
Salary increases including inflation	3.50% to 9.50% including inflation
Payroll growth rate	3.30%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

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

Discount Rate - The single discount rate used to measure the total pension liability was 6.907%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.69%. The projection of cash flows used to determine the discount rate assumed that contribution from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2018 are summarized below:

Asset Class	Target Allocation ¹	Long-Term Expected Geometric Real Rate of Return ²	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	5.70%	1.04%
Non-U.S. Developed	13.00%	6.90%	0.90%
Emerging Markets	9.00%	8.95%	0.80%
Directional Hedge Funds	4.00%	3.53%	0.14%
Private Equity	13.00%	10.18%	1.32%
Stable Value			
U.S. Treasuries	11.00%	1.11%	0.12%
Absolute Return	0.00%	0.00%	0.00%
Stable Value Hedge Funds	4.00%	3.09%	0.12%
Cash	1.00%	(0.30%)	0.00%
Real Return			
Global Inflation Linked Bonds	3.00%	0.70%	0.02%
Real Assets	14.00%	5.21%	0.73%
Energy and Natural Resources	5.00%	7.48%	0.37%
Commodities	0.00%	0.00%	0.00%
Risk Parity			
Risk Parity	5.00%	3.70%	0.18%
Inflation Expectation			2.30%
Volatility Drag ³			(0.79%)
Total	100.00%		7.25%

¹Target allocations are based on the FY2016 policy model.

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

³The volatility drag results from the conversion between arithmetic and geometric mean returns.

Discount Rate Sensitivity Analysis - The following schedule shows the impact of the District's proportion of the TRS Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.907%) in measuring the 2018 Net Pension Liability.

	1% Decrease in Discount Rate (5.907%)	Discount Rate (6.907%)	1% Increase in Discount Rate (7.907%)
FISD's proportionate share of the net pension liability:	\$257,300,524	\$170,483,528	\$100,200,021

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions - At June 30, 2019, the District reported a liability of \$170,483,528 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:

FISD's proportionate share of the collective net pension liability	\$ 170,483,528
State's proportionate share that is associated with FISD	259,585,571
Total	\$ 430,069,099

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

At August 31, 2018, the District's proportion of the collective net pension liability was 0.3097311248%, which was a decrease of 0.0040321164% from its proportion measured as of August 31, 2017.

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

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

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

For the year ended June 30, 2019, the District recognized pension expense of \$20,006,331 and contributions paid by the state on-behalf of the District of \$15,877,457.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,062,654	\$ 4,182,993
Changes in actuarial assumptions	61,467,524	1,920,862
Difference between projected and actual investment earnings	8,859,907	12,094,710
Changes in proportion and differences between District contributions and the proportionate share of contributions	13,887,759	1,250,537
District contributions paid to TRS subsequent to the measurement date	10,119,493	
Total	\$ 95,397,337	\$ 19,449,102

The \$10,119,493 reported as a deferred outflow of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ 17,272,271
2021	10,464,888
2022	8,751,116
2023	11,887,476
2024	10,854,492
Thereafter	6,598,499
	\$ 65,828,742

Defined Other Post-Employment Benefit Plan

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

OPEB Plan Fiduciary Net Position - Detailed information about the TRS-Care’s fiduciary net position is available in the separately issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2018.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling 512.542.6592.

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

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

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

	TRS-Care Plan Premium Rates	
	January 1, 2018 thru December 31, 2018	
	Medicare	Non-Medicare
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

**or surviving spouse*

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

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

Contribution Rates

	2018	2019
Active Employee	0.65%	0.65%
Non-employer contributing entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding remitted by Employers	1.25%	1.25%
FISD 2018 plan year member contributions		\$ 2,189,234
FISD 2018 plan year State contributions		\$ 4,139,010
FISD 2018 plan year District contributions		\$ 2,615,194

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

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

Actuarial Assumptions – The total OPEB liability in the August 31, 2017 actuarial valuation was rolled forward to August 31, 2018. The actuarial valuation was determined using the following actuarial assumptions.

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

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

Additional Actuarial Methods and Assumptions:

Valuation date	August 31, 2017 rolled forward to August 31, 2018
Actuarial cost method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	3.69%
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Payroll Growth Rate	3.00%
Projected Salary Increases	3.05% to 9.05% including inflation
Healthcare Trend Rates	8.5% for FY2019, decreasing to 0.5% per year to 4.5% for FY2027 and later years
Election Rates	Normal retirement: 70% participation prior to age 65 and 75% after age 65
Ad hoc post-employment benefit changes	None

Discount Rate – A single discount rate of 3.69% was used to measure the total OPEB liability. There was an increase of 0.27% in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to *not be able* to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

Discount Rate Sensitivity Analyses – The following schedules show the impact on the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.69%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.69%)	Discount Rate (3.69%)	1% Increase in Discount Rate (4.69%)
FISD’s proportionate share of the net OPEB liability:	\$225,417,458	\$189,371,760	\$160,857,289

OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEBs – At June 30, 2019, FISD reported a liability of \$189,371,760 for its proportionate share of the TRS’s Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by FISD as its proportionate share of the net OPEB liability, the related State support, and the total portion of the Net OPEB Liability that was associated with the District were as follows:

FISD’s proportionate share of the net OPEB liability	\$ 189,371,760
State’s proportionate share that is associated with FISD	300,003,424
Total	<u>\$ 489,375,184</u>

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

At August 31, 2018, FISD’s proportion of the collective Net OPEB Liability was 0.37926755% which was an increase of 0.34295472% from August 31, 2017.

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed 8.5% used.

	1% Decrease in Healthcare Trend Rate (7.5%)	Current Single Healthcare Trend Rate (8.5%)	1% Increase in Healthcare Trend Rate (9.5%)
FISD’s proportionate share of the net OPEB liability:	\$157,276,330	\$189,371,760	\$231,642,134

Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB Liability since the prior measurement period:

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the Total OPEB Liability.

- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the Total OPEB Liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the Total OPEB Liability.
- The discount rate was changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018. This change lowered the Total OPEB Liability by \$2.3 billion.
- The 85th Legislature, Regular Session, passed the following statutory changes in House Bill 3976 which became effective on September 1, 2017:
 - Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.
 - Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants.
 - Allowed the system to provide other, appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
 - Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.
 - Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during plan years 2018 thru 2021, requiring members to contribute \$200 per month towards their health insurance premiums.

For the year ended June 30, 2019, FSD recognized OPEB expense of \$8,413,427 and contributions paid by the state on behalf of the District of \$4,139,010.

At June 30, 2019, FSD reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 10,049,255	\$ 2,988,564
Changes in actuarial assumptions	3,160,102	56,895,348
Difference between projected and actual investment earnings	33,119	
Changes in proportion and differences between District contributions and the proportionate share of contributions	8,846,385	
District contributions paid to TRS subsequent to the measurement date	2,324,950	
Total	\$ 24,413,811	\$ 59,883,912

The \$2,324,950 reported as a deferred outflow of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ (6,352,737)
2021	(6,352,737)
2022	(6,352,737)
2023	(6,359,000)
2024	(6,362,582)
Thereafter	(6,015,258)
	<u>\$ (37,795,051)</u>

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

**FRISCO INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT F-1

Data Control Codes	<u>Budgeted Amounts</u>			Variance with Final Budget Over/(Under)	
	Original	Final	Actual Amounts		
REVENUES					
5700	Local and intermediate sources	\$ 428,777,850	\$ 482,247,900	\$ 487,450,080	\$ 5,202,180
5800	State program revenues	84,023,900	84,023,900	85,303,754	1,279,854
5900	Federal program revenues	2,500,000	2,500,000	6,520,666	4,020,666
5020	Total Revenues	<u>515,301,750</u>	<u>568,771,800</u>	<u>579,274,500</u>	<u>10,502,700</u>
EXPENDITURES					
Current:					
0011	Instruction	303,838,116	320,149,533	312,362,215	(7,787,318)
0012	Instructional resources and media services	6,061,558	6,225,398	5,987,511	(237,887)
0013	Curriculum and instructional staff development	10,505,786	10,323,423	9,870,038	(453,385)
0021	Instructional leadership	7,649,453	7,703,304	7,463,056	(240,248)
0023	School leadership	32,208,162	32,500,830	31,604,561	(896,269)
0031	Guidance, counseling and evaluation services	20,057,201	17,646,775	17,394,606	(252,169)
0032	Social work services	198,887	300,887	193,601	(107,286)
0033	Health services	6,017,044	6,270,381	6,203,475	(66,906)
0034	Student transportation	14,219,326	13,821,559	13,246,684	(574,875)
0035	Food services		78,701	28,700	(50,001)
0036	Extracurricular activities	21,415,407	17,841,514	16,602,196	(1,239,318)
0041	General administration	10,748,569	11,045,400	10,994,089	(51,311)
0051	Facilities maintenance and operations	37,444,102	41,716,106	38,350,138	(3,365,968)
0052	Security and monitoring services	3,449,769	3,963,569	3,741,441	(222,128)
0053	Data processing services	7,867,684	7,879,872	7,783,055	(96,817)
0061	Community services	694,754	1,035,631	1,013,618	(22,013)
Intergovernmental:					
0091	Contracted instructional services between schools		14,945,800	14,017,478	(928,322)
0095	Payments to juvenile justice alternative education programs	50,000	50,000	35,666	(14,334)
0097	Payments to tax increment fund	29,154,800	25,204,800	25,169,882	(34,918)
0099	Other intergovernmental charges	3,200,000	3,492,348	3,492,348	-
6030	Total Expenditures	<u>514,780,618</u>	<u>542,195,831</u>	<u>525,554,358</u>	<u>(16,641,473)</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>521,132</u>	<u>26,575,969</u>	<u>53,720,142</u>	<u>27,144,173</u>
OTHER FINANCING SOURCES (USES)					
7912	Proceeds from the sale of property			75,538	75,538
7915	Transfers in			18,795	18,795
8911	Transfers out			(10,014,700)	(10,014,700)
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(9,920,367)</u>	<u>(9,920,367)</u>
1200	Net change in fund balances	521,132	26,575,969	43,799,775	17,223,806
0100	Fund balances - beginning	162,807,920	162,807,920	162,807,920	-
3000	Fund balances - ending	<u>\$ 163,329,052</u>	<u>\$ 189,383,889</u>	<u>\$ 206,607,695</u>	<u>\$ 17,223,806</u>

**FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019**

Budgets - Annual budgets are adopted for the General Fund, Child Nutrition Special Revenue Fund and the Debt Service Fund on a basis consistent with accounting principles generally accepted in the United States of America. To comply with those principles, each annual budget is presented on the modified accrual basis. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The Budgetary Comparison Schedules for the Debt Service Fund and Child Nutrition Fund can be found on Exhibits G-1 and G-4, respectively. The remaining special revenue funds and the Capital Projects Fund adopt project-length budgets which do not correspond to the District's fiscal year.

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

- A. Prior to June 20 of the preceding fiscal year, the District prepares a budget for the subsequent fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
- B. A meeting of the Board of Trustees is then called for the purpose of adopting the proposed budget after ten days public notice of the meeting has been given.
- C. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board of Trustees.

Once a budget is approved, it can be amended at the fund and function level only. To do so requires the approval of a majority of the members of the Board of Trustees. Amendments are presented to the Board at its regular meetings. Such amendments are reflected in the official minutes of the Board. During the year, several amendments were

The Chief Financial Officer controls each budget for revenues and expenditures at the fund, function, and object level. Management is able to transfer amounts within each function. Budgeted amounts are as amended by the Board of Trustees. All budget appropriations lapse at year-end.

**FRISCO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE LAST TEN PLAN YEARS¹**

EXHIBIT F-2

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability	0.002314258	0.002881151	0.002910237	0.003137632	0.003097311
District's proportionate share of the net pension liability	\$ 61,817,031	\$ 101,844,853	\$ 109,973,520	\$ 100,324,581	\$ 170,483,528
Total	\$ 61,817,031	\$ 101,844,853	\$ 109,973,520	\$ 100,324,581	\$ 170,483,528
District's covered payroll ⁽²⁾	\$ 253,369,679	\$ 279,985,062	\$ 304,425,906	\$ 331,387,964	\$ 336,805,214
District's proportionate share of the net pension liability as a percentage of its covered payroll	24.40%	36.38%	36.12%	30.27%	50.62%
Plan fiduciary net position as a percentage of the total pension liability	83.25%	78.43%	78.00%	82.17%	73.74%

¹ The amounts for each fiscal year were determined as of August 31, the pension measurement date. Information for plan years prior to 2014 is not available.

² Covered payroll includes all TRS-eligible payroll paid by the District during the plan year (September 1 - August 31).

**FRISCO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE LAST TEN FISCAL YEARS**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Contractually required contribution ¹	\$ 2,049,495	\$ 3,349,384	\$ 3,648,289	\$ 4,235,762	\$ 5,667,342	\$ 8,087,677	\$ 9,123,803	\$ 10,166,019	\$ 10,573,145	\$ 11,656,212
Contributions in relation to the contractually required contribution	2,049,495	3,349,384	3,648,289	4,235,762	5,667,342	8,087,677	9,123,803	10,166,019	10,573,145	11,656,212
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll ²	\$ 196,423,334	\$ 214,315,590	\$ 217,577,872	\$ 232,571,151	\$ 250,101,147	\$ 275,426,852	\$ 300,219,324	\$ 328,408,774	\$ 334,369,517	\$ 369,716,803
Contributions as a percentage of covered payroll	1.04%	1.56%	1.68%	1.82%	2.27%	2.94%	3.04%	3.10%	3.16%	3.15%

¹ District contributions in this schedule differ from the amount reported in Note 11 due to the difference between the TRS plan year (September 1 - August 31) and the District's fiscal year (July 1 - June 30).

² Covered payroll includes all TRS-eligible payroll paid by the district during the fiscal year (July 1 - June 30).

**FRISCO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE LAST TEN PLAN YEARS¹**

EXHIBIT F-4

	<u>2017</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.003631283	0.003792676
District's proportionate share of the net OPEB liability	\$ 157,910,868	\$ 189,371,760
Total	<u>\$ 157,910,868</u>	<u>\$ 189,371,760</u>
District's covered payroll ⁽²⁾	\$ 331,387,964	\$ 336,805,214
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	47.65%	56.23%
Plan fiduciary net position as a percentage of the total OPEB liability	0.91%	1.57%

¹ The amounts for each fiscal year were determined as of August 31, the OPEB measurement date. Information for plan years prior to 2017 is not available.

² Covered payroll includes all TRS-eligible payroll paid by the district during the plan year (September 1 - August 31).

**FRISCO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE LAST TEN FISCAL YEARS**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Contractually required contribution	\$ 1,128,080	\$ 1,238,509	\$ 1,235,601	\$ 1,305,482	\$ 1,420,486	\$ 1,563,710	\$ 1,699,880	\$ 1,856,924	\$ 2,468,771	\$ 2,775,970
Contributions in relation to the contractually required contribution	1,128,080	1,238,509	1,235,601	1,305,482	1,420,486	1,563,710	1,699,880	1,856,924	2,468,771	2,775,970
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll ¹	\$ 196,423,334	\$ 214,315,590	\$ 217,577,872	\$ 232,571,151	\$ 250,101,147	\$ 275,426,852	\$ 300,219,324	\$ 328,408,774	\$ 334,369,517	\$ 369,716,803
Contributions as a percentage of covered payroll	0.57%	0.58%	0.57%	0.56%	0.57%	0.57%	0.57%	0.57%	0.74%	0.75%

¹ District contributions in this schedule differ from the amount reported in Note 11 due to the difference between the TRS plan year (September 1 - August 31) and the District's fiscal year (July 1 - June 30).

² Covered payroll includes all TRS-eligible payroll paid by the district during the fiscal year (July 1 - June 30).



Bittersweet

2019 State VASE Medalist

ZOË MEEKER

Liberty High School

Teacher: Pernie Fallon

OTHER SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE

**FRISCO INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT G-1

Data Control Codes	Budgeted Amounts			Variance with Final Budget Over/(Under)	
	Original	Final	Actual Amounts		
REVENUES					
5700	Local and intermediate sources	\$ 177,147,000	\$ 177,147,000	\$ 126,590,735	\$ (50,556,265)
5800	State program revenues			1,498,057	1,498,057
5020	Total Revenues	<u>177,147,000</u>	<u>177,147,000</u>	<u>128,088,792</u>	<u>(49,058,208)</u>
EXPENDITURES					
Debt Service:					
0071	Principal on long-term debt	54,994,504	51,994,504	49,984,001	(2,010,503)
0072	Interest on long-term debt	80,359,496	83,359,496	83,323,903	(35,593)
0073	Bond issuance costs and fees	2,000,000	2,000,000	1,057,014	(942,986)
6030	Total Expenditures	<u>137,354,000</u>	<u>137,354,000</u>	<u>134,364,918</u>	<u>(2,989,082)</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>39,793,000</u>	<u>39,793,000</u>	<u>(6,276,126)</u>	<u>(46,069,126)</u>
OTHER FINANCING SOURCES (USES):					
7901	Refunding bonds issued			130,510,000	130,510,000
7916	Premium on issuance of bonds			14,073,929	14,073,929
8949	Payment to refunded bond escrow agent			(143,547,975)	(143,547,975)
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,035,954</u>	<u>1,035,954</u>
1200	Net change in fund balances	39,793,000	39,793,000	(5,240,172)	(45,033,172)
0100	Fund balances - beginning	137,243,079	137,243,079	137,243,079	-
3000	Fund balances - ending	<u>\$ 177,036,079</u>	<u>\$ 177,036,079</u>	<u>\$ 132,002,907</u>	<u>\$ (45,033,172)</u>

OTHER SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

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 in 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.

Child Nutrition Fund is used for school lunch and breakfast programs using federal reimbursement revenues from the U.S. Department of Agriculture, as passed through the State of Texas, for the purpose of charging for 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 develop new and/or improve existing 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 Fund is a teacher and principal training and recruiting program funded by the U.S. Department of Education, as passed through Region X ESC. Funds are 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.

ESEA, Title III, Part A Fund is an English language acquisition program funded by the U.S. Department of Education, as passed through Region X ESC. Funds are used to improve the education of limited English proficient children by assisting the children with challenging State academic content and helping them meet student academic achievement standards.

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

Summer School LEP Fund is funded by the U.S. Department of Education, as passed through the State of Texas for a required summer school program which provides summer school to limited English proficient students who will be eligible for admission to kindergarten and first grade at the beginning of the next school year.

**FRISCO INDEPENDENT SCHOOL DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS**

Visually Impaired SSVI Fund is used to account for State supplemental visually impaired funds. This fund is used to account for, on a project basis, funds received from Region X ESC as part of a shared service arrangement.

Noneducational Community Based Support Fund is used to account, on a project basis, for the provision of 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 these services.

Advanced Placement Incentives Fund 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. These funds also reimburse TEA approved Pre-AP, AP, and IB teacher training for eligible teachers.

State Textbook Fund is an instructional materials allotment funded by the State of Texas to purchase textbooks and other instructional materials, including technological software or equipment that contributes to student learning and/or training for educational personnel involved in the use of these materials.

Read to Succeed Fund is a license plate program funded by the State of Texas. The fund is 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.

Shared Services Arrangement is funded by the Texas Education agency and passed through a fiscal agent, Richardson ISD. In cooperation with other member districts, funding provides services to students with autism.

Campus Activity Funds are funds held at each campus and controlled by the campus principal to fund supplemental operating expenditures for that campus. Revenues are generated by sales and fundraising events at each campus.

Restricted Donations and Grants are funds used to account for donations or grants given by outside organization to be spent as directed by donor or grantor.

Frisco Partners Fund is used to account for grants given by Frisco Education Foundation to be spent as directed.

Child Development Center Fund is a local fund used to account for day care services provided to District employees' children.

**FRISCO INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	205	211	224	225	226	240	244
Data Control Codes	Head Start Fund	ESEA, Title I, Part A Fund	IDEA-B Formula Fund	IDEA-B Preschool Fund	IDEA-B Discretionary Fund	Child Nutrition Fund	Career and Technical Basic Grant Fund
ASSETS							
1110 Cash and investments							
1240 Due from other governments	\$ 92,112	\$ 290,840	\$ 3,289,100	\$ 28	\$ 342,738	\$ 10,252,936	\$ 96,228
1290 Other receivables	3,125	790		(28)		7,158	
1410 Prepaid expenditures						45,473	
1000 Total Assets	\$ 95,237	\$ 291,630	\$ 3,289,100	\$ -	\$ 342,738	\$ 10,305,567	\$ 96,228
LIABILITIES							
2110 Accounts payable			415,068			71,337	4,138
2160 Accrued wages payable	25,856	33,905	960,148			1,452,707	
2170 Due to other funds	69,381	257,725	1,913,884		342,738		92,090
2300 Unearned revenue						1,051,107	
2000 Total Liabilities	\$ 95,237	\$ 291,630	\$ 3,289,100	\$ -	\$ 342,738	\$ 2,575,151	\$ 96,228
FUND BALANCES							
3430 Nonspendable:							
Prepaid expenditures							
Restricted for:							
Federal and state grant programs						7,730,416	
Committed to:							
Local grants, awards and contributions							
3545 Total Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,730,416	\$ -
3000 Total Liabilities and Fund Balances	\$ 95,237	\$ 291,630	\$ 3,289,100	\$ -	\$ 342,738	\$ 10,305,567	\$ 96,228
4000							

**FRISCO INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

Data Control Codes	255 ESEA, Title II, Part A Fund	263 ESEA, Title III, Part A Fund	272 Medicaid Administrative Claiming Fund	289 Summer School LEP Fund	385 Visually Impaired SSVI Fund	392 Noneducational Community Based Support Fund	397 Advanced Placement Incentives Fund
ASSETS							
1110							
1240			\$ 91,584	\$ 22,690			
1290	\$ 36,292	\$ 186,079		11,557		\$ 8,093	14,700
1410							
1000	\$ 36,292	\$ 186,079	\$ 91,584	\$ 34,247	\$ -	\$ 8,093	\$ 14,700
LIABILITIES							
2110							
2160							
2170	10,444	82,037		27,594		7,160	
2300	25,848	104,042				933	
2000	36,292	186,079	-	27,594	-	8,093	14,700
FUND BALANCES							
3430							
3450			91,584	6,653			
3545							
3000	-	-	91,584	6,653	-	-	-
4000	\$ 36,292	\$ 186,079	\$ 91,584	\$ 34,247	\$ -	\$ 8,093	\$ 14,700
Total Fund Balances							
Total Liabilities and Fund Balances							

FRISCO INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

Data Control Codes	State Textbook Fund	410	429	459	461	480	497	498	Total Non-Major Governmental Funds							
			Read to Succeed Fund	Shared Services Arrangement	Campus Activity Fund	Restricted Donations and Grants	Frisco Partners Funds	Child Development Center Fund								
ASSETS																
1110 Cash and investments	\$	6,359,605	\$	52	\$	2,814	\$	2,362,172	\$	307,233	\$	18,397	\$	198,274	\$	19,615,785
1240 Due from other governments		106,079				24,186										4,505,134
1290 Other receivables								122								49,510
1410 Prepaid expenditures								59,389								59,389
1000 Total Assets	\$	6,465,684	\$	52	\$	27,000	\$	2,421,683	\$	307,233	\$	18,397	\$	198,274	\$	24,229,818
LIABILITIES																
2110 Accounts payable		2,603,788				27,000		66,697		5,267		18,397		104,492		3,211,692
2160 Accrued wages payable																2,704,343
2170 Due to other funds																2,806,641
2300 Unearned revenue																1,065,807
2000 Total Liabilities		2,603,788		-		27,000		66,697		5,267		18,397		104,492		9,788,483
FUND BALANCES																
3430 Nonspendable:																59,389
Prepaid expenditures								59,389								
Restricted for:																
3450 Federal and state grant programs		3,861,896		52												11,690,601
Committed to:																
3545 Local grants, awards and contributions								2,295,597		301,966						2,691,345
3000 Total Fund Balances		3,861,896		52		-		2,354,986		301,966						14,441,335
4000 Total Liabilities and Fund Balances	\$	6,465,684	\$	52	\$	27,000	\$	2,421,683	\$	307,233	\$	18,397	\$	198,274	\$	24,229,818

**FRISCO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

Data Control Codes	205	211	224	225	226	240	244
	Head Start Fund	ESEA, Title I, Part A Fund	IDEA-B Formula Fund	IDEA-B Preschool Fund	IDEA-B Discretionary Fund	Child Nutrition Fund	Career and Technical Basic Grant Fund
REVENUES							
5700						\$ 18,503,499	
5800						105,270	
5900	\$ 191,913	\$ 760,974	\$ 8,904,297	\$ 13,247	\$ 437,989	\$ 6,814,609	\$ 236,965
5020	<u>191,913</u>	<u>760,974</u>	<u>8,904,297</u>	<u>13,247</u>	<u>437,989</u>	<u>25,423,378</u>	<u>236,965</u>
Total Revenues							
EXPENDITURES							
Current:							
0011	191,913	583,195	5,218,432	13,247	416,811		236,965
0012							
0013		37,384	284,997				
0021		136,731	22,608				
0023		1,865	9,492				
0031		493	3,368,768		21,178		
0033		186					
0035						23,139,454	
0036						262,195	
0051		1,120					
0061		760,974	8,904,297	13,247	437,989	23,401,649	236,965
6030	<u>191,913</u>	<u>760,974</u>	<u>8,904,297</u>	<u>13,247</u>	<u>437,989</u>	<u>23,401,649</u>	<u>236,965</u>
1100	-	-	-	-	-	2,021,729	-
Total Expenditures							
Excess (deficiency) of revenues over (under) expenditures							
OTHER FINANCING SOURCES (USES)							
7915							
8911							
7080							
1200						2,021,729	
0100						5,708,687	
3000						7,730,416	
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,730,416</u>	<u>\$ -</u>

**FRISCO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

Data Control Codes	255	263	272	289	385	392	397
	ESEA, Title II, Part A Fund	ESEA, Title III, Part A Fund	Medicaid Administrative Claiming Fund	Summer School LEP Fund	Visually Impaired SSVI Fund	Noneducational Community Based Support Fund	Advanced Placement Incentives Fund
REVENUES							
5700							
5800							
5900	\$ 285,792	\$ 494,518	\$ 67,282	\$ 58,473	\$ 4,432	\$ 9,039	\$ 39,500
5020	285,792	494,518	67,282	58,473	4,432	9,039	39,500
	Total Revenues						
EXPENDITURES							
Current:							
0011	161,250	376,689		27,745	4,432		
0012	2,738						
0013	46,513	70,400		31,024			54,200
0021	11,324	47,362					
0023	61,234	47					
0031	2,733						
0033		20	4,822				
0035							
0036							
0051							
0061							
6030	285,792	494,518	4,822	58,769	4,432	9,039	54,200
1100	-	-	62,460	(296)	-	-	(14,700)
Total Expenditures							
Excess (deficiency) of revenues over (under) expenditures							
OTHER FINANCING SOURCES (USES)							
7915							
8911							14,700
7080							14,700
1200			62,460	(296)			-
0100			29,124	6,949			-
3000			91,584	6,653			-
	Total Other Financing Sources (Uses)						
	Net change in fund balances						
	Fund balances - beginning						
	Fund balances - ending						

**FRISCO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

Data Control Codes	410	429	459	461	480	497	498	Total Non-Major Governmental Funds
	State Textbook Fund	Read to Succeed Fund	Shared Services Arrangement	Campus Activity Fund	Restricted Donations and Grants	Frisco Partners Fund	Child Development Center Fund	
REVENUES								
5700 Local and intermediate sources	\$ 7,546		\$ 152,654	\$ 915,428	\$ 480,396	\$ 57,938	\$ 626,647	\$ 20,744,108
5800 State program revenues	7,386,238	1,356						7,943,835
5900 Federal program revenues								18,266,059
5020 Total Revenues	<u>7,393,784</u>	<u>1,356</u>	<u>152,654</u>	<u>915,428</u>	<u>480,396</u>	<u>57,938</u>	<u>626,647</u>	<u>46,556,002</u>
EXPENDITURES								
Current:								
0011 Instruction	4,378,974		42,404		180,929	51,094		11,884,080
0012 Instructional resources and media services		59			4,031	5,208		12,036
0013 Curriculum and instructional staff development		1,317	110,250		1,250			636,085
0021 Instructional leadership					10,410	1,636		219,275
0023 School leadership								84,684
0031 Guidance, counseling and evaluation services								3,393,664
0033 Health services					492			5,313
0035 Food services					285			23,150,424
0036 Extracurricular activities				817,244	83,010			900,254
0051 Facilities maintenance and operations								262,195
0061 Community services								724,591
6030 Total Expenditures	<u>4,378,974</u>	<u>1,376</u>	<u>152,654</u>	<u>817,244</u>	<u>291,377</u>	<u>57,938</u>	<u>714,432</u>	<u>41,272,601</u>
1100 Excess (deficiency) of revenues over (under) expenditures	3,014,810	(20)	-	98,184	189,019	-	(87,785)	5,283,401
OTHER FINANCING SOURCES (USES)								
7915 Transfers in								14,700
8911 Transfers out				(18,795)				(18,795)
7080 Total Other Financing Sources (Uses)				<u>(18,795)</u>				<u>(4,095)</u>
1200 Net change in fund balances	3,014,810	(20)	-	79,389	189,019	-	(87,785)	5,279,306
0100 Fund balances - beginning	847,086	72	-	2,275,597	112,947	-	181,567	9,162,029
3000 Fund balances - ending	<u>\$ 3,861,896</u>	<u>\$ 52</u>	<u>\$ -</u>	<u>\$ 2,354,986</u>	<u>\$ 301,966</u>	<u>\$ -</u>	<u>\$ 93,782</u>	<u>\$ 14,441,335</u>

**FRISCO INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
CHILD NUTRITION FUND
FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT G-4

Data Control Codes	Budgeted Amounts			Actual Amounts	Variance with Final Budget Over/(Under)
	Original	Final			
	REVENUES				
5700	Local and intermediate sources	\$ 19,071,600	\$ 19,071,600	\$ 18,503,499	\$ (568,101)
5800	State program revenues	110,000	110,000	105,270	(4,730)
5900	Federal program revenues	5,320,000	5,320,000	6,814,609	1,494,609
5020	Total Revenues	<u>24,501,600</u>	<u>24,501,600</u>	<u>25,423,378</u>	<u>921,778</u>
	EXPENDITURES				
	Current:				
0035	Food services	24,239,850	24,238,350	23,139,454	(1,098,896)
0051	Facilities maintenance and operations	261,750	263,250	262,195	(1,055)
6030	Total Expenditures	<u>24,501,600</u>	<u>24,501,600</u>	<u>23,401,649</u>	<u>(1,099,951)</u>
	Excess (deficiency) of revenues over (under)				
1100	expenditures	-	-	2,021,729	2,021,729
1200	Net change in fund balances	-	-	2,021,729	2,021,729
0100	Fund balances - beginning	5,708,687	5,708,687	5,708,687	-
3000	Fund balances - ending	<u>\$ 5,708,687</u>	<u>\$ 5,708,687</u>	<u>\$ 7,730,416</u>	<u>\$ 2,021,729</u>

OTHER SUPPLEMENTARY INFORMATION

AGENCY FUND

**FRISCO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT G-5

Data Control Codes		Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
	ASSETS				
1110	Cash and investments	\$ 1,280,483	\$ 2,187,408	\$ 2,123,911	\$ 1,343,980
	Total Assets	<u>\$ 1,280,483</u>	<u>\$ 2,187,408</u>	<u>\$ 2,123,911</u>	<u>\$ 1,343,980</u>
	LIABILITIES				
2110	Accounts payable	\$ 89,890	\$ 2,022,243	\$ 2,052,509	\$ 59,624
2190	Due to student groups	1,190,593	2,170,157	2,076,394	1,284,356
	Total Liabilities	<u>\$ 1,280,483</u>	<u>\$ 4,192,400</u>	<u>\$ 4,128,903</u>	<u>\$ 1,343,980</u>

OTHER SUPPLEMENTARY INFORMATION

REQUIRED TEA SCHEDULE

**FRISCO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
AS OF JUNE 30, 2019**

Last Ten Fiscal Years	1 Tax Rates		3 Assessed/Appraised Value for School Tax Purposes	10 Beginning Balance	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance
	Maintenance	Debt Service							
Prior to 2011	Various	Various	Various	\$ (142,961)	\$	\$	\$ 1,637	\$ (88,509)	(237,206)
2011	\$1.00	\$0.39	16,875,842,501	162,570		5,429	2,117	(209)	154,815
2012	\$1.00	\$0.42	17,504,188,590	51,061		56,297	23,645	(568)	(29,449)
2013	\$1.04	\$0.42	18,411,182,624	446,884		247,978	100,145	20,346	119,107
2014	\$1.04	\$0.42	20,072,776,233	626,219		607,954	245,520	453,552	226,297
2015	\$1.04	\$0.42	23,005,771,528	664,522		766,682	309,621	851,701	439,920
2016	\$1.04	\$0.42	26,230,139,504	799,461		711,589	287,373	870,158	670,657
2017	\$1.04	\$0.42	30,621,651,034	610,269		370,289	149,540	770,391	860,831
2018	\$1.04	\$0.42	35,570,550,343	2,079,540		711,183	287,208	(72,869)	1,008,280
2019	\$1.17	\$0.27	40,349,486,303		\$ 558,759,088	460,602,871	106,293,001	11,965,847	3,829,063
Totals				\$ 5,297,565	\$ 558,759,088	\$ 464,084,371	\$ 107,699,807	\$ 14,769,840	\$ 7,042,315

Portion of total collections paid into Tax Increment Zone Under Chapter 311, Tax Code

\$

\$ 22,792,209

STATISTICAL SECTION
(UNAUDITED)

**FRISCO INDEPENDENT SCHOOL DISTRICT
STATISTICAL SECTION**

(Unaudited)

This section of the Frisco Independent School District's Comprehensive Annual Financial Report presents information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall health.

CONTENTS PAGE

Financial Trends 64

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

Revenue Capacity 69

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

Debt Capacity 73

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

Demographic Information 76

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

Operating Information 78

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

FINANCIAL TRENDS

**FRISCO INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ (204,940,333)	\$ (233,522,841)	\$ (274,216,290)	\$ (293,661,182)	\$ (273,081,937)	\$ (305,309,356)	\$ (232,937,713)	\$ (232,777,187)	\$ (346,371,603)	\$ (363,992,174)
Restricted for Federal and State grant programs	2,831,739	2,606,162	3,208,210	2,904,294	3,789,148	5,261,965	4,489,444	5,475,019	6,591,918	11,690,601
Restricted for debt services	68,589,961	64,478,051	71,170,986	72,023,378	53,919,728	54,250,586	57,086,768	80,911,177	110,066,081	105,581,772
Restricted for capital projects	7,833,126	-	-	-	-	-	-	-	-	-
Unrestricted Net Position	22,911,965	26,295,778	47,511,053	51,311,286	66,159,069	353,464	(86,843,097)	(99,981,333)	(190,605,648)	(160,936,956)
Total Net Position	\$ (102,773,542)	\$ (140,142,850)	\$ (152,326,041)	\$ (167,422,224)	\$ (149,213,992)	\$ (245,443,341)	\$ (258,204,598)	\$ (246,372,324)	\$ (420,319,252)	\$ (407,656,757)

Source: Frisco ISD Annual Financial Reports

**FRISCO INDEPENDENT SCHOOL DISTRICT
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS**

(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EXPENSES										
Governmental Activities:										
Instructional	\$ 7,456,175	\$ 7,041,284	\$ 5,072,392	\$ 6,878,260	\$ 7,563,264	\$ 9,187,036	\$ 9,796,673	\$ 9,325,687	\$ 6,373,309	\$ 8,849,546
Instructional resources and media services	4,416,790	4,196,290	5,540,212	6,695,992	7,496,653	8,527,459	8,937,996	9,447,290	6,858,766	11,026,050
Curriculum and instructional staff development	4,152,342	4,183,981	3,496,529	4,538,265	4,625,073	5,075,185	5,474,033	6,192,970	4,615,947	8,153,468
Instructional leadership	16,296,940	19,604,431	18,585,563	22,284,476	21,657,026	28,254,017	30,178,920	32,328,267	23,791,263	37,705,167
School leadership	10,135,488	11,165,424	11,195,982	12,552,997	12,828,364	14,672,505	16,612,319	17,508,585	11,811,319	22,074,050
Guidance, counseling and evaluation services	311,030	309,809	292,395	343,427	360,371	352,044	361,960	279,911	119,107	206,324
Social work services	3,401,665	3,612,048	3,388,277	3,738,802	3,885,439	4,700,476	5,183,496	5,496,484	3,702,581	6,590,798
Health services	9,747,990	9,511,115	9,476,656	9,854,542	10,489,264	11,631,466	12,127,267	12,899,257	10,690,822	15,649,573
Student transportation	15,352,293	17,089,059	16,966,824	18,662,958	20,138,815	22,671,955	25,943,835	25,477,572	21,130,662	26,438,963
Food services	13,978,597	14,269,145	14,145,666	14,929,811	15,493,350	17,804,290	19,434,773	19,440,200	17,052,390	23,276,818
Extracurricular activities	7,289,357	7,371,999	7,647,253	6,560,127	6,752,192	8,271,754	9,432,967	9,747,588	8,358,009	12,707,266
General administration	29,109,608	31,567,513	28,970,801	30,168,059	31,796,821	37,020,121	45,202,540	46,480,755	47,446,326	54,392,409
Facilities maintenance and operations	1,610,482	2,219,918	2,418,991	2,731,959	3,595,026	3,808,630	3,916,348	3,826,564	3,293,454	4,399,063
Security and monitoring services	4,986,191	5,930,740	6,275,652	6,718,444	7,194,012	9,499,233	9,131,244	8,927,287	9,372,444	11,961,523
Data processing services	1,498,050	1,539,113	1,514,281	1,572,685	1,516,206	1,992,750	1,857,437	1,900,499	1,452,458	2,072,276
Community services	60,341,816	61,708,857	64,807,149	70,402,767	45,233,434	73,966,028	81,825,335	79,783,468	77,551,045	82,228,452
Debt service - interest on long-term debt	224,619	303,281	784,857	1,034,160	1,288,269	2,511,829	3,518,708	2,474,789	691,035	2,143,297
Debt service - bond issuance costs and fees	1,331,260	3,004,389	1,582,625	1,785,899	1,004,896	1,177,873	217,771	-	-	14,017,478
Contracted instructional services between schools	135,132	195,897	-	-	-	-	-	-	-	-
Payments to fiscal agent/member districts of SSA	87,929	90,309	60,791	44,573	23,499	47,931	37,077	67,814	30,118	35,666
Payments to juvenile justice alternative education program:	13,078,366	12,475,699	15,300,909	16,558,936	17,605,466	19,317,219	20,698,870	22,583,104	25,397,908	25,169,882
Payments to tax increment fund	1,613,714	1,637,072	1,658,054	1,801,088	1,924,946	2,102,040	2,377,555	2,683,175	3,040,455	3,492,348
Other intergovernmental charges	406,826,383	431,399,523	426,439,348	460,262,744	460,248,703	567,245,555	617,872,516	642,012,008	510,122,013	757,810,772
Total Governmental Activities Expenses										
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
Instruction	195,799	234,762	206,936	290,231	350,717	396,872	403,481	310,309	733,927	923,344
Food services	11,381,160	12,372,825	13,077,118	13,685,406	14,494,346	16,242,616	17,585,643	17,491,137	18,376,266	18,335,195
Extracurricular activities	926,755	1,475,974	1,522,873	1,506,143	1,525,824	1,605,535	1,796,238	2,423,340	2,379,643	2,362,725
Facilities maintenance and operations	731,934	536,802	1,913,519	2,299,332	2,394,812	2,554,502	2,864,952	2,818,152	3,172,769	3,631,143
Operating Grants and Contributions	31,313,190	32,628,060	25,145,775	22,544,354	26,278,448	38,071,093	34,845,658	38,224,087	(58,806,085)	64,655,694
Total Governmental Activities Program Revenues	44,548,838	47,248,423	41,866,221	40,325,466	45,044,147	58,870,618	57,497,972	61,267,025	(34,143,480)	89,908,101
Net (Expense) Revenue	(362,277,545)	(384,151,100)	(384,573,127)	(419,937,278)	(415,204,556)	(508,374,937)	(560,374,544)	(580,744,983)	(544,265,493)	(667,902,671)

Source: Frisco ISD Annual Financial Reports

**FRISCO INDEPENDENT SCHOOL DISTRICT
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expense) Revenue	\$ (362,277,545)	\$ (384,151,100)	\$ (384,573,127)	\$ (419,937,278)	\$ (415,204,556)	\$ (508,374,937)	\$ (560,374,544)	\$ (580,744,983)	\$ (544,265,493)	\$ (667,902,671)
GENERAL REVENUES										
Governmental Activities:										
Taxes:										
Property taxes, levied for general purposes	173,721,989	171,001,679	177,079,758	199,562,589	229,889,858	265,133,759	279,061,789	328,154,575	375,184,044	471,611,015
Property taxes, levied for debt service	62,409,766	61,736,118	68,875,705	72,822,119	80,937,836	93,922,813	105,578,096	124,819,619	142,848,448	104,085,263
State aid - formula grants	85,246,982	99,211,962	104,324,856	117,087,935	119,733,020	120,405,390	139,758,001	115,510,634	98,313,792	64,028,393
Grants and contributions not restricted to specific programs	17,407	180	20,083	51,6970	-	-	2,332,383	2,320,903	2,858,270	6,520,666
Investment earnings	358,496	246,295	184,963	238,659	98,009	166,062	720,988	1,994,950	5,260,009	9,862,834
Miscellaneous local and intermediate revenue	16,969,299	17,308,973	21,901,571	20,559,060	27,543,365	36,257,774	20,162,030	19,776,576	23,075,918	24,456,995
Total General Revenue	338,723,939	349,505,207	372,386,936	410,787,332	433,412,788	483,253,798	547,613,287	592,577,257	647,540,481	680,565,166
Change in net position	(23,553,606)	(34,645,893)	(12,186,191)	(9,149,946)	18,208,232	(25,121,139)	(12,761,257)	11,832,274	103,274,988	12,662,495
Net position - beginning, as adjusted	(79,219,936)	(105,496,957)	(140,142,850)	(158,272,278)	(167,422,224)	(220,322,202)	(245,443,341)	(286,204,598)	(523,594,240)	(420,319,252)
Net position - ending	(102,773,542)	(140,142,850)	(152,329,041)	(167,422,224)	(149,213,992)	(245,443,341)	(258,204,598)	(246,372,324)	(420,319,252)	(407,656,757)

Source: Frisco ISD Annual Financial Reports

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

(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GENERAL FUND										
Reserved	\$ 51,281	\$ 251,404	\$ 1,41,684	\$ 163,824	\$ 264,523	\$ 410,917	\$ 702,073	\$ 905,361	\$ 171,510	\$ 315,816
Nonspendable							11,058,654	3,750,957	3,665,783	37,077,190
Assigned	46,286,952	42,818,991	60,123,335	72,501,978	84,900,184	92,068,189	111,732,514	128,605,979	158,970,627	169,214,689
Unreserved /Unassigned	46,338,233	43,070,395	60,265,019	72,665,802	85,164,707	92,479,106	123,493,141	133,262,297	162,807,920	206,607,695
Total General Fund										
All OTHER GOVERNMENTAL FUNDS										
Reserved for:										
Debt service fund	67,245,565									
Child nutrition service	2,831,739									
Designated for:										
Construction	7,833,126									
Other Purposes										
Nonspendable					71,910	45,631	64,406	65,712	53,232	59,389
Restricted		118,756,851	78,941,316	125,818,111	173,944,026	226,127,518	204,022,445	175,399,955	205,123,183	319,200,288
Committed				2,171,829	2,117,958	2,088,957	2,225,283	2,469,521	2,516,879	2,691,345
Assigned								5,889,126	6,803,546	13,017,077
Unreserved/Unassigned	1,569,851	1,750,466	1,958,933	127,989,940	176,133,894	228,262,106	206,312,134	183,824,314	214,496,840	334,968,099
Total All Other Governmental Funds	79,480,281	120,507,317	80,900,249	127,989,940	176,133,894	228,262,106	206,312,134	183,824,314	214,496,840	334,968,099
Total Governmental Funds	\$ 125,818,514	\$ 163,577,712	\$ 141,165,268	\$ 200,655,742	\$ 261,298,601	\$ 320,741,212	\$ 329,805,275	\$ 317,086,611	\$ 377,304,760	\$ 541,575,794

¹ Beginning with the fiscal year ended June 30, 2011, the District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Types*, which required a change in the reported classification of fund balance.

² Prior to the implementation of GASB 54, the portion of fund balance available for spending at the District's discretion was classified as "Unreserved." After the implementation of GASB 54, this amount is classified as "Unassigned."

Source: Frisco ISD Annual Financial Reports

**FRISCO INDEPENDENT SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUES										
Local and intermediate sources	\$ 266,335,275	\$ 265,159,734	\$ 286,574,924	\$ 309,077,472	\$ 333,806,178	\$ 381,193,995	\$ 432,689,498	\$ 499,188,264	\$ 573,074,722	\$ 637,277,478
State program revenues	97,190,014	111,289,016	115,321,314	129,671,656	133,979,693	133,975,235	161,187,530	139,189,304	123,769,796	94,347,646
Federal program revenues	19,387,565	20,551,186	14,169,400	10,477,603	11,423,023	12,432,495	13,641,401	14,684,530	16,954,826	24,786,725
	382,912,854	396,999,936	416,065,638	449,226,731	479,028,896	527,601,725	607,518,429	653,062,098	713,799,344	756,411,849
EXPENDITURES										
Current:										
Instructional resources and media services	179,467,078	182,496,322	176,860,360	196,244,658	210,384,860	234,760,839	259,362,734	288,828,129	297,585,386	325,454,888
Curriculum and instructional staff development	5,119,964	5,048,034	4,411,159	5,057,068	5,272,336	5,578,571	5,903,740	6,586,387	5,953,569	6,152,141
Instructional leadership	4,152,686	4,161,357	3,452,915	4,538,583	4,625,073	4,893,191	5,399,089	6,099,992	7,157,033	10,560,123
School leadership	15,986,938	19,117,432	17,936,465	21,966,564	21,321,892	23,588,233	26,215,585	28,479,181	30,234,448	32,036,475
Guidance, counseling and evaluation services	10,136,519	11,120,177	11,067,229	12,553,335	12,827,113	14,112,899	16,381,866	17,262,743	18,196,373	20,788,270
Social work services	311,030	309,809	292,395	343,427	360,371	343,027	356,988	275,577	192,909	193,601
Health services	3,386,708	3,562,679	3,328,177	3,729,920	3,872,931	4,566,068	5,079,075	5,408,782	5,603,653	6,208,788
Student transportation	7,832,691	7,529,367	7,454,070	8,124,128	8,769,634	9,558,458	10,435,043	11,284,361	11,852,424	13,318,672
Food services	14,103,336	15,105,284	15,090,635	16,800,946	18,146,918	19,973,220	23,090,610	23,401,047	22,890,630	23,179,124
Extracurricular activities	9,615,377	11,031,634	11,480,974	12,155,988	12,380,344	13,161,741	14,863,435	15,354,435	16,207,142	17,841,039
General administration	6,228,714	6,431,057	6,474,238	5,706,743	5,685,941	6,470,414	7,823,941	8,223,475	9,498,014	10,994,089
Facilities maintenance and operations	26,336,467	28,722,255	24,674,238	27,818,925	28,974,793	30,974,767	33,256,966	34,121,457	36,606,690	39,209,444
Security and monitoring services	1,326,543	1,768,526	1,923,659	1,865,957	2,510,096	3,091,852	3,279,043	3,568,407	3,527,117	3,833,841
Data processing services	1,775,221	2,163,063	3,309,326	5,146,610	5,307,632	6,206,388	6,138,332	5,982,344	10,321,078	9,112,233
Community services	1,496,786	1,527,079	1,502,248	1,560,970	1,514,385	1,633,826	1,582,736	1,624,382	1,588,321	1,738,209
Debt Service:										
Principal on long-term debt	19,133,596	20,672,773	18,376,134	20,579,605	27,935,713	28,407,368	33,165,766	40,208,068	58,941,144	49,984,001
Interest on long-term debt	56,970,707	55,877,774	60,861,887	62,655,429	61,273,182	70,090,988	79,264,169	82,689,419	77,339,248	83,323,903
Bond issuance costs and fees	841,153	942,386	555,641	1,034,160	1,288,269	2,511,829	3,518,708	2,474,790	691,035	2,143,297
Capital Outlay:										
Facilities acquisition and construction	92,337,806	66,948,012	97,792,344	81,302,872	167,713,439	231,716,698	213,578,123	166,980,903	51,958,032	37,922,746
Intergovernmental:										
Contracted instructional services between schools	1,331,260	3,004,389	1,582,625	1,785,899	1,004,896	1,177,873	217,771	-	-	14,017,478
Payments to fiscal agent/member districts of SSA	195,132	195,897	-	-	44,573	47,931	37,077	67,814	30,118	35,666
Payments to juvenile justice alternative education	87,929	90,309	60,791	16,558,936	17,605,466	19,317,219	20,698,870	22,583,104	25,397,908	25,169,882
Payments tax increment fund	13,078,366	12,475,699	15,300,909	7,464,755	2,253,199	2,102,040	2,377,535	2,683,175	3,040,455	3,492,348
Other intergovernmental charges	1,613,714	1,637,072	1,658,054	1,801,088	1,924,946	2,102,040	2,377,535	2,683,175	3,040,455	3,492,348
	471,242,855	456,112,052	489,460,964	516,072,694	628,220,382	742,593,351	780,836,176	783,228,820	704,252,046	744,338,589
Excess (deficiency) of revenues over (under) expenditures	(88,330,001)	(69,112,116)	(73,395,326)	(66,845,963)	(149,191,486)	(214,991,626)	(173,317,747)	(130,166,722)	51,958,032	12,073,260
OTHER FINANCING SOURCES (USES)										
Capital related debt issued (regular and refunding bonds)	85,250,000	181,031,260	147,610,357	258,246,992	202,300,000	299,320,000	381,640,000	282,235,000	49,865,000	265,390,000
Premium on issuance of bonds	2,361,017	9,692,980	11,084,272	30,271,957	10,436,146	19,187,662	38,051,415	32,747,133	805,851	30,280,211
Sale of real and personal property	-	13,057	2,412	7,464,755	2,253,199	6,916,575	3,884,912	-	-	75,538
Transfers in	28,148,312	12,325,434	8,958,340	16,486,477	14,511,144	7,774,470	7,119,500	6,051,998	7,285,940	10,033,495
Other resources	-	-	-	270	-	-	-	-	-	-
Transfers out	(28,148,312)	(13,621,257)	(13,241,717)	(16,422,968)	(14,511,144)	(7,774,470)	(7,119,500)	(6,051,998)	(7,285,940)	(10,033,495)
Payment to refunded bond escrow agent	(51,712,224)	(79,846,745)	(103,431,052)	(169,710,716)	(5,155,000)	(50,990,000)	(241,194,517)	(197,534,075)	-	(143,547,975)
	35,898,793	109,594,729	50,982,882	126,336,437	209,834,345	274,434,237	182,381,810	117,448,058	50,670,851	152,197,774
Net change in fund balances	(52,431,208)	40,482,613	(22,412,444)	59,490,474	60,642,859	59,442,611	9,064,063	(12,718,664)	60,218,149	164,271,034
Fund balances - beginning, as adjusted	178,249,722	123,095,099	163,577,712	141,165,268	200,655,742	261,298,601	320,741,212	329,805,275	317,086,611	377,304,760
Fund balances - ending	\$ 125,818,514	\$ 163,577,712	\$ 141,165,268	\$ 200,655,742	\$ 261,298,601	\$ 320,741,212	\$ 329,805,275	\$ 317,086,611	\$ 377,304,760	\$ 541,575,794
Debt service as a percentage of non-capital expenditures	20.31%	19.41%	20.37%	19.38%	19.18%	18.35%	18.35%	19.64%	20.16%	18.26%

Source: Frisco ISD Annual Financial Reports

REVENUE CAPACITY

**FRISCO INDEPENDENT SCHOOL DISTRICT
TAXABLE ASSESSED VALUATION BY PROPERTY USE CATEGORY
LAST TEN FISCAL YEARS**

(Unaudited)

Fiscal Year	Actual Value													Total Taxable Value	Total District Rate
	Single Family Property	Multi-Family Property	Vacant Lots Tracts	Acreage (Land Only)	Farm and Ranch Improvements	Commercial & Industrial (Real)	Utilities	Commercial & Industrial (Personal)	Other	Total Assessed Value	Less: Exemptions	Total Taxable Value	Total District Rate		
2010	11,318,629,269	959,222,680	379,432,588	1,978,541,543	21,394,569	3,481,674,802	130,731,808	787,615,513	399,621,865	19,456,864,637	2,277,356,494	17,179,508,143	\$1.39		
2011	11,504,077,061	998,825,739	299,761,332	1,752,437,036	20,930,610	3,215,213,475	115,645,665	706,809,701	362,745,531	18,976,446,150	2,100,605,660	16,875,840,490	\$1.39		
2012	12,062,374,158	1,048,925,351	305,794,907	1,726,339,089	18,546,875	3,316,365,172	128,181,093	733,630,488	307,640,722	19,647,797,855	2,143,611,277	17,504,186,578	\$1.42		
2013	12,627,501,202	1,202,898,036	293,379,271	1,730,873,484	17,685,947	3,499,967,601	130,695,320	775,039,766	262,013,501	20,540,054,128	2,128,873,517	18,411,180,611	\$1.46		
2014	13,675,913,279	1,413,163,612	298,801,710	1,393,693,816	321,808,894	3,764,176,806	136,448,465	828,032,175	353,434,184	22,185,472,941	2,112,698,722	20,072,774,219	\$1.46		
2015	15,793,610,084	1,704,527,510	397,306,356	1,564,168,999	371,885,899	4,178,276,253	151,707,976	888,658,217	361,313,589	25,411,454,893	2,405,683,365	23,005,771,528	\$1.46		
2016	18,531,227,482	1,953,611,983	432,451,349	1,691,512,254	519,090,462	4,778,991,671	163,717,344	940,465,225	398,329,187	29,409,396,957	3,179,257,453	26,230,139,504	\$1.46		
2017	21,617,912,704	2,308,485,474	548,452,795	1,677,217,322	683,537,417	5,613,500,147	174,364,345	983,165,673	527,152,241	34,133,788,118	3,512,137,084	30,621,651,034	\$1.46		
2018	24,266,454,955	2,863,423,379	574,861,150	1,636,247,637	651,465,813	7,029,248,675	219,739,241	1,092,637,491	639,966,905	38,974,045,246	3,403,494,903	35,570,550,343	\$1.46		
2019	26,446,203,218	3,475,935,845	592,806,009	1,544,597,794	534,068,422	8,646,055,811	257,452,561	1,274,799,591	736,850,877	43,508,770,128	3,159,283,825	40,349,486,303	\$1.44		

Source: Texas Comptroller of Public Accounts - School District Summary Worksheet

**FRISCO INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING TAX RATES
LAST TEN FISCAL YEARS**

(Unaudited)

Tax Year	Frisco ISD Direct Rate			Overlapping Rates								
	Maintenance & Operations Rate	Interest & Sinking Rate	Total Direct Rate	City of Frisco	Collin County	Collin County Community College (CCCC)	City of McKinney	City of Plano	Denton County	Town of Little Elm	City of Hackberry	Denton County FWSD
2009	1.0000	0.3900	1.3900	0.4500	0.2450	0.0865	0.6100	0.4735	0.2357	0.5697	0.5798	1.0000
2010	1.0000	0.3900	1.3900	0.4650	0.2425	0.0863	0.6100	0.4886	0.2498	0.6345	0.4478	1.0000
2011	1.0000	0.4200	1.4200	0.4650	0.2425	0.0863	0.6100	0.4886	0.2739	0.6652	0.4754	1.0000
2012	1.0400	0.4200	1.4600	0.4620	0.2400	0.0863	0.6100	0.4886	0.2774	0.6650	0.4766	1.0000
2013	1.0400	0.4200	1.4600	0.4620	0.2400	0.0863	0.6100	0.4886	0.2829	0.6650	0.4857	1.0000
2014	1.0400	0.4200	1.4600	0.4620	0.2380	0.0863	0.6100	0.4886	0.2829	0.6650	0.4627	1.0000
2015	1.0400	0.4200	1.4600	0.4620	0.2380	0.0836	0.5855	0.4886	0.2850	0.6650	0.4627	1.0000
2016	1.0400	0.4200	1.4600	0.4500	0.2084	0.0812	0.5830	0.4786	0.2484	0.6617	0.3382	1.0000
2017	1.0400	0.4200	1.4600	0.4466	0.1926	0.0798	0.5730	0.4686	0.2378	0.6577	0.2343	1.0000
2018	1.1700	0.2700	1.4400	0.4466	0.1808	0.0812	0.5252	0.4603	0.2256	0.6499	0.2527	1.0000

Source: Texas Comptroller of Public Accounts - Tax Rates and Levies

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

EXHIBIT S-8

(Unaudited)

		2019	
<u>Taxpayer</u>	<u>Business Type</u>	<u>Taxable Value</u>	<u>Percentage of Total Taxable Value</u>
Liberty Mutual Plano LLC	Banking & Finance	\$ 345,798,915	0.86%
JP Morgan Chase Bank NA	Banking & Finance	312,538,085	0.77%
Toyota Motor North America Inc.	Automotive	253,208,768	0.63%
Capital One National Association	Banking & Finance	216,428,297	0.54%
Blue Star HQ Inc	Real Estate Development	201,017,500	0.50%
BPR Shopping Center LP	Real Estate Development	147,250,000	0.36%
Tollway/121 Partners LTD	Real Estate Development	131,158,164	0.33%
Granite Park VII LLC	Real Estate Development	122,502,127	0.30%
Granite Park NM/GP IV LLC	Real Estate Development	108,205,000	0.27%
Granite Park I LLC	Real Estate Development	107,540,000	0.27%
		\$ 1,945,646,856	4.82%

		2010	
<u>Taxpayer</u>	<u>Business Type</u>	<u>Taxable Value</u>	<u>Percentage of Total Taxable Value</u>
Rodman LLC	Real Estate Development	\$ 100,058,043	0.58%
Tollway/121 Partners LTD	Real Estate Development	87,922,529	0.51%
Capital One National Association	Finance	85,842,007	0.49%
Tenet Frisco LTD	Medical	81,920,170	0.47%
McKinney (TX) - 7951 Collin McKinney	Real Estate Development	50,020,126	0.29%
Inland Wester/Weber JV Frisco Pkwy	Real Estate Development	44,000,722	0.25%
GP Park II LLC	Real Estate Development	44,000,000	0.25%
Virtu Investments LLC	Real Estate Development	43,600,000	0.25%
Granite Park I LLC	Real Estate Development	42,500,000	0.24%
OTR	Real Estate Development	41,129,338	0.47%
		\$ 620,992,935	3.80%

Source: Collin and Denton County Appraisal Districts

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

EXHIBIT S-9

Fiscal Year	Taxes Levied for the Fiscal Year ¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Current Year Adjusted Levy ²	Total Collections to Date	
		Amount	Percentage of Levy			Amount ³	Percentage of Levy
2010	226,592,154	222,910,277	98.38%	3,698,001	226,699,701	226,608,278	99.96%
2011	236,338,412	232,171,603	98.24%	5,068,269	236,691,376	237,239,872	100.23%
2012	233,360,846	230,656,112	98.84%	5,139,438	235,066,039	235,795,550	100.31%
2013	246,595,889	244,576,313	99.18%	6,911,373	250,734,971	251,487,686	100.30%
2014	271,222,819	269,428,955	99.34%	7,373,843	275,502,784	276,802,798	100.47%
2015	292,572,378	289,972,452	99.11%	8,693,901	300,786,428	298,666,353	99.30%
2016	333,326,629	330,473,983	99.14%	5,704,952	337,474,594	336,178,935	99.62%
2017	440,260,516	437,197,385	99.30%	2,946,888	441,005,104	440,144,273	99.80%
2018	510,093,437	508,013,897	99.59%	998,391	510,020,568	509,012,288	99.80%
2019	570,724,935	566,895,872	99.33%		570,724,935	566,895,872	99.33%

¹ Includes adjustments during the year of the levy.

² Includes all adjustments to the levy made in subsequent years.

³ Includes penalties and interest.

Sources: Frisco ISD Annual Financial Reports and Collin County Tax Office



Patience • now • the capacity

accept or tolerate

delay • ing, trouble

The Eldest
2019 State VASE Gold Seal Winner

SUNYOUNG YUN

Liberty High School
Teacher: Pernie Fallon

DEBT CAPACITY

FRISCO INDEPENDENT SCHOOL DISTRICT
ESTIMATED OVERLAPPING DEBT STATEMENT
JUNE 30, 2019
(Unaudited)

EXHIBIT S-10

Taxing Body	Amount	Percentage Overlapping	Amount Overlapping
Collin County	\$ 410,665,000	19.08%	\$ 78,354,882
Collin County CCD	246,415,000	19.08%	47,015,982
Denton County	620,385,000	10.92%	67,746,042
Denton County FWSD # 8-C	40,791,079	100.00%	40,791,079
City of Frisco	847,035,000	89.92%	761,653,872
Town of Little Elm	99,005,000	36.34%	35,978,417
City of McKinney	244,840,000	17.52%	42,895,968
City of Plano	435,680,000	3.56%	15,510,208
Subtotal, overlapping debt			1,089,946,450
District gross bonded debt			2,236,379,576
Total direct and overlapping debt			<u>\$ 3,326,326,026</u>
Ratio of net direct and overlapping debt to net taxable valuation			8.24%
Per capita direct and overlapping debt			\$ 12,445.94

Source: Municipal Advisory Council of Texas

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

**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 of Bonded Debt to Taxable Assessed Value		Estimated Population	Taxable Assessed Value per Capita	Bonded Debt per Capita	Personal Income	Ratio of Bonded Debt to Personal Income
			Value	%					
2010	17,179,508,143	1,178,615,748	6.86%		162,932	105,440	7,234	6,277,062,090	18.78%
2011	16,875,840,490	1,265,634,232	7.50%		167,332	100,852	7,564	7,054,209,240	17.94%
2012	17,504,186,578	1,310,323,851	7.49%		173,002	101,179	7,574	7,941,628,760	16.50%
2013	18,411,180,611	1,353,110,843	7.35%		186,743	98,591	7,246	8,423,152,562	16.06%
2014	20,072,774,219	1,679,166,027	8.37%		195,558	102,644	8,587	8,423,152,562	19.94%
2015	23,005,771,528	1,911,006,819	8.31%		206,900	111,193	9,236	8,906,351,924	21.46%
2016	26,230,139,504	2,066,361,628	7.88%		218,374	120,116	9,462	9,520,014,530	21.71%
2017	30,621,651,034	2,147,871,338	7.01%		229,282	133,555	9,368	10,951,884,012	19.61%
2018	35,570,550,343	2,137,073,341	6.01%		256,078	138,905	8,345	11,710,037,600	18.25%
2019	40,349,486,303	2,236,379,576	5.54%		267,262	150,974	8,368	13,092,363,594	17.08%

Sources: Collin and Denton County appraisal districts; the Municipal Advisory Council of Texas; and Population and Survey Analysts

**FRISCO INDEPENDENT SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

EXHIBIT S-12

(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 1,717,950,814	\$ 1,687,584,049	\$ 1,750,418,658	\$ 1,841,118,061	\$ 2,007,277,422	\$ 2,300,577,153	\$ 2,623,013,950	\$ 3,062,165,103	\$ 3,557,055,034	\$ 4,034,948,630
Total net debt applicable to limit	1,111,370,180	1,202,435,238	1,225,113,663	1,306,550,128	1,504,107,915	1,721,846,816	1,830,193,568	2,040,369,266	1,999,830,262	2,104,376,669
Legal debt Margin	\$ 606,580,634	\$ 485,148,811	\$ 525,304,995	\$ 534,567,933	\$ 503,169,507	\$ 578,730,337	\$ 792,820,382	\$ 1,021,795,837	\$ 1,557,224,772	\$ 1,930,571,961
Total net debt applicable to the limit as a percentage of the debt limit	64.69%	71.25%	69.99%	70.97%	74.93%	74.84%	69.77%	66.63%	56.22%	52.15%

Legal Debt Margin Calculation for the Fiscal Year 2018:	
Taxable Assessed value	\$ 40,349,486,303
Debt limit (10% of assessed value) ¹	4,034,948,630
Total bonded debt	\$ 2,236,379,576
Less reserve for retirement of debt ²	132,002,907
Debt applicable to limit	2,104,376,669
Legal debt margin	\$ 1,930,571,961

¹ Bonded Debt Limitation: Total principal amount of tax fund indebtedness cannot exceed 10% of assessed valuation of taxable property in the District according to the approved ad valorem tax roll at the time of the issuance of bonds.
² Amount represents fund balance restricted for the retirement of long-term debt. See Exhibit C-1. This amount differs from government-wide net position restricted for debt service by amounts payable for accrued or accreted interest.

Source: Frisco ISD Annual Financial Reports

DEMOGRAPHIC INFORMATION

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

EXHIBIT S-13

Fiscal Year	Estimated Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2010	162,932	6,277,062,090	38,526	6.80%
2011	167,332	7,054,209,240	42,157	6.30%
2012	173,002	7,941,628,760	45,905	5.40%
2013	186,743	8,423,152,562	45,106	5.00%
2014	195,558	8,423,152,562	43,072	5.40%
2015	206,900	8,906,351,924	43,047	3.20%
2016	218,374	9,520,014,530	43,595	2.70%
2017	229,282	10,951,884,012	47,766	3.80%
2018	256,078	11,710,037,600	45,728	2.90%
2019	267,262	13,092,363,594	48,987	3.20%

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

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

EXHIBIT S-14

(Unaudited)

2019			
Employer	Approximate Number of Employees	Percentage of Total Estimated Employees	Rank
Frisco Independent School District	7,300	7.12%	1
T-Mobile	1,500	1.46%	2
City of Frisco	1,102	1.07%	3
Mario Sinacola & Sons Excavating	603	0.59%	4
CCCD Preston Ridge Campus	550	0.54%	5
Amerisource Bergens Specialty Group	500	0.49%	6
CLA USA, Inc.	450	0.44%	7
IKEA Frisco	400	0.39%	8
Tenet of Texas RBO	300	0.29%	9
Market Street	300	0.29%	10
	<u>13,005</u>		

2010			
Employer	Approximate Number of Employees	Percentage of Total Estimated Employees	Rank
Frisco Independent School District	4,784	8.37%	1
T-Mobile	2,500	4.37%	2
Rodman Companies	780	1.36%	3
IntegraSys	550	0.96%	4
Mario Sinacola & Sons	500	0.87%	5
City of Frisco	455	0.80%	6
IKEA	400	0.70%	7
Tenet of Texas RBO	340	0.59%	8
Option One Mortgage Co.	250	0.44%	9
Aastra Telecom	250	0.44%	10
	<u>10,809</u>		

Sources: Texas Employment Commission and the Frisco Economic Development Corp.



Colorful Rain

2019 State VASE Medalist

SYDNEY-AERIN SIMPSON

Wakeland High School

Teacher: Geoff Baker

OPERATING INFORMATION

FRISCO INDEPENDENT SCHOOL DISTRICT
FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY IDENTIFIABLE ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2019

EXHIBIT S-15

(Unaudited)

	<u>FTE Count</u>	<u>Average Base Pay</u>
Teaching Staff		
Early Education	\$ 4.00	57,525
Pre-Kindergarten	8.92	58,312
Kindergarten	218.07	56,641
Elementary (Grades 1-6)	1,309.98	57,440
Middle School (Grades 6-8)	891.39	57,744
High School (Grades 9-12)	1,220.30	58,077
All Grade Levels	<u>417.87</u>	<u>53,710</u>
	4,070.53	57,274
Support Staff		
Athletics - other than Athletic Director	1.00	69,874
Audiologist	1.00	70,835
Business Service Professional	14.00	88,157
Communications Professional	6.00	81,348
Counselor	126.00	69,849
Custodial	1.00	129,423
Educational Diagnostician	43.00	70,276
Food Service Professional	14.00	69,892
Internal Auditor	2.00	90,092
LEA/Comp Info Tech Professional	22.00	86,454
Librarian	63.47	62,088
LSSP/Psychologist	24.04	65,461
Maintenance	3.00	107,666
Music Therapist	3.01	53,986
Occupational Therapist	16.81	64,920
Orientation/Mobility Specialist	2.50	58,554
Other LEA Exempt Professional Auxillary	55.30	82,529
Physical Therapist	5.00	68,854
School Nurse	71.77	56,915
Security	1.00	122,235
Speech Therapist/Pathologist	71.75	64,655
Teacher Facilitator	107.92	60,583
Transportation	2.00	90,940
Truant Officer/Visiting Teacher	<u>2.00</u>	<u>72,527</u>
	659.57	67,821
Administrative Staff		
Assistant Principal	129.00	77,233
Asst./Deputy Superintendent	9.00	159,352
Athletic Director	3.00	118,731
Business Manager	1.00	165,927
Director of Personnel/Human Resources	6.00	127,265
District Instructional Program Director	38.50	101,256
Principal	70.00	95,937
Superintendent	1.00	301,790
Teacher Supervisor	<u>10.00</u>	<u>89,112</u>
	267.50	91,551
Paraprofessional Staff/Auxiliary		
Educational Aide	540.50	24,934
Auxiliary	<u>1,509.55</u>	<u>27,376</u>
	2,050.05	26,732
Total	<u>7,047.65</u>	<u>\$ 50,678</u>

Source: Public Education Information Management System (TEA)

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

EXHIBIT S-16

(Unaudited)

Fiscal Year	Operating Expenditures¹	Enrollment	Cost per Pupil	Student to Teacher Ratio	Percentage of Students Receiving Free or Reduced-price Meals
2010	250,450,838	33,757	7,419	13.5	12.80%
2011	267,150,573	37,043	7,212	14.0	12.40%
2012	261,574,596	39,903	6,555	15.0	12.30%
2013	299,997,480	42,707	7,025	15.1	12.00%
2014	316,372,082	46,053	6,870	15.1	11.30%
2015	353,341,296	50,349	7,018	15.1	12.16%
2016	387,843,616	53,301	7,276	15.1	10.58%
2017	431,116,219	55,923	7,709	14.7	10.49%
2018	482,838,984	58,450	8,261	15.3	10.90%
2019	496,856,462	60,182	8,256	14.8	12.53%

¹ Excludes intergovernmental charges.

Source: Frisco ISD Financial Statements

**FRISCO INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION - HIGH SCHOOLS
LAST TEN FISCAL YEARS**

EXHIBIT S-17

(Unaudited)

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
High Schools (Grades 9-12):											
Frisco High											
Site:	45.10 acres	245,024	245,024	289,866	289,866	289,866	352,978	357,510	357,510	357,510	357,510
Opened:	1995	1,442	1,587	1,688	1,810	1,893	2,139	1,804	1,677	1,521	1,589
Centennial High											
Site:	76.48 acres	288,561	335,346	335,346	335,346	335,346	379,897	370,350	370,350	370,350	370,350
Opened:	2000	1,618	1,800	1,904	2,010	2,156	2,021	2,001	2,026	2,014	1,979
Wakeland High											
Site:	71.39 acres	302,645	302,645	339,716	339,716	339,716	345,646	354,413	354,413	354,413	354,413
Opened:	2006	2,056	1,727	1,639	1,868	1,993	2,199	2,031	2,100	2,188	2,052
Liberty High											
Site:	63.33 acres	306,179	306,179	344,261	344,261	344,261	348,496	346,994	346,994	346,994	346,994
Opened:	2007	1,641	1,739	1,772	2,009	2,203	2,025	2,080	2,052	1,947	1,971
Heritage High											
Site:	46.81 acres	355,695	355,695	355,695	355,695	355,695	356,738	357,001	357,001	357,001	357,001
Opened:	2009	634	1,043	1,541	1,753	1,951	1,802	1,904	2,073	2,153	2,003
Lone Star High											
Site:	56.32 acres	NA	354,722	354,722	354,722	354,722	345,445	352,564	352,564	352,564	352,564
Opened:	2010	NA	523	823	963	1,245	1,379	1,715	1,930	2,130	2,069
Independence High											
Site:	63.43 acres	NA	NA	NA	NA	NA	345,969	382,158	382,158	382,158	382,158
Opened:	2014	NA	NA	NA	NA	NA	1,168	1,692	1,832	1,934	2,061
Reedy High											
Site:	56 acres	NA	NA	NA	NA	NA	NA	390,207	390,207	390,207	390,207
Opened:	2015	NA	NA	NA	NA	NA	NA	913	1,344	1,801	1,883
Lebanon Trail High											
Site:	69.3 acres	NA	NA	NA	NA	NA	NA	NA	368,260	368,260	368,260
Opened:	2016	NA	NA	NA	NA	NA	NA	NA	450	955	1,427
Memorial High											
Site:	100.1 acres	NA	NA	NA	NA	NA	NA	NA	NA	NA	387,898
Opened:	2018	NA	NA	NA	NA	NA	NA	NA	NA	NA	1,156

Source: Frisco ISD real property inventory and demographic records

FRISCO INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION - MIDDLE SCHOOLS
LAST TEN FISCAL YEARS

(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Middle Schools (Grades 6-8):										
Staley										
Site:	128,330	128,330	128,330	128,330	128,330	128,330	128,330	128,330	128,330	128,330
Opened:	610	606	643	675	717	707	715	667	663	651
	Square Feet									
	Enrollment									
Clark										
Site:	147,926	147,926	147,926	147,926	147,926	147,926	147,926	147,926	147,926	147,926
Opened:	776	800	826	865	864	853	844	816	777	810
Pioneer										
Site:	135,803	135,803	135,803	135,803	135,803	135,803	135,803	135,803	135,803	135,803
Opened:	1,012	609	701	762	897	1,085	735	824	875	953
Wester										
Site:	135,803	135,803	135,803	135,803	135,803	135,803	135,803	135,803	135,803	135,803
Opened:	766	809	829	879	902	877	899	1,001	1,029	808
Griffin										
Site:	138,428	138,428	138,428	138,428	138,428	138,428	138,428	138,428	138,428	138,428
Opened:	977	526	598	672	705	855	853	900	867	850
Roach										
Site:	138,651	138,651	138,651	138,651	138,651	138,428	138,428	138,428	138,428	138,428
Opened:	902	619	691	784	865	855	1,095	770	864	914
Fowler										
Site:	138,650	138,650	138,650	138,650	138,650	138,651	138,651	138,651	138,651	138,651
Opened:	971	1,076	1,172	859	890	939	1,060	1,091	1,148	1,046
Scoggins										
Site:	142,108	142,108	142,108	142,108	142,108	142,108	142,108	142,108	142,108	142,108
Opened:	711	820	853	586	683	805	938	988	1,011	930
Stafford										
Site:	142,108	142,108	142,108	142,108	142,108	142,108	142,108	142,108	142,108	142,108
Opened:	678	689	793	928	1,029	1,134	745	818	889	903
Cobb										
Site:	NA	143,160	143,160	143,160	143,160	143,160	143,160	143,160	143,160	143,160
Opened:	NA	643	756	817	911	906	954	966	940	911

**FRISCO INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION - MIDDLE SCHOOLS
LAST TEN FISCAL YEARS**

EXHIBIT S-18
(Concluded)

(Unaudited)

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Maus											
Site:	25.00 acres	NA	NA	143,160	143,160	143,160	143,160	143,160	143,160	143,160	143,160
Opened:	2010	NA	NA	491	604	723	831	907	981	981	967
Hunt											
Site:	32.44 acres	NA	NA	143,160	143,160	143,160	143,160	143,160	143,160	143,160	143,160
Opened:	2010	NA	NA	573	625	698	738	797	833	833	842
Vandeventer											
Site:	20 acres	NA	NA	NA	NA	143,160	143,160	143,160	143,160	143,160	143,160
Opened:	2012	NA	NA	NA	NA	782	891	1,056	1,056	1,056	877
Pearson											
Site:	25 acres	NA	NA	NA	NA	NA	NA	143,160	143,160	143,160	143,160
Opened:	2015	NA	NA	NA	NA	NA	NA	616	691	691	878
Trent											
Site:	25.378 acres	NA	NA	NA	NA	NA	NA	143,160	143,160	143,160	143,160
Opened:	2015	NA	NA	NA	NA	NA	NA	652	786	786	931
Nelson											
Site:	17.781 acres	NA	NA	NA	NA	NA	NA	NA	145,000	145,000	145,000
Opened:	2016	NA	NA	NA	NA	NA	NA	NA	653	653	800
Lawler											
Site:	34.34 acres	NA	NA	NA	NA	NA	NA	NA	NA	NA	155,000
Opened:	2018	NA	NA	NA	NA	NA	NA	NA	NA	NA	721

Source: Frisco ISD real property inventory and demographic records

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

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Elementary Schools (Grades K-5):											
Rogers											
Site:	9.81 acres	64,586	64,586	64,586	64,586	64,586	64,586	64,586	64,586	64,586	64,586
Opened:	1987	665	673	662	622	610	557	547	539	528	502
Curtsinger											
Site:	15.22 acres	76,762	76,762	76,762	76,762	76,762	76,762	76,762	76,762	76,762	76,762
Opened:	1995	691	672	642	660	813	661	730	812	749	542
Smith											
Site:	Shared	73,922	73,922	73,922	73,922	73,922	73,922	73,922	73,922	73,922	73,922
Opened:	1997	811	778	721	694	646	617	602	601	652	634
Anderson											
Site:	7.99 acres	74,010	74,010	74,010	74,010	74,010	74,010	74,010	74,010	74,010	74,010
Opened:	1999	654	651	717	688	656	710	714	687	670	724
Christie											
Site:	8.83 acres	74,010	74,010	74,010	74,010	74,010	74,010	74,010	74,010	74,010	74,010
Opened:	1999	702	735	730	700	707	640	663	611	568	502
Shawnee											
Site:	9.51 acres	74,977	74,977	74,977	74,977	74,977	74,977	74,977	74,977	74,977	74,977
Opened:	2000	609	681	655	614	639	583	589	584	600	509
Borchardt											
Site:	8.31 acres	71,806	71,806	71,806	71,806	71,806	71,806	71,806	71,806	71,806	71,806
Opened:	2001	660	637	633	662	725	725	750	716	760	761
Bright											
Site:	10.36 acres	74,591	74,591	74,591	74,591	74,591	74,591	74,591	74,591	74,591	74,591
Opened:	2001	509	549	535	536	541	558	494	415	379	527
Fisher											
Site:	10.00 acres	73,327	73,327	73,327	73,327	73,327	73,327	73,327	73,327	73,327	73,327
Opened:	2001	711	704	708	658	660	664	667	633	582	566
Sparks											
Site:	8.00 acres	72,399	72,399	72,399	72,399	72,399	72,399	72,399	72,399	72,399	72,399
Opened:	2002	711	704	708	658	689	710	728	736	744	762

**FRISCO INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION - ELEMENTARY SCHOOLS
LAST TEN FISCAL YEARS**

EXHIBIT S-19
(Continued)

(Unaudited)

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Spears											
Site:	9.76 acres	71,755	71,755	71,755	71,755	71,755	71,755	71,755	71,755	71,755	71,755
Opened:	2002	636	708	732	716	741	780	770	722	726	692
Gunstream											
Site:	8.67 acres	71,755	71,755	71,755	71,755	71,755	71,755	71,755	71,755	71,755	71,755
Opened:	2002	687	710	695	705	709	708	721	704	654	656
Riddle											
Site:	9.38 acres	73,572	73,572	73,572	73,572	73,572	73,572	73,572	73,572	73,572	73,572
Opened:	2003	656	743	814	756	772	761	749	740	757	737
Boals											
Site:	8.08 acres	75,736	75,736	75,736	75,736	75,736	75,736	75,736	75,736	75,736	75,736
Opened:	2003	736	784	810	643	679	715	742	759	688	658
Isbell											
Site:	12.00 acres	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904
Opened:	2004	740	764	782	765	737	684	642	617	709	687
Pink											
Site:	Shared	75,326	75,326	75,326	75,326	75,326	75,326	75,326	75,326	75,326	75,326
Opened:	2005	806	635	735	710	719	586	543	516	484	552
Ashley											
Site:	9.15 acres	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904
Opened:	2005	763	570	687	754	850	828	573	655	674	660
Bledsoe											
Site:	8.00 acres	75,326	75,326	75,326	75,326	75,326	75,326	75,326	75,326	75,326	75,326
Opened:	2005	606	721	789	705	845	700	749	737	693	695
Taylor											
Site:	10.70 acres	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904
Opened:	2006	554	565	561	615	674	678	652	705	734	725
Corbell											
Site:	9.00 acres	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904
Opened:	2006	775	589	616	608	675	712	723	742	726	712
Ogle											
Site:	10.00 acres	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904
Opened:	2006	554	607	643	604	684	647	658	672	682	669

FRISCO INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION - ELEMENTARY SCHOOLS
LAST TEN FISCAL YEARS

EXHIBIT S-19
(Continued)

(Unaudited)

Sem		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	Site:	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904
	Opened:	426	464	517	514	679	651	735	810	816	651
		Square Feet									
		Enrollment									
Carroll											
	Site:	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902
	Opened:	629	704	730	713	729	520	502	452	524	544
		12.03 acres									
		2007									
Mooneyham											
	Site:	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902
	Opened:	712	627	735	792	810	807	775	810	832	672
		10.55 acres									
		2007									
Robertson											
	Site:	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902
	Opened:	795	721	854	736	810	780	861	709	752	738
		7.69 acres									
		2007									
Elliott											
	Site:	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902
	Opened:	682	780	829	506	553	553	534	575	599	637
		9.12 acres									
		2008									
Tadlock											
	Site:	77,184	77,184	77,184	77,184	77,184	77,184	77,184	77,184	77,184	77,184
	Opened:	462	533	617	685	783	723	721	685	656	686
		8.18 acres									
		2008									
Allen											
	Site:	83,960	83,960	83,960	83,960	83,960	83,960	83,960	83,960	83,960	83,960
	Opened:	617	683	748	614	654	630	623	639	645	574
		9.78 acres									
		2009									
Purefoy											
	Site:	NA	79,844	79,844	79,844	79,844	79,844	79,844	79,844	79,844	79,844
	Opened:	NA	625	683	713	703	690	650	601	588	528
		8.75 acres									
		2010									
Sonntag											
	Site:	NA	77,184	77,184	77,184	77,184	77,184	77,184	77,184	77,184	77,184
	Opened:	NA	511	586	668	814	696	683	625	604	568
		9.38 acres									
		2010									
Comstock											
	Site:	NA	NA	NA	79,844	79,844	79,844	79,844	79,844	79,844	79,844
	Opened:	NA	NA	NA	442	533	640	741	756	735	704
		15.09 acres									
		2012									
Nichols											
	Site:	NA	NA	NA	83,332	83,332	83,332	83,332	83,332	83,332	83,332
	Opened:	NA	NA	NA	619	717	677	761	463	570	745
		10.95 acres									
		2012									

**FRISCO INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION - ELEMENTARY SCHOOLS
LAST TEN FISCAL YEARS**

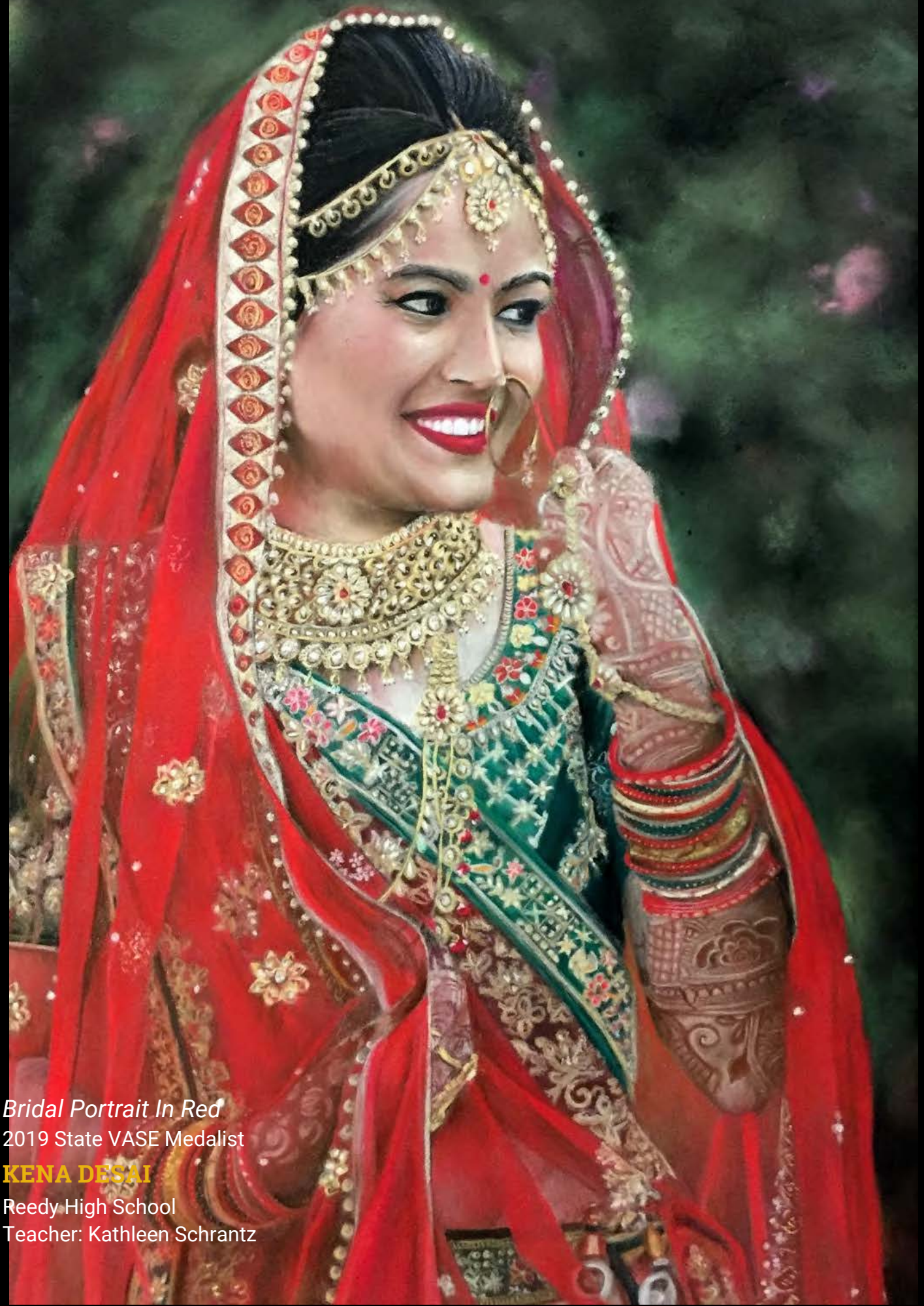
EXHIBIT S-19
(Concluded)

(Unaudited)

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Phillips											
Site:	12.52 acres	NA	NA	NA	79,844	79,844	79,844	79,844	79,844	79,844	79,844
Opened:	2012	NA	NA	NA	570	804	758	772	645	676	672
Newman											
Site:	9.43 acres	NA	NA	NA	NA	NA	82,530	82,530	82,530	82,530	82,530
Opened:	2014	NA	NA	NA	NA	NA	650	838	762	814	688
Scott											
Site:	8.56 acres	NA	NA	NA	NA	NA	82,530	82,530	82,530	82,530	82,530
Opened:	2014	NA	NA	NA	NA	NA	618	633	694	760	697
McSpedden											
Site:	17.99 acres	NA	NA	NA	NA	NA	81,118	81,118	81,118	81,118	81,118
Opened:	2012	NA	NA	NA	NA	NA	587	652	649	705	599
Hosp											
Site:	9.05 acres	NA	NA	NA	NA	NA	81,118	81,118	81,118	81,118	81,118
Opened:	2014	NA	NA	NA	NA	NA	471	664	685	749	705
Norris											
Site:	9.254 acres	NA	NA	NA	NA	NA	NA	79,844	79,844	79,844	79,844
Opened:	2015	NA	NA	NA	NA	NA	NA	580	692	835	445
Miller											
Site:	9.549 acres	NA	NA	NA	NA	NA	NA	NA	79,844	79,844	79,844
Opened:	2016	NA	NA	NA	NA	NA	NA	NA	545	635	698
Vaughn											
Site:	9.675 acres	NA	NA	NA	NA	NA	NA	NA	79,844	79,844	79,844
Opened:	2016	NA	NA	NA	NA	NA	NA	NA	510	584	612
Talley											
Site:	14.64 acres	NA	NA	NA	NA	NA	NA	NA	NA	NA	84,128
Opened:	2018	NA	NA	NA	NA	NA	NA	NA	NA	NA	529
Liscano											
Site:	14.61 acres	NA	NA	NA	NA	NA	NA	NA	NA	NA	84,128
Opened:	2018	NA	NA	NA	NA	NA	NA	NA	NA	NA	754

Source: Frisco ISD real property inventory and demographic records

FEDERAL AWARDS SECTION



Bridal Portrait In Red
2019 State VASE Medalist

KENA DESAI

Reedy High School
Teacher: Kathleen Schrantz

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

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

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

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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*.

The Board of Trustees of
Frisco Independent School District

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
November 8, 2019

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

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

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 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, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion 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, 2019.

The Board of Trustees of
Frisco Independent School District

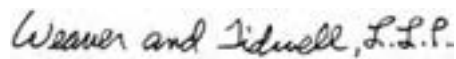
Report on Internal Control over Compliance

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

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

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

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



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
November 8, 2019

**FRISCO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT K-1

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Direct Programs:			
Impact Aid - P.L. 81874	84.041		\$ 32,165
Total Direct Programs			<u>32,165</u>
Passed Through Region X ESC:			
ESEA, Title I - Part A - Improving Basic Programs	84.010A	19610101057950	760,974
Title III - Part A - Immigrant	84.365A	19671003057950	124,639
Title III - Part A - English Language Acquisition	84.365A	19671001057950	369,879
Title IV - Part A - Discretionary- Student Support and Academic Enrichment	84.424A	19680101057950	32,188
ESEA, Title II - Part A, Teacher/Principal Training	84.367A	19694501057950	285,792
Total passed through Region X ESC			<u>1,573,472</u>
Passed Through Region 20 ESC:			
IDEA B - Evaluation Capacity	84.027A	18660031711001	40,000
**Total Special Education Cluster (IDEA) passed through Region 20 ESC			<u>40,000</u>
Passed through Texas Education Agency:			
Special Education Cluster:			
IDEA B - Part B, Formula	84.027A	196600010439056000	6,384,808
IDEA B - Part B, Formula	84.027A	196600010439056000	2,519,489
IDEA B - Part B, Discretionary	84.027A	196600010439056000	360,733
IDEA B - Part B, High Cost Risk	84.027A	66001806	37,256
IDEA B - Part B - Preschool	84.173A	196610010439056000	13,247
**Total Special Education Cluster (IDEA) passed through Texas Education Agency			<u>9,315,533</u>
Career and Technical - Basic Grant	84.048	19420006043905	236,965
Summer School - LEP	84.369A	69551502	26,581
Total passed through Texas Education Agency			<u>9,579,079</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u><u>11,192,551</u></u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Texas Department of Human Services Commission:			
Head Start	93.600	529-12-0041-00045	191,913
Direct Program:			
Medicaid Administrative Claiming	93.778		4,822
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>196,735</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed through Texas Department of Human Services:			
*National School Lunch Program - Noncash Assistance (Commodities)	10.555		1,468,541
Passed through Texas Department of Agriculture:			
*National School Breakfast Program	10.553		677,985
*National School Lunch Program	10.555		4,668,083
Total Passed through Texas Department of Agriculture			<u>5,346,068</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>6,814,609</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 18,236,060</u></u>

*Child Nutrition Cluster

** Special Education Cluster (IDEA)

FRISCO INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

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 project 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 period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period end date, in accordance with Section H: Period of Availability of Federal Funds, Part 3 OMB Compliance Supplement.
4. The District received like kind goods under the National School Lunch Program (CFDA 10.555), which are reported on the SEFA as a noncash award. The monetary value of those goods was \$1,468,541 for the year ended June 30, 2019.
5. School Health and Related Services reimbursements of \$6,488,500 were recorded as federal program revenue in the General Fund, but are not considered federal awards for the purposes of the Schedule of Expenditures of Federal Awards.
6. Certain programs included in the Schedule of Expenditures of Federal Awards are not cost reimbursement grants, and therefore revenues do not equal expenditures. Revenues on non-reimbursement grants exceeded expenditures during the year by \$62,165.
7. 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, 2019 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.
8. The District did not elect to use the de minimus indirect cost rate as allowed by the Uniform Guidance, Section 414, for the fiscal year ended June 30, 2019.

Frisco Independent School District
 Schedule of Findings and Questioned Costs
 June 30, 2019

Section 1. Summary of the Auditor's Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified that are not considered a material weakness?	<u> </u> Yes	<u> X </u> None reported
Noncompliance material to financial statements noted.	<u> </u> Yes	<u> X </u> No

Major Federal Programs

Internal control over major federal programs:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified that are not considered a material weakness?	<u> </u> Yes	<u> X </u> None reported

An unmodified opinion was issued on compliance for major federal programs.

Any audit findings disclosed that were required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u> Yes	<u> X </u> No
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Identification of major federal programs:

Title I – Part A	84.010A
Special Education Cluster	84.027A, 84.173A
The dollar threshold used to distinguish between Type A and Type B programs.	<u>\$750,000</u>

Auditee qualified as a low-risk auditee.	<u> X </u> Yes	<u> </u> No
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Frisco Independent School District
Schedule of Findings and Questioned Costs – Continued
June 30, 2019

Section 2. Findings Relating to the Financial Statements which are Required to be Reported in Accordance with Generally Accepted *Government Auditing Standards*.

None

Section 3. Findings and Questioned Costs for Federal Awards

None

Section 4. Summary of Prior Year Audit Findings

None



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

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