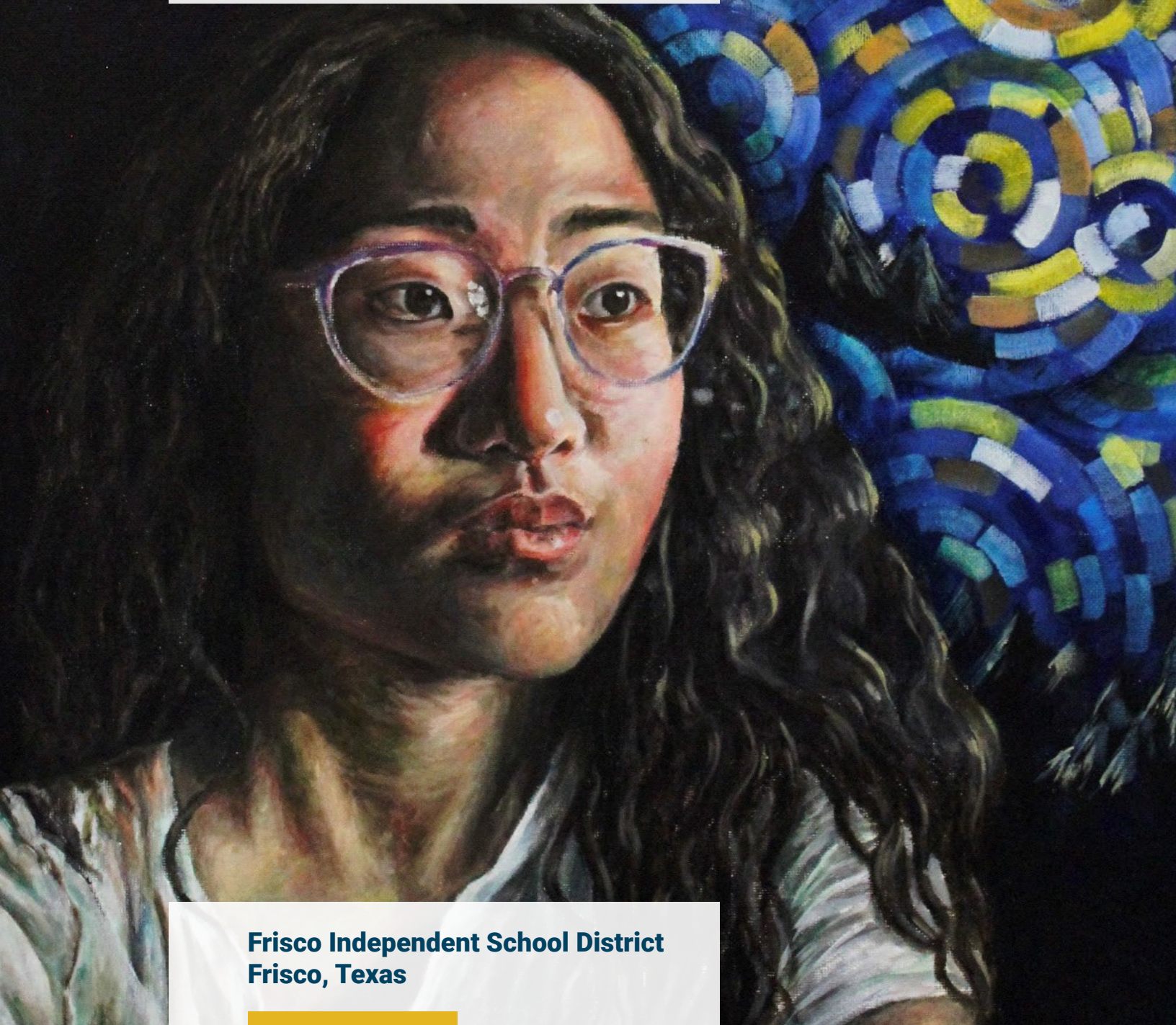




**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT
2020**



**Frisco Independent School District
Frisco, Texas**

The Frisco ISD Finance Department is proud to showcase the artwork of 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

Comprehensive Annual Financial Report

Frisco Independent School District
5515 Ohio Drive
Frisco, Texas 75035

Fiscal Year Ended
June 30, 2020

Prepared by:
Finance Department

Table of Contents

Exhibit		Page
	INTRODUCTORY SECTION (Unaudited)	
	Certificate of the Board	i
	Letter of Transmittal	ii
	Principal Officers and Advisors	viii
	Administrative Organization	ix
	ASBO Certificate of Excellence	x
	GFOA Certificate of Achievement	xi
	FINANCIAL SECTION	
	Independent Auditor's Report	1
	Management's Discussion and Analysis (Unaudited)	4
	Basic Financial Statements	
	Government-Wide Financial Statements:	
A-1	Statement of Net Position	21
B-1	Statement of Activities	22
	Governmental Funds Financial Statements:	
C-1	Balance Sheet	25
C-1R	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	26
C-2	Statement of Revenues, Expenditures, and Changes in Fund Balances	27
C2-R	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	28
	Fiduciary Fund Financial Statements:	
E-1	Statement of Fiduciary Assets and Liabilities	31
	Notes to the Basic Financial Statements:	32
	Required Supplementary Information (Unaudited)	
F-1	Budgetary Comparison Schedule - General Fund	61
	Notes to the Budgetary Comparison Schedule	62
F-2	Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher Retirement System of Texas	63
F-3	Schedule of District Pension Contributions - Teacher Retirement System of Texas	64
F-4	Schedule of the District's Proportionate Share of the Net OPEB Liability - Teacher Retirement System of Texas	65
F-5	Schedule of District OPEB Contributions - Teacher Retirement System of Texas	66
	Other Supplementary Information	
	Budgetary Comparison Schedule:	
G-1	Budgetary Comparison Schedule - Debt Service Fund	71
	Non-Major Governmental Funds:	
	Non-Major Governmental Funds	73
G-2	Combining Balance Sheet	75
G-3	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	78
G-4	Budgetary Comparison Schedule - Child Nutrition Fund	81

Table of Contents

Exhibit		Page
	Agency Fund:	
G-5	Statement of Changes in Assets and Liabilities	83
	Required TEA Schedule:	
H-1	Schedule of Delinquent Taxes Receivable	85
	STATISTICAL SECTION (Unaudited)	
	Financial Trends:	
S-1	Net Position by Component	89
S-2	Expenses, Program Revenues, and Net (Expense)/Revenue	90
S-3	General Revenues and Total Changes in Net Position	91
S-4	Fund Balances - Governmental Funds	92
S-5	Changes in Fund Balances - Governmental Funds	93
	Revenue Capacity:	
S-6	Assessed Value and Actual Value of Taxable Property	95
S-7	Direct and Overlapping Tax Rates	96
S-8	Principal Property Taxpayers	97
S-9	Property Tax Levies and Collections	98
	Debt Capacity:	
S-10	Estimated Overlapping Debt Statement	101
S-11	Ratio of Bonded Debt to Taxable Assessed Valuation and Net Bonded Debt per Capita	102
S-12	Legal Debt Margin Information	103
	Demographic Information:	
S-13	Demographic and Economic Statistics	105
S-14	Principal Employers	106
	Operating Information:	
S-15	Full-Time-Equivalent District Employees by Identifiable Activities	109
S-16	Expenditures, Enrollment, and Per Pupil Costs	110
S-17	School Building Information - High Schools	111
S-18	School Building Information - Middle Schools	112
S-19	School Building Information - Elementary Schools	114
	FEDERAL AWARDS SECTION	
	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	121
	Independent Auditor's Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance	123
K-1	Schedule of Expenditures of Federal Awards	125
	Notes to the Schedule of Expenditures of Federal Awards	126
	Schedule of Findings and Questioned Costs	128



Introductory Section (Unaudited)



"Infinite Reflections" | Ananya Mahesh | Independence High School

Certificate of the Board

Frisco Independent School District Collin 043-905 _____

Name of School District County County-District No.

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and approved ___ disapproved for the year ended June 30, 2020, at a meeting of the Board of Trustees of such school district on the 14TH day of DECEMBER, 2020.


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

December 14, 2020

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, 2020, 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, 2020, 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 69% in the past decade, from 37,043 students in 2011 to 62,705 students in 2020. The District is expected to continue to grow by more than 1,000 students a year for the foreseeable future. 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 7,400 full and part-time employees, including 4,280 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. Dual-credit opportunities are available through a partnership with Collin College. We also offer International Baccalaureate Primary Years and Diploma Programmes at one elementary school 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 was offered during the 2019-2020 school year for qualifying families. Beginning in the fall of 2020, that program expanded to a full-day program offered at the Early Childhood School and eight elementary schools.

Frisco ISD continues to raise the bar for student achievement. Test scores continue to be well above state and national averages. In 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 25 and an average SAT score of 1194. 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.

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. In fact, 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 158% over the past decade. Values increased approximately 8% from fiscal year 2019 to fiscal year 2020. Approximately 18% of the District’s area is still vacant land as of 2020. As the City of Frisco and the District continue to 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 0.87% of the taxable value of the District, and the total assessed value for all of the top ten taxpayers comprises only 4.79% 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. That project is scheduled to open in 2022. 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 are nearing the end of that bond program, the citizens of Frisco ISD approved a new \$691 million bond program in 2018 to fund four new schools, expand and update existing facilities, add and refresh classroom technology, enhance school security, and more. The 2018 program is projected to accommodate further growth in the District up to 72,000 students, and projects are anticipated to occur through 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 4% per year for the past 5 years, and the growth from 2019 to 2020 was just over 2,500 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 strengthened and state-wide property values increased, the State 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 infused additional state dollars into the school funding formula and reduced school property tax rates, thus shifting some of the burden back to the state. The bill also allowed more local property tax revenue to remain with school districts by reducing amounts due under the State's recapture program. While House Bill 3 was beneficial to FISD and most other districts throughout the state, there was some discussion during the legislative session that the new formula may be unsustainable in the event of a recession.

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, 2019. 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, 2020, which will be submitted for review to both associations, continues to meet the criteria of both ASBO and GFOA's certificate programs.

The District published its first Popular Annual Financial Report (PAFR) for the year ended June 30, 2019, and received a Popular Annual Financial Reporting Award from the GFOA for that publication. The PAFR Awards Program encourages state and local governments to extract information from their comprehensive annual financial report to produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance and then recognizes individual governments that are successful in achieving that goal.

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, 2020, 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.



Kimberly Smith, Chief Financial Officer

Frisco Independent School District Principal Officers and Advisors

Board Of Trustees

Name	Term Expires	Length of Service	Occupation
Chad Rudy, President	2022	5 years	Certified Financial Planner™, Retirement Investment Advisors, Inc.
Rene Archambault, Vice President	2021	2 years	Deputy Director, Southern Methodist University - Guildhall
John Classe, Secretary	2021	6 years	Certified Financial Planner™, Bell Financial Group
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	9 years	Community and school volunteer
Debbie Gillespie	2020	9 years	Community and school volunteer

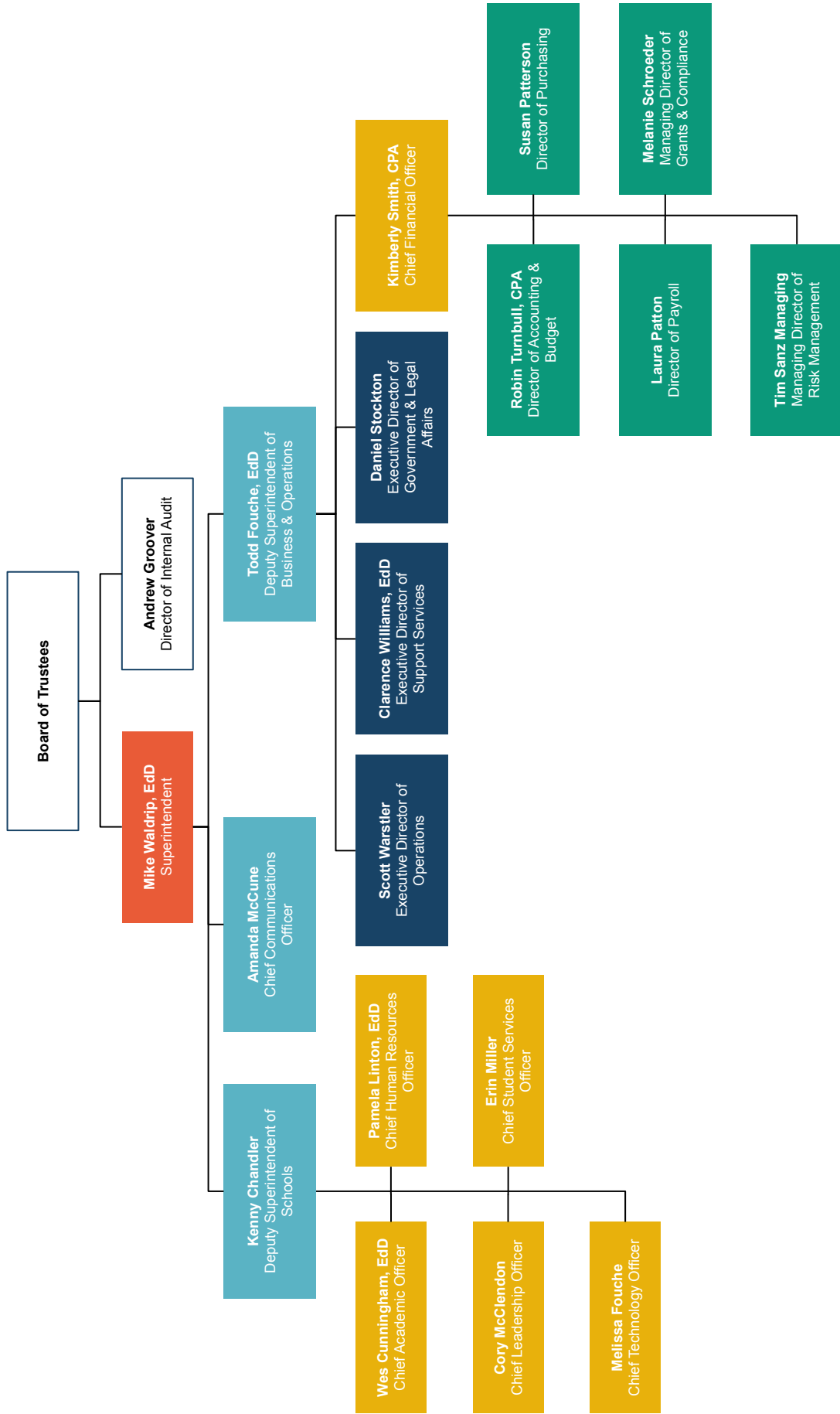
Appointed Officials

Name	Position	Length of Education Service
Dr. Mike Waldrip	Superintendent	38 years
Dr. Todd Fouche	Deputy Superintendent of Business and Operations	17 years
Kenny Chandler	Deputy Superintendent of Schools	36 years
Dr. Wes Cunningham	Chief Academic Officer	27 years
Amanda McCune	Chief Communications Officer	4 years
Kimberly Smith	Chief Financial Officer	9 years
Dr. Pamela Linton	Chief Human Resources Officer	30 years
Cory McClendon	Chief Leadership Officer	21 years
Erin Miller	Chief Student Services Officer	24 years
Melissa Fouche	Chief Technology Officer	26 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 2020/2021





**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, 2019.**

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



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



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, 2019

Christopher P. Morrill

Executive Director/CEO

Financial Section



"Face In The Flowers" | Campbell Williams | Independence High School



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, 2020, 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, 2020, 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.

Weaver and Tidwell, L.L.P.
2300 North Field Street, Suite 1000 | Dallas, Texas 75201
Main: 972.490.1970

CPAs AND ADVISORS | WEAVER.COM

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 5 through 17, and 61 through 66, 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 December 3, 2020, 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
December 3, 2020

The background is a solid dark blue color. There are two yellow decorative elements: a large square in the top right corner and a vertical rectangle in the bottom right corner. A thin yellow horizontal line is positioned above the bottom-right yellow rectangle.

Management's Discussion and Analysis (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, 2020. 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-vii of this report, as well as the District's financial statements, which follow this section.

Financial Highlights

- The 86th Texas Legislature passed a comprehensive school finance reform bill, House Bill 3, in June 2019. The bill, which included \$6.5 billion in new spending for public education and \$5.1 billion in property tax relief, made sweeping changes to school finance that began in the 2020 fiscal year. Highlights of the bill included:
 - An 8-cent state-wide property tax reduction
 - Increases in basic educational funding per student
 - Requirements for teacher raises
 - The implementation of full-day pre-kindergarten programs for eligible 4-year-olds
 - A reduction in the amount of money property wealthy districts, like Frisco ISD, must spend to subsidize educational spending through the State's recapture program

House Bill 3 reduced the FISC's property tax rate from \$1.44 to \$1.3383 per \$100 valuation for the 2019 tax year while providing approximately \$25.2 million in new unrecaptured funding that was appropriated in the 2020 General Fund budget.

- The District's overall net position decreased by \$12.3 million from the prior year, resulting in a year-end deficit net position of (\$419,944,533). Of the total net position, (\$373,647,743) 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 opened in the past 5 years. We therefore 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 \$28.5 million surplus for the year, which was largely attributable to greater than projected enrollment growth. Further details are described on pages 12-13 of Management's Discussion and Analysis. The General Fund ended the year with an unassigned fund balance of \$198,853,860, which represents 32.6% of the 2021 adopted budget.
- When combined, the total fund balance for all of the District's funds decreased by \$11.3 million from the prior year due mainly to construction spending in the Capital Projects Fund. We ended the year with a total combined governmental fund balance of \$530,271,086.
- The District issued \$101,705,000 of school building and refunding bonds during the year. \$68,285,000 was issued for new construction, and the remainder was used to refund \$33,895,000 of outstanding debt at an interest cost savings of approximately \$8.5 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 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.

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)

(Continued)

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 21-22 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 25 and 27 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 31 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 33-58 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, 2020, the District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$419.9 million.

Table A-2. The District's Net Position

	June 30, 2020	June 30, 2019	Increases / (Decreases)
Assets:			
Current and other assets	\$ 642,592,614	\$ 633,809,037	\$ 8,783,577
Capital assets	1,662,742,864	1,610,279,610	52,463,254
Total Assets	2,305,335,478	2,244,088,647	61,246,831
Deferred outflows of resources	161,910,953	140,217,544	21,693,409
Total Assets and Deferred Outflows	\$ 2,467,246,431	\$ 2,384,306,191	\$ 82,940,240
Liabilities:			
Current liabilities	\$ 201,085,268	\$ 169,339,665	\$ 31,745,603
Long-term liabilities	2,570,714,928	2,542,903,604	27,811,324
Total Liabilities	2,771,800,196	2,712,243,269	59,556,927
Deferred inflows of resources	115,390,768	79,719,679	35,671,089
Net Position:			
Net investment in capital assets	(373,647,743)	(363,992,174)	(9,655,569)
Restricted	108,617,859	117,272,373	(8,654,514)
Unrestricted	(154,914,649)	(160,936,956)	6,022,307
Total Net Position	(419,944,533)	(407,656,757)	(12,287,776)
Total Liabilities, Deferred Inflows and Net Position	\$ 2,467,246,431	\$ 2,384,306,191	\$ 82,940,240

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 30 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, \$108.6 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 total assets and total liabilities grew by roughly equal amounts from June 30, 2019 to June 30, 2020, but the District's overall net position decreased by \$12,287,776. That decrease was the result of new deferred inflows of resources related to the District's proportionate share of the TRS net pension liability.

The total cost of all governmental activities for the fiscal year ended June 30, 2020 was \$832,675,941. Approximately \$107.2 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.

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

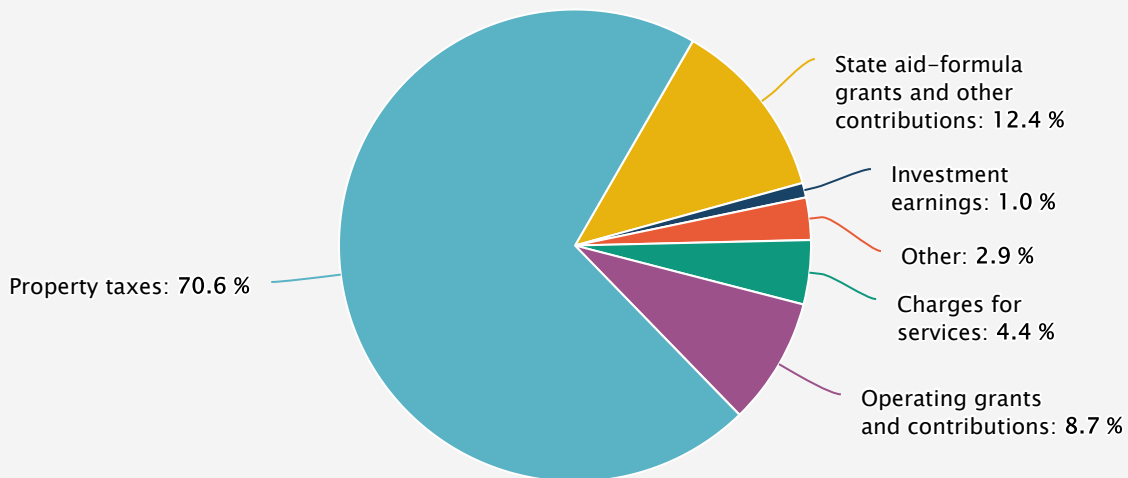
	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019	Increases / (Decreases)
Revenues:			
Program Revenues:			
Charges for services	\$ 36,129,968	\$ 25,252,407	\$ 10,877,561
Operating grants and contributions	71,108,796	64,655,694	6,453,102
General Revenues:			
Property taxes	579,072,777	575,696,278	3,376,499
State aid- formula grants and other contributions	102,059,802	70,549,059	31,510,743
Investment earnings	8,429,226	9,862,834	(1,433,608)
Other	23,587,596	24,456,995	(869,399)
Total Revenues	<u>820,388,165</u>	<u>770,473,267</u>	<u>49,914,898</u>
Expenses:			
Instruction	444,377,695	385,220,355	59,157,340
Instructional resources and media services	8,932,969	8,849,546	83,423
Curriculum and instructional staff development	14,315,808	11,026,050	3,289,758
Instructional leadership	11,116,828	8,153,468	2,963,360
School leadership	43,158,588	37,705,167	5,453,421
Guidance, counseling and evaluation services	25,968,948	22,074,050	3,894,898
Social work services	227,696	206,324	21,372
Health services	7,215,668	6,590,798	624,870
Student transportation	17,135,255	15,649,573	1,485,682
Food services	26,200,312	26,438,963	(238,651)
Extracurricular activities	22,890,618	23,276,818	(386,200)
General administration	16,605,179	12,707,266	3,897,913
Facilities maintenance and operations	60,027,110	54,392,409	5,634,701
Security and monitoring services	6,577,228	4,399,063	2,178,165
Data processing services	10,906,676	11,961,523	(1,054,847)
Community services	2,231,893	2,072,276	159,617
Debt service - interest on long-term debt	79,729,973	82,228,452	(2,498,479)
Debt service - bond issuance costs and fees	924,809	2,143,297	(1,218,488)
Contracted instructional services between schools	3,152,395	14,017,478	(10,865,083)
Payments to juvenile justice alternative education programs	30,681	35,666	(4,985)
Payments to tax increment fund	27,151,041	25,169,882	1,981,159
Other intergovernmental charges	3,798,571	3,492,348	306,223
Total Expenses	<u>832,675,941</u>	<u>757,810,772</u>	<u>74,865,169</u>
Change in Net Position	(12,287,776)	12,662,495	(24,950,271)
Beginning Net Position	(407,656,757)	(420,319,252)	12,662,495
Ending Net Position	<u>\$ (419,944,533)</u>	<u>\$ (407,656,757)</u>	<u>\$ (12,287,776)</u>

(Continued)

House Bill 3 passed by the 86th Texas Legislature altered the school funding formula and reduced our recapture payment (“contracted instructional services between schools”) by \$10.9 million. In total, the bill provided the District with approximately \$25 million more in unrecaptured revenue than we would have otherwise received under the previous financing formula. Revenue from the new formula, coupled with enrollment growth, allowed us to increase our general operating budget by almost \$50 million. One of the stipulations of the school finance bill required districts to spend at least 30% of the increase in funding per student on non-administrative compensation. Frisco ISD went above and beyond this requirement and allocated \$17.1 million to additional compensation for staff throughout the District. Additionally, we added approximately \$19 million in new personnel to accommodate enrollment growth and build up professional support systems. The majority of new staff and compensation was paid for from the instruction and instructional support functions.

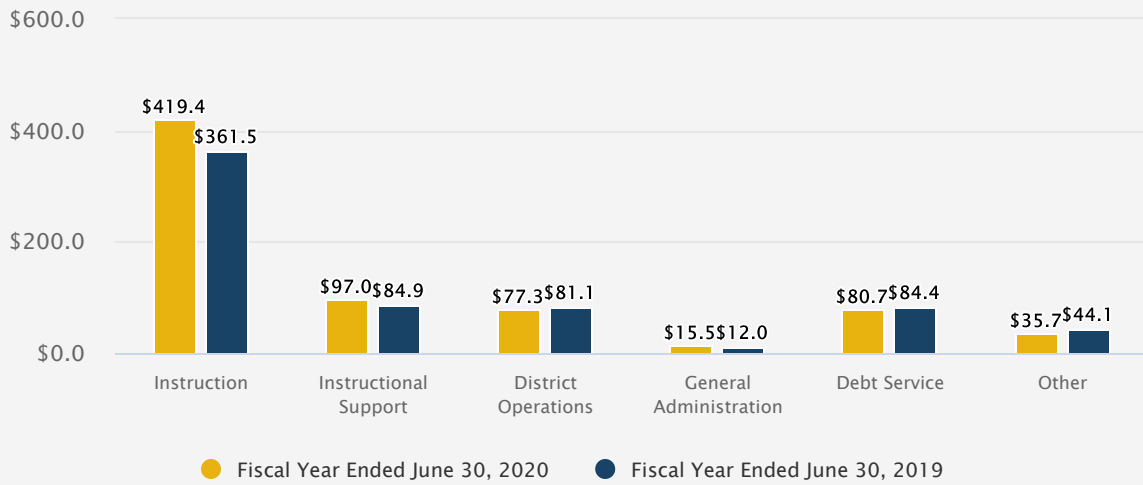
The following Figure A-4 illustrates the District’s sources of revenue for the 2020 fiscal year. General revenues provide 86.9% of the funding available to cover the District’s annual expenses. The remaining 13.1% of revenues come from operating grants or charges for services specifically attributable to District programs.

Figure A-4. Sources of Revenue for the Fiscal Year Ended June 30, 2020



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, 2020, and June 30, 2019. 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, 2020, the District's total combined fund balances for governmental funds were \$530,271,086, which represents a decrease of \$11.3 million from June 30, 2019. Approximately 37.5%, or \$198,844,595, 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 \$294,873 are not in spendable form because they relate to prepaid expenditures.
- *Restricted* balances of \$266,330,856 are either legally required to remain intact or are restricted for particular purposes by a third party.
- *Committed* balances of \$2,755,728 have been committed by the District's Board of Trustees to service programs funded by local grants, awards or contributions.
- *Assigned* balances of \$62,045,034 have been tentatively earmarked by management for a particular program or purpose.

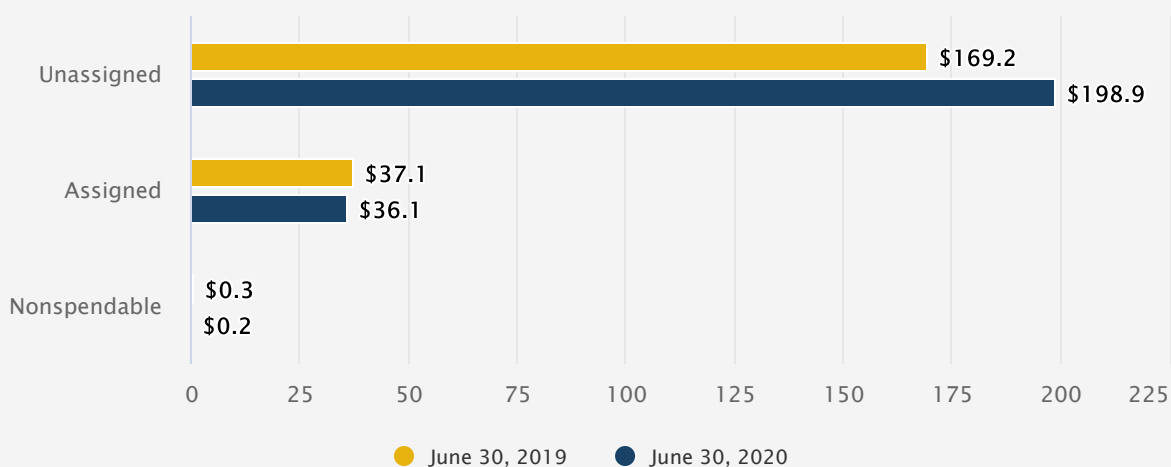
Further details of each type of fund balance can be found within note 1 on pages 37-38 of this report.

General Fund

Figure A-6 depicts the breakdown of fund balances in the General Fund, the District's main operating fund, as of June 30, 2020 and 2019.

(Continued)

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



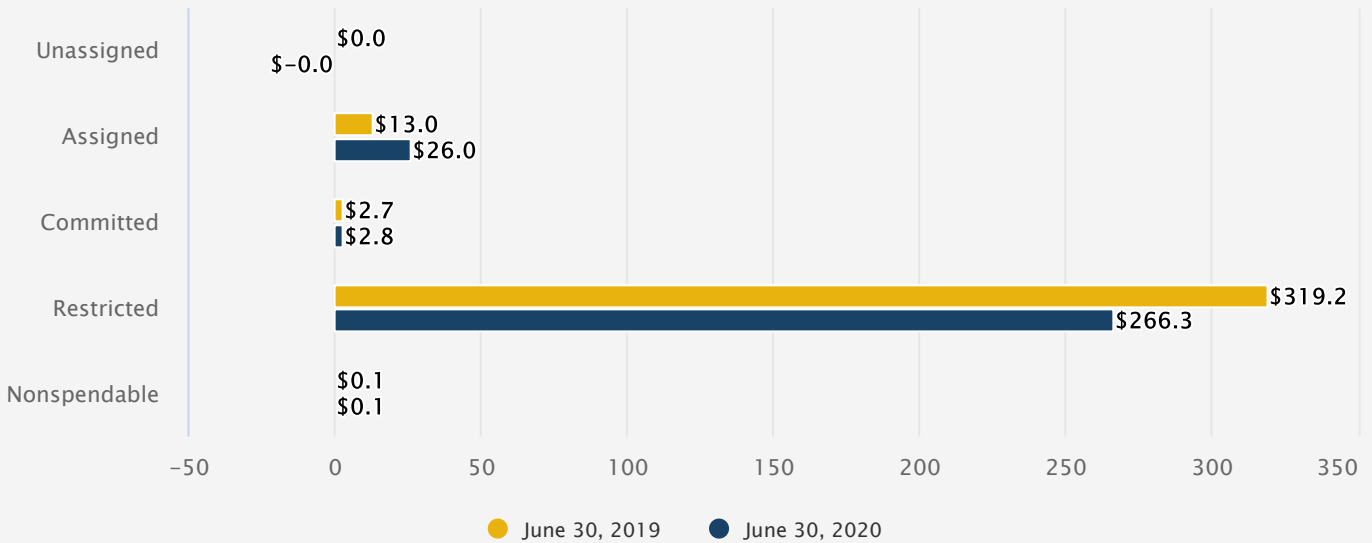
It is useful to compare unassigned fund balance to total expenditures in the General Fund as a measure of liquidity – to determine the portion of annual operating costs that could be funded without cash inflows. Due to the timing of cash inflows from the state and the property tax collection calendar, the District is cash flow negative for the first 4 to 5 months of each fiscal year. Common practice among Texas school districts 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, 2020 unassigned fund balance represents 32.6% of the subsequent fiscal year’s adopted budget.

The General Fund recognized a surplus of \$33.5 million before transfers. The majority of this surplus was the result of greater than anticipated enrollment. Approximately 650 more students enrolled during the year than we originally anticipated. Other changes in the state’s funding formula and greater than anticipated federal reimbursements for school health and related services also attributed to the surplus. At the end of the year, \$5 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 \$28,523,548 .

Other Governmental Funds

The District’s combined total fund balance decreased by \$11.3 million from June 30, 2019, to June 30, 2020. The General Fund’s fund balance increased by \$28.5 million , which was explained above. The overall decrease was mainly attributable to the Capital Projects Fund as we spent more on construction projects than we issued in new bonds during the year. The components of fund balance in the District’s other governmental funds for the 2019 and 2020 fiscal years are illustrated in Figure A-7.

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



Other fund balance changes can be explained as follows:

- The Debt Service Fund recognized an increase in fund balance of \$3.6 million because property tax revenue levied for debt service was greater than our total debt payments. Refinancing activities lowered our annual debt payment below the amount originally anticipated when we adopted our debt service tax rate.
- Non-Major Governmental Funds recognized a net decrease in fund balance of \$6.3 million from the previous year. The majority of non-major funds are used to account for reimbursement grants, which recognize 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 deficit of \$3.7 million because free meals were served to all students after the onset of the coronavirus pandemic. 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 deficit of \$2.8 million in 2020 because revenue for this biennium was received in 2019.

General Fund Budgetary Highlights

The Board of Trustees originally adopted a \$12.4 million surplus for the 2020 fiscal year. As previously discussed, the actual surplus was \$28.5 million

Revenues were greater than originally expected due to higher than anticipated enrollment growth. Approximately 650 more students enrolled during the year than expected. Additionally, the budget was adopted before official guidance was issued by the Texas Education Agency for all the changes made to the State’s funding formula by the 86th Texas Legislature. We therefore budgeted conservatively for state aid payments and omitted several newly created allotments from our original budget until further guidance was issued. Actual revenues exceeded our original budget by \$30.2 million.

Expenditures exceeded the originally adopted budget by \$9 million. Certain state revenue allotments that were not originally included in the revenue budget were appropriated and spent during the year.

(Continued)

Additionally, required contributions to the Teacher Retirement System were greater than originally budgeted.

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 exceeding actual expenditures by \$24.2 million.

Capital Assets And Debt Administration

Capital Assets

The District's investment in capital assets as of June 30, 2020 was \$ 1,662,742,864 (net of accumulated depreciation). This investment includes land, buildings, building improvements, furniture, equipment, and vehicles and represents a net increase of 3.26% in capital assets over the previous year.

Table A-8. Capital Assets

	As of June 30, 2020	As of June 30, 2019	Increases / (Decreases)
Land	\$ 201,974,868	\$ 193,928,724	\$ 8,046,144
Buildings	1,820,304,285	1,798,235,340	22,068,945
Furniture and equipment	72,317,412	63,269,867	9,047,545
Construction in progress	75,528,693	13,193,624	62,335,069
Total Capital Assets	<u>2,170,125,258</u>	<u>2,068,627,555</u>	101,497,703
Accumulated depreciation	<u>(507,382,394)</u>	<u>(458,347,945)</u>	(49,034,449)
Net Capital Assets	<u>\$ 1,662,742,864</u>	<u>\$ 1,610,279,610</u>	<u>\$ 52,463,254</u>

The increase in net capital assets is due to the construction of a new high school along with other miscellaneous building renovations and new equipment purchased through our bond program.

More detailed information about the District's capital assets can be found in Note 6 on pages 44-45 of this report.

Long-Term Debt

Management strives to maintain the most favorable debt profile and funding structure for the District while adhering to taxpayers' expectations that we will be a prudent and conservative steward of public funds. Our debt repayment schedule is structured to match asset useful lives with the liabilities incurred to finance those assets. We also continuously monitor the interest rate climate and restructure or repay debt when we are able to recognize positive savings. Taxable bonds are issued to refund debt in advance of its call date; otherwise all bonds issued are tax exempt.

During the year, the District maintained 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 2020 fiscal year, the District had total bonded debt outstanding of \$2,252,532,141, 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, 2020	As of June 30, 2019	Increases / (Decreases)
Bonds payable	\$ 2,044,020,964	\$ 2,029,542,224	\$ 14,478,740
Accreted interest	71,390,619	66,581,281	4,809,338
Unamortized bond premium	137,120,558	140,256,071	(3,135,513)
Total Bonded Debt	2,252,532,141	2,236,379,576	16,152,565
District's portion of TRS net pension liability	182,078,056	170,483,528	11,594,528
District's portion of TRS net OPEB liability	195,016,124	189,371,760	5,644,364
Total Long-Term Liabilities	<u>\$ 2,629,626,321</u>	<u>\$ 2,596,234,864</u>	<u>\$ 33,391,457</u>

Total outstanding long-term liabilities increased by 1.29% from the previous year due to a combination of increases in our proportionate share of the state's pension and OPEB liabilities as well as the issuance of new debt. The District issued \$101.7 million of new bonds during the year, \$68.3 million of which were used to finance new construction. The remainder of the bonds were issued to refinance outstanding debt. Note 7 on pages 45-47 of this report contains more detailed information about the District's long-term debt activity, including incremental payment schedules, and Note 11 on pages 49-58 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 101 of this report.

Economic Factors And Next Year's Budget

Enrollment growth continues to be a significant challenge for the District as it drives all aspects of our operations, from General Fund appropriations to programmatic initiatives to capital planning. In 2020, 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 2,523 students in 2020 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.

As an added challenge, the 2020 fiscal year ended amid an economic and social crisis created by the coronavirus pandemic. Schools across the country were forced to close in March 2020 and transition to virtual education for the remainder of the school year. The 2021 budget was developed while the economic shock of the pandemic was still settling in, and little was known about how schools would operate during the 2021 school year.

The unprecedented level of uncertainty surrounding the 2021 fiscal year and the challenging economic times lead us to develop a very conservative budget. An approximately \$10 million surplus was adopted

(Continued)

for next year's budget to accommodate unforeseeable costs related to disease mitigation, virtual learning, and the possibility of students withdrawing from public schools altogether.

More information about the District's annual budget and economic challenges can be found in the 2021 Budget Book, which can be obtained on the Frisco ISD website 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.

Basic Financial Statements



"Catching Sight" | Ruby Hinckley | Independence High School



The cover features a dark blue background with a large yellow rectangle at the top right and a yellow vertical bar at the bottom right. A thin yellow horizontal line is positioned above the bottom yellow bar. The title is centered in white text.

Government- Wide Financial Statements

Frisco Independent School District
Statement of Net Position
June 30, 2020

Data Control Codes		Governmental Activities
	Assets	
1110	Cash and investments	\$ 610,321,279
1220	Property taxes receivable (delinquent)	5,475,010
1230	Allowance for uncollectible taxes	(930,752)
1240	Due from other governments	26,590,560
1250	Accrued interest	195,179
1290	Other receivables, net	646,465
1410	Prepaid Expenses	294,873
1510	Land	201,974,868
1520	Buildings and improvements, net	1,364,591,769
1530	Furniture and equipment, net	20,647,534
1580	Construction in progress	75,528,693
1000	Total Assets	<u>2,305,335,478</u>
	Deferred Outflows of Resources	
1701	Deferred losses on debt refunding transactions	19,673,642
1705	Deferred pension outflows	93,121,715
1710	Deferred OPEB outflows	49,115,596
1700	Total Deferred Outflows of Resources	<u>161,910,953</u>
	Liabilities	
2110	Accounts payable	22,780,450
2113	Retainage payable	3,651,024
2140	Accrued interest payable	33,292,688
2150	Payroll deductions and withholdings	4,248,553
2160	Accrued wages payable	73,189,457
2200	Accrued expenses	2,612,000
2300	Unearned revenues	2,399,703
	Noncurrent Liabilities:	
2501	Due within one year	58,911,393
2502	Due in more than one year	2,193,620,748
2540	Net pension liability	182,078,056
2545	Net OPEB liability	195,016,124
2000	Total Liabilities	<u>2,771,800,196</u>
	Deferred Inflows of Resources	
2601	Deferred gains on debt refunding transactions	330,080
2605	Deferred pension inflows	30,693,817
2610	Deferred OPEB inflows	84,366,871
2600	Total Deferred Inflows of Resources	<u>115,390,768</u>
	Not Position	
3200	Net investment in capital assets	(373,647,743)
	Restricted for:	
3820	Federal and state grant programs	5,300,585
3850	Debt service	103,317,274
3900	Unrestricted	(154,914,649)
3000	Total Net Position	<u>\$ (419,944,533)</u>

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

Exhibit B-1

Frisco Independent School District
Statement of Activities
For The Year Ended June 30, 2020

Data Control Codes	1 Expenses	Program Revenues		6 Net (Expense)/ Revenue and Changes in Net Position	
		3 Charges for Services	4 Operating Grants and Contributions		
Governmental Activities:					
11	Instruction	\$ 444,377,695	\$ 797,595	\$ 45,311,286	\$ (398,268,814)
12	Instructional resources and media services	8,932,969		531,367	(8,401,602)
13	Curriculum and instructional staff development	14,315,808		1,625,204	(12,690,604)
21	Instructional leadership	11,116,828		1,012,525	(10,104,303)
23	School leadership	43,158,588		3,698,532	(39,460,056)
31	Guidance, counseling and evaluation services	25,968,948		4,438,612	(21,530,336)
32	Social work services	227,696		21,466	(206,230)
33	Health services	7,215,668		641,206	(6,574,462)
34	Student transportation	17,135,255		943,954	(16,191,301)
35	Food services	26,200,312	13,189,756	6,608,377	(6,402,179)
36	Extracurricular activities	22,890,618	1,916,707	1,895,940	(19,077,971)
41	General administration	16,605,179		1,150,084	(15,455,095)
51	Facilities maintenance and operations	60,027,110	20,225,910	1,769,470	(38,031,730)
52	Security and monitoring services	6,577,228		155,310	(6,421,918)
53	Data processing services	10,906,676		695,934	(10,210,742)
61	Community services	2,231,893		609,529	(1,622,364)
72	Debt service - interest on long-term debt	79,729,973			(79,729,973)
73	Debt service - bond issuance costs and fees	924,809			(924,809)
91	Contracted instructional services between schools	3,152,395			(3,152,395)
95	Payments to juvenile justice alternative education programs	30,681			(30,681)
97	Payments to tax increment fund	27,151,041			(27,151,041)
99	Other intergovernmental charges	3,798,571			(3,798,571)
TG	Total Governmental Activities	<u>\$ 832,675,941</u>	<u>\$ 36,129,968</u>	<u>\$ 71,108,796</u>	<u>\$ (725,437,177)</u>

Data Control Codes **General Revenues**

Taxes:

MT	Property taxes, levied for general purposes	466,660,821
DT	Property taxes, levied for debt service	112,411,956
SF	State aid - formula grants	97,396,084
GC	Grants and contributions not restricted to specific programs	4,663,718
IE	Investment earnings	8,429,226
MI	Miscellaneous local and intermediate revenue	23,587,596
TR	Total General Revenues	<u>713,149,401</u>
CN	Change in net position	(12,287,776)
NB	Net position - beginning	(407,656,757)
NE	Net position - ending	<u>\$ (419,944,533)</u>

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



The background is a solid dark blue color. There are two yellow decorative elements: a vertical rectangle in the top right corner and a vertical rectangle in the bottom right corner, with a thin horizontal line above it.

Governmental Funds Financial Statements

Frisco Independent School District
Balance Sheet
Governmental Funds
June 30, 2020

Data Control Codes	10		50		60		98	
	General Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds			
Assets								
1110	Cash and investments	\$ 289,000,382	\$ 135,592,212	\$ 173,764,297	\$ 11,964,388	\$		\$ 610,321,279
1220	Property taxes receivable (delinquent)	4,248,804	1,226,206					5,475,010
1230	Allowance for uncollectible taxes	(722,297)	(208,455)					(930,752)
1240	Due from other governments	23,243,943			3,346,617			26,590,560
1250	Accrued interest	195,179						195,179
1260	Due from other funds	1,588,001						1,588,001
1290	Other receivables	505,000		80,465	61,000			646,465
1410	Prepaid expenditures	200,193			94,680			294,873
1000	Total Assets	<u>\$ 318,259,205</u>	<u>\$ 136,609,963</u>	<u>\$ 173,844,762</u>	<u>\$ 15,466,685</u>	<u>\$</u>		<u>\$ 644,180,615</u>
Liabilities								
2110	Accounts payable	2,357,902		18,818,541	1,604,007			22,780,450
2113	Retainage payable			3,651,024				3,651,024
2140	Accrued interest payable		264,050					264,050
2150	Payroll deductions and withholdings	4,248,553						4,248,553
2160	Accrued wages payable	70,515,532			2,673,925			73,189,457
2170	Due to other funds				1,588,001			1,588,001
2200	Accrued expenditures	2,612,000						2,612,000
2300	Unearned revenue	940,680			1,459,023			2,399,703
2000	Total Liabilities	<u>80,674,667</u>	<u>264,050</u>	<u>22,469,565</u>	<u>7,324,956</u>			<u>110,733,238</u>
Deferred inflows of Resources								
2601	Unavailable property tax revenue	2,453,295	722,996					3,176,291
2600	Total Deferred Inflows of Resources	<u>2,453,295</u>	<u>722,996</u>	<u>-</u>	<u>-</u>			<u>3,176,291</u>
Fund Balances								
Nonspendable:								
3430	Prepaid expenditures	200,193			94,680			294,873
Restricted for:								
3450	Federal and state grant programs				5,300,586			5,300,586
3470	Capital acquisitions and contractual obligations			125,407,353				125,407,353
3480	Retirement of long-term debt		135,622,917					135,622,917
Committed to:								
3545	Local grants, awards and contributions				2,755,728			2,755,728
Assigned to:								
3560	Claims and judgments	6,000,000		15,201,102				21,201,102
3570	Capital expenditures			10,766,742				10,766,742
3590	Employee compensation	26,864,754						26,864,754
3590	Future expenditures	3,212,436						3,212,436
3600	Unassigned	198,853,860			(9,265)			198,844,595
3000	Total Fund Balances	<u>235,131,243</u>	<u>135,622,917</u>	<u>151,375,197</u>	<u>8,141,729</u>			<u>530,271,086</u>
4000	Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 318,259,205</u>	<u>\$ 136,609,963</u>	<u>\$ 173,844,762</u>	<u>\$ 15,466,685</u>	<u>\$</u>		<u>\$ 644,180,615</u>

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

Exhibit C-1R

Frisco Independent School District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2020

Total Fund Balances - Governmental Funds (Exhibit C-1)	\$ 530,271,086
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.	1,662,742,864
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	19,673,642
Deferred gains on debt refunding transactions	(330,080)
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	(2,044,020,964)
Accrued interest on the bonds	(33,028,638)
Accreted interest on capital appreciation bonds	(71,390,619)
Unamortized bond premiums	(137,120,558)
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.	3,176,291
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	(182,078,056)
Deferred pension inflows	(30,693,817)
Deferred pension outflows	93,121,715
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	(195,016,124)
Deferred OPEB inflows	(84,366,871)
Deferred OPEB outflows	49,115,596
Net Position - Governmental Activities (Exhibit A-1)	<u>\$ (419,944,533)</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, 2020

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	\$ 478,853,977	\$ 135,334,381	\$ 2,501,749	\$ 15,267,788	\$ 631,957,895
5800 State program revenues	123,619,347	1,350,448		6,318,874	131,288,669
5900 Federal program revenues	4,663,718			16,831,321	21,495,039
5020 Total Revenues	<u>607,137,042</u>	<u>136,684,829</u>	<u>2,501,749</u>	<u>38,417,983</u>	<u>784,741,603</u>
Expenditures					
Current:					
0011 Instruction	348,085,246		1,356,476	16,414,518	365,856,240
0012 Instructional resources and media services Curriculum and instructional staff	6,311,497		13,706	5,060	6,330,263
0013 development	12,542,301			682,108	13,224,409
0021 Instructional leadership	10,026,450		51,372	64,097	10,141,919
0023 School leadership Guidance, counselling and evaluation	34,900,930			236,970	35,137,900
0031 services	21,406,422			2,333,424	23,739,846
0032 Social work services	207,193				207,193
0033 Health services	6,576,377			98,052	6,674,429
0034 Student transportation	14,034,400			38,006	14,072,406
0035 Food services	360,577			22,976,508	23,337,085
0036 Extracurricular activities	17,099,452		794,610	642,643	18,536,705
0041 General administration	14,112,405		65,957	111,863	14,290,225
0051 Facilities maintenance and operations	40,436,585		7,327,086	374,508	48,138,179
0052 Security and monitoring services	4,770,191		26,127	10,908	4,807,226
0053 Data processing services	7,467,908		58,848	70,953	7,597,709
0061 Community services	1,128,951			734,682	1,863,633
Debt Service:					
0071 Principal on long-term debt		53,331,260			53,331,260
0072 Interest on long-term debt		79,716,249			79,716,249
0073 Bond issuance costs and fees		316,758	608,052		924,810
Capital Outlay:					
0081 Facilities acquisitions and construction			127,456,227		127,456,227
Intergovernmental:					
0091 Contracted instructional services between schools	3,152,395				3,152,395
0095 Payments to juvenile justice alternative education programs	30,681				30,681
0097 Payments to tax increment fund	27,151,041				27,151,041
0099 Other intergovernmental charges	3,798,571				3,798,571
6030 Total Expenditures	<u>573,599,573</u>	<u>133,364,267</u>	<u>137,758,461</u>	<u>44,794,300</u>	<u>889,516,601</u>
1100 Excess (deficiency) of revenues over (under) expenditures	<u>33,537,469</u>	<u>3,320,562</u>	<u>(135,256,712)</u>	<u>(6,376,317)</u>	<u>(104,774,998)</u>
Other Financing Sources (Uses)					
7901 Refunding bonds issued		33,420,000			33,420,000
7911 Capital related debt issued (regular bonds)			68,285,000		68,285,000
7916 Premium on issuance of bonds		1,448,078	7,323,052		8,771,130
7912 Proceeds from the sale of property	57,518			5,272	62,790
7915 Transfers in	32,698		5,000,000	104,137	5,136,835
7956 Insurance Recovery			17,500,000		17,500,000
8911 Transfers out	(5,104,137)			(32,698)	(5,136,835)
8949 Payment to refunded bond escrow agent		(34,568,630)			(34,568,630)
7080 Total Other Financing Sources (Uses)	<u>(5,013,921)</u>	<u>299,448</u>	<u>98,108,052</u>	<u>76,711</u>	<u>93,470,290</u>
1200 Net change in fund balances	28,523,548	3,620,010	(37,148,660)	(6,299,606)	(11,304,708)
0100 Fund balances - beginning	206,607,695	132,002,907	188,523,857	14,441,335	541,575,794
3000 Fund balances - ending	<u>\$ 235,131,243</u>	<u>\$ 135,622,917</u>	<u>\$ 151,375,197</u>	<u>\$ 8,141,729</u>	<u>\$ 530,271,086</u>

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

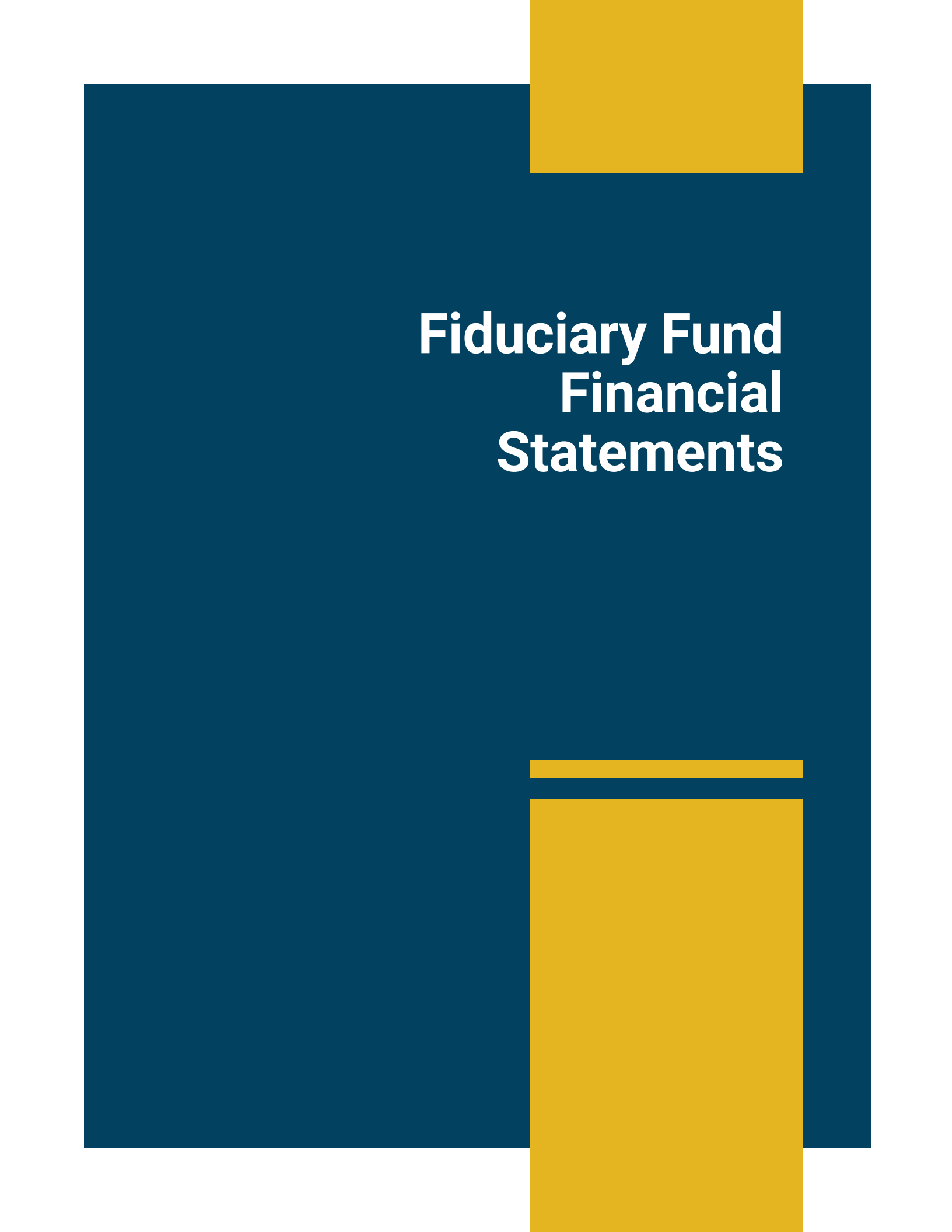
Exhibit C-2R

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, 2020

Total Net Change in Fund Balances - Governmental Funds (Exhibit C-2)	\$ (11,304,708)
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 (\$102,537,347) exceeded depreciation (\$50,036,911) in the current period.	52,500,436
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.	(37,182)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(315,955)
Repayment of long-term debt principal (\$87,226,260) and payments of accreted interest on capital appreciation bonds (\$1,558,740) are expenditures in the governmental funds, but these activities reduce long-term liabilities in the Statement of Activities.	88,785,000
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	(101,705,000)
Premiums on bonds	(8,771,130)
The excess of the reacquisition price of refunded debt over its carrying amount is deferred and amortized in the government-wide financial statements.	673,631
Certain debt related items that effect the Statement of Net Position but are not reported in the governmental funds:	
Amortization of bond premiums	11,906,643
Amortization of deferred gains and losses on refunding transactions	(1,349,800)
Accreted interest on capital appreciation bonds	(6,368,078)
Change in interest payable	(5,761,230)
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	2,140,161
Contributions after the measurement date	11,096,108
Proportionate share of collective pension expense	(23,854,182)
Net proportionate share of deferred pension inflows/outflows	(14,496,952)
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	616,098
Contributions after the measurement date	2,631,305
Proportionate share of collective OPEB expense	(8,585,412)
Net proportionate share of deferred OPEB inflows/outflows	(87,529)
Change in Net Position of Governmental Activities (Exhibit B-1)	<u>\$ (12,287,776)</u>

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



The cover page features a dark blue background. A large yellow rectangle is positioned at the top right, partially overlapping the blue area. Another yellow rectangle is at the bottom right, with a thin yellow horizontal line above it. The text is centered in the upper half of the page.

Fiduciary Fund Financial Statements

Frisco Independent School District
Statement of Fiduciary Assets and Liabilities
June 30, 2020

Data Control Codes		<u>Agency Fund</u>
	ASSETS	
1110	Cash and investments	\$ 1,405,210
	Total Assets	<u>\$ 1,405,210</u>
	LIABILITIES	
2110	Accounts payable	\$ 12,665
2190	Due to student groups	1,392,545
	Total Liabilities	<u>\$ 1,405,210</u>

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

Notes to the Basic Financial Statements



"Colorful Thinking" | Aishwarya Kothalanka | Independence High School

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, 2019, which were not available as of June 30, 2020.

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 capital projects.

Other Non-Major Governmental Funds - The 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 practices, 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:

Asset Classification	Useful Life
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 gains and losses on debt refunding transactions, which are reported as deferred inflows and outflows of resources, respectively, 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 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 agencies.

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, 2020, 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 goods or services. 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 outstanding encumbrances in the General Fund at June 30, 2020. 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, 2020, the carrying amount of the District's deposits (cash) and outstanding checks was \$ 26,346,004. The combined bank balance was \$18,836,640. At June 30, 2020 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 January 14, 2020, when combined cash, savings and time deposits amounted to \$53,612,779.
- C. The amount of bond and pledged collateral as of the date of the highest combined balance on deposit was \$60,037,418.
- 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
- 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 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.

	Value at June 30, 2020	Fair Value Measurements Using		Percent of Total Investments	Weighted Average Maturity (Days)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)		
Cash and Cash Equivalents:					
Bank Deposits	\$ 26,346,004				
Total Cash and Cash Equivalents	\$ 26,346,004				
Investments measured at Amortized Costs:					
TexPool	\$ 51,604,159			8.84%	33
Lone Star Investment Pool	456,706,367			78.20%	35
Investments measured at Net Asset Value:					
TexasTERM portfolio – Texas DAILY	20,441,468			3.50%	55
Investments by Fair Value Level:					
US Government Agency Securities:					
U.S. Treasury Bonds	10,214,063	\$ 10,214,063		1.75%	319
Commercial Paper	45,009,218		45,009,218	7.71%	79
Total Investments	583,975,275	10,214,063	45,009,218		
Total Cash and Investments	\$ 610,321,279	\$ 10,214,063	\$ 45,009,218		

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:

- 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
- Hold investments that are highly rated by nationally recognized statistical rating organizations
- Have no more than 5% of portfolio with one issuer (excluding US government securities)
- 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 a 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, 2020, the District had no investments in the TexasTERM portfolio. \$20,441,468 was invested in the TexasDAILY portfolio. TexasDAILY has received an AAAM rating from S&P, and the TexasTERM portfolio has received a rating of AAAf 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 \$43,491,816,275.

The tax rates levied for the fiscal year ended June 30, 2020, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.0683 and 0.2700 per \$100 valuation, respectively, for a total of \$1.3383 per \$100 valuation.

Current year tax collections for the period ended June 30, 2020, were 99.37% 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, 2020, 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, establishing the 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.

The District 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 and interest on bonds or other indebtedness for educational facilities within or adjacent to the zone. As of June 30, 2020, approximately \$234.3 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, 2020, 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	\$ 23,243,943		\$ 23,243,943
Due from the Federal Government		\$ 3,267,192	3,267,192
Due from Other Governments		79,425	79,425
Total	<u>\$ 23,243,943</u>	<u>\$ 3,346,617</u>	<u>\$ 26,590,560</u>

Note 5. Interfund Transactions

Interfund balances at June 30, 2020, consisted of the following individual fund receivables and payables:

	Receivable	Payable
General fund	\$ 1,588,001	
Non-major governmental funds		\$ 1,588,001
Total	<u>\$ 1,588,001</u>	<u>\$ 1,588,001</u>

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, 2020, were liquidated shortly after year-end.

The following is a summary of the District's internal transfers for the fiscal year ended June 30, 2020:

From	To	Amount	Purpose
Non-Major Funds	General Fund	\$ 8,098	Camp Payroll Costs
Non-Major Funds	General Fund	24,600	Advanced Placement Training
General Fund	Non-Major Funds	104,137	Child Development Center Cash Flow
General Fund	Capital Project Fund	5,000,000	Locally Defined Capital Outlay
Total Transfers		<u>\$ 5,136,835</u>	

Note 6. Capital Assets

A summary of changes in capital assets for the fiscal year ended June 30, 2020, follows:

	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
Capital assets not being depreciated:				
Land	\$ 193,928,724	\$ 8,046,144		\$ 201,974,868
Construction in progress	13,193,624	87,072,623	\$ 24,737,554	75,528,693
	<u>207,122,348</u>	<u>95,118,767</u>	<u>24,737,554</u>	<u>277,503,561</u>
Capital assets being depreciated:				
Buildings and improvements	1,798,235,340	22,068,945		1,820,304,285
Furniture and equipment	63,269,867	10,087,189	1,039,644	72,317,412
	<u>1,861,505,207</u>	<u>32,156,134</u>	<u>1,039,644</u>	<u>1,892,621,697</u>
Less: Accumulated depreciation for:				
Buildings and improvements	410,473,061	45,239,455		455,712,516
Furniture and equipment	47,874,884	4,797,456	1,002,462	51,669,878
	<u>458,347,945</u>	<u>50,036,911</u>	<u>1,002,462</u>	<u>507,382,394</u>
Total capital assets for governmental activities, net	<u>\$ 1,610,279,610</u>	<u>\$ 77,237,990</u>	<u>\$ 24,774,736</u>	<u>\$ 1,662,742,864</u>

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

Function	Expensed
11 Instruction	\$ 32,895,507
12 Instructional resources and media services	1,839,858
13 Curriculum and instructional staff development	19,909
23 School leadership	3,455,028
34 Student transportation	2,163,327
35 Food services	2,580,357
36 Extracurricular activities	3,988,499
41 General administration	1,213,320
51 Facilities maintenance and operations	1,082,648
52 Security and monitoring services	84,033
53 Data processing services	456,178
61 Community services	258,247
Total depreciation expense	<u>\$ 50,036,911</u>

(Continued)

Construction Commitments

The District was obligated at June 30, 2020, 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 \$51.9 million as of June 30, 2020.

Note 7. Long-Term Debt

A summary of changes in long-term debt for the fiscal year ended June 30, 2020, is as follows:

Description	Original Issue Amount	Interest Rate(s)	Maturity	Balance at June 30, 2019	Issued/Increases	Retired/Refunded	Balance at June 30, 2020	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 2009	\$ 85,000,000	4.000%- 5.500%	8/15/2041	825,000		825,000		
Series 2009A	\$ 34,570,000	2.000%- 5.000%	8/15/2039	250,000		250,000		
Series 2010	\$ 20,195,000	0.00%	2/15/2027	10,780,000		1,345,000	9,435,000	\$ 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	84,530,000		1,910,000	82,620,000	1,965,000
Series 2014	\$ 159,795,000	2.000%- 5.000%	8/15/2044	150,525,000		3,300,000	147,225,000	3,475,000
Series 2015A	\$ 68,125,000	2.000%- 5.000%	8/15/2045	65,535,000		1,390,000	64,145,000	1,460,000
Series 2016B	\$ 75,790,000	2.500%- 5.000%	8/15/2046	74,545,000		1,300,000	73,245,000	1,370,000
Series 2018	\$ 49,865,000	3.000%- 5.000%	8/15/2048	49,865,000		870,000	48,995,000	915,000
Unlimited Tax School Refunding Bonds:								
Series 2009	\$ 14,170,000	2.000%- 4.750%	8/15/2025	930,000		930,000		
Series 2009A	\$ 50,680,000	2.000%- 5.000%	8/15/2029	3,755,000		3,755,000		
Series 2010	\$ 26,855,000	4.000%- 4.250%	8/15/2024	6,515,000		1,015,000	5,500,000	1,040,000
Series 2011	\$ 62,078,491	2.000%- 5.000%	8/15/2030	60,608,491		395,000	60,213,491	400,000
Series 2013	\$ 19,040,000	2.000%- 5.000%	7/15/2033	16,320,000		750,000	15,570,000	785,000
Series 2016	\$ 104,555,000	3.000%- 5.000%	8/15/2037	95,850,000		3,660,000	92,190,000	3,845,000
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	1,231,393
Series 2011A	\$ 83,981,260	4.000%- 5.000%	8/15/2041	66,216,260		5,871,260	60,345,000	4,515,000
Series 2012	\$ 85,531,867	2.000%- 5.000%	8/15/2041	84,391,867		240,000	84,151,867	250,000
Series 2012A	\$ 71,190,000	2.000%- 5.000%	8/15/2041	68,840,000		1,155,000	67,685,000	985,000
Series 2012B	\$ 99,545,000	2.000%- 5.000%	8/15/2042	93,485,000		3,250,000	90,235,000	3,415,000
Series 2013	\$ 68,471,992	2.000%- 5.000%	8/15/2043	61,845,000		265,000	61,580,000	275,000
Series 2014	\$ 111,455,000	2.000%- 4.000%	8/15/2044	102,835,000		2,615,000	100,220,000	2,715,000
Series 2015	\$ 139,525,000	0.420%- 5.000%	8/15/2045	128,300,000		5,020,000	123,280,000	5,270,000
Series 2016A	\$ 208,960,000	2.000%- 5.000%	8/15/2046	201,390,000		7,005,000	194,385,000	7,350,000
Series 2017	\$ 206,445,000	2.000%- 5.000%	8/15/2047	206,230,000		6,215,000	200,015,000	6,545,000
Series 2019	\$ 265,390,000	3.000%- 5.000%	8/15/2049	265,390,000			265,390,000	4,835,000
Series 2020	\$ 101,705,000	2.000%- 5.000%	8/15/2050		\$ 101,705,000		101,705,000	4,925,000
CAB Premiums:								
Series 1999				9,122,362			9,122,362	
Series 2002A				14,594,401			14,594,401	
Series 2012				1,161,610			1,161,610	
Total bonds payable				2,029,542,224	101,705,000	87,226,260	2,044,020,964	58,911,393
Accreted interest on capital appreciation bonds				66,581,281	6,368,078	1,558,740	71,390,619	
Unamortized bond premium				140,256,071	8,771,130	11,906,643	137,120,558	
Total bonded debt				2,236,379,576	116,844,208	100,691,643	2,252,532,141	58,911,393
District's portion of net pension liability				170,483,528	23,854,182	12,259,654	182,078,056	
District's portion of net OPEB liability				189,371,760	8,585,412	2,941,048	195,016,124	
Total long-term debt				\$ 2,596,234,864	\$ 149,283,802	\$ 115,892,345	\$ 2,629,626,321	\$ 58,911,393

Changes in debt-related deferred outflows and inflows of resources for the fiscal year ended June 30, 2020, were:

	Balance at June 30, 2019	Issued/ Increases	Retired/ Refunded	Balance at June 30, 2020
Deferred loss on refunding transactions	\$ 20,406,396	\$ 673,631	\$ 1,406,385	\$ 19,673,642
Deferred gain on refunding transactions	\$ 386,665	\$	\$ 56,585	\$ 330,080

During the year the District issued \$101,705,000 of Unlimited Tax School Building and Refunding Bonds, Series 2020 with interest rates of 2.00 to 5.00%. Proceeds were delivered on February 12, 2020. \$68,285,000 (par value) was issued to acquire, construct, renovate and equip school buildings. Deposits to escrow agents of \$34,568,630 were used to purchase direct obligations of the U.S. government which were irrevocably pledged to the payment of \$21,645,000 of the District's Unlimited Tax School Building Bonds, Series 2006A, and \$12,250,000 of the Districts' Unlimited Tax School Building Bonds, Series, 2007A. The District's refunding resulted in an economic gain of \$6,458,883 and a book loss of \$673,631 which will be amortized over the life of the refunded debt. The refunding decreased the District's future debt service requirement by \$8,523,453.

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 periodic increases in the obligation to reflect the bonds at their 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 \$6,368,078, and \$1,558,740 of outstanding accreted interest was paid off during the year. Total accreted interest on CABs at June 30, 2020 is \$71,390,619, 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. As of June 30, 2020, \$135,622,917 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, 2020.

In May 2014, voters in the District approved \$775,000,000 of general obligation bonds. As of June 30, 2020, \$69,000,000 remains authorized but unissued.

In November 2018, voters in the District approved \$691,000,000 of general obligation bonds. As of June 30, 2020, \$567,000,000 remains authorized but unissued.

(Continued)

The following table summarizes the annual debt service requirements of outstanding debt at June 30, 2020, to maturity:

Year ending June 30,	Principal*	Interest	Total
2021	\$ 58,911,393	\$ 84,699,503	\$ 143,610,896
2022	63,976,761	81,667,802	145,644,563
2023	66,816,545	78,736,670	145,553,215
2024	67,436,610	78,884,601	146,321,211
2025	62,723,181	80,094,963	142,818,144
2026-2030	348,478,862	365,603,310	714,082,172
2031-2035	398,716,001	313,829,545	712,545,546
2036-2040	498,066,611	163,218,625	661,285,236
2041-2045	389,455,000	50,002,561	439,457,561
2046-2050	89,440,000	6,675,476	96,115,476
Total	\$ 2,044,020,964	\$ 1,303,413,056	\$ 3,347,434,020

*includes premiums on capital appreciation bonds

Note 8. Unearned Revenue

Unearned revenue at June 30, 2020, consisted of the following:

	General Fund	Non-Major Funds	Total
Summer school tuition	\$ 802,593		\$ 802,593
School lunch deposits		\$ 1,389,023	1,389,023
Student fees and charges	123,087		123,087
Tower rentals	15,000		15,000
Advance funded grant revenue		\$ 70,000	70,000
Total	\$ 940,680	\$ 1,459,023	\$ 2,399,703

Note 9. Revenues From Local and Intermediate Sources

During fiscal year 2020, 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	\$ 464,467,483	\$ 111,884,487			\$ 576,351,970
Penalties, interest and other tax related income	2,386,016	22,137,899			24,523,915
Food sales				\$ 13,189,756	13,189,756
Investment income	4,738,037	1,311,995	\$ 2,256,874	122,320	8,429,226
Co-curricular student activities	1,916,707				1,916,707
Shared Services Revenue				206,215	206,215
Facilities rentals	2,725,910				2,725,910
Other miscellaneous	2,619,824		244,875	1,749,497	4,614,196
Total	\$ 478,853,977	\$ 135,334,381	\$ 2,501,749	\$ 15,267,788	\$ 631,957,895

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 2020, 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, 2020, 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 \$350 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. As of June 30, 2020, the District's unpaid claims totaled \$ 2,612,000, 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 2019 and fiscal year 2020 were:

	2019	2020
Beginning liability	\$ 1,887,000	\$ 2,335,000
Claims and changes in estimates	2,451,000	2,176,000
Claim payments	(2,003,000)	(1,899,000)
Ending liability	<u>\$ 2,335,000</u>	<u>\$ 2,612,000</u>

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.

(Continued)

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 receivables at June 30, 2020, 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 Employment Benefits

Defined Benefit Pension Plan

Plan Description - The District participates in a cost-sharing multiple-employer defined benefit pension plan 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 <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling 512.542.6592.

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

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.

In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the state, participating employers and active employees to make the pension fund actuarially sound. This action allowed the legislature to approve funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for plan years 2020 thru 2025.

Contribution Rates	2019	2020
Member	7.70%	7.70%
Non-employer contributing entity (State)	6.80%	7.50%
Employers	6.80%	7.50%
FISD 2020 fiscal year member contributions		\$ 31,247,073
FISD 2020 fiscal year State contributions		\$ 21,325,323
FISD 2020 fiscal year District contributions		\$ 13,144,338

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.
- On 1.5% of covered payroll. This contribution, known as the Public Education Employer Contribution, replaced the Non(OASDI) surcharge that was in effect until 2019.

(Continued)

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. This surcharge was in effect through the end of the 2019 plan year and was replaced with the Public Education Employer Contribution explained above.

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

Valuation date	August 31, 2018 rolled forward to August 31, 2019
Actuarial cost method	Individual Entry Age Normal
Asset valuation method	Market Value
Single discount rate	7.25%
Long-term expected investment rate of return	7.25%
Municipal Bond Rate as of August 2019	2.63%
	<i>Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."</i>
Inflation	2.30%
Salary increases including inflation	3.50% to 9.05% including inflation
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2018. For a full description of these assumptions, please see the actuarial valuation report dated November 9, 2018.

Discount Rate - A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50% of payroll in plan year 2020, gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.25% The long-term expected rate of return was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by

weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2019 are summarized below:

Asset Class	Plan Year 2019 Allocation ⁽¹⁾	New Target Allocation ⁽²⁾	Long-Term Expected Geometric Real Rate of Return
Global Equity			
USA	18.00%	18.00%	6.40%
Non-U.S. Developed	13.00%	13.00%	6.30%
Emerging Markets	9.00%	9.00%	7.30%
Directional Hedge Funds	4.00%	-	-
Private Equity	13.00%	14.00%	8.40%
Stable Value			
U.S. Treasuries ⁽⁴⁾	11.00%	16.00%	3.10%
Stable Value Hedge Funds	4.00%	5.00%	4.50%
Absolute Return	0.00%	0.00%	0.00%
Real Return			
Global Inflation Linked Bonds ⁽⁴⁾	3.00%	-	-
Real Estate	14.00%	15.00%	8.50%
Energy, Natural Resources and Infrastructure	5.00%	6.00%	7.30%
Commodities	-	-	-
Risk Parity			
Risk Parity	5.00%	8.00%	5.8%/6.5% ⁽⁵⁾
Leverage			2.30%
Cash	1.00%	2.00%	2.50%
Asset Allocation Leverage	-	(6.00%)	2.70%
Total	100.00%	100.00%	7.23%

(1) Target allocations are based on the Strategic Asset Allocation as of plan year 2019

(2) New allocations are based on the Strategic Asset Allocations to be implemented in plan year 2020

(3) 10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%

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 (7.25%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
FISD's proportionate share of the net pension liability:	\$ 279,880,423	\$ 182,078,056	\$ 102,839,262

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

- At June 30, 2020, the District reported a liability of \$182,078,056 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:

(Continued)

FISD's proportionate share of the collective net pension liability	\$	182,078,056
State's proportionate share that is associated with FISD		249,283,125
Total	\$	<u>431,361,181</u>

The net pension liability was measured as of August 31, 2018 and rolled forward to August 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, 2018 thru August 31, 2019.

At August 31, 2019, the District's proportion of the collective net pension liability was 0.3502637672%, which was a decrease of 0.0405326424% from its proportion measured as of August 31, 2018.

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 single discount rate as of August 31, 2018 was a blended rate of 6.907%, and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
- With the enactment of Senate Bill 3 by the 2019 Texas Legislature, it is assumed that eligible active members will each receive a \$2,700 increase in plan year 2020 in addition to the salary increase expected in the actuarial assumptions.
- The Texas Legislature approved funding for a thirteenth check in 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever was less.

For the year ended June 30, 2020, the District recognized pension expense of \$42,948,409 and contributions paid by the state on-behalf of the District of \$16,783,987.

At June 30, 2020, 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	\$ 764,891	\$ 6,322,039
Changes in actuarial assumptions	56,489,555	23,344,157
Difference between projected and actual investment earnings	1,828,273	
Changes in proportion and differences between District contributions and the proportionate share of contributions	22,942,888	1,027,621
District contributions paid to TRS subsequent to the measurement date	11,096,108	
Total	<u>\$ 93,121,715</u>	<u>\$ 30,693,817</u>

The amount 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30:

2021	\$	11,509,066
2022		9,598,547
2023		13,419,812
2024		12,342,412
2025		5,264,834
Thereafter		(802,881)
	\$	<u>51,331,790</u>

The General Fund is typically used to liquidate pension and OPEB liabilities.

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 <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling 512.542.6592.

Benefits Provided – TRS-Care provides basic health insurance coverage to 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 retirees are reflected in the following table:

	TRS-Care Monthly Premium Rates Plan Year 2020			
	Medicare		Non-Medicare	
Retiree or surviving spouse	\$	135	\$	200
Retiree and spouse		529		689
Retiree or surviving spouse and children		468		408
Retiree and ramily		1,020		999

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	
	2019	2020
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 2020 fiscal year member contributions		\$ 2,637,767
FISD 2020 fiscal year State contributions		\$ 4,987,698
FISD 2020 fiscal year District contributions		\$ 3,128,440

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 \$73.6 million in fiscal year 2019.

Actuarial Assumptions – The total OPEB liability in the August 31, 2018 actuarial valuation was rolled forward to August 31, 2019. The actuarial valuation was determined using specific actuarial assumptions, including rates of mortality, rates of retirement, rates of termination, rates of disability, general inflation, wage inflation, and salary increases.

All assumptions described in the preceding paragraph and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2018 TRS pension actuarial valuation that was rolled forward to August 31, 2019.

Additional actuarial methods and assumptions include:

Valuation date	August 31, 2018 rolled forward to August 31, 2019
Actuarial cost method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	2.63% as of August 31, 2019
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.
Projected Salary Increases	3.05% to 9.05% including inflation
Healthcare Trend Rates	10.25% for Medicare retirees and 7.5% for non-Medicare retirees. The initial trend rates decrease to an ultimate trend rate of 4.5% over a period of 13 years.
Election Rates	Normal retirement: 65% participation prior to age 65 and 50% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at 65.
Ad hoc post-employment benefit changes	None

Discount Rate – A single discount rate of 2.63% was used to measure the total OPEB liability. There was a decrease of 1.06% 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 (2.63%) in measuring the Net OPEB Liability:

	1% Decrease in Discount Rate (1.63%)	Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
FISD’s proportionate share of the net OPEB liability:	\$ 235,447,034	\$ 195,016,124	\$ 163,386,982

OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEBs – At June 30, 2020, FISD reported a liability of \$195,016,124 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	\$ 195,016,124
State’s proportionate share that is associated with FISD	259,132,805
Total	<u>\$ 454,148,929</u>

The Net OPEB Liability was measured as of August 31, 2018 and rolled forward to August 31, 2019, 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, 2018 thru August 31, 2019.

(Continued)

At June 30, 2020, FISD’s proportion of the collective Net OPEB Liability was 0.4123727445% which was an increase of 0.0331051945% from June 30, 2019.

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:	\$ 159,087,311	\$ 195,016,124	\$ 243,144,230

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:

- The discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. This change increased the Total OPEB Liability.
- The health care trend rates were reset to better reflect the plan’s anticipated experience. This change increased the Total OPEB Liability.
- The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at 65. There was no lapse assumption in the prior valuation. These changes decreased the Total OPEB Liability.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%. These changes decreased the Total OPEB Liability.

There were no changes in benefit terms since the prior measurement date.

For the year ended June 30, 2020, FISD recognized OPEB expense of \$6,021,171 and contributions paid by the state on behalf of the District of \$3,888,702.

At June 30, 2020, the District reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 9,567,198	\$ 31,912,320
Changes in actuarial assumptions	10,831,625	52,454,551
Difference between projected and actual investment earnings	21,040	
Changes in proportion and differences between District contributions and the proportionate share of contributions	26,064,428	
District contributions paid to TRS subsequent to the measurement date	2,631,305	
Total	\$ 49,115,596	\$ 84,366,871

The amount 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized as pension expense as follows:

Year ended June 30:

2021	\$ (7,379,681)
2022	(7,379,681)
2023	(7,386,491)
2024	(7,390,386)
2025	(7,389,320)
Thereafter	(957,021)
	<u>\$ (37,882,580)</u>

The General Fund is typically used to liquidate pension and OPEB liabilities.

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the year ended June 30, 2020, these on-behalf payments were \$1,260,689 and were recorded as equal revenues and expenditures in the General Fund.

Note 12. Subsequent Events**Bond Issue**

On July 15, 2020 the District issued \$183,585,000 of Unlimited Tax School Refunding Bonds, Taxable Series 2020 with interest rates of 0.795% to 5.592%. Deposits to escrow agents of \$195,436,386 were used to purchase direct obligations of the U.S. government which were irrevocably pledged to the payment of \$50,000,000 of the District's Unlimited Tax School Building Bonds, Series 2011, \$31,170,000 of the District's Unlimited Tax School Refunding Bonds, Series 2011, \$39,495,000 of the District's Unlimited Tax School Building and Refunding Bonds, Series 2011A and \$62,920,000 of the Districts' Unlimited Tax School Building and Refunding Bonds, Series 2012. The refunding decreased the District's future debt service requirement by \$69,870,287.

Coronavirus Pandemic

In March 2020, the World Health Organization declared the novel coronavirus ("COVID-19") a global pandemic and recommended containment and mitigation measures worldwide. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected public education, workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses and organizations. It is not possible for management to predict the duration or magnitude of the adverse results of the outbreak and its disruptive effects on the District's operations and financial results at this time.



Required Supplementary Information (Unaudited)



"Abstract Man With Loose Brushwork" | Adelaide Ortiz | Centennial High School

Frisco Independent School District
Budgetary Comparison Schedule
General Fund
For the Year ended June 30, 2020

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)	
	Original	Final			
Revenues					
5700	Local and intermediate sources	\$ 484,113,700	\$ 477,996,200	\$ 478,853,977	\$ 857,777
5800	State program revenues	90,366,000	117,938,840	123,619,347	5,680,507
5900	Federal program revenues	2,500,000	4,600,000	4,663,718	63,718
5020	Total Revenues	<u>576,979,700</u>	<u>600,535,040</u>	<u>607,137,042</u>	<u>6,602,002</u>
Expenditures					
Current:					
0011	Instruction	345,191,174	357,049,977	348,085,246	(8,964,731)
0012	Instructional resources and media services	5,893,016	6,614,223	6,311,497	(302,726)
0013	Curriculum and instructional staff development	10,213,102	13,339,227	12,542,301	(796,926)
0021	Instructional leadership	8,899,946	10,243,010	10,026,450	(216,560)
0023	School leadership	33,104,493	36,030,986	34,900,930	(1,130,056)
0031	Guidance, counselling and evaluation services	19,287,877	22,568,383	21,406,422	(1,161,961)
0032	Social work services	218,542	336,133	207,193	(128,940)
0033	Health services	6,673,137	6,997,470	6,576,377	(421,093)
0034	Student transportation	12,365,581	15,214,291	14,034,400	(1,179,891)
0035	Food services		448,108	360,577	(87,531)
0036	Extracurricular activities	16,923,806	18,303,461	17,099,452	(1,204,009)
0041	General administration	13,549,880	14,585,585	14,112,405	(473,180)
0051	Facilities maintenance and operations	44,411,499	43,757,547	40,436,585	(3,320,962)
0052	Security and monitoring services	3,675,995	5,497,348	4,770,191	(727,157)
0053	Data processing services	8,638,981	9,105,075	7,467,908	(1,637,167)
0061	Community services	766,394	1,138,119	1,128,951	(9,168)
Intergovernmental:					
0091	Contracted instructional services between schools	4,394,000	4,394,000	3,152,395	(1,241,605)
0095	Payments to juvenile justice alternative education programs	50,000	50,000	30,681	(19,319)
0097	Payments to tax increment fund	26,793,000	27,348,700	27,151,041	(197,659)
0099	Other intergovernmental charges	3,500,000	4,763,776	3,798,571	(965,205)
6030	Total Expenditures	<u>564,550,423</u>	<u>597,785,419</u>	<u>573,599,573</u>	<u>(24,185,846)</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>12,429,277</u>	<u>2,749,621</u>	<u>33,537,469</u>	<u>30,787,848</u>
OTHER FINANCING SOURCES (USES)					
7912	Proceeds from the sale of property			57,518	57,518
7915	Transfers in			32,698	32,698
8911	Transfers out			(5,104,137)	(5,104,137)
7080	Total Other Financing Sources (Uses)			<u>(5,013,921)</u>	<u>(5,013,921)</u>
1200	Net change in fund balances	12,429,277	2,749,621	28,523,548	25,773,927
0100	Fund balances - beginning	206,607,695	206,607,695	206,607,695	
3000	Fund balances - ending	<u>\$ 219,036,972</u>	<u>\$ 209,357,316</u>	<u>\$ 235,131,243</u>	<u>\$ 25,773,927</u>

Frisco Independent School District Notes To Budgetary Comparison Schedule For The Year Ended June 30, 2020

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 procedures followed in establishing the budgetary data reflected in the financial statements include:

1. 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.
2. 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.
3. 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 necessary.

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 Years⁽¹⁾

	Plan Year:					
	2014	2015	2016	2017	2018	2019
District's proportion of the net pension liability	0.002314258000	0.002881151000	0.002910236766	0.003137632412	0.003097311248	0.003502637672
District's proportionate share of the net pension liability ⁽²⁾	\$ 61,817,031	\$ 101,844,853	\$ 109,973,520	\$ 100,324,581	\$ 170,483,528	\$ 182,078,056
State's Share of the net pension liability associated with the District	121,412,312	163,966,596	179,382,090	155,507,727	249,283,125	249,283,125
Total	\$ 183,229,343	\$ 265,811,449	\$ 289,355,610	\$ 255,832,308	\$ 419,766,653	\$ 431,361,181
District's covered payroll	\$ 253,369,679	\$ 279,985,062	\$ 304,425,906	\$ 331,387,964	\$ 336,805,214	\$ 376,024,626
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%	48.42%
Plan fiduciary net position as a percentage of the total pension liability	83.25%	78.43%	78.00%	82.17%	73.74%	75.24%

⁽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**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fiscal Year:										
Contractually required contribution ⁽¹⁾	\$ 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	\$ 13,144,338
Contributions in relation to the contractually required contribution	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	13,144,338
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll ⁽²⁾	\$ 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	\$ 405,810,347
Contributions as a percentage of covered payroll	1.56%	1.68%	1.82%	2.27%	2.94%	3.04%	3.10%	3.16%	3.15%	3.24%

⁽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 Years⁽¹⁾

Plan Year:	2017	2018	2019
District's proportion of the net OPEB liability	0.003631283	0.003792676	0.004123727
District's proportionate share of the net OPEB liability	\$ 157,910,868	\$ 189,371,760	\$ 195,016,124
State's proportionate share associated with the District	271,372,899	300,003,424	259,132,805
Total	\$ 429,283,767	\$ 489,375,184	\$ 454,148,929
District's covered payroll ⁽²⁾	\$ 331,387,964	\$ 336,805,214	\$ 376,024,626
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	47.65%	56.23%	51.86%
Plan fiduciary net position as a percentage of the total OPEB liability	0.91%	1.57%	2.66%

⁽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**

Fiscal Year:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Contractually required contribution ⁽¹⁾	\$ 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	\$ 3,128,440
Contributions in relation to the contractually required contribution	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	3,128,440
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll ⁽²⁾	\$ 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	\$ 405,810,347
Contributions as a percentage of covered payroll	0.58%	0.57%	0.56%	0.57%	0.57%	0.57%	0.57%	0.74%	0.75%	0.77%

⁽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).



Other Supplementary Information



"Women In Red" | Shreya Sahu | Independence High School



The page features a dark blue background with a large yellow rectangle in the top right corner. A horizontal yellow line is positioned above a larger yellow rectangle in the bottom right corner. The text is centered in the upper half of the page.

Budgetary Comparison Schedule

Frisco Independent School District
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2020

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)	
	Original	Final			
Revenues					
5700	Local and intermediate sources	\$ 134,144,400	\$ 134,144,400	\$ 135,334,381	\$ 1,189,981
5800	State program revenues			1,350,448	1,350,448
5020	Total Revenues	134,144,400	134,144,400	136,684,829	2,540,429
Expenditures					
Debt Service:					
0071	Principal on long-term debt	53,331,260	53,331,260	53,331,260	
0072	Interest on long-term debt	86,606,740	86,606,740	79,716,249	(6,890,491)
0073	Bond issuance costs and fees	1,500,000	1,500,000	316,758	(1,183,242)
6030	Total Expenditures	141,438,000	141,438,000	133,364,267	(8,073,733)
1100	Excess (deficiency) of revenues over (under) expenditures	(7,293,600)	(7,293,600)	3,320,562	10,614,162
Other Financing Sources (Uses)					
7901	Refunding bonds issued			33,420,000	33,420,000
7916	Premium on issuance of bonds			1,448,078	1,448,078
8949	Payment to refunded bond escrow agent			(34,568,630)	(34,568,630)
7080	Total Other Financing Sources (Uses)			299,448	299,448
1200	Net change in fund balances	(7,293,600)	(7,293,600)	3,620,010	10,913,610
0100	Fund balances - beginning	132,002,907	132,002,907	132,002,907	
3000	Fund balances - ending	\$ 124,709,307	\$ 124,709,307	\$ 135,622,917	\$ 10,913,610



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, Part 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, Part 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, Part 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.

ESSER Fund is the Elementary and Secondary School Emergency Relief Fund of the Coronavirus, Relief, and Economic Security (CARES) Act funded by the U.S. Department of Education, as passed through the State of Texas to account for federal stimulus funds granted to FISD to support our ability to operate and instruct our students during the COVID-19 pandemic.

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.

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.

Non-Educational 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 have to be placed in residential facilities for educational reasons without the provision of the 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.

Special Education Fiscal Support Fund provides additional funding by the State of Texas to secure evaluation staff, related services personnel, and/or special education teachers to fill short-term needs in the area of initial evaluations, compensatory services and extended school year services (ESY).

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, 2020

	205	211	224	225	226	240	244	255
Data Control Codes	Head Start Fund	ESEA, Title I, Part A Fund	IDEA, Part B, Formula Fund	IDEA, Part B, Preschool Fund	IDEA, Part B, Discretionary Fund	Child Nutrition Fund	Career and Technical – Basic Grant Fund	ESEA, Title II, Part A, Fund
Assets								
1110						\$ 7,179,760		
1240	\$ 87,069	\$ 174,665	\$ 1,710,032	\$ 63,335	\$ 332,051	\$ 144,296	\$ 43,861	\$ 37,073
1290						61,000		
1410		2,375						6,890
1000	\$ 87,069	\$ 177,040	\$ 1,710,032	\$ 63,335	\$ 332,051	\$ 7,385,056	\$ 43,861	\$ 43,963
Liabilities								
2110			428,255	63,335	78,622	374,489	15,005	
2160	26,294	80,493	837,238			1,543,742		22,379
2170	60,775	96,547	444,539		253,429		28,856	21,584
2300						1,389,023		
2000	\$ 87,069	\$ 177,040	\$ 1,710,032	\$ 63,335	\$ 332,051	\$ 3,307,254	\$ 43,861	\$ 43,963
Fund Balances								
Nonspendable:								
3430		2,375						6,890
Restricted for:								
3450						4,077,802		
Committed to:								
3545								
3600								(6,890)
3000		(2,375)						
4000	\$ 87,069	\$ 177,040	\$ 1,710,032	\$ 63,335	\$ 332,051	\$ 7,385,056	\$ 43,861	\$ 43,963

Frisco Independent School District
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2020

Data Control Codes	ESEA, Title III, Part A, Fund	263	266	272	289	385	392	397	410			
			ESSER	Medicaid Administrative Claiming Fund	Summer School LEP Fund	Visually Impaired SSVI Fund	Non-Educational Community-Based Support Fund	Advanced Placement Incentives Fund	State Textbook Fund			
Assets												
1110 Cash and investments				\$	84,100	\$	6,407	\$	8,239	\$	1,720,357	
1240 Due from other governments	\$	103,881	\$	570,929		19,295						
1290 Other receivables, net												
1410 Prepaid expenditures												
1000 Total Assets	\$	103,881	\$	570,929	\$	84,100	\$	25,702	\$	8,239	\$	1,720,357
Liabilities												
2110 Accounts payable					4,869						610,894	
2160 Accrued wages payable		52,669										
2170 Due to other funds		51,212		570,929								
2300 Unearned revenue												
2000 Total Liabilities		103,881		570,929		4,869		-		-	610,894	
Fund Balances												
3430 Nonspendable:												
Prepaid expenditures												
Restricted for:												
Federal and state grant programs				79,231	25,702			8,239			1,109,463	
Committed to:												
Local grants, awards and contributions												
Unassigned				79,231	25,702						8,239	
3000 Total Fund Balances		-		-	79,231			-		-	8,239	
4000 Total Liabilities and Fund Balances	\$	103,881	\$	570,929	\$	84,100	\$	25,702	\$	8,239	\$	1,720,357

Exhibit G-2

Frisco Independent School District
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2020

Data Control Codes	427 Special Ed Fiscal Support Funds	429 Read to Succeed Fund	459 Shared Services Arrangement	461 Campus Activity Fund	480 Restricted Donations and Grants	497 Frisco Partners Fund	498 Child Development Center Fund	Total Non-Major Governmental Funds
Assets								
1110	\$ 70,000	\$ 149	\$ -	\$ 2,579,740	\$ 195,973	\$ 8,553	\$ 111,110	\$ 11,964,388
1240								3,346,617
1290			60,130					61,000
1410				85,415				94,680
1000	\$ 70,000	\$ 149	\$ 60,130	\$ 2,665,155	\$ 195,973	\$ 8,553	\$ 111,110	\$ 15,466,685
Liabilities								
2110				19,935	50	8,553		1,604,007
2160							111,110	2,673,925
2170			60,130					1,588,001
2300	70,000							1,459,023
2000	\$ 70,000	\$ -	\$ 60,130	\$ 19,935	\$ 50	\$ 8,553	\$ 111,110	\$ 7,324,956
Fund Balances								
3430				85,415				94,680
3450			149					5,300,586
3545				2,559,805	195,923			2,755,728
3600				2,645,220	195,923			(9,265)
3000	\$ -	\$ 149	\$ -	\$ 2,665,155	\$ 195,973	\$ -	\$ -	\$ 8,141,729
4000	\$ 70,000	\$ 149	\$ 60,130	\$ 2,665,155	\$ 195,973	\$ 8,553	\$ 111,110	\$ 15,466,685

Frisco Independent School District
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Non-Major Governmental Funds
 For the Year Ended June 30, 2020

Data Control Codes	205	211	224	225	226	240	244	255
	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	ESEA, Title II, Part A Fund
Revenues								
5700 Local and intermediate sources						\$ 13,315,183		
5800 State program revenues						104,948		
5900 Federal program revenues	\$ 180,479	\$ 659,860	\$ 8,027,101	\$ 92,671	\$ 367,965	\$ 6,082,319	\$ 173,753	\$ 201,952
Total Revenues	<u>180,479</u>	<u>659,860</u>	<u>8,027,101</u>	<u>92,671</u>	<u>367,965</u>	<u>19,502,450</u>	<u>173,753</u>	<u>201,952</u>
Expenditures								
Current:								
0011 Instruction	180,479	586,674	5,467,770	92,671	367,965		173,753	11,721
0012 Instructional resources and media services								
0013 Curriculum and instructional staff development		53,016	211,339					163,017
0021 Instructional leadership		14,405						27,214
0023 School leadership		5,765	20,106					
0031 Guidance, counselling and evaluation services			2,327,886					
0033 Health services								
0034 Student transportation								
0035 Food services						22,917,451		
0036 Extracurricular activities								
0041 General administration								
0051 Facilities maintenance and operations								
0052 Security and monitoring services								
0053 Data processing services								
0061 Community services								
Total Expenditures	<u>180,479</u>	<u>659,860</u>	<u>8,027,101</u>	<u>92,671</u>	<u>367,965</u>	<u>23,160,336</u>	<u>173,753</u>	<u>201,952</u>
Excess (deficiency) of revenues over (under) expenditures						(3,657,886)		
Other Financing Sources (Uses)								
7912 Proceeds from the sale of property								
7915 Transfers in						5,272		
8911 Transfers out								
Total Other Financing Sources (Uses)						<u>5,272</u>		
1200 Net change in fund balances						(3,652,614)		
0100 Fund balances - beginning						7,730,416		
3000 Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,077,802</u>	<u>\$ -</u>	<u>\$ -</u>

Exhibit G-3

Frisco Independent School District
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Non-Major Governmental Funds
 for the Year Ended June 30, 2020

Data Control Codes	263 ESEA, Title III, Part A Fund	266 ESSER	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	410 State Textbook Fund
Revenues								
5700 Local and intermediate sources								\$ 6,992
5800 State program revenues	\$ 347,839	\$ 570,929	\$ 85,537	\$ 40,916	\$ 15,974	\$ 6,213	\$ 68,839	\$ 6,122,713
5900 Federal program revenues	347,839	570,929	85,537	40,916	15,974	6,213	68,839	6,129,705
Total Revenues								
Expenditures								
Current:								
0011 Instructional resources and media services	332,320	8,868		21,616	15,974			8,882,138
0012 Curriculum and instructional staff development	15,200							
0013 Instructional leadership	319	21,611		251			36,000	
0021 School leadership		113,639						
0023 Guidance, counselling and evaluation services		2,227						
0031 Health services		27	97,890					
0033 Student transportation		38,006						
0034 Food services		56,527						
0035 Extracurricular activities		4,620						
0036 General administration		111,863						
0041 Facilities maintenance and operations		131,623						
0051 Security and monitoring services		10,908						
0052 Data processing services		70,953						
0053 Community services		57				6,213		
0061 Total Expenditures	347,839	570,929	97,890	21,867	15,974	6,213	36,000	8,882,138
6030 Excess (deficiency) of revenues over (under) expenditures			(12,353)	19,049			32,839	(2,752,433)
1100 Other Financing Sources (Uses)								
7912 Proceeds from the sale of property								
7915 Transfers in								
8911 Transfers out							(24,600)	
7080 Total Other Financing Sources (Uses)								
1200 Net change in fund balances			(12,353)	19,049			8,239	(2,752,433)
0100 Fund balances - beginning			91,584	6,653				3,861,896
3000 Fund balances - ending	\$ -	\$ -	\$ 79,231	\$ 25,702	\$ -	\$ -	\$ -	\$ 1,109,463

Frisco Independent School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
for the Year Ended June 30, 2020

Data Control Codes	427 Special Ed Fiscal Support Funds	429 Read to Succeed Fund	459 Shared Services Arrangement	461 Campus Activity Fund	480 Restricted Donations and Grants	497 Frisco Partners Fund	498 Child Development Center Fund	Total Non-Major Governmental Funds
Revenues								
5700 Local and intermediate sources			\$ 206,215	\$ 840,547	\$ 308,445	\$ 59,913	\$ 530,493	\$ 15,267,788
5800 State program revenues	-	187						6,318,874
5900 Federal program revenues								16,831,321
5020 Total Revenues	187	206,215	206,215	840,547	308,445	59,913	530,493	38,417,983
Expenditures								
Current:								
0011 Instruction			10,630		207,557	54,382		16,414,518
0012 Instructional resources and media services		90			1,507	3,463		5,060
0013 Curriculum and instructional staff development			195,585		7,700			682,108
0021 Instructional leadership					548			64,097
0023 School leadership					97,460			236,970
0031 Guidance, counselling and evaluation services					1,243	2,068		2,333,424
0033 Health services					135			98,052
0034 Student transportation								38,006
0035 Food services					2,530			22,976,508
0036 Extracurricular activities				542,215	95,808			642,643
0041 General administration								111,863
0051 Facilities maintenance and operations								374,508
0052 Security and monitoring services								10,908
0053 Data processing services								70,953
0061 Community services								734,682
6030 Total Expenditures	90	206,215	206,215	542,215	414,488	59,913	728,412	44,794,300
1100 Excess (deficiency) of revenues over (under) expenditures		97		298,332	(106,043)		(197,919)	(6,376,317)
Other Financing Sources (Uses)								
7912 Proceeds from the sale of property								5,272
7915 Transfers in							104,137	104,137
8911 Transfers out				(8,098)				(32,698)
7080 Total Other Financing Sources (Uses)				(8,098)			104,137	76,711
1200 Net change in fund balances	97			290,234	(106,043)		(93,782)	(6,299,606)
0100 Fund balances - beginning	52			2,354,986	301,966		93,782	14,441,335
3000 Fund balances - ending	149	\$ -	\$ -	\$ 2,645,220	\$ 195,923	\$ -	\$ -	\$ 8,141,729

Frisco Independent School District
 Budgetary Comparison Schedule
 Child Nutrition Fund
 For the Year Ended June 30, 2020

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
		Original	Final		
	Revenues				
5700	Local and intermediate sources	\$ 19,047,621	\$ 19,047,621	\$ 13,315,183	\$ (5,732,438)
5800	State program revenues	122,500	122,500	104,948	(17,552)
5900	Federal program revenues	6,837,300	6,837,300	6,082,319	(754,981)
5020	Total Revenues	<u>26,007,421</u>	<u>26,007,421</u>	<u>19,502,450</u>	<u>(6,504,971)</u>
	Expenditures				
	Current:				
0035	Food services	25,725,381	27,073,529	22,917,451	(4,156,078)
0051	Facilities maintenance and operations	282,040	282,040	242,885	(39,155)
6030	Total Expenditures	<u>26,007,421</u>	<u>27,355,569</u>	<u>23,160,336</u>	<u>(4,195,233)</u>
1100	Excess (deficiency) of revenues over (under) expenditures		(1,348,148)	(3,657,886)	(2,309,738)
	OTHER FINANCING SOURCES (USES)				
7912	Proceeds from the sale of property			5,272	5,272
7080	Total Other Financing Sources (Uses)			<u>5,272</u>	<u>5,272</u>
1200	Net change in fund balances		(1,348,148)	(3,652,614)	(2,304,466)
0100	Fund balances - beginning	7,730,416	7,730,416	7,730,416	
3000	Fund balances - ending	<u>\$ 7,730,416</u>	<u>\$ 6,382,268</u>	<u>\$ 4,077,802</u>	<u>\$ (2,304,466)</u>

The image features a dark blue background with a large white rectangle in the center. The text "Agency Fund" is written in white, bold, sans-serif font within this rectangle. There are yellow decorative elements: a vertical bar on the right side, a horizontal bar above the text, and a horizontal bar below the text.

Agency Fund

Frisco Independent School District
 Statement of Changes in Assets and Liabilities
 Agency Fund
 For the Year Ended June 30, 2020

Data Control Codes	Balance July 1,2019	Additions	Deductions	Balance June 30, 2020
ASSETS				
1110 Cash and investments	\$ 1,343,980	\$ 1,531,124	\$ 1,469,894	\$ 1,405,210
Total Assets	<u>\$ 1,343,980</u>	<u>\$ 1,531,124</u>	<u>\$ 1,469,894</u>	<u>\$ 1,405,210</u>
LIABILITIES				
2110 Accounts payable	\$ 59,624	\$ 1,350,666	\$ 1,397,625	\$ 12,665
2190 Due to student groups	1,284,356	1,663,113	1,554,924	1,392,545
Total Liabilities	<u>\$ 1,343,980</u>	<u>\$ 3,013,779</u>	<u>\$ 2,952,549</u>	<u>\$ 1,405,210</u>



Required TEA Schedule

Exhibit H-1

Frisco Independent School District
 Schedule of Delinquent Taxes Receivable
 As of June 30, 2020

Last Ten Fiscal Years	Tax Rates			Assessed/ Appraised Value for School Tax Purposes	Beginning Balance	Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance
	1	2	3							
Prior to 2012	Various	Various	Various	\$ (82,391)	\$	\$ 31,573	\$ 11,336	\$ (95,796)	\$	(221,096)
2012	\$ 1.00	\$ 0.42	17,504,188,590	(29,449)		22,818	9,584	6,200		(55,651)
2013	\$ 1.04	\$ 0.42	18,411,182,624	119,107		28,291	11,425	17,660		97,051
2014	\$ 1.04	\$ 0.42	20,072,776,233	226,297		85,085	34,361	43,443		150,294
2015	\$ 1.04	\$ 0.42	23,005,771,528	439,920		472,944	190,996	330,946		106,926
2016	\$ 1.04	\$ 0.42	26,230,139,504	670,657		602,743	243,416	426,991		251,489
2017	\$ 1.04	\$ 0.42	30,621,651,034	860,831		903,764	364,982	798,446		390,531
2018	\$ 1.04	\$ 0.42	35,570,550,343	1,008,280		214,233	86,517	(179,703)		527,827
2019	\$ 1.17	\$ 0.27	40,349,486,303	3,829,063		1,393,298	321,531	(1,488,706)		625,528
2020	\$ 1.0683	\$ 0.27	43,491,816,275		\$ 558,809,139	456,845,716	115,462,264	17,100,952		3,602,111
Totals				\$ 7,042,315	\$ 558,809,139	\$ 460,600,465	\$ 116,736,412	\$ 16,960,433	\$	5,475,010

Portion of total collections paid into Tax Increment Zone Under Chapter 311, Tax Code \$ 22,859,330

Statistical Section (Unaudited)



"My Dog In Grass" | Samantha Jones | Independence High School

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	88
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:	94
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
Debt Capacity:	100
These schedules present information to 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:	104
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:	108
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

Exhibit S-1

Frisco Independent School District
 Net Position By Component
 Last Ten Fiscal Years
 (Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net investment in capital assets	\$ (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)	\$ (373,647,743)
Restricted for Federal and State grant programs	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	5,300,585
Restricted for debt services	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	103,317,274
Unrestricted Net Position	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)	(154,914,649)
Total Net Position	\$ (140,142,850)	\$ (152,325,041)	\$ (167,422,224)	\$ (149,213,992)	\$ (245,443,341)	\$ (258,204,598)	\$ (246,372,324)	\$ (420,319,252)	\$ (407,656,757)	\$ (419,944,533)

Source: Frisco ISD Annual Financial Reports

**Frisco Independent School District
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Unaudited)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
Instruction	\$ 210,372,150	\$ 207,257,489	\$ 220,404,517	\$ 237,776,317	\$ 284,653,714	\$ 305,605,412	\$ 325,140,742	\$ 227,342,595	\$ 385,220,355	\$ 444,377,695
Instructional resources and media services	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	8,932,969
Curriculum and instructional staff development	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	14,315,808
Instructional leadership	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	11,116,828
School leadership	19,604,431	18,585,563	22,284,476	21,657,021	28,254,017	30,178,920	32,328,267	23,791,263	37,705,167	43,158,588
Guidance, counseling and evaluation services	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	25,968,948
Social work services	309,809	292,395	343,427	360,371	352,044	361,960	279,911	119,107	206,324	227,696
Health services	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	7,215,668
Student transportation	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	17,135,255
Food services	17,089,059	16,966,824	18,662,958	20,138,815	22,671,955	25,943,835	28,477,572	21,130,662	26,438,963	26,200,312
Extracurricular activities	16,269,145	14,145,666	14,929,811	15,493,350	17,804,290	19,434,773	19,440,200	17,052,390	23,276,818	22,890,618
General administration	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	16,605,179
Facilities maintenance and operations	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	60,027,110
Security and monitoring services	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	6,577,228
Data processing services	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	10,906,676
Community services	1,539,113	1,514,281	1,572,685	1,516,206	1,992,750	1,857,437	1,900,499	2,072,276	2,072,276	2,231,893
Debt service - interest on long-term debt	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	79,729,973
Debt service - bond issuance costs and fees	303,281	784,857	1,034,160	1,286,269	2,511,829	3,518,708	2,474,789	691,035	2,143,297	924,809
Contracted instructional services between schools	3,004,389	1,582,625	1,785,899	1,004,896	1,177,873	217,771			14,017,478	3,152,395
Payments to fiscal agent/member districts of SSA	195,897									
Payments to juvenile justice alternative education programs	90,309	60,791	44,573	23,499	47,931	37,077	67,814	30,118	35,666	30,681
Payments to tax increment fund	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	27,151,041
Other intergovernmental charges	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	3,798,571
Total Governmental Activities Expenses	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	832,675,941
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction	234,762	206,936	290,231	350,717	396,872	403,481	310,309	733,927	923,344	797,595
Food services	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	13,189,756
Extracurricular activities	1,475,974	1,522,873	1,506,143	1,525,824	1,605,535	1,798,238	2,423,340	2,379,643	2,362,725	1,916,707
Facilities maintenance and operations	536,802	1,913,519	2,299,332	2,394,812	2,554,502	2,864,932	2,818,152	3,172,769	3,631,143	20,225,910
Operating Grants and Contributions	32,628,060	25,145,775	22,544,354	26,278,448	38,071,093	34,845,658	38,224,087	(588,060,85)	64,655,694	71,108,796
Total Governmental Activities Program Revenues	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	107,238,764
Net (Expense) Revenue	(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)	(725,437,177)

Source: Frisco ISD Annual Financial Reports

Frisco Independent School District
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense) Revenue	\$ (384,151,100)	\$ (394,573,127)	\$ (419,937,278)	\$ (415,204,556)	\$ (508,374,937)	\$ (560,374,544)	\$ (580,744,983)	\$ (544,265,493)	\$ (667,902,671)	\$ (725,437,177)
General Revenues										
Governmental Activities:										
Taxes:										
Property taxes, levied for general purposes	171,001,679	177,079,758	199,562,589	229,889,558	265,133,759	279,061,789	328,154,575	375,184,044	471,611,015	466,660,821
Property taxes, levied for debt service	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	112,411,956
State aid - formula grants	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	97,396,084
Grants and contributions not restricted to specific programs	180	20,083	516,970			2,332,383	2,320,903	2,858,270	6,520,666	4,663,718
Investment earnings	246,295	184,963	238,659	98,009	166,062	720,988	1,994,950	5,260,009	9,862,834	8,429,226
Miscellaneous local and intermediate revenue	17,308,973	21,901,571	20,559,060	2,754,365	3,625,774	20,162,030	19,776,576	23,075,918	24,456,995	23,587,596
Total General Revenue	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	713,149,401
Change in net position	(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	(12,287,776)
Net position - beginning, as adjusted	(105,496,957)	(140,142,850)	(158,272,278)	(167,422,224)	(220,322,202)	(245,443,341)	(258,204,598)	(523,594,240)	(420,319,252)	(407,656,757)
Net position - ending	\$ (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)	\$ (419,944,533)

Source: Frisco ISD Annual Financial Reports

**Frisco Independent School District
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Unaudited)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved	\$ 51,281									
Nonspendable	251,404	\$ 141,684	\$ 163,824	\$ 264,523	\$ 410,917	\$ 702,073	\$ 905,361	\$ 171,510	\$ 315,816	\$ 200,193
Restricted										
Committed										
Assigned										
Unreserved/Unassigned	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	198,853,860
Total General Fund	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	235,131,243
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	94,680
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	266,330,856
Committed			2,171,829	2,117,958	2,088,957	2,225,283	2,469,521	2,516,879	2,691,345	2,755,728
Assigned							5,889,126	6,803,546	13,017,077	25,967,844
Unreserved/Unassigned	1,750,466	1,958,933	1,958,933							(9,265)
Total All Other Governmental Funds	120,507,317	80,900,249	129,948,873	176,133,894	228,262,106	206,312,134	183,824,314	214,496,840	334,968,099	295,139,843
Total Governmental Funds	\$ 163,577,712	\$ 141,165,268	\$ 202,614,675	\$ 261,298,601	\$ 320,741,212	\$ 329,805,275	\$ 317,086,611	\$ 377,304,760	\$ 541,575,794	\$ 530,271,086

⁽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)

Exhibit S-5

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Local and intermediate sources	\$ 265,159,734	\$ 286,574,924	\$ 309,077,472	\$ 333,806,178	\$ 381,193,995	\$ 432,689,498	\$ 491,188,264	\$ 573,074,722	\$ 637,277,475	\$ 631,957,895
State program revenues	111,289,016	115,321,314	129,671,656	133,799,695	133,975,235	161,187,530	139,189,304	123,679,796	94,347,645	131,288,669
Federal program revenues	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	21,495,039
	396,999,936	416,065,638	449,226,731	479,028,896	527,601,725	607,518,429	653,062,098	713,799,344	756,411,845	784,741,603
Current Expenditures:										
Instruction	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	365,856,240
Instructional resources and media services	5,048,084	4,411,159	5,057,068	5,272,336	5,578,571	5,903,740	6,586,387	5,953,569	6,152,141	6,330,263
Curriculum and instructional staff development	4,173,666	5,497,695	6,696,310	7,496,653	8,307,911	8,808,991	9,040,748	9,439,319	10,506,123	13,224,409
Instructional leadership	4,161,357	3,452,915	4,538,583	4,625,073	4,893,191	5,399,089	6,099,992	7,157,033	7,682,331	10,141,919
School leadership	19,117,482	17,936,465	21,966,564	21,321,892	23,588,233	26,215,585	28,479,181	30,234,448	32,036,475	35,137,900
Guidance, counseling and evaluation services	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	23,739,846
Social work services	309,809	292,395	343,427	360,371	343,027	356,988	275,677	192,909	193,601	207,193
Health services	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	6,674,429
Student transportation	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	14,072,406
Food services	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	23,337,085
Extracurricular activities	11,031,634	11,480,974	12,155,988	12,380,344	13,161,741	14,863,418	15,354,435	16,207,142	17,841,039	18,536,705
General administration	6,431,057	4,991,034	5,706,743	5,685,941	6,470,414	7,823,941	8,223,475	9,498,014	10,994,089	14,290,225
Facilities maintenance and operations	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	48,138,179
Security and monitoring services	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	4,807,226
Data processing services	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	7,997,709
Community services	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	1,863,633
Debt Service:										
Principal on long-term debt	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	53,331,260
Interest on long-term debt	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	79,716,249
Bond issuance costs and fees	942,386	555,641	1,034,160	1,288,269	2,511,829	3,518,708	2,474,790	691,035	2,143,297	924,810
Capital Outlay:										
Facilities acquisition and construction	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	127,456,227
Intergovernmental:										
Contracted instructional services between schools	3,004,389	1,582,625	1,785,899	1,004,896	1,177,873	217,771			14,017,478	3,152,395
Payments to fiscal agent/member districts of SSA	195,897	60,791	44,573	23,499	47,931	37,077	67,814	30,118	35,666	30,681
Payments to juvenile justice alternative education programs	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	27,151,041
Payments tax increment fund	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	3,798,571
Other intergovernmental charges	466,112,052	489,460,964	516,072,694	628,220,382	742,593,351	780,836,176	783,228,820	704,252,046	744,338,589	889,516,601
	(69,112,116)	(73,395,326)	(66,845,963)	(149,191,486)	(214,991,626)	(173,317,747)	(130,166,722)	9,547,298	12,073,256	(104,774,998)
Excess (deficiency) of revenues over (under) expenditures										
Other Financing Sources (Uses)										
Capital related debt issued (regular and refunding bonds)	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	101,705,000
Premium on issuance of bonds	9,692,980	11,084,272	30,271,957	10,436,146	19,187,662	38,051,415	32,747,133	80,585,1	30,280,211	8,771,130
Sale of real and personal property	13,057	2,412	7,464,755	2,253,199	6,916,575	3,884,912			75,538	62,790
Transfers in	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	5,136,835
Insurance recovery	(13,621,257)	(13,241,447)	(16,422,968)	(14,511,144)	(7,774,470)	(7,119,500)	(6,051,998)	(7,285,940)	(10,033,495)	(5,136,835)
Transfers out	(79,846,745)	(103,431,052)	(169,710,776)	(5,155,000)	(50,990,000)	(241,194,517)	(197,534,075)	(143,547,979)	(152,197,774)	(34,568,630)
Payment to refunded bond escrow agent	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	93,470,290
Net change in fund balances	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	(11,304,708)
Fund balances - beginning, as adjusted	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	541,575,794
Fund balances - ending	\$ 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	\$ 530,271,086
	19.41%	20.37%	19.38%	19.18%	18.35%	18.35%	19.64%	20.16%	18.26%	16.91%

Debt service as a percentage of non-capital expenditures
 Source: Frisco ISD Annual Financial Reports



Revenue Capacity

**Frisco Independent School District
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Actual Value													Total District Rate
	Single Family Property	Multi-Family Property	Vacant Lots Tracts	Acres (Land Only)	Farm and Ranch Improvements	Commercial & Industrial (Real)	Utilities	Commercial & Industrial (Personal)	Other	Total Assessed Value	Less: Exemptions	Total Taxable Value		
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	15,793,610,094	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	
2020	27,700,222,652	4,312,749,169	716,778,295	1,555,046,008	386,943,453	9,323,706,887	302,354,814	1,537,918,110	839,940,492	46,675,659,880	3,183,843,605	43,491,816,275	\$ 1.3383	

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							Denton County FWSID	
	Maintenance & Operations Rate	Interest & Sinking Rate	Total Direct Rate	City of Frisco	Collin County	Collin Community College (CCCC)	City of McKinney	City of Plano	Denton County	Town of Little Elm		City of Hackberry
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
2019	1.0683	0.2700	1.3383	0.4466	0.1750	0.0812	0.5156	0.4482	0.2253	0.6499	0.2403	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
(Unaudited)

Taxpayer	Business Type	2020	
		Taxable Value	Percentage of Total Taxable Value
Liberty Mutual Plano LLC	Banking & Finance	\$ 377,568,425	0.87%
JP Morgan Chase Bank NA	Banking & Finance	362,487,692	0.83%
Toyota Motor North America Inc.	Automotive	250,831,010	0.58%
Capital One National Association	Banking & Finance	232,838,352	0.54%
Blue Star HQ Inc.	Real Estate Development	210,342,421	0.48%
BPR Shopping Center LP	Real Estate Development	152,414,448	0.35%
Union Investment Real Estate GMBH	Real Estate Development	143,772,683	0.33%
PPF Amli Parkwood Boulevard LLC	Real Estate Development	117,697,158	0.27%
Granite Park NM/GP III LP	Real Estate Development	116,300,000	0.27%
Gaedeke Holdings XI LTD	Real Estate Development	115,301,667	0.27%
		\$ 2,079,553,856	4.79%

Taxpayer	Business Type	2011	
		Taxable Value	Percentage of Total Taxable Value
Tollway/121 Partners LTD	Real Estate Development	\$ 83,317,858	0.49%
Tenet Frisco LTD	Medical	75,621,942	0.45%
Hall Office Portfolio DB LLC	Commercial Development	74,100,000	0.44%
Capital One National Association	Banking & Finance	56,508,651	0.33%
La Valencia at Starwood LLC	Apartments	49,483,692	0.29%
Inland American McKinney Town Crossing	Real Estate Development	45,700,559	0.27%
Capital One National Association	Banking & Finance	43,198,890	0.26%
Virtu Investments LLC	Apartment Development	41,285,240	0.24%
Rodman LLC	Excavation	40,000,000	0.24%
OTR	Real Estate Development	39,130,730	0.23%
		\$ 548,347,562	3.24%

Source: Collin and Denton County Appraisal Districts

Exhibit S-9

Frisco Independent School District
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

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	Percentage of Levy ⁽³⁾
2011	236,338,412	232,171,603	98.24%	5,088,432	237,239,872	237,260,035	100.01%
2012	233,360,846	230,656,112	98.84%	5,171,840	235,801,750	235,827,952	100.01%
2013	246,595,889	244,576,313	99.18%	6,951,089	251,505,346	251,527,402	100.01%
2014	271,222,819	269,428,955	99.34%	7,493,289	276,846,241	276,922,244	100.03%
2015	292,572,378	289,972,452	99.11%	9,357,841	298,997,299	299,330,293	100.11%
2016	333,326,629	330,473,983	99.14%	6,551,111	336,605,926	337,025,094	100.12%
2017	440,260,516	437,197,385	99.30%	4,215,634	440,942,719	441,413,019	100.11%
2018	510,093,437	508,013,897	99.59%	2,220,904	509,840,865	510,234,801	100.08%
2019	570,724,935	566,895,872	99.33%	1,714,829	565,407,166	568,610,701	100.57%
2020	575,910,091	572,307,980	99.37%		575,910,091	572,307,980	99.37%

⁽¹⁾ Includes adjustments during the year of the levy.

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

⁽³⁾ Total collections, net of penalties and interest, may exceed 100% of the original levy due to adjustments.

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





Debt Capacity

Frisco Independent School District
 Estimated Overlapping Debt Statement
 June 30, 2020
 (Unaudited)

Taxing Body	Amount	Percentage Overlapping	Amount Overlapping
Collin County	\$ 532,195,000	19.08%	\$ 101,542,806
Collin County CCD	542,110,000	19.08%	103,434,588
Denton County	638,280,000	10.57%	67,466,196
Denton County FWSD # 8-C	39,865,000	100.00%	39,865,000
City of Frisco	785,215,000	89.70%	704,337,855
Town of Little Elm	96,980,000	34.11%	33,079,878
City of McKinney	254,210,000	18.42%	46,825,482
City of Plano	475,460,000	12.62%	60,003,052
Subtotal, overlapping debt			<u>1,156,554,857</u>
District gross bonded debt			<u>2,252,532,141</u>
Total direct and overlapping debt			<u>\$ 3,409,086,998</u>
Ratio of net direct and overlapping debt to net taxable valuation			7.84%
Per capita direct and overlapping debt			\$ 7,338.53

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
2011	16,875,840,490	1,265,634,232	7.50%	188,207	100,852	7,564	7,054,209,240	17.94%
2012	17,504,186,578	1,310,323,851	7.49%	181,852	101,179	7,574	7,941,628,760	16.50%
2013	18,411,180,611	1,353,110,843	7.35%	197,043	98,591	7,246	8,423,152,562	16.06%
2014	20,072,774,219	1,679,166,027	8.37%	226,696	102,644	8,587	8,423,152,562	19.94%
2015	23,005,771,528	1,911,006,819	8.31%	244,329	111,193	9,236	8,906,351,924	21.46%
2016	26,230,139,504	2,066,361,628	7.88%	262,357	120,116	9,462	9,520,014,530	21.71%
2017	30,621,651,034	2,147,871,338	7.01%	274,693	133,555	9,368	10,951,884,012	19.61%
2018	35,570,550,343	2,137,073,341	6.01%	284,947	138,905	8,345	11,710,037,600	18.25%
2019	40,349,486,303	2,236,379,576	5.54%	293,209	150,974	8,368	13,092,363,594	17.08%
2020	43,491,816,275	2,252,532,141	5.18%	306,946	141,692	7,339	15,504,763,298	14.53%

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
(Unaudited)**

	Legal Debt Margin Calculation for the Fiscal Year 2020:									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 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	\$ 4,349,181,628
Total net debt applicable to limit	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	2,116,909,224
Legal debt Margin	\$ 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	\$ 2,232,272,404
Total net debt applicable to the limit as a percentage of the debt limit	71.25%	69.99%	70.97%	74.93%	74.84%	69.77%	66.63%	56.22%	52.15%	48.67%

⁽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)

Fiscal Year	Estimated Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2011	188,207	7,054,209,240	37,513	6.30%
2012	181,852	7,941,628,760	40,775	5.40%
2013	197,043	8,423,152,562	42,527	5.00%
2014	226,696	8,423,152,562	43,072	5.40%
2015	244,329	8,906,351,924	40,711	3.20%
2016	262,357	9,520,014,530	40,785	2.70%
2017	274,693	10,951,884,012	41,521	3.80%
2018	284,947	11,710,037,600	42,768	2.90%
2019	293,209	13,092,363,594	43,815	3.20%
2020	306,946	15,504,763,298	50,513	4.90%

Sources:

Estimated population - Municipal Advisory Council of Texas

Per Capita Personal Income - City of Frisco, Texas

Unemployment Rate - Population and Survey Analysts data for the City of Frisco, Texas

Note: There is no mechanism to track unemployment or per capita income for our specific jurisdiction as Frisco ISD crosses both city and county lines. In these cases, the City of Frisco's data is used because the majority of Frisco ISD residents reside in the City of Frisco.

Frisco Independent School District
Principal Employers
Current Year and Nine Years Ago
(Unaudited)

Employer	2020		
	Approximate Number of Employees	Percentage of Total Estimated Employees	Rank
Frisco Independent School District	7,048	6.57%	1
T-Mobile	1,500	1.40%	2
City of Frisco	1,102	1.03%	3
Mario Sinacola & Sons Excavating	603	0.56%	4
CCCD Preston Ridge Campus	550	0.51%	5
Amerisource Bergen Specialty Group	500	0.47%	6
CLA USA, Inc.	450	0.42%	7
IKEA Frisco	400	0.37%	8
Tenet of Texas RBO	300	0.28%	9
Market Street	300	0.28%	10
	12,753		

Employer	2011		
	Approximate Number of Employees	Percentage of Total Estimated Employees	Rank
Frisco Independent School District	5,051	8.84%	1
T-Mobile	1,500	2.62%	2
City of Frisco	1,102	1.93%	3
Mario Sinacola & Sons Excavating	603	1.06%	4
CCCD Preston Ridge Campus	603	1.06%	5
Amerisource Bergen Specialty Group	500	0.87%	6
CLA USA, Inc.	450	0.79%	7
IKEA Frisco	400	0.70%	8
Tenet of Texas RBO	300	0.52%	9
Market Street	300	0.52%	10
	10,809		

Source: The Municipal Advisory Council of Texas





Operating Information

Frisco Independent School District
 Full-Time-Equivalent District Employees by Identifiable Activities
 Fiscal Year Ended June 30, 2020
 (Unaudited)

	FTE Count	Average Base Pay
Teaching Staff		
Early Education	11.62	\$ 60,368
Pre-Kindergarten	226.68	\$ 58,993
Kindergarten	1,257.69	\$ 59,255
Elementary (Grades 1-6)	927.96	\$ 59,942
Middle School (Grades 6-8)	1,317.65	\$ 60,370
High School (Grades 9-12)	537.80	\$ 56,934
All Grade Levels	4,279.40	\$ 59,445
Support Staff		
Athletics - other than Athletic Director	1.00	\$ 86,558
Audiologist	1.00	\$ 72,898
Business Service Professional	16.88	\$ 84,999
Communications Professional	8.00	\$ 80,745
Counselor	148.00	\$ 73,292
Custodial	1.00	\$ 133,364
Educational Diagnostician	50.96	\$ 69,796
Food Service Professional	16.00	\$ 69,237
Internal Auditor	2.00	\$ 96,528
LEA/Comp Info Tech Professional	28.88	\$ 89,242
Legal Services	2.99	\$ 100,206
Librarian	62.00	\$ 64,693
LSSP/Psychologist	28.92	\$ 67,462
Maintenance	3.00	\$ 111,399
Music Therapist	2.50	\$ 56,089
Occupational Therapist	17.81	\$ 66,624
Orientation/Mobility Specialist	3.50	\$ 60,323
Other LEA Exempt Professional Auxiliary	45.01	\$ 82,752
Physical Therapist	6.00	\$ 70,623
Psychological Associate	2.00	\$ 28,750
Research/Evaluation Professional	1.00	\$ 61,800
School Nurse	74.05	\$ 59,118
Security	1.00	\$ 126,176
Speech Therapist/Pathologist	76.73	\$ 65,779
Teacher Facilitator	159.63	\$ 62,878
Transportation	2.92	\$ 80,985
Truant Officer/Visiting Teacher	2.00	\$ 74,557
	764.78	\$ 69,341
Administrative Staff		
Assistant Principal	133.83	\$ 79,227
Asst./Deputy Superintendent	9.00	\$ 171,707
Athletic Director	4.00	\$ 120,017
Business Manager	1.00	\$ 190,000
Director of Personnel/Human Resources	5.00	\$ 133,037
District Instructional Program Director	59.00	\$ 102,457
Principal	70.86	\$ 99,714
Superintendent	1.00	\$ 325,000
	283.69	\$ 94,889
Paraprofessional Staff/Auxiliary		
Educational Aide	568.62	\$ 25,046
Auxiliary	1,502.67	\$ 28,318
	2,071.29	\$ 27,420
Total	7,399.16	\$ 52,862

Source: Public Education Information Management System (TEA)

Exhibit S-16

Frisco Independent School District
Expenditures, Enrollment, and per Pupil Costs
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Operating Expenditures ⁽¹⁾	Enrollment	Cost per Pupil	Student to Teacher Ratio	Percentage of Students Receiving Free or Reduced-price Meals
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%
2020	539,466,885	62,705	8,603	14.7	12.94%

⁽¹⁾ Excludes intergovernmental charges.

Source: Frisco ISD Financial Statements

Exhibit S-17

Frisco Independent School District
 School Building Information - High Schools
 Last Ten Fiscal Years
 (Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
High Schools (Grades 9-12):										
Frisco High										
Site:										
Opened:	45.10 acres 1996	245,024 1,587	289,866 1,688	289,866 1,810	289,866 1,893	352,978 2,139	357,510 1,804	357,510 1,521	357,510 1,589	357,510 1,771
Centennial High										
Site:										
Opened:	76.48 acres 2001	335,346 1,800	335,346 1,904	335,346 2,010	335,346 2,156	379,897 2,021	370,350 2,001	370,350 2,014	370,350 1,979	370,350 1,991
Wakeland High										
Site:										
Opened:	71.39 acres 2007	302,645 1,727	339,716 1,639	339,716 1,868	339,716 1,993	345,646 2,199	354,413 2,031	354,413 2,188	354,413 2,052	354,413 2,052
Liberty High										
Site:										
Opened:	63.33 acres 2008	306,179 1,739	344,261 1,772	344,261 2,009	344,261 2,203	348,496 2,025	346,994 2,080	346,994 1,947	346,994 1,971	346,994 1,898
Heritage High										
Site:										
Opened:	46.81 acres 2010	355,695 1,043	355,695 1,541	355,695 1,753	355,695 1,951	356,738 1,802	357,001 1,904	357,001 2,153	357,001 2,003	357,001 2,000
Lone Star High										
Site:										
Opened:	56.32 acres 2011	354,722 523	354,722 823	354,722 963	354,722 1,245	345,445 1,379	352,564 1,715	352,564 2,130	352,564 2,069	352,564 2,093
Independence High										
Site:										
Opened:	63.43 acres 2015	NA NA	NA NA	NA NA	NA NA	345,969 1,168	382,158 1,692	382,158 1,934	382,158 2,061	382,158 2,172
Reedy High										
Site:										
Opened:	56 acres 2016	NA NA	NA NA	NA NA	NA NA	NA NA	390,207 913	390,207 1,801	390,207 1,883	390,207 1,938
Lebanon Trail High										
Site:										
Opened:	69.3 acres 2017	NA NA	NA NA	NA NA	NA NA	NA NA	368,260 450	368,260 955	368,260 1,427	368,260 1,880
Memorial High										
Site:										
Opened:	100.1 acres 2019	NA NA	NA NA	NA NA	NA NA	NA NA	NA NA	NA NA	387,898 1,156	387,898 1,650

Source: Frisco ISD real property inventory and demographic records

Frisco Independent School District
 School Building Information - Middle Schools
 Last Ten Fiscal Years
 (Unaudited)

		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Middle Schools (Grades 6-8):											
Staley											
Site:	74.87 acres	128,330	128,330	128,330	128,330	128,330	128,330	128,330	128,330	128,330	128,330
Opened:	1988	606	643	675	717	707	715	667	663	651	663
		Square Feet									
		Enrollment									
Clark											
Site:	36.69 acres	147,926	147,926	147,926	147,926	147,926	147,926	147,926	147,926	147,926	147,926
Opened:	2001	800	826	865	864	853	844	816	777	810	791
Pioneer											
Site:	39.99 acres	135,803	135,803	135,803	135,803	135,803	135,803	135,803	135,803	135,803	135,803
Opened:	2001	609	701	762	897	1,085	735	824	875	953	984
Wester											
Site:	20.35 acres	135,803	135,803	135,803	135,803	135,803	135,803	135,803	135,803	135,803	135,803
Opened:	2003	809	829	879	902	877	899	1,001	1,029	808	830
Griffin											
Site:	31.43 acres	138,428	138,428	138,428	138,428	138,428	138,428	138,428	138,428	138,428	138,428
Opened:	2005	526	598	672	705	855	853	900	867	850	829
Roach											
Site:	20.21 acres	138,651	138,651	138,651	138,651	138,428	138,428	138,428	138,428	138,428	138,428
Opened:	2006	619	691	784	865	855	1,095	770	864	914	971
Fowler											
Site:	20.47 acres	138,650	138,650	138,650	138,650	138,650	138,651	138,651	138,651	138,651	138,651
Opened:	2007	1,076	1,172	859	890	939	1,060	1,091	1,148	1,046	1,063
Scoggins											
Site:	21.47 acres	142,108	142,108	142,108	142,108	142,108	142,108	142,108	142,108	142,108	142,108
Opened:	2009	820	853	586	683	805	938	988	1,011	930	956
Stafford											
Site:	21.40 acres	142,108	142,108	142,108	142,108	142,108	142,108	142,108	142,108	142,108	142,108
Opened:	2009	689	793	928	1,029	1,134	745	818	889	903	930
Cobb											
Site:	21.65 acres	143,160	143,160	143,160	143,160	143,160	143,160	143,160	143,160	143,160	143,160
Opened:	2011	643	756	817	911	906	954	966	940	911	929

Frisco Independent School District
School Building Information - Middle Schools
Last Ten Fiscal Years
(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Maus										
Site:	25.00 acres	143,160	143,160	143,160	143,160	143,160	143,160	143,160	143,160	143,160
Opened:	2011	491	604	723	831	907	981	981	967	983
Hunt										
Site:	32.44 acres	143,160	143,160	143,160	143,160	143,160	143,160	143,160	143,160	143,160
Opened:	2011	573	625	698	738	797	833	833	842	874
Vandeventer										
Site:	20 acres	NA	NA	143,160	143,160	143,160	143,160	143,160	143,160	143,160
Opened:	2013	NA	NA	782	891	1,056	1,056	1,056	877	932
Pearson										
Site:	25 acres	NA	NA	NA	NA	143,160	143,160	143,160	143,160	143,160
Opened:	2016	NA	NA	NA	NA	616	691	691	878	993
Trent										
Site:	25.378 acres	NA	NA	NA	NA	143,160	143,160	143,160	143,160	143,160
Opened:	2016	NA	NA	NA	NA	652	786	786	931	962
Nelson										
Site:	17.781 acres	NA	NA	NA	NA	NA	145,000	145,000	145,000	145,000
Opened:	2017	NA	NA	NA	NA	NA	653	653	800	956
Lawler										
Site:	34.34 acres	NA	NA	NA	NA	NA	NA	NA	155,000	155,000
Opened:	2019	NA	NA	NA	NA	NA	NA	NA	721	830

Source: Frisco ISD real property inventory and demographic records

Frisco Independent School District
 School Building Information - Elementary Schools
 Last Ten Fiscal Years
 (Unaudited)

		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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:	1988	673	662	622	610	557	547	539	528	502	525
Curtisinger											
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:	1996	672	642	660	813	661	730	812	749	542	596
Smith											
Site:	Shared	73,922	73,922	73,922	73,922	73,922	73,922	73,922	73,922	73,922	73,922
Opened:	1998	778	721	694	646	617	602	601	652	634	659
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:	2000	651	717	688	656	710	714	687	670	724	734
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:	2000	735	730	700	707	640	663	611	568	502	437
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:	2001	681	655	614	639	583	589	584	600	509	481
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:	2002	637	633	662	725	725	750	716	760	761	778
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:	2002	549	535	536	541	558	494	415	379	527	514
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:	2002	704	708	658	660	664	667	633	582	566	559
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:	2003	704	708	658	689	710	728	736	744	762	749

**Frisco Independent School District
School Building Information - Elementary Schools
Last Ten Fiscal Years
(Unaudited)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spears										
Site:										
Opened:	9.76 acres 2003	71,755 708	71,755 732	71,755 741	71,755 780	71,755 770	71,755 722	71,755 726	71,755 692	71,755 771
Gunstream										
Site:	8.67 acres 2003	71,755 710	71,755 695	71,755 709	71,755 708	71,755 721	71,755 704	71,755 654	71,755 656	71,755 660
Opened:										
Riddle										
Site:	9.38 acres 2004	73,572 743	73,572 814	73,572 772	73,572 761	73,572 749	73,572 740	73,572 757	73,572 737	73,572 731
Opened:										
Boals										
Site:	8.08 acres 2004	75,736 784	75,736 810	75,736 679	75,736 715	75,736 742	75,736 759	75,736 688	75,736 658	75,736 655
Opened:										
Isbell										
Site:	12.00 acres 2005	75,904 764	75,904 782	75,904 737	75,904 684	75,904 642	75,904 617	75,904 709	75,904 687	75,904 640
Opened:										
Pink										
Site:	Shared 2006	75,326 635	75,326 735	75,326 719	75,326 586	75,326 543	75,326 516	75,326 484	75,326 552	75,326 568
Opened:										
Ashley										
Site:	9.15 acres 2006	75,904 570	75,904 687	75,904 850	75,904 828	75,904 573	75,904 655	75,904 674	75,904 660	75,904 628
Opened:										
Bledsoe										
Site:	8.00 acres 2006	75,326 721	75,326 789	75,326 845	75,326 700	75,326 749	75,326 737	75,326 693	75,326 695	75,326 709
Opened:										
Taylor										
Site:	10.70 acres 2007	75,904 565	75,904 561	75,904 674	75,904 678	75,904 652	75,904 705	75,904 734	75,904 725	75,904 755
Opened:										
Corbell										
Site:	9.00 acres 2007	75,904 589	75,904 616	75,904 675	75,904 712	75,904 723	75,904 742	75,904 726	75,904 712	75,904 677
Opened:										

Frisco Independent School District
 School Building Information - Elementary Schools
 Last Ten Fiscal Years
 (Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Ogle										
Site:										
Opened:	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904
	607	643	604	684	647	658	672	682	669	721
10.00 acres										
2007										
Sem										
Site:										
Opened:	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904	75,904
	464	517	514	679	651	735	810	816	651	639
acres										
2007										
Carroll										
Site:										
Opened:	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902
	704	730	713	729	520	502	452	524	544	585
12.03 acres										
2008										
Mooneyham										
Site:										
Opened:	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902
	627	735	792	810	807	775	810	832	672	623
10.55 acres										
2008										
Robertson										
Site:										
Opened:	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902
	721	854	736	810	780	861	709	752	738	745
7.69 acres										
2008										
Elliott										
Site:										
Opened:	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902	75,902
	780	829	506	553	553	534	575	599	637	664
9.12 acres										
2009										
Tadlock										
Site:										
Opened:	77,184	77,184	77,184	77,184	77,184	77,184	77,184	77,184	77,184	77,184
	533	617	685	783	723	721	685	656	686	668
8.18 acres										
2009										
Allen										
Site:										
Opened:	83,960	83,960	83,960	83,960	83,960	83,960	83,960	83,960	83,960	83,960
	683	748	614	654	630	623	639	645	574	623
9.78 acres										
2010										
Purefoy										
Site:										
Opened:	79,884	79,844	79,844	79,844	79,844	79,844	79,844	79,844	79,844	79,844
	625	683	713	703	690	650	601	588	528	521
8.75 acres										
2011										
Sonntag										
Site:										
Opened:	77,184	77,184	77,184	77,184	77,184	77,184	77,184	77,184	77,184	77,184
	511	586	668	814	696	683	625	604	568	549
9.38 acres										
2011										

**Frisco Independent School District
School Building Information - Elementary Schools
Last Ten Fiscal Years
(Unaudited)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Comstock										
Site:										
Opened:	15.09 acres 2013	NA NA	79,844 442	79,844 533	79,844 640	79,844 741	79,844 756	79,844 735	79,844 704	79,844 715
Nichols										
Site:										
Opened:	10.95 acres 2013	NA NA	83,332 619	83,332 717	83,332 677	83,332 761	83,332 463	83,332 570	83,332 745	83,332 825
Phillips										
Site:										
Opened:	12.52 acres 2013	NA NA	79,844 570	79,844 804	79,844 758	79,844 772	79,844 645	79,844 676	79,844 672	79,844 692
Newman										
Site:										
Opened:	9.43 acres 2015	NA NA	NA NA	NA NA	82,530 650	82,530 838	82,530 762	82,530 814	82,530 688	82,530 736
Scott										
Site:										
Opened:	8.56 acres 2015	NA NA	NA NA	NA NA	82,530 618	82,530 633	82,530 694	82,530 760	82,530 697	82,530 693
McSpedden										
Site:										
Opened:	17.99 acres 2015	NA NA	NA NA	NA NA	81,118 587	81,118 652	81,118 649	81,118 705	81,118 599	81,118 604
Hosp										
Site:										
Opened:	9.05 acres 2015	NA NA	NA NA	NA NA	81,118 471	81,118 664	81,118 685	81,118 749	81,118 705	81,118 682
Norris										
Site:										
Opened:	9.254 acres 2016	NA NA	NA NA	NA NA	NA NA	79,844 580	79,844 692	79,844 835	79,844 445	79,844 574
Miller										
Site:										
Opened:	9.549 acres 2017	NA NA	NA NA	NA NA	NA NA	NA NA	79,844 545	79,844 635	79,844 698	79,844 751
Vaughn										
Site:										
Opened:	9.675 acres 2017	NA NA	NA NA	NA NA	NA NA	NA NA	79,844 510	79,844 584	79,844 612	79,844 701

**Frisco Independent School District
School Building Information - Elementary Schools
Last Ten Fiscal Years
(Unaudited)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Talley										
Site:										
Opened:	14.64 acres 2019	NA	NA	NA	NA	NA	NA	NA	84,128	84,128
		NA	NA	NA	NA	NA	NA	NA	529	755
Liscano										
Site:										
Opened:	14.61 acres 2019	NA	NA	NA	NA	NA	NA	NA	84,128	84,128
		NA	NA	NA	NA	NA	NA	NA	754	812

Source: Frisco ISD real property inventory and demographic records



Federal Awards Section



"Painting of Aunt With Variety Bkgd" | Laasya Kunam | Heritage High School



**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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 3, 2020.

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*.

Weaver and Tidwell, L.L.P.
2300 North Field Street, Suite 1000 | Dallas, Texas 75201
Main: 972.490.1970

CPAs AND ADVISORS | WEAVER.COM

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
December 3, 2020



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, 2020. 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, 2020.

Weaver and Tidwell, L.L.P.
2300 North Field Street, Suite 1000 | Dallas, Texas 75201
Main: 972.490.1970

CPAs AND ADVISORS | WEAVER.COM

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.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
December 3, 2020

Frisco Independent School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

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		\$ 23,644
Total Direct Programs			<u>23,644</u>
Passed Through Region X ESC:			
ESEA, Title I - Part A - Improving Basic Programs	84.010A	19610101057950	64,857
ESEA, Title I - Part A - Improving Basic Programs	84.010A	20610101057950	595,003
ESEA, Title II - Part A, Teacher and Principal Training and Recruiting	84.367A	19694501057950	111,609
ESEA, Title II - Part A, Teacher and Principal Training and Recruiting	84.367A	20694501057950	90,343
Title III - Part A - Immigrant	84.365A	19671003057950	2,611
Title III - Part A - Immigrant	84.365A	20671003057950	147,329
Title III - Part A - English Language Acquisition	84.365A	19671001057950	6,628
Title III - Part A - English Language Acquisition	84.365A	20671001057950	191,271
Title IV - Part A - Discretionary- Student Support and Academic Enrichment	84.424A	19680101057950	251
Total passed through Region X ESC			<u>1,209,902</u>
Passed through Texas Education Agency			
Special Education Cluster:			
IDEA B - Part B, Formula	84.027A	186600010439056600	1,801,910
IDEA B - Part B, Formula	84.027A	196600010439056600	293,956
IDEA B - Part B, Formula	84.027A	206600010439056600	5,931,235
IDEA B - Part B - Preschool	84.173A	186610010439056610	29,336
IDEA B - Part B - Preschool	84.173A	206610010439056610	63,335
IDEA B - Part B, Discretionary - Residential	84.027A	196600120439056677	35,914
IDEA B - Part B, Discretionary - Residential	84.027A	206600120439056677	332,051
Total Special Education Cluster (IDEA)			<u>8,487,737</u>
Title I, Part C Carl D. Perkins Basic Formula Grant	84.048A	20420006043905	173,753
LEP Summer School	84.369A	69551802	2,322
LEP Summer School	84.369A	69551902	19,294
ESSER Grant	84.425D	20521001043905	570,929
Total passed through Texas Education Agency			<u>9,254,035</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>10,487,581</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Texas Education Agency			
Head Start	93.600	529-12-0041-00045	3,371
Head Start	93.600	06CH010655	177,108
Total passed through Texas Education Agency			<u>180,479</u>
Direct Program:			
Medicaid Administrative Claiming	93.778		97,890
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>278,369</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed through Texas Department of Human Services:			
*National School Lunch Program - Noncash Assistance (Commodities)	10.555	806780706	1,454,906
Passed through Texas Department of Agriculture:			
*National School Breakfast Program	10.553	806780706	511,665
*COVID-19 National School Breakfast Program	10.553	806780706	178,796
*National School Lunch Program	10.555	806780706	3,589,011
*COVID-19 National School Lunch Program	10.555	806780706	347,941
Total Passed through Texas Department of Agriculture			<u>4,627,413</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>6,082,319</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 16,848,269</u>
*Child Nutrition Cluster			

Frisco Independent School District
Notes To Schedule Of Expenditures Of Federal Awards
For The Year Ended June 30, 2020

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 \$1,454,906 for the year ended June 30, 2020.
5. School Health and Related Services reimbursements of \$4,640,074 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 \$6,696.

7. 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, 2020 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, 2020.

Frisco Independent School District
 Schedule of Findings and Questioned Costs
 June 30, 2020

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
---	-----------------------	-----------------

Identification of major federal programs:

Child Nutrition Cluster	10.553, 10.555
-------------------------	----------------

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
--	------------------	----------------------

Frisco Independent School District

Schedule of Findings and Questioned Costs - Continued

June 30, 2020

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



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