PLANO INDEPENDENT SCHOOL DISTRICT PLANO, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED

JUNE 30, 2015

PREPARED BY

CHRISTIE TATE
ACCOUNTING & BUDGET DIRECTOR

LINDA MADON
EXECUTIVE DIRECTOR OF FINANCIAL SERVICES



PLANO INDEPENDENT SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2015

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CERTIFICATE OF THE BOARD

Plano Independent School District	<u>Collin</u>	<u>043-910</u>
Name of School District	County	County-District No.
	·	•
We, the undersigned, certify that the attached annunamed school district were reviewed and for the year ended June 30, 2015 at a meeting of the district on the 3PD day of MOVEMBER	_ approved ne Board of Trus	disapproved
Mauga Jumpourery Signature of Board President	Signature of E	oard Vice President

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





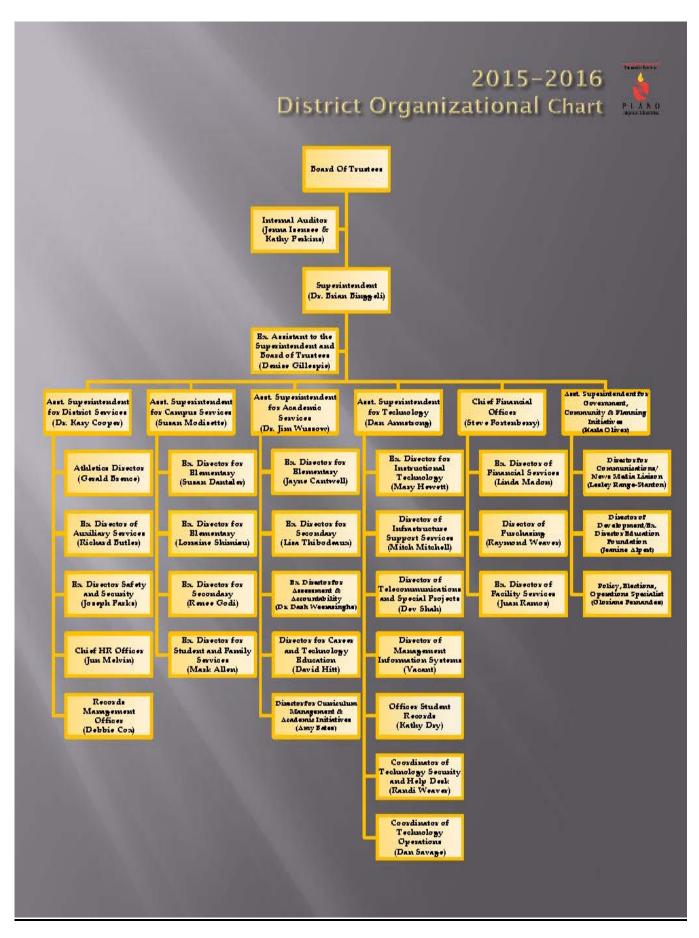


BOARD OF TRUSTEES

Name	Length of Service	Term Expires	Occupations
Nancy Humphrey President	5 Years	May 2017	Public and Contract Accountant
Missy Bender Vice President	9 Years	May 2019	Community Volunteer
Carrolyn Moebius Secretary	5 Years	May 2017	Veterinary Hospital Administrator
Marilyn Hinton Trustee	6 Years	May 2017	Community Volunteer
Tammy Richards Trustee	5 Years	May 2017	Consultant
David Stolle Trustee	4 Years	May 2019	Attorney
Yoram Solomon Trustee	Newly Elected	May 2019	Author, Speaker, Coach

ADMINISTRATIVE OFFICIALS

Name	Position	Length of District Service
Dr.Brian Binggeli	Superintendent *total school district experience 33 years	Since March 2015*
Steve Fortenberry	Chief Financial Officer *total school district experience 32 years	3 Years*
Dr. Kary Cooper	Assistant Superintendent for District Services	27 Years
Karla Oliver	Assistant Superintendent for Government, Community and Planning Initiatives *total school district experience 25 years	11 Years*
Dan Armstrong	Assistant Superintendent for Technology Services	25 Years
Susan Modisette	Assistant Superintendent for Campus Services *total school district experience 32 years	28 Years*
Dr. Jim Wussow	Assistant Superintendent for Academic Services *total school district experience 32 years	28 Years*





November 3, 2015

Board of School Trustees Plano Independent School District 2700 W. 15th Street Plano, Texas 75075

Members of the Board:

The Comprehensive Annual Financial Report (CAFR) of the Plano Independent School District (District) for the year ended June 30, 2015, is submitted herewith. This report was prepared by the District's Financial Services Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report includes all funds of the District. The District discusses in greater detail its financial position in the narrative, introduction, overview and analysis sections of the Management's Discussion and Analysis (MD&A).

The CAFR for the year ended June 30, 2015 is presented in conformance with the reporting model adopted by the Governmental Accounting Standards Board ("GASB") in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999.

GOVERNANCE

The governance of the District is overseen by a seven-member board of trustees (Board) that are elected by the citizens. Each member is elected to a four-year term with the elections being staggered in odd years so that not all positions are voted on during the same year. See page i for a listing of the present members of the Board along with the administrative officials who are appointed by the Board.

Regular action meetings are generally scheduled the first Tuesday of the month and regular work sessions the third Tuesday of the month. Both the action meetings and the work sessions are held in the District's Administration Building. Special meetings are scheduled as needed and announced in compliance with public notice requirements.

The Board has final control over local school matters limited only by the state legislature, by the courts and by the will of the people as expressed in School Board elections. Board decisions are based on a majority vote of a quorum of the Board.

In general, the Board adopts policies, sets direction for curriculum, employs the superintendent and oversees the operations of the District and its schools. Besides general Board business, trustees are charged with numerous statutory regulations, including appointing the tax assessor/collector, calling trustee and other school elections and canvassing the results, organizing the Board and electing its officers. The Board is also responsible for setting the tax rate, setting salary schedules, and acting as a board of appeals in personnel and student matters, confirming recommendations for textbook adoptions, and adopting and amending the annual budget.

The Board has responsibilities and control over all activities related to the public school education within its geographic boundaries. Even though there is considerable association between such other entities as the Collin County Tax Office and the Collin County Central Appraisal District, this report is restricted only to the actual activities of the District.

The Board solicits and evaluates community input and support concerning school policies.

MISSION

The District is a public school system whose adopted mission is:

". . . to provide an excellent education for each student."

To accomplish its mission, the District provides a full range of educational services appropriate to grade levels ranging from pre-kindergarten through grade 12. These include regular and enriched academic education, special education for handicapped children, career education and special programs for those with limited English proficiency. These programs are supplemented by a wide variety of co-curricular offerings, including those in fine arts and athletics. The District's curriculum is well-defined for the purpose of preparing students early for college readiness. The participation rate of PISD students in Advanced Placement/International Baccalaureate ranks among the highest in the state and nation. PISD students' performance on these exams gives them a competitive edge for college admission and college success.

As reflected in the District's mission statement, activities of the District focus on learning opportunities for students. The District is providing educational services to approximately 55,000 students in state of the art facilities that include three early childhood schools for pre-kindergarten age students, 44 elementary schools, 23 secondary school programs and two special program centers. Included in the secondary schools are three academy programs – Health Science Academy as part of Williams High School and Plano East Senior High, International Baccalaureate World School as part of Plano East Senior High and the Academy High School an innovative 9th-12th grade learning community with an emphasis on science, technology, engineering, arts and mathematics (STEAM). The District has long maintained the philosophy of renovating its schools every 20 to 25 years to ensure that all facilities continue to meet new building standards as well as curriculum and technology requirements.

ECONOMIC CONDITIONS AND OUTLOOK

Situated in the heart of north Texas, and as an integral part of the Dallas/Fort Worth Metroplex, the City of Plano enjoys easy access to major transportation and shipping hubs in air, rail and trucking to any destination in the United States. A significant factor in the growth of the City's economic base is the addition, expansion and retention of numerous corporate and regional headquarters. Plano is home to more than 6,000 businesses, including global corporate headquarters and technology-related companies, and a large retail environment including two major shopping centers. In 2014, companies like Toyota, FedEx Office and Print Services, USAA, Hilti and Greatbatch announced plans to make Plano home for their corporate offices. Nine companies announcing relocations in 2014 will bring almost 6,000 jobs to Plano. The commercial development continues into 2015 with the announcement by Liberty Mutual Insurance confirming it is bringing 5,000 jobs to its new Legacy Business Park campus in west Plano. Legacy Business Park is a master-planned business, retail and residential community in northwest Plano. It is currently home to J.C. Penney, Rent-A-Center, Frito-Lay, Ericsson, Dr. Pepper Snapple Group, HP Enterprise Services, PepsiCo, Capital One, Alliance Data, Bank of America Home Loans, Huawei Technologies, Intel Security, Pizza Hut/Yum! Restaurants International, USAA and Tyler Technologies. The Toyota multiplier effect has brought two large lease deals to the area. The Legacy Business Park is developing at such a rapid pace it has developers scrambling to get new office projects out of the ground.

In the South central section of the District, the \$1.5 billion, 186-acre CityLine project is one of the largest new mixed-use developments in the country. State Farm Insurance, the key corporate anchor of the development by KDC, is completing the fourth building in its new regional office campus. Three towers with 1.5 million square feet are complete. The company will have about 8,000 people working in the high-rise business complex when construction is complete in early 2016. Raytheon broke ground in July 2014 in the same development on its new regional office campus. More than 1,500 workers will begin moving into the three building complex with almost 500,000 square feet by the end of 2015. Developers are building hundreds of apartments, City Line Market Center and an Aloft hotel with in the development. CityLine is planned to eventually contain 6 million square feet of offices, almost 4,000 apartments, two hotels and 300,000 square feet of retail space upon completion. The combined effects of population, income, employment and residential growth along with increased industrial, commercial and retail development, have ensured the continuance of growth during the past several years.

The District's latest multi-year bond program was successfully approved by the voters in May 2008. The purpose of this \$490 million program was to provide funding for four new schools, 20-year renovations, additions and expansions, system and compliance upgrades for several facilities, district wide technology initiatives and other capital improvements. This multi-year bond program has positively impacted every child and school in Plano ISD. As of June 30, 2015, \$16,020,000 of the bonds were authorized, but not issued. The District had several active construction projects as of June 30, 2015. Projects included new school construction, additions to buildings and renovation or upgrades of existing facilities.

During fiscal year 2015, the District continued the addition and upgrades for the Plano East Senior High Health Sciences Academy. Work was begun on refurbishments at Christie and Hughston Elementary Schools, Contracts were awarded for roofing projects at Rose Haggar Elementary and Shiloh Center. Renovation work continued at Bethany and Hedgcoxe Elementary schools. Work on security upgrades continued at several campuses along with other minor capital project improvements.

Since the 1970s, the State of Texas has been involved with various lawsuits challenging the constitutionality of the system of financing public schools. The foundation of the current school finance system was put in place by House Bill 1 in a special session of the legislature in 2006. House Bill 1 was enacted in response to a ruling by the Texas Supreme Court in the case of West Orange-Cove Consolidated ISD v Neely, that the system in place at that time was unconstitutional because it created a de facto state property tax which is prohibited by the State Constitution. House Bill 1 primarily focused on property tax relief. Districts were required to compress (reduce) their maintenance and operations tax rates by 33.33% over a two year period. For most districts this meant a reduction from a rate of \$1.50 (per \$100 of assessed taxable value) to a rate of \$1.00. Districts were authorized to add four cents to the compressed rate by a vote of their Board of Trustees. The District accessed two of the four cents in 2007-08 and the other two in 2008-09 to bring the total maintenance and operations rate to \$1.04 from that point through 2012-13. An additional 13 cents was also authorized through a tax ratification election in which all registered voters were given the opportunity to vote on the increased rate.

In order to replace the loss of revenues resulting from the mandated tax rate reduction, the State levied new business taxes and increased other taxes. School districts were guaranteed per pupil funding equal to at least what they would have received in local taxes and state aid in 2005-06 and 2006-07. This hold harmless formula funding was labeled Additional State Aid for Tax Reduction or "ASATR".

Over the following three years, it became evident that the new business and other taxes levied by the State were not adequate to replace the property tax losses caused by the mandated tax rate reductions. As a result in 2009, the legislature chose to use \$3.2 billion in federal stimulus funds available under the American Recovery and Reinvestment Act to cover state funding shortfalls and pay for a state mandated teacher pay raise for the 2009-11 biennium.

During the 2011 legislative session, facing the phase out of the federal stimulus funds and a recessionary economic forecast, the State reduced formula funding by approximately \$4.0 billion. Many State grants and other allotments were also reduced or eliminated. In the first year of the biennium, the funding cuts were spread proportionately across all districts. However, in 2012-13, the state funding cuts fell much more heavily on districts receiving ASATR funds which the State decided to phase out by 2017. The District's share of the funding reductions was approximately \$24 million in 2011-12, but increased to \$35 million in 2012-13.

In response to the funding reductions, the District enacted over \$26.6 million in budget cuts for the 2011-12 school year and froze salaries. The majority of the budget cuts were accomplished through a reduction in force of 344 positions. The cuts remained in place for 2012-13; however a compensation increase of 3% was included and implemented. The two year strategy and actions utilized to address the state funding reductions resulted in an increase of \$2.0 million in the fund balance of the general fund over the biennium.

During the 2013 Legislative Session, the Texas Legislature restored \$3.2 billion of the reductions made in 2011. Funds were not restored in a proportionate manner. The District's restoration was less than 30% compared to a statewide average of 77%. The District's restoration was accomplished entirely by a reduction in property tax recapture payments to the State rather than in additional state funding.

There was a bold plan to reform public education in Texas during the 2015 Legislative Session which ended on June 1, 2015. In the end, lawmakers did not pass HB 1759, which aimed to add \$3 billion in per-student funding. Tax cuts were approved that will raise residents' homestead exemption by \$10,000 to \$25,000 if the proposition to amend the State Constitution is passed on November 2, 2015. The State did increase the basic allotment by \$100 per student, but that represents less than 2% over the entire biennium which does not even meet anticipated inflation.

Current State Funding Litigation

Following the conclusion of the 2011 legislative session, new state funding litigation was filed and on February 4, 2013 the District Court of Travis County rendered a preliminary ruling that the current system was unconstitutional based on (1) equity, (2) adequacy and (3) establishment of a de facto statewide property tax (as in the West Orange-Cove case). Before the Court entered its finding of fact and a final judgment, the 83rd Legislature passed several bills that impacted the claim in the case. The Court granted a motion to reopen the evidence to consider the impact of the 2013 legislation and held another three week evidentiary hearing beginning on January 21, 2014. On August 28, 2014 Judge Dietz again ruled the Texas school finance system is unconstitutional by upholding the same three reasons as stated in the preliminary ruling. The Attorney General informed attorneys in the case in September 2014 that his office would appeal the ruling directly to the Texas Supreme Court. A year later on September 1, 2015, the State urged the Texas Supreme Court to either dismiss or remand the lawsuit. Neither action requested has taken place as of the date of this report. Experts on this case are expecting a decision to come in early 2016. If the Supreme Court upholds one lower court's ruling, it is anticipated that a special legislative session will be convened in 2016 to address the court's ruling.

2015-16 /Budget and Tax Rate

The Board of Trustees is required to adopt a final budget by no later than the close of the fiscal year, June 30. Annual budgets for the General Operating Fund, Debt Service Fund and Food Service Fund were adopted by the Board of Trustees on June 2, 2015. The budget is prepared by fund and function. Site based decisions are made throughout the year as campuses and departments manage their budgets. Budget transfers between functions, however, require approval from the Board of Trustees. The District operates a tightly controlled budget in all areas of operation while maintaining a high quality educational program.

On September 2, 2015 the District adopted a maintenance and operations tax rate of \$1.17 - the maximum rate approved by voters in the Tax Ratification Election in November 2013. A debt service tax rate of 26.9 cents representing a 0.9 cent reduction in the rate was also adopted.

For additional information about the financial status of the District, readers should refer to Management's Discussion and Analysis section of this report.

OTHER INFORMATION

Controls

An internal control structure that has been designed, managed and maintained by the District is in place to ensure the District's assets are protected from loss, theft and misuse, and to ensure that accurate accounting data is compiled in the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The cost of a control should not exceed the benefits to be derived, therefore the internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

Independent Audit

State law and District policy require an annual audit of the accounts and financial records of the District by independent certified public accountants selected by the Board of Trustees. Weaver and Tidwell, L.L.P. has issued an unmodified opinion on the financial statements of Plano Independent School District for the year ended June 30, 2015. The independent auditors' report has been included in this report at the front of the financial section.

Awards

In 1999, the 76th Texas Legislature, approved legislation requiring the commissioner of education in consultation with the comptroller of public accounts to develop a rating system for school district financial accountability. The 77th Texas Legislature in 2001 subsequently adopted rules for the implementation and administration of the financial accountability rating system known as School FIRST, Financial Integrity Rating System of Texas. The financial accountability rating system benefits the public by having in place a system to ensure that school districts will be held accountable for the quality of their financial management practices and achieve improved performance in the management of their financial resources. Plano Independent School District has received a Superior Achievement rating every year since the implementation of the rating system in the 2001-02 year.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Plano Independent School District for its Comprehensive Annual Financial Report for the fiscal period ended June 30, 2014. The District received this prestigious award for the thirty second consecutive year in 2015.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements. We are submitting the current report for the year ended June 30, 2015 to GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of Financial Services. We would like to express our appreciation to all members of the department who assisted and contributed to its preparation.

We also wish to thank the members of the Board of Trustees for their continued consideration and support, and for planning and conducting the financial operations of the District in a responsible and progressive manner.

Brian Binggeli Superintendent

Stephen Fortenberry Chief Financial Officer



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

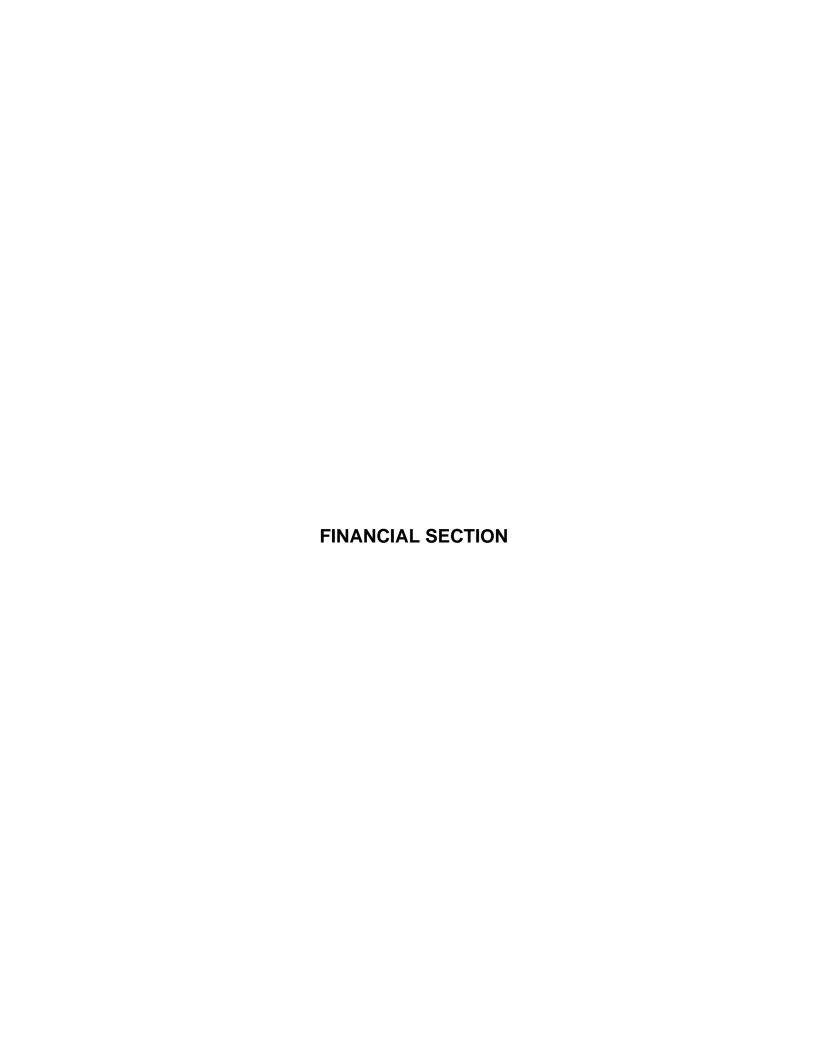
Plano Independent School District Texas

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO









INDEPENDENT AUDITOR'S REPORT

Board of Trustees Plano Independent School District Plano. Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Plano Independent School District (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Plano Independent School District

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Opinions

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

Emphasis of Matter

As discussed in Note 15 to the financial statements, in 2015 the District adopted new accounting guidance, GASB Statement No. 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and TRS pension schedules on pages 5 through 18, 75, and 76 through 77, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Plano Independent School District

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

The combining and individual fund statements and schedules, required Texas Education Agency report section, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, required Texas Education Agency report section, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

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

WEAVER AND TIDWELL, L.L.P.

Ween and Didweg dos

Dallas, Texas November 3, 2015



PLANO INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

(Unaudited)

Our discussion and analysis of Plano Independent School District's (the "District") financial performance provides an overview of the District's financial activities for the year ended June 30, 2015. It should be read in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

The District's total assets and deferred outflows of resources as presented on the government-wide Statement of Net Position exceeded total liabilities and deferred inflows of resources by \$322.2 million. The net position of the District decreased by \$8.8 million during the year ended June 30, 2015.

The District's governmental funds financial statements reported combined ending fund balance of \$267 million. Of this amount, the General Fund has a total of \$178.6 million of which \$1.3 million is nonspendable, \$9.5 million is assigned and \$167.8 million is unassigned available for spending at the District's discretion. Fund balance of \$68.7 million is restricted for use by the Debt Service Fund and Capital Projects Fund. The Special Revenue Funds have a fund balance of \$19.7 million that is either restricted or committed with a small amount in the nonspendable inventory classification.

On May 10, 2008, the District held a successful bond election with voters approving \$490 million in authorized new bonds. Bonds have been issued four times against this authorization. Bonds authorized and not issued as of June 30, 2015 are \$16,020,000. Bonds were refunded once during fiscal year 2015 to restructure a portion of the Series 2006 Unlimited Tax Bonds. Series 2015 Unlimited Tax Refunding Bonds were dated February 15, 2015 in the amount of \$43,250,000. The restructuring leveled out debt payments over the 2014-2018 time frame, but did not extend final maturity dates on existing debt

During fiscal year 2015, the District completed the second phase of the Academy High School, renovations at Brinker Elementary and Daffron Elementary along with an addition at Hunt Elementary. HVAC upgrades at Plano East Senior High and flooring at Schimelpfenig Middle School, Beverly Elementary and Hightower Elementary were also completed. Various security enhancements and upgrades were added at several campuses throughout the district.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

All of the District's services are reported in the government-wide financial statements, including instruction, student support services, student transportation, general administration, school leadership, facilities acquisition and construction and food services. Property taxes, state and federal aid, and investment earnings finance most of the activities. Additionally, all capital and debt financing activities are reported here.

The government-wide financial statements are designed to provide readers a broad overview of the District's finances, in a manner similar to a private-sector business.

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

The statement of activities details how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. 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 and earned but unused vacation leave).

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

Fund Financial Statements

The District uses fund accounting to monitor specific sources of funding and spending for particular purposes. The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole.

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the District's activities are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year end that are available. However, unlike the government-wide financial statements, governmental fund financial statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the relationship (or differences) between them. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund and the Capital Projects Fund, which are considered to be major funds. Data from all other Special Revenue funds is in the Other Funds column and is presented as a non-major governmental fund on the same statements.

Proprietary funds are used to account for operations that are financed similar to those found in the private sector. These funds provide both long-term and short-term financial information. The District maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its concession service, after school care, employee childcare and photography. Internal service funds report activities that provide services for the District's other programs and activities, i.e., health insurance, workers' compensation, property insurance, unemployment benefits and print shop. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities within the government-wide financial statements.

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations and/or other funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Immediately following the required supplementary information, combining statements are included for the nonmajor special revenue funds, the enterprise funds, the internal service funds and the agency funds.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements. Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District 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

			Fund Statements	
Type of Statements	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	All activities of the District (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses.	Instances in which the district is the trustee or agent for someone else's resources
	◆Statement of net assets	◆Balance sheet	◆ Statement of net assets	◆ Statement of fiduciary net assets
Required financial statements	◆ Statement of activities	• Statement of revenues, expenditures & changes in fund balances	Statement of revenues, expenses and changes in fund net assets	• Statement of changes in fiduciary net assets
	1		 Statement of cash flows 	
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long- term	All assets and liabilities, both short-term and long- term; the Agency's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The District's net position was \$322.2 million at June 30, 2015.

The District's Net Position

	Governmental Activities As of June 30, 2015	Governmental Activities As of June 30, 2014	Business Type Activities As of June 30, 2015	Business Type Activities As of June 30, 2014
Current and other assets	\$ 355,372,982	\$ 369,808,915	\$ 842,698	\$ 626,668
Capital assets	1,000,927,231	997,179,660	-	-
Total assets	1,356,300,213	1,366,988,575	842,698	626,668
Deferred outflows of resources	24,141,872	19,434,125	-	-
Current liabilities	91,857,878	91,001,065	585,436	497,647
Long term liability	949,582,739	964,700,123		
Total liabilities	1,041,440,617	1,055,701,188	585,436	497,647
Deferred inflows of resources	17,077,532	-	-	
Net position:				
Invested in capital assets				
net of related debt	159,051,926	120,499,074	-	-
Restricted	31,229,566	29,242,464	-	-
Unrestricted	131,642,444	180,979,974	257,262	129,021
Total net position	\$ 321,923,936	\$ 330,721,512	\$ 257,262	\$ 129,021

Our analysis focuses on net position and changes in net position of the District's governmental and business-type activities. The District's total net position decreased by \$8.8 million. Current and Other Assets decreased by \$14.4 million which is attributable primarily to a \$23.6 million decrease in Cash and Investments and a \$9.7 million increase in Due from Other Governments. Capital Project activity continued throughout fiscal year 2015 without any new debt being issued to fund projects which resulted in a decrease in cash and investments of \$33 million for the Capital Projects Fund. An increase in the General Fund and Other Funds cash and investments of \$8.7 million and \$2.4 million respectfully partially offset the decrease in the Capital Projects Fund. The increase in taxable values accounts for the increase in the General Fund, cash and investments. The increase in cash and investments for Other Funds is due to receiving payment from the State for the Instructional Materials Allotment (IMA) which provides funding for textbooks on order, but not fulfilled at the end of the fiscal year. The increase of \$9.7 million in the amount Due from Other Governments for fiscal year 2015 is due to the timing of payments received from the State for current year state aid payments which account for \$2.1 of the increase. In addition, several textbook orders were placed and fulfilled through the State IMA allotment, these funds were due from the State at fiscal year end in the amount of \$6.4 million.

Non-Current Capital Assets increased \$3.7 million primarily due to the purchase of approximately 10 acres of land for \$5.2 million along with other land projects that added \$348,379 in value. The district is in the final phase of the current bond program with current projects nearing completion which resulted in all other categories of Non-Current assets declining in activity over the previous year. The combined net effect of a decrease in Current assets and an increase Non-Current Capital assets resulted in a decrease in total assets during the year ended June 30, 2015 of \$10.7 million.

Deferred outflows are a consumption of net assets that is applicable to a future reporting period. The advanced refunding of \$11,644,569 is shown as the Deferred Charge for Refunding which is \$7.8 less than the deferred charge for refunding in fiscal year 2014. The deferred outflow of resources related to the TRS Pension is a new outflow in the financial report due to the implementation of GASB 68, Accounting and Financial Reporting for Pensions. The \$12,497,303 includes \$8 million which represents contributions paid to TRS subsequent to the measurement date of August 31, 2014 and \$4.5 million due to actuarial differences and changes in assumptions related to economic factors.

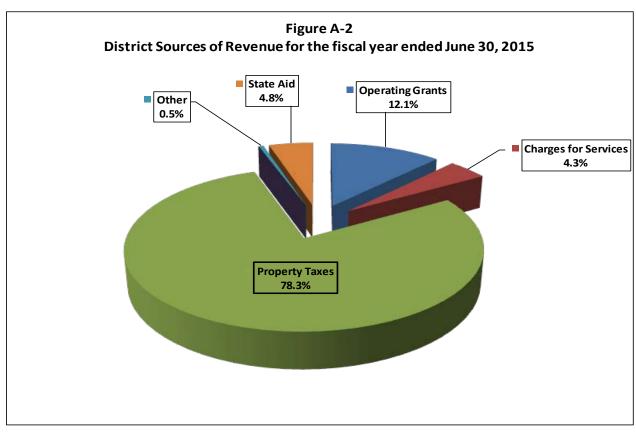
Several components came together to create the overall \$856,813 increase in Current Liabilities. The increase is comprised primarily of, Unearned Revenues which increased by \$6.3 million due to the increase in the Instructional Materials Allotment from the State available to be drawn upon. The amount Due to Other Governments has an increase of \$2.1 million. The amount due to the State at June 30, 2015 is primarily the last two recapture payments due in July and August for a total of \$14.3 million. Accrued Wages Payable increase of \$1.7 million due to a 3.5% raise granted for fiscal year 2015. Offsetting the increases are decreases in Accounts Payable of \$7 million and Interest Payable of \$2.6 million. While several construction projects were active at fiscal year-end, the size and number of projects were less than the prior year. This resulted in \$4.6 million decrease in accounts payable to large construction contractors at year end. In the General Fund, Accounts Payable decreased by \$2.7 million due to fewer large payments remaining outstanding at fiscal year-end. A decrease of \$2.5 million in Interest Payable was due to a lower bond interest payment due in August 2015 as a result of the bond refunding in fiscal year 2014 and 2015.

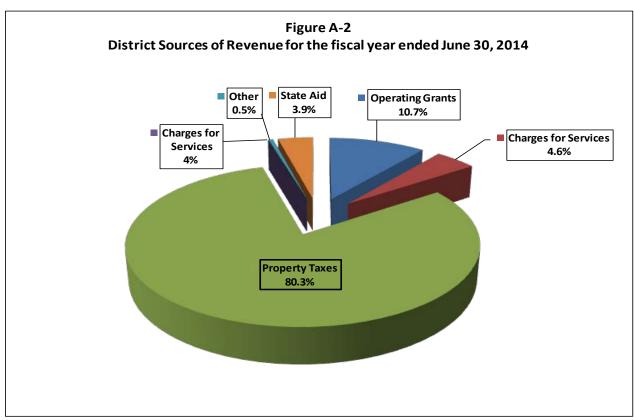
Noncurrent Liabilities decreased \$15.1 million. Obligations due within one year increased \$7.3 million while obligations due in more than one year decreased \$78.3 million. During fiscal year 2015, the District refunded a portion of the Series 2006 Unlimited Tax Bonds. No bonds were issued on the authorized, but unissued debt during fiscal year 2015. With the implementation of GASB 68, Accounting and Financial Reporting for Pensions, the district is required to recognize for the first time its proportionate share of the Teacher Retirement System (TRS) net pension liability of \$55.8 million. The TRS is a cost-sharing multiple-employer defined benefit pension that has a special funding situation. Note 10 provides detail on the TRS pension plan.

The amount invested in capital assets (e.g. land, buildings, furniture, and equipment) less any related debt used to acquire those assets that are still outstanding increased by \$38.6 million to \$159.1 million. The increase of \$38.6 million is the result of an increase in capital assets net of depreciation of \$3.7 million offset by a decrease in related debt of \$63.2 million with a decrease in the Construction fund balance of \$28.4 million.

An additional portion of the District's net position of \$31.2 million represents resources that are subject to external restrictions on how they may be used. Assets restricted for State Programs increased by \$1.6 million. Assets restricted for use by Food Service remained constant. Net assets restricted for Debt Service use increased slightly by \$287,023. The remaining balance of net position, \$131.6 million, is unrestricted and may be used to meet the District's ongoing obligations. The amount of unrestricted net position decreased \$49.2 million for the year ended June 30, 2015. The decrease is a result of the small increase in capital assets and decrease in Capital Project fund balance compounded by an increase in restricted assets.

Changes in net position. The District's total revenues were \$697.6 million. A significant portion (78.3%) of the District's revenue comes from taxes. (See Figure A-2 or Exhibit B-1) Operating grants provided 12.1%. State aid comprised 4.8% while Charges for services contributed 4.3%. Interest revenue and other sources including miscellaneous local revenue and gain on sale of land account for 0.5%. The total cost of all programs and services was \$642.1 million.





Government-Wide Activities

The total cost of all government-wide activities for the year ended June 30, 2015 was \$642.1 million. Funding for these government-wide activities is by specific program revenue or through general revenues such as property taxes and investment earnings. The following is a summary of the governmental funds activities:

- The cost of all *governmental activities* for the year was \$634.9 million.
- Some of the *governmental activities* cost was funded by program revenues directly attributable to specific activities. These program revenues amounted to \$104.6 million.
- The remaining cost of *governmental activities* not directly funded by program revenues was \$530.2 million which was funded from property taxes and other local sources.

The following table presents the cost of the District's largest governmental functions as well as their related *net cost* (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by local tax dollars, state revenues and other miscellaneous general revenues.

Net Cost of Selected District Functions

(in millions of dollars)

		Total Cost of S	Services 1	Net Cost of Services
Instruction		\$333.9		\$278.9
Contracted Instructional Services Between	Contracted Instructional Services Between Schools			46.6
Debt Service Interest on Long Term Debt		42.2		42.2
Plant Maintenance & Operations		40.2		37.9
School Leadership		26.7		23.8
•				
Food Services		26.3		2.3
	Governmental	Governmental	Business-Type	e Business-Type
	Activities	Activities	Activities	Activities
	FY 6/30/15	FY 6/30/14	FY 6/30/15	FY 6/30/14
Revenue				
Program Revenues				
Charges for services	\$ 20,090,211	\$ 20,164,360	\$ 9,906,988	3 \$ 9,099,662
Operating grants and contributions	84,554,345	68,322,777	-	-
General Revenues				
Property taxes	546,067,384	513,765,055	-	-
State aid - formula	33,279,366	25,147,980	-	-
Interest income	622,073	623,136	3,326	3 2,587
Other	2,658,757	2,687,011	-	
Total revenues	687,272,136	630,710,319	9,910,314	9,102,249
Expenses				
Instruction and Instructional - Related Services	351,550,620	332,665,507	-	-
Instructional and School Leadership	30,491,857	28,195,492	-	-
Support Services - Student	80,396,171	77,232,838	-	-
Administrative Support Services	10,179,403	9,802,666	-	-
Support Services - Nonstudent Based	49,507,422	48,297,851	-	=
Ancillary Services - Community Service	2,329,921	1,826,495	-	•
Debt Service	42,227,308	39,078,896	-	-
Other Facility Costs	13,727,923	13,684,442	-	-
Intergovernmental Charges	54,452,692	42,240,335	-	-
Concessions	-	-	324,526	,
Employee Child Care After School Care	-	-	1,226,329	
Photography	<u>-</u>	-	5,644,470 34,133	
Total expenses	634,863,317	593,024,522	7,229,458	
Excess (Deficiency) before transfers	034,003,317	393,024,322	7,223,430	0,430,437
and special items	52,408,819	37,685,797	2,680,856	2,663,792
Special Item-Gain on Sale of Land	385,967	-	_,000,000	
Transfers In (Out)	2,552,615	2,632,288	(2,552,615	5) (2,632,288)
Change in net position	55,347,401	40,318,085	128,241	
Beginning net position	330,721,512	290,403,427	129,021	
Cumulative Effect of Change				
in Accounting Principle	(64,144,977)	<u> </u>	<u>-</u>	<u> </u>
Ending net position	\$ 321,923,936	\$ 330,721,512	\$ 257,262	2 \$ 129,021
			· · · · · · · · · · · · · · · · · · ·	

The decrease in the ending net position for Governmental Activities of \$8.8 million is a combination of several factors. During fiscal year 2015 three types of revenue reflect significant changes. Operating grants and contributions increased by \$16.2 million. This increase is the direct result of the implementation of GASB 68, Accounting and Financial Reporting for Pensions, which required the recording of revenue to recognize the District's proportional share of the State's support of the Teacher Retirement System of Texas (TRS). Property taxes increased \$32.3 million due to a 6.7% increase in taxable property values. The Foundation School Program portion of state aid primarily accounts for the increase of \$8.1 million in this category. The adjusted basic allotment was increased by \$100 per weighted average daily attendance in fiscal year 2015 along with the State funding the new 1.5% Teacher Retirement System surcharge. These increases in revenue combine for an increase in total Government Activity revenue of \$56.6 million.

Total expenses reflect an overall increase of \$41.8 million. Several key factors account for the increase. The implementation of GASB 68, Accounting and Financial Reporting for Pensions, impacts expense in the same manner as revenue. Recognition of pension expense in the amount of \$16 million was recorded in each functional expense category to recognize the support provided by the State for TRS. As a direct result of the increase in property tax revenue, Contracted Instructional Services Between Schools increased by \$10.6 million. The school finance system in Texas is equalized through an equalized wealth limit that requires excess wealth per weighted average daily attendance (WADA) to be returned to the State. Instruction and Instructional Related Services increased \$10.2 million due to the 3.5% raise and one-time payment granted to staff. Additional instructional staff were added to reduce ratios at elementary and secondary schools along with additions in positions working with students with disabilities. Support Services – Student reflected a \$3.1 million increase also as a result of the raise and one-time payment granted to staff. The increase in Debt Service of \$3.1 million is due to increased principal payments in fiscal year 2015.

Business-Type Activities

The net position of the District's business—type activities increased by \$128,241. This increase is primarily due to an increase in net position for the Employee Child Care Fund of \$100,000 coupled with increases in net position for Concessions of \$22,600 and in Photography of \$5,641. During fiscal year 2015, the Employee Child Care Centers operated at capacity which allowed them to end with a positive net position for the first time. The Concession fund activity increased for fiscal year 2015 due to a neighboring district using the district's stadium facilities while their stadium was closed for repairs. An increase in the number of events at the stadium along with solid attendance at the events allowed the Concession fund to increase sales and resulted in an increase in net position. The Photography Enterprise fund revenue although less than the previous year continued to exceed operating expenses.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds The District's accounting records for general governmental operations are maintained on a modified accrual basis as prescribed by the *Financial Accountability System Resource Guide*, Texas Education Agency, with the revenues being recorded when available and measurable to finance expenditures of the fiscal period. Expenditures are recorded when services or goods are received and the fund liabilities are incurred. The general governmental operations include the following major funds: General, Debt Service and the Capital Projects Fund.

Revenues for general governmental functions totaled \$669.8 million for the year ended June 30, 2015. Property taxes were the largest source of revenue received by the District. The Maintenance and Operating (M&O) tax rate remained constant at \$1.17, but was applied against an increased taxable property value which resulted in a total increase in tax revenue of \$27.2 million for M&O. The Debt Service tax rate decreased by 0.005 cents to \$0.278. The reduction in the tax rate coupled with an increase in taxable value resulted in increased tax revenue of \$4.7 million for Debt Service. These items represent the major components of the \$32.7 million increase in Local Revenue.

The State School Finance formula generates revenue from two revenue sources, the Foundation School Program and the Available School Fund. The Foundation School program portion increased by \$8.1 million in fiscal year 2015. The adjusted basic allotment increased by \$100 per weighted average daily attendance during fiscal year along with the State funding the new 1.5% Teacher Retirement surcharge. This increase is offset by a decrease in State Revenue in Other Funds of \$3.1 million attributable entirely to the decrease in revenue recognized for the Instructional Materials Allotment. These variances combine to account for the \$5 million increase in State Program Revenues.

Federal revenues show an increase of \$2.7 million for the 2015 fiscal year. SHARS Medicaid revenue increased by \$1 million which accounts for the increase in the General fund. In Other Funds, National School Lunch & Breakfast and IDEA-B federal revenue increased by \$566,542 and \$470,524 respectively. Three other grants saw smaller increases, Title III by \$298,175, Title I by \$199,414 and Head Start by \$120,945.

Expenditures for general governmental operations totaled \$691.2 million during fiscal year 2015 for an increase of \$27.8 million. There are several factors that combine for this increase in expenditures. Due to decreased activity in construction projects, the primary decrease in expenditures is in Facilities Acquisition and Construction of \$7.3 million. This reduction was offset by most every function seeing an increases as a result of a 3.5% raise and flat \$500 one-time payment given to all staff in 2014-15. Instruction increased in total \$9.3 million due to the raise granted to staff and by additional instructional staff added to reduce ratios at elementary and secondary schools along with additions in positions working with students with disabilities (59 FTE). Contracted Instruction Services Between Schools (commonly referred to as "recapture") increased by \$10.6 million as a result of the significant increase in property tax revenue due to the 6.7% increase in taxable property values. The equalized state funding formula is directly impacted by an increase in local property taxes. Long term debt principal payments increased during the fiscal year, but were offset by reduced interest payment and fees for an overall net increase of \$7.6 million. These items combine to primarily account for the increase in expenditures.

The governmental funds reported a combined fund balance of \$267 million. The net decrease in the combined fund balance of \$18.7 million is comprised of several changes in fund balance. The primary decrease of \$28.4 million occurred in the Capital Projects fund due to ongoing bond projects during fiscal year 2015 that were funded from existing funds. A \$1.8 million decrease occurred in the Debt Service Fund. The decrease in the Debt Service fund balance was a planned budgeted use of fund balance based on the decrease in the August 2015 interest due. These decreases were offset by an increase in the General Fund of \$9.4 million and \$2.1 million in Other Funds. With the 6.7% increase in taxable property value, tax revenue increased significantly for the General Fund. The increase in fund balance for Other non-major funds of \$2.1 million is primarily attributable to activity in the Instructional Materials Allotment fund balance which resulted in an increase of \$1.6 million due to the timing of receipt of revenue from the State and payment of textbook orders. Donations to the District's academy programs include a million dollar donation from Toyota Motor Company during fiscal year 2015 which accounts for the increase of \$402,221. Out of the combined fund balances, \$167.8 million constitutes unassigned fund balance available for the general operations of the District.

The remainder of the fund balance is nonspendable, restricted, committed by board action or assigned. Fund balance classifications as of June 30, 2015 consist of:

	As of 6/30/15	As of 6/30/14
Nonspendable		
Inventories	\$1,353,791	\$1,321,252
Prepaid items	212,216	908,395
Restricted		
Debt service	33,138,471	34,925,023
Capital Projects	35,596,145	64,007,275
Food Service	6,969,549	6,967,785
State Special Revenue	2,856,138	1,247,146
Committed		
Local Special Revenue	9,594,684	9,188,237
Assigned		
Purchases on order	2,115,233	2,183,886
Capital Projects	7,400,000	10,700,000
Unassigned	167,771,374	154,251,239
Total Fund Balance	\$267,007,601	\$285,700,238

The General Fund is the primary operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$167.8 million. An anticipated amount of \$7.4 million to be spent for capital projects was assigned along with encumbrances in the amount of \$2.1 million. Unassigned fund balance available for the general operations of the District represents 35.5% of the total general fund expenditures while total fund balance represents 37.8% of the same amount.

The Capital Project Fund has a total fund balance of \$35.6 million. This entire amount is restricted for future construction. The fund balance decreased by \$28.4 million as a result of ongoing projects that were funded from balances on hand at June 30, 2014.

The Special Revenue Funds have a total fund balance of \$19.7 million. Nonspendable fund balance invested in inventory equals \$270,440. Fund balance is restricted for food service in the amount of \$6,969,549, for state special revenue in the amount of \$2,856,138 with the remaining balance of \$9.6 million committed for local special revenue funds. Approximately 49% of the total fund balance is from activity in several local special revenue funds. Of the remaining balance, 35.4% is restricted for use by food service with 14.5% restricted for state grants.

The Debt Service fund balance decreased by \$1,786,552 due to a planned, budgeted use of fund balance to be applied to principal and interest payments that were outpaced by tax revenue. The District's semi-annual debt payment of \$18.9 million is due in mid-August. As of June 30 it was neither expended nor accrued.

Proprietary Funds—The District maintains both enterprise funds and internal service funds. Information is presented separately in the proprietary fund statement of net position and in the proprietary fund statement of revenues, expenses and changes in fund net position for the Enterprise Funds and the Internal Service Funds.

Net position in the Enterprise Funds as of June 30, 2015 was \$257,262. Net position for the 2015 year increased by \$128,241. This increase is primarily due to an increase in net position for the Employee Child Care operation of \$100,000 coupled with increases in net position for Concessions of \$22,600 and in Photography of \$5,641. The Employee Child Care Centers operated at capacity during fiscal year 2015 which allowed them to end with a positive net position for the first time. The Concession activity increased for the 2015 year due to a neighboring district using the district's stadium facilities while their stadium was closed for repairs. An increase in the number of events at the stadium along with good attendance at the events allowed the Concession fund to increase sales and resulted in an increase in net position. The Photography Enterprise Fund shows the remainder of the increase as a result of operating revenue exceeding decreased expenses.

Net position in the Internal Service Funds as of June 30, 2015 was \$3.8 million. The majority of this amount is unrestricted to be used for future expenses in the health benefits, workers' compensation and unemployment internal service funds. Net position decreased by \$347,946 during fiscal year 2015. This decrease is attributable to the decrease in net position for Worker's Compensation, Unemployment and the Sign Shop internal service funds. The Worker's Compensation fund was funded for only half of the year which resulted in the decrease in net position of \$131,520. The Unemployment internal service fund has not been funded since fiscal year 2012. Annual operating expenses continue to draw down the net position each year with the decrease for 2015 being \$144,468. The Sign Shop fund transferred out \$80,000 to assist in the funding of a local initiative. The transfer more than accounts for the decrease in net position for fiscal year 2015. These amounts combine to account for the decrease in total net position for the internal service funds.

General Fund Budgetary Highlights

During the 2013 Legislative session, the Texas Legislature restored \$3.2 billion of the reductions made in 2011. However, funds were not restored in a proportionate manner which resulted in the District's restoration being less than 30% compared to a statewide average of 77%. The District remained under the school finance funding structure approved during the 2013 legislative session for fiscal year 2015. A balanced budget for the 2014-15 fiscal year was adopted on June 3, 2014. The school finance system in Texas is equalized through an equalized wealth limit that requires excess wealth per weighted average daily attendance (WADA) to be returned to the State. Restoration of state funding for the District during the biennium was accomplished by an increase each fiscal year in the Equalized Wealth Level which allowed the District to retain an increased amount of local property taxes. Taxable property values increased by 6.7% for fiscal year 2015. The increase in tax revenue was offset in part by an increase in the District's property tax recapture payment. The equalized state funding formula is directly impacted by an increase in local property taxes. A 3.5% raise as well as a \$500 flat one-time pay stipend was included in the adopted budget. Additional teaching positions at the elementary and secondary level were approved in the budget along with staff who directly works with children with disabilities for an increase of 59 full-time equivalent positions. Budget for all other non-payroll related items were either held constant or decreased except in areas impacted by external price increases over which the District had no control.

In the General Fund, the final budgeted amount for revenues was \$499.1 million. Local tax revenue was amended for the increase in tax revenue of \$4.8 million due to certified property values coming in approximately 1% higher than the preliminary values on which the original budget was based. Budget amendments to state revenue based on state funding allocations resulted in an increase of \$737,703. Other Sources was amended to reflect the \$400,122 received from the sale of land.

Over the course of the fiscal year, the District revised its budget several times. Final results indicate actual expenditures were \$10.4 million below final budgeted amounts. The most significant positive variances were seen in the functional areas of Instruction, Facilities Maintenance and Contracted Instructional Services Between Schools. Staffing is budgeted at the full employment level throughout the entire year. Budget amounts for vacant positions throughout the year are not eligible for budget revisions and contribute to the variance between budgeted salaries and actual salaries. Contracted services for repairs, utilities and custodial contract were less than anticipated in Facilities Maintenance. The District's weighted average daily attendance (WADA) increased during the year which accounts for the reduction in the Contracted Instructional Services Between Schools. Overall the expenditure budget variance represents a 2.1% variance on the total expenditure budget of \$483.3 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2015, the District had invested \$1 billion net of depreciation, in a broad range of capital assets, including land, equipment, buildings, and Construction in Progress. This amount represents a net increase (including additions, retirements and depreciation) of \$3.7 million over last year.

	As of 6/30/15	As of 6/30/14		
Land and improvements	\$ 127,195,344	\$ 120,963,431		
Buildings and improvements	1,271,360,448	1,240,062,643		
Construction in progress	33,833,517	34,727,773		
Furniture, equipment, & vehicles	104,911,356	104,037,550		
Totals	1,537,300,665	1,499,791,397		
Total accumulated depreciation	(536,373,434)	(502,611,737)		
Net capital assets	\$ 1,000,927,231	\$ 997,179,660		

The year's major capital asset additions include the addition of the second phase of Academy High School, renovations at Brinker and Daffron Elementary, an addition at Hunt Elementary, HVAC upgrades at Plano East Senior High, flooring at Schimelpfenig Middle School, Beverly Elementary and Hightower Elementary. Various security enhancements and upgrades were added at several campuses throughout the district. More detailed information about the District's capital assets is presented in Note 5 to the financial statements.

Debt Administration and Bond Ratings

Debt-management policies seek to provide the most favorable climate for District debt projects while upholding the highest rating possible for debt instruments. Management policies include the following points:

- All debt service obligations will be met when due.
- Long-term financing will be restricted to capital projects and capital equipment acquisition.
- Long-term bonds will not be issued to finance current operations.
- The District will cooperate and communicate with bond-rating agencies and work towards obtaining the most favorable municipal bond rating possible.
- Outstanding obligations will be reviewed frequently to ensure the most favorable funding structure for the District.
- All necessary information and material regarding the District's financial status will be provided to the appropriate parties.

As of June 30, 2015, the District had total bonded debt outstanding of \$889.9 million. The ratio of net general bonded debt to assessed valuation and the amount of net bonded debt per capita are useful indicators of the District's debt position. Data presented in the statistical section indicate both of these indicators decreased. Net bonded debt per capita decreased to \$2,540 and the ratio of net bonded debt to assessed value decreased to 2.56 percent.

The District has authorized unissued bonds as of June 30, 2015 in the amount of \$16,020,000. During the year, the District issued \$43,250,000 Series 2015 Refunding Bonds used to refund \$47,855,000 of outstanding Series 2006 Unlimited Tax Bonds. The District continues to enjoy excellent bond ratings. Rating agency reviews were last conducted in February 2015 in conjunction with the issuance of the Series 2015 Unlimited Refunding Tax Bonds. Moody's Investors Service, Inc. assigned an enhanced underlying rating of Aaa while Standard and Poor's Corporation assigned an underlying rating of AA+ with a stable outlook to the district's debt obligations.

Interest earnings on proceeds from debt are subject to arbitrage regulations contained in the Federal Tax Reform Act of 1986. As of June 30, 2015 a liability for arbitrage rebate in the amount of \$20,393 has been recorded in the liability section on the Governmental-Wide Statement of Net Assets.

Amounts included for compensated absences include accrued vacation according to the District's leave policy. Employees who terminate their employment may be paid accrued vacation not to exceed 40 days carryover plus the current-year vacation allocation. More detailed information about the District's general long-term debt is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The local economic climate is as favorable as it has been in several years. Net taxable property values reported in the summer of 2015 grew by \$3 billion (7.6%) from 2014 and now total \$41.4 billion. Of this growth, \$642 million was for new construction. The balance reflects increases in value of existing property. There are several new construction projects underway in the District which will add to property growth in 2016 and future years. In 2014, Toyota, FedEx Office and Print Services, USAA, Hilti and Greatbatch announced plans to make Plano home for their corporate offices. Nine companies announcing relocations in 2014 will bring almost 6,000 jobs to Plano. The commercial development continues into 2015 with the announcement by Liberty Mutual Insurance confirming it is bringing 5,000 jobs to its new Legacy Business Park campus in West Plano. In the South central section of the district, the \$1.5 billion, 186-acre CityLine project is one of the largest new mixed-use developments in the country. State Farm Insurance, the key corporate anchor of the development is completing the fourth building in its new regional office campus. The company will have about 8,000 people working in the highrise business complex when construction is complete in early 2016. Raytheon broke ground in July 2014 on its new regional office in the same development. More than 1,500 worker will begin moving into the three building complex by the end of 2015. Developers are building hundreds of apartments, CityLine Market Center and an Aloft hotel within the development. Although property value growth has minimal impact on net general fund revenue due to the equalization provisions of the state funding formula, it does enhance debt service fund revenues and ultimately reduces the tax rate necessary to service existing debt payments.

With the passage of the tax ratification election in November 2013, the District has capacity to provide competitive salaries and continue support for a broad spectrum of academic offerings for the next several years. By working through the District's strong education foundation, local donations continue to be secured to assist with the support and development of academy program offerings for the students of Plano Independent School District.

School finance litigation is not yet settled. Following the conclusion of the 2011 legislative session, new state funding litigation was filed and on February 4, 2013 the District Court of Travis County rendered a preliminary ruling that the current system was unconstitutional based on (1) equity, (2) adequacy and (3) establishment of a de facto statewide property tax. Before the Court entered its finding of fact and a final judgment, the 83rd Legislature passed several bills that impacted the claim in the case. The Court granted a motion to reopen the evidence in the case. An evidentiary hearing was conducted for a three week period in January and February 2014. On August 28, 2014 Judge Dietz ruled the Texas school finance system is unconstitutional by upholding the same three reasons as stated in his preliminary ruling. The Attorney General informed attorneys in the case in September 2014 that his office will appeal the ruling directly to the Texas Supreme Court. A year later on September 1, 2015, the State urged the Texas Supreme Court to either dismiss or remand the lawsuit. Neither action requested has taken place as of the date of this report. Experts on this case are expecting a decision possibly as soon as November 2015, but certainly by early 2016. It is anticipated the decision will result in a special legislative session in 2016 to address the court's ruling.

The District adopted its 2015-16 budget on June 2, 2015 immediately after the 2015 legislative session adjourned on June 1st. The 2015-16 general fund budget was based on the prior school funding law. Based on expected legislative changes that would impact the District favorably, a deficit budget was adopted with appropriations and other uses of \$545.4 million exceeding revenues and other sources of \$540.4 million by approximately \$5 million. State revenue and recapture were subsequently amended in August 2015 for a net positive budgetary impact of \$7.7 million. Budgeted local revenue includes \$41.5 million in additional tax revenue as a result of an approximate 8% increase in property values. State revenue is budgeted to decrease \$4.7 million primarily due to the elimination of state funding for the Teacher Retirement System surcharge. The appropriations budget includes \$13.5 million in increased payroll costs associated with increased instructional staffing and campus administrator staffing along with a 3% compensation increase. Contracted Services and Supplies & Materials each are budgeted to increase \$2.5 and \$2.3 million respectfully. Each of these categories are impacted by technology items previously addressed through bond proceeds that are now included in the general fund budget for \$2.4 million. Increased utility cost and the district's share of the appraisal district budget increased by a combined total of \$1.6 million Migration of the student assessment program to a new software system, special education assessment materials and an increase in the per pupil amount budgeted for instructional supplies combine for a budgeted increase of \$1.2 million. Recapture payments to the state include a budgeted \$28.9 million increase due to the increase budgeted for local tax revenue. The district operates a tightly controlled budget in all areas of operation while maintaining a high quality educational program.

On September 1, 2015 the District adopted a maintenance and operations tax rate of \$1.17 per \$100 of taxable assessed value which is the maximum rate approved by voters in the Tax Ratification Election in November 2013. The District also adopted a debt service tax rate of 26.9 cents representing a 0.9 cent reduction from 2014-15. With the increase in property values and the issuance of no new debt, the District was able to adopt a lower debt service rate. The debt service fund is budgeted to use \$1.1 million of fund balance, but is projected to end fiscal year 2016 with a fund balance of over \$32 million.

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 Executive Director for Financial Services or the Accounting/Budget Director, at 2700 W. 15th Street, Plano, Texas 75075, or call (469) 752-8118 or 8115.

BASIC FINANCIAL STATEMENTS

Teamwork for Excellence



PLANO INDEPENDENT SCHOOL DISTRICT STATEMENT OF NET POSITION JUNE 30, 2015

			1		2		3
			P	rimar	y Governmer	nt	
Data		•		В	usiness		
Control		G	overnmental		Туре		
Codes			Activities	Α	ctivities		Total
ASSET	S:						
1110	Cash and Investments	\$	326,395,699	\$	373,765	\$	326,769,464
1220	Property Taxes Receivable (Delinguent)	Ψ	11,367,838	Ψ	-	Ψ.	11,367,838
1230	Allowance for Uncollectible Taxes		(3,834,331)		_		(3,834,331)
1240	Due from Other Governments		18,692,249		_		18,692,249
1250	Accrued Interest		21,143		177		21,320
1290	Other Receivables, Net		809,366		468.756		1,278,122
1300	Inventories		1,353,791		, -		1,353,791
1410	Deferred Expenses		567,227		-		567,227
	-current Assets		,				,
Ca	apital Assets:						
1510	Land		82,662,863		-		82,662,863
1520	Buildings, Net		831,286,566		-		831,286,566
1530	Furniture and Equipment, Net		25,876,550		-		25,876,550
1540	Other Capital Assets, Net		27,267,735		-		27,267,735
1580	Construction in Progress		33,833,517				33,833,517
1000	Total Assets		1,356,300,213		842,698		1,357,142,911
DEEED	RED OUTFLOWS OF RESOURCES:	<u> </u>	_				
1701	Deferred Charge for Refunding		11,644,569		_		11,644,569
1701	Related to the TRS Pension		12,497,303				12,497,303
1705	Related to the TRS Ferision	-	12,497,303				12,497,303
1700	Total Defered Outflows of Resources		24,141,872		-		24,141,872
LIABIL	ITIES:						
2110	Accounts Payable		6,086,279		173,090		6,259,369
2140	Interest Payable		12,307,895		-		12,307,895
2150	Payroll Deduction & Withholdings		2,944,560		-		2,944,560
2160	Accrued Wages Payable		47,918,053		101,795		48,019,848
2180	Due to Other Governments		13,166,210		-		13,166,210
2200	Accrued Expenses		2,257,727		-		2,257,727
2300	Unearned Revenues		7,177,154		310,551		7,487,705
	-Current Liabilities						
2501	Due within One Year		73,502,187		-		73,502,187
2502	Due in More than One Year		820,253,922		-		820,253,922
2540	Net Pension Liability (District's Share)		55,826,630				55,826,630
2000	Total Liabilities		1,041,440,617		585,436		1,042,026,053
DEFER	RED INFLOWS OF RESOURCES:						
2605	Related to the TRS Pension		17,077,532		-		17,077,532
2600	Total Defered Inflows of Resources		17,077,532		-		17,077,532
NET PO	OSITION:						
3200	Invested in Capital Assets, Net of Related Debt		159,051,926		_		159,051,926
0200	Restricted for:		100,001,020				100,001,020
3820	Restricted for State Programs		2,856,138		_		2,856,138
3840	Restricted for Food Service		7,239,989		_		7,239,989
3850	Restricted for Debt Service		21,133,439		_		21,133,439
3900	Unrestricted Net Position		131,642,444		257,262		131,899,706
3000	Total Net Position	\$	321,923,936	\$	257,262	\$	322,181,198
3000	Total Net I Osition	Ψ	JZ 1, JZ J, JJ J	Ψ	201,202	Ψ	322,101,130

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

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

			Program Revenues
		3	4
Data			Operating
Control		Charges of	Grant and
Codes	Expenses	Services	Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 333,944,008	\$ 3,767,684	\$ 51,297,455
12 Instructional Resources and Media Services	9,195,080	-	775,155
13 Curriculum and Instructional Staff Development	8,411,532	46,083	2,072,485
21 Instructional Leadership	3,818,378	-	965,450
23 School Leadership	26,673,479	-	2,875,513
31 Guidance, Counseling and Evaluation Services	19,459,375	6,144	2,936,051
32 Social Work Services	1,007,664	-	92,247
33 Health Services	5,790,575	-	731,454
34 Student (Pupil) Transportation	13,326,733	-	1,046,236
35 Food Services	26,341,485	13,356,615	10,656,985
36 Extracurricular Activities	14,470,339	1,792,731	5,874,000
41 General Administration	10,179,403	45,496	922,110
51 Plant Maintenance and Operations	40,206,874	1,069,314	1,234,035
52 Security and Monitoring Services	3,475,171	-	252,251
53 Data Processing Services	5,825,377	-	392,611
61 Community Services	2,329,921	6,144	1,699,237
72 Debt Service - Interest on Long Term Debt	42,035,080	-	-
73 Debt Service - Bond Issuance Costs and Fees	192,228	-	-
81 Other Facility Costs	13,727,923	-	-
91 Contracted Instructional Services Between Schools	46,603,711	-	-
92 Incremental Costs Associated with Chapter 41	600,000	-	-
93 Payment to Fiscal Agent/Member Districts of SSA	999,635	-	731,070
95 Payments to Juvenile Justice Alternative Ed. Prg.	48,878	-	-
97 Payments to Tax Increment Fund	3,377,634	-	-
99 Other Intergovernmental Charges	2,822,834		
(TG) Total Governmental Activities:	634,863,317	20,090,211	84,554,345
BUSINESS-TYPE ACTIVITIES:			_
01 Employee Child Care	1,226,329	1,355,019	_
02 After School Care	5,644,470	8,165,093	-
03 Concessions	324,526	347,126	_
04 Photography	34,133	39,750	- -
	·		
(TB) Total Business-Type Activities:	7,229,458	9,906,988	
(TP) TOTAL PRIMARY GOVERNMENT:	\$ 642,092,775	\$ 29,997,199	\$ 84,554,345

Data

Control General Revenues:

Codes Taxes:

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service DT

GC Grants and Contributions not Restricted

IE Investment Earnings

MI Miscellaneous Local and Intermediate Revenue

SI Special Item - Gain on Sale of Land

FR Transfers In (Out)

TR Total General Revenues and Transfers

CN Change in Net Position

NB

Net Position - Beginning Cumulative Effect of Change in Accounting Principle PΑ

NE Net Position - Ending

Net (Expense) Revenue and Changes in Net Assets

		Changes in Net Asse	ts	
	6	7		8
		Primary Government		
G	overnmental	Business Type		
	Activities	Activities		Total
\$	(278,878,869)	\$ -	\$	(278,878,869)
	(8,419,925)	-		(8,419,925)
	(6,292,964)	-		(6,292,964)
	(2,852,928)	-		(2,852,928)
	(23,797,966) (16,517,180)	-		(23,797,966)
	,	•		(16,517,180)
	(915,417) (5,059,121)	-		(915,417) (5,059,121)
	(12,280,497)	_		(12,280,497)
	(2,327,885)	_		(2,327,885)
	(6,803,608)	-		(6,803,608)
	(9,211,797)	-		(9,211,797)
	(37,903,525)	-		(37,903,525)
	(3,222,920)	-		(3,222,920)
	(5,432,766)	-		(5,432,766)
	(624,540)	-		(624,540)
	(42,035,080)	-		(42,035,080)
	(192,228)	-		(192,228)
	(13,727,923)	-		(13,727,923)
	(46,603,711)	-		(46,603,711)
	(600,000)	-		(600,000)
	(268,565)	-		(268,565)
	(48,878)	-		(48,878)
	(3,377,634)	-		(3,377,634)
	(2,822,834)			(2,822,834)
	(530,218,761)			(530,218,761)
	-	128,690		128,690
	-	2,520,623		2,520,623
	-	22,600		22,600
	-	5,617		5,617
	-	2,677,530		2,677,530
\$	(530,218,761)	\$ 2,677,530	\$	(527,541,231)
	439,832,104			439,832,104
	106,235,280	-		106,235,280
	33,279,366	-		33,279,366
	622,073	3,326		625,399
	2,658,757	-		2,658,757
	385,967	-		385,967
	2,552,615	(2,552,615)		
	585,566,162	(2,549,289)		583,016,873
	55,347,401	128,241		55,475,642
	330,721,512	129,021		330,850,533
	(64,144,977)			(64,144,977)
\$	321,923,936	\$ 257,262	\$	322,181,198

PLANO INDEPENDENT SCHOOL DISTRICT BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2015

Data Control Codes			10 General Fund	D	50 ebt Service Fund	60 Capital Project
ASSETS	:					
1110	Cash and Investments	\$	227,874,126	\$	32,605,027	\$ 39,221,840
1220	Property Taxes - Delinquent		9,068,560		2,299,278	-
1230	Allowance for Uncollectible Taxes (Credit)		(3,062,083)		(772,248)	-
1240	Due from Other Governments		8,112,301		39,801	-
1250	Accrued Interest		15,433		2,119	2,561
1260	Due from Other Funds		1,669,123		-	-
1290	Other Receivables		749,734		5,215	-
1300	Inventories		1,083,351		-	-
1410	Prepaid Expenditures		212,216		-	 -
1000	Total Assets	\$	245,722,761	\$	34,179,192	\$ 39,224,401
LIABILIT	TES:					
2110	Accounts Payable	\$	2,127,341	\$	-	\$ 3,625,578
2150	Payroll Deductions and Withholdings Payable		2,944,560		-	-
2160	Accrued Wages Payable		44,909,824		-	2,678
2170	Due to Other Funds		-		-	-
2180	Due to Other Governments		13,162,499		-	-
2300	Unearned Revenues	-	23,017			 -
2000	Total Liabilities		63,167,241			 3,628,256
DEFERR	ED INFLOWS OF RESOURCES:					
2601	Unavailable Revenue - Property Taxes		3,973,346		1,040,721	 -
2600	Total Deferred Inflows of Resources		3,973,346		1,040,721	 -
FUND BA	ALANCES:					
	Nonspendable					
3410	Investments in Inventory		1,083,351		-	-
3430	Prepaid Expenditures		212,216		-	-
	Restricted					
3480	Debt Service		-		33,138,471	-
3470	Capital Projects		-		-	35,596,145
3450	Food Service		-		-	-
3450	State Special Revenue		-		-	-
	Committed					
3545	Local Special Revenue		-		-	-
	Assigned					
3590	Purchases on order		2,115,233		-	-
3590	Capital Projects		7,400,000		-	-
3600	Unassigned		167,771,374			 -
	Total Fund Balances		178,582,174		33,138,471	 35,596,145
	Total Liabilities, Deferred Inflows and Fund Balances	\$	245,722,761	\$	34,179,192	\$ 39,224,401

		Total			
	Other	G	overnmental		
	Funds		Funds		
\$	20,949,024	\$	320,650,017		
φ	20,949,024	φ			
	-		11,367,838 (3,834,331)		
	10,540,147		18,692,249		
	698		20,811		
	-		1,669,123		
			808,962		
	54,013 270,440		1,353,791		
	270,440		212,216		
		_			
\$	31,814,322	\$	350,940,676		
\$	296,712	\$	6,049,631		
	-		2,944,560		
	2,999,828		47,912,330		
	1,669,123		1,669,123		
	3,711		13,166,210		
	7,154,137		7,177,154		
	12,123,511		78,919,008		
	12,120,011		70,010,000		
			F 014 067		
	-		5,014,067		
	-		5,014,067		
	270 440		1 252 701		
	270,440		1,353,791 212,216		
	-		212,210		
	-		33,138,471		
	_		35,596,145		
	6,969,549		6,969,549		
	2,856,138		2,856,138		
	_,,		_,,		
	9,594,684		9,594,684		
	-		2,115,233		
	_		7,400,000		
	-		167,771,374		
	19,690,811	_	267,007,601		
\$	31,814,322	\$	350,940,676		

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EXHIBIT C-2

PLANO INDEPENDENT SCHOOL DISTRICT RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2015

Total Fund Balances - Governmental Funds	\$ 267,007,601
Capital assets used in governmental activities (excluding internal service) are not financial resources and therefore are not reported in governmental funds. The cost of the capital assets is \$1,537,263,846, and the accumulated depreciation associated with the capital assets is \$536,354,391.	1,000,909,455
Uncollected property taxes are reported as deferred inflow of resources in the governmental funds balance sheet but are recognized as a revenue in the statement of activities.	5,014,067
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds (including net capital assets of \$17,776) are included in governmental activities in the statement of net assets. The net effect of this consolidation is to increase net position.	
The fiet effect of this consolidation is to increase fiet position.	3,819,107
Long-term liabilities of \$893,756,109 are not due and payable in the current period and therefore are not reported as liabilities in the funds. A deferred charge on an advanced refunding of bonds payable of \$11,644,569 is reflected as a deferred outflow of resources on the Statement of Net Position.	(882,111,540)
	(002,111,340)
Interest payable is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.	(12,307,895)
Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68 in the amount of \$55,826,630, a deferred resource inflow related to TRS in the amount of \$17,077,532, and a deferred resource outflow related to TRS in the amount of	
\$12,497,303. This resulted in a decrease in net position.	 (60,406,859)
Net Position of Governmental Activities	\$ 321,923,936

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

Data Contro		10 Gene Fui	eral		50 t Service Fund		60 Capital Project
REVE	NUES:						_
5700	Total Local and Intermediate Sources	\$ 448	,322,539	\$ 1	06,146,670	\$	106,243
5800	State Program Revenues	47	,625,653		-		-
5900	Federal Program Revenues	6	,073,868				
5020	Total Revenues	502.	,022,060	1	06,146,670		106,243
EXPE	NDITURES:						
	Current:						
0011	Instruction	277	,412,188		-		-
0012	Instructional Resources and Media Services		,650,885		-		-
0013	Curriculum and Instructional Staff Development		,422,260		-		-
0021	Instructional Leadership		,968,348		-		-
0023	School Leadership		296,589		-		-
0031 0032	Guidance, Counseling and Evaluation Services Social Work Services	17,	,262,304		-		-
0032	Health Services	5	976,142 ,257,760		-		-
0033	Student (Pupil) Transportation		,279,301		-		-
0034	Food Services	13,	10,038		_		_
0036	Extracurricular Activities	6	565,329		_		_
0041	General Admininstration		517,565		-		-
0051	Facilities Maintenance and Operations		846,129		-		-
0052	Security and Monitoring Services		186,924		-		-
0053	Data Processing Services	5.	,333,138		-		-
0061	Community Services	1,	,191,639		-		-
	Debt Service:						
0071	Debt Service - Principal on Long Term Debt		-		65,715,000		-
0072	Debt Service- Interest on Long Term Debt		-		41,816,391		-
0073	Debt Service - Bond Issuance Cost and Fees		-		635,719		-
	Capital Outlay:						
0081	Facilities Acquisition and Construction		-		-		50,347,319
0004	Intergovernmental:	40	000 744				
0091	Contracted Instructional Services Between Schools	46,	,603,711		-		-
0092 0093	Incremental Costs Associated with Chapter 41 Payments to Fiscal Agent/Member Districts of SSA		600,000 268,565		-		-
0095	Payments to Juvenile Justice Alternative Ed. Prg.		48,878		_		_
0097	Payments to Tax Increment Fund	3	377,634		_		_
0099	Other Intergovermental Charges		822,834				
6030	Total Expenditures	472	898,161	1	08,167,110		50,347,319
1100	Excess (Deficiency) of Revenues Over (Under)						
	Expenditures	29	,123,899		(2,020,440)		(50,241,076)
	R FINANCING SOURCES (USES):						
7911	Refunding Bonds Issued		-		43,250,000		-
7912	Sale of Real and Personal Property		400,122		70.054		-
7915	Transfers In	2,	,532,615		70,054		21,900,000
7916	Premium or Discount on Issuance of Bonds		-		6,409,655		-
7949 8911	Other Resources	(22	233,145		-		(70.054)
8949	Transfers Out (Use) Payment to Bond Escrow Agent	(22,	,887,036)	,	49,495,821)		(70,054)
7080	Total Other Financing Sources (Uses)	(10	721,154)		233,888		21,829,946
1200	Net Change in Fund Balances		402,745		(1,786,552)		(28,411,130)
0100	Fund Balance - July 1 (Beginning)		,179,429		34,925,023		64,007,275
3000	Fund Balance - June 30 (Ending)		,582,174		33,138,471	\$	35,596,145
0000	Tana balance dance of (Ending)	Ψ 170.	,002,117	Ψ	55, 155, 77 1	Ψ	55,556,145

Other Funds	Total Governmental Funds
\$ 25,251,249	\$ 579,826,701
8,325,013	55,950,666
 27,953,783	34,027,651
 61,530,045	669,805,018
22,930,273	300,342,461
96,881	7,747,766
1,533,660	7,955,920
687,000	3,655,348
551,137	24,847,726
1,291,208	18,553,512
623	976,765
255,878	5,513,638
43,021	13,322,322
23,522,954	23,532,992
5,582,386	12,147,715
243,173	9,760,738
950,937	38,797,066
172,629	3,359,553
394,323	5,727,461
877,628	2,069,267
-	65,715,000
-	41,816,391
-	635,719
-	50,347,319
-	46,603,711
-	600,000
731,070	999,635
-	48,878
-	3,377,634
 	2,822,834
 59,864,781	691,277,371
 1,665,264	(21,472,353)
-	43,250,000
-	400,122
437,036	24,939,705
-	6,409,655
-	233,145
-	(22,957,090)
 -	(49,495,821)
 437,036	2,779,716
2,102,300	(18,692,637)
 17,588,511	285,700,238
\$ 19,690,811	\$ 267,007,601

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

			_,
Total Net Change in Fund Balances - Governmental Funds		\$ (18,692,63)	7)
Governmental funds report capital outlays as expenditures. In the statement of a allocated over the estimated useful lives as depreciation expense. This is the a \$42,997,877 exceeded depreciation of \$39,233,014 in the current period, net o (Certain expenditures are reported in the Facilities Acquisition and Constructic capitalization threshold of \$5,000 and therefore are not considered capital outlay.)	amount by which capital outlays of of disposition of assets of \$14,155 on category which are under the	3,750,70)8
Repayment of principal and other long-term debt is an expenditure in the gover reduces long-term liabilities in the statement of net assets and is not expensed represents the following: current year			
Principal Payment	\$ 65,715,000		
Advanced Bond Refunding	47,855,000		
Deferred Refunding Amount	744,576		
Amortization of Premium	7,220,006		
Amortization of loss on Bond Refunding	(8,534,132)		
Increase in Accreted Interest	(115,147)		
Reduction of Arbitrage	11,041		
<u>-</u>		112,896,34	4
Some property taxes will not be collected for several months after the fiscal y considered available revenues and are deferred in the governmental funds. Undebt, increased (decreased) by this amount. Interest on long-term debt in the statement of activities differs from the amount of because interest is recognized as an expenditure in the funds when it is due an financial resources. In the statement of activities, interest expense is recognized of when it is due. In the statement of activities, compensated absences are measured by the amount governmental funds, expenditures for these items are measured by the amount year, compensated absences used exceeded the amounts earned. The District uses internal service funds to charge the costs of certain activities, so appropriate functions in other funds. The net income of internal service funds to decrease net position.	eported in the governmental funds id thus requires the use of current as the interest accrues, regardless ints earned during the year. In the of financial resources used. This uch as self-insurance and printing,	1,194,38 2,550,31: (82,23	9
		(347,94	-6)
Proceeds of bonds (including premium) issued during the year are recognized a governmental funds but increase non-current liabilities in the Statement of Net Pos	-		
		(49,659,65	5)
The implementation of GASB 68 required that certain expenditures be de-expresource inflows. These contributions made after the measurement date of 08 ending net position to increase in the amount of \$8,005,135. Contributions made during the 2015 FY were also de-expended and recorded as a reduction in the r. This also caused an increase in the change in net position totaling \$893, unrecognized deferred inflows and outflows for TRS as of the measurement dat decrease in the change in net position in the amount of \$5,160,188. The net effect	3/31/14 caused the change in the before the measurement date but net pension liability for the District. 171. The District's share of the le had to be amortized causing an	3,738,11	8
Change in Net Position of Governmental Activities		\$ 55,347,40	11

PLANO INDEPENDENT SCHOOL DISTRICT STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2015

		iness-Type activities		Governmental Activities		
	E	Total nterprise Funds	Se	Total Internal rvice Funds		
ASSETS:						
Current Assets:	_		_			
Cash and Investments	\$	373,765	\$	5,745,682		
Accrued Interest		177		332		
Other Receivables		468,756		404		
Prepaid Expenses				355,011		
Total Current Assets		842,698		6,101,429		
Noncurrent Assets:						
Capital Assets:						
Furniture and Equipment		5,445		31,374		
Depreciation on Furniture and Equipment		(5,445)		(13,598)		
Total Noncurrent Assets		<u>-</u>		17,776		
TOTAL ASSETS:		842,698		6,119,205		
LIABILITIES:						
Current Liabilities:						
Accounts Payable		173,090		36,648		
Accrued Wages Payable		101,795		5,723		
Accrued Expenses		-		2,257,727		
Unearned Revenues		310,551				
TOTAL LIABILITIES:		585,436		2,300,098		
NET POSITION:						
Investments in Capital Assets		-		17,776		
Unrestricted Net Position		257,262		3,801,331		
TOTAL NET POSITION:	\$	257,262	\$	3,819,107		

EXHIBIT D-2

PLANO INDEPENDENT SCHOOL DISTRICT STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2015

		siness-Type Activities	Governmental Activities			
	E	Total Interprise Funds	Se	Total Internal rvice Funds		
OPERATING REVENUES:						
Local and Intermediate Sources	\$	9,906,988	\$	37,762,850		
Total Operating Revenues		9,906,988		37,762,850		
OPERATING EXPENSES:						
Payroll Costs		5,392,420		1,096,665		
Professional and Contracted Services		81,040		1,871,685		
Supplies and Materials		309,207		399,462		
Depreciation		-		3,137		
Other Operating Costs		1,446,791		35,333,465		
Total Operating Expenses		7,229,458		38,704,414		
Operating Income (Loss)		2,677,530		(941,564)		
NON OPERATING REVENUES (EXPENSES):						
Earnings from Temporary Deposits & Investments		3,326		8,444		
Insurance Recovery		<u>-</u>		15,174		
Total Non Operating Revenue		3,326		23,618		
Income Before Transfers		2,680,856		(917,946)		
Transfers In		_		650,000		
Transfers Out		(2,552,615)		(80,000)		
Change in Net Position		128,241		(347,946)		
TOTAL NET POSITION - JULY 1 (BEGINNING)		129,021		4,167,053		
TOTAL NET POSITION - JUNE 30 (ENDING)	\$	257,262	\$	3,819,107		

PLANO INDEPENDENT SCHOOL DISTRICT STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2015

	Bı	usiness-Type Activities		Governmental Activities	
		Total Enterprise Funds	Se	Total Internal rvice Funds	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from User Charges Cash Payments to Employees for Services Cash Payments for Insurance Claims Cash Payments for Suppliers Cash Payments for Other Operating Expenses	\$	9,814,747 (5,408,577) - (272,746) (1,448,361)	\$	37,775,232 (1,104,031) (1,378,702) (1,252,639) (34,904,056)	
Net Cash Provided by (Used for) Operating Activities		2,685,063		(864,196)	
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Transfers In Transfers Out Insurance Proceeds		(2,552,615)		650,000 (80,000) 15,174	
Net Cash Provided by (Used for) Non-Capital Financing Activties		(2,552,615)		585,174	
CASH FLOWS FROM INVESTING ACTIVITIES: Proceeds from Sales and Maturities of Securities Purchase of Investment Securities		988 (1,103)		458,094	
Interest and Dividends on Investments		3,169		9,083	
Net Cash Provided by Investing Activities		3,054		467,177	
Net Increase in Cash and Cash Equivalents		135,502		188,155	
Cash and Cash Equivalents at Beginning of Year		179,432		3,925,619	
Cash and Cash Equivalents at End of Year		314,934		4,113,774	
Temporary Investment Not in Cash Equivalents		58,831		1,631,908	
CASH ON BALANCE SHEET	\$	373,765	\$	5,745,682	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:					
Operating Income (Loss) Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	\$	2,677,530	\$	(941,564)	
Depreciation Effect of Increases and Decreases in Current Assets and Liabilities:		-		3,137	
Decrease (increase) in Receivables Decrease (increase) in Prepaid Expenses Increase (decrease) in Accounts Payable Increase (decrease) in Accrued Wages Payable Increase (decrease) in Due to Other Funds Increase (decrease) in Unearned Revenues Increase (decrease) in Accrued Expenses		(81,378) 1,122 114,809 (16,157) - (10,863)		51,288 (16,117) (11,387) (7,366) (38,906) - 96,719	
Net Cash Provided by (Used for) Operating Activities	\$	2,685,063	\$	(864,196)	
case and case an	<u> </u>	_,000,000		(55 1, 155)	

EXHIBIT E-1

PLANO INDEPENDENT SCHOOL DISTRICT STATEMENT OF ASSETS AND LIABILITIES AGENCY FUND JUNE 30, 2015

	Agency Fund
ASSETS:	
Investments - Current	\$ 527,332
Accrued Interest	12
Other Receivables	75_
Total Assets	527,419
LIABILITIES:	
Accounts Payable	54
Due to Student Groups	400,829
Due to Other Groups	126,536
Total Liabilities	\$ 527,419

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Plano Independent School District (District) is an independent school district governed by the Board of Trustees (Board), composed of seven Board Members, all of whom are elected officials. The Board is the basic level of government which has responsibility and control over all activities related to the public school education in the city of Plano and portions of the cities of Richardson, Dallas, Murphy, Parker, Carrollton and Allen which lie within the District's boundaries. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity," as defined in pronouncements by the Governmental Accounting Standards Board (GASB) Statement No. 14, The Reporting Entity as amended by GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34.

Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Transactions among governmental funds and between governmental funds and proprietary funds appear as due to/due from other funds on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other financing sources and uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. Interfund services provided and used are not eliminated in the consolidation of funds for the Statement of Activities. All interfund transactions that do not represent services provided and used between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of Activities as interfund transfers. Interfund activities between governmental funds and fiduciary funds remain as due to/due from other funds on the government-wide Statement of Net Position.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Government-Wide and Fund Financial Statements - Continued

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 to customers or applicants for goods, 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 Revenues. Taxes and other items not properly identified 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 direct expense to each function.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. In accordance with the provisions of GASB Statement No. 34, 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--The government-wide financial statements, as well as the agency and proprietary fund 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 revenue as soon as all eligibility requirements imposed by the grantor have been met. All interfund transactions between governmental funds are eliminated on the government-wide statements.

Fund Financial Statements--Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within 60 days of the fiscal year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded when payments are due. Proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

All other revenue items are considered measurable and available only when cash is received by the District.

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 purpose and is used to assist management in demonstrating compliance with finance-related legal and contractual provisions.

As required by the Texas Education Agency, the following fund types are included in the financial statements:

Governmental Funds

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 Fund Types.

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 and the capital improvement costs 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 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 facilities. Proceeds are received through long-term debt financing and other authorized sources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Governmental Funds – Continued

Other governmental funds include:

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than private-purpose trust funds or capital projects) such as federal, state or locally financed programs. Funds are legally restricted or committed to expenditures for specified purposes.

Proprietary Funds

Proprietary Funds are used to account for operations that are financed in a manner similar to those found in the private sector, where the determination of net income is appropriate for sound financial administration.

- Enterprise Funds The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to a private enterprise where the District's intent is to provide services financed primarily through user charges. The District accounts for Employee Child Care, After School Care, Concessions and Photography as enterprise funds.
- Internal Service Funds The Internal Service Funds are used to account for the financing of services provided by one department to other departments of the District on a cost reimbursement basis. The print shop, health benefits, workers' compensation self-funded, unemployment benefits, sign shop and insurance claims self-funded programs of the District are accounted for in these funds. Accrued liabilities include provisions for claims reported and claims incurred but not reported. The provision for reported claims is determined by estimating the amount which will ultimately be paid to each claimant. The provision for claims incurred but not yet reported is estimated based on District experience since the inception of the programs and data provided by actuarial consultants.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations and/or other funds.

Agency Funds - Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency Funds account for the receipt and disbursement of monies from student activity organizations and other types of activities requiring clearing accounts. The student activity organizations exist with the explicit approval of, and are subject to revocation by, the District's Board. This accounting reflects the District's agency relationship with the student activity organizations.

Assets, Liabilities and Net Position or Equity

Cash and Cash Equivalents

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

Investments

Investments with maturities exceeding twelve months at the date of purchase are stated at fair value, which is the amount at which the investment can be exchanged in a current transaction between willing parties. Investments with maturities of twelve months or less at the date of purchase are held at amortized cost. Management of the District believes that in the areas of investment practice, management reports and establishment of appropriate policies, the District adhered to the requirements of the State of Texas Public Funds Investment Act. Additionally, management of the District believes that investment practices of the District were in accordance with local policies.

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 either "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as "internal balances."

All trade and property tax receivables are shown net of allowance for uncollectible. The property tax receivable allowance is 33.7% of outstanding property taxes at June 30, 2015.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Assets, Liabilities and Net Position or Equity - Continued

Inventories and Prepaid Items

Inventories of supplies on the balance sheet are stated at weighted average cost. Inventory items are recorded as expenditures when they are consumed. Supplies are used for almost all functions of activity.

Prepaid balances are for payments made by the District for which benefits extend beyond June 30, 2015. The cost of governmental fund type prepaid balances are recorded as an expenditure when consumed rather than when purchased.

Grant Fund Accounting

The Special Revenue Funds 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. Grants are recorded as revenues when earned. Cost reimbursement grants are considered to be earned to the extent of expenditures made under the provisions of the grants. Funds received, but not earned, are recorded as deferred revenue until earned.

Indirect costs earned from grant programs are recorded as revenues of the General Fund. These indirect costs are determined by applying approved indirect cost rates to actual expenditures of the programs.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in the accounting system in order to reserve the portion of the applicable appropriation, is employed in the governmental fund financial statements. Encumbrances, which have not been liquidated, are reported as assignments of fund balance since they do not constitute expenditures or liabilities. District policy requires that such amounts be reappropriated in the following fiscal year.

Capital Assets

Capital assets, which include land, land improvements, building, building improvements and equipment, are reported in the applicable governmental activities column in the government-wide financial statements and the proprietary fund financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. The capitalization threshold is a unit cost of \$5,000. Donated capital assets are recorded at estimated fair market value at the date of donation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Assets, Liabilities and Net Position or Equity – Continued

Capital Assets - Continued

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.

Buildings and building improvements of the District are depreciated using the straightline method beginning in the year after they are placed in service. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Classification	Useful Life
Buildings and building improvements	50 years
Land improvements	20 years
Furniture/equipment & vehicles	
Vehicles and buses	10 years
Furniture	20 years
Equipment	
Computers	5 years
Kitchen equipment	10 years
Custodial equipment	15 years
Telephone equipment	10 years
Instruction and misc. equipment	10 years

Compensated Absences

Employees of the District are granted vacation and sick leave annually. Teachers do not receive paid vacations but are paid only for the number of days they are required to work each year. Full-time employees in positions that require 12 months of service are eligible for two weeks of vacation on July 1 following the first full year of employment. Full-time employees who have not been employed one full year as of July 1 are eligible to take accrued days after July 1 of that year but shall not be eligible for the full two weeks until July 1 of the following year. Full-time employees who have completed five years of service in the District are granted three weeks of vacation per year. Employees in positions that require 12 months of service may extend accrued vacation time to September 30 each year. Vacation days not used by September 30 may be carried over, with a maximum accrual of 40 days. As of June 30, 2015, the District recorded \$3,881,838 in the government-wide financial statements for accrued vacation liabilities. Employees are allowed to accrue five days of state personal leave and seven days of local sick leave each year without limit.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Assets Liabilities, and Net Position or Equity - Continued

Compensated Absences – Continued

State personal leave and local sick leave do not vest under the District's policy and accordingly, employees can only utilize state personal and sick leave when sick, or state personal leave for personal reasons when approved by their supervisor. Since the employees' accumulating rights to receive compensation for future absences are contingent upon the absences being caused by future illnesses and such amounts cannot be reasonably estimated, a liability for unused sick leave is not recorded in the financial statements.

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 deferred and amortized over the life of the bonds. Bonds payable are reported inclusive of applicable bond premium or discount. Bond issuance costs are expensed when incurred. Losses on refunding are capitalized and amortized over the shorter of the life of the new issuance or the life on existing debt using the effective interest method and are reported as deferred outflows of resources in the government-wide Statement of Net Position. Premiums and discounts are amortized over the life of the related debt using the effective interest method.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs and deferred losses on refunding as expenditures during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balances and Net Position

Government-Wide Financial Statements

Net position on the Statement of Net Position includes the following:

Invested in Capital Assets, Net of Related Debt -- the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt net of premiums and discounts, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Balances and Net Position – Continued

Governmental Wide Financial Statements – Continued

Restricted for Debt Service -- the component of net position that reports the difference between assets and liabilities with constraints placed on their use by law.

Restricted for Food Service -- the component of net position that reports the difference between assets and liabilities with constraints placed on their use by the U.S. Department of Agriculture.

Restricted for State Programs -- the component of net position that reports the difference between assets and liabilities with constraints placed on their use by the State of Texas.

Unrestricted -- the difference between the assets and liabilities that is not reported in Net Position Invested in Capital Assets, Net of Related Debt and restricted net position.

Governmental Fund Financial Statements

Governmental fund balances are classified as Nonspendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

The District classifies governmental fund balances as follows:

Nonspendable -- includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid items and long term receivables.

Restricted -- includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes the child nutrition program, retirement of long term debt, construction programs and other federal and state grants.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Balances and Net Position – Continued

Governmental Fund Financial Statement - Continued

Committed -- includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal action of the highest level of decision making authority. Committed fund balance is reported pursuant to resolution passed by the District's Board of Trustees. This classification includes campus activity funds, local special revenue funds and potential litigation, claims and judgments.

Assigned -- includes fund balance amounts that are self-imposed by the District to be used for a particular purpose. As defined by the Fiscal Management Goals and Objectives Policy, fund balance can be assigned by the District's Board, the Superintendent, or the Associate Superintendent of Business Services. This classification includes insurance deductibles, encumbrances, program start-up costs, projected budget deficit for subsequent years and other legal uses.

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

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts and the unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Minimum Fund Balance Policy

It is the desire of the Board to attempt to maintain a fund balance in the general operating fund that is approximately 20 percent of general operating expenditures, excluding any nonspendable fund balance; and fund balance in the interest and sinking fund that is approximately 20 percent of the current annual debt services requirement.

Management's Use of Estimates

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Management's Use of Estimates – Continued

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

Pensions

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

NOTE 2. CASH AND INVESTMENTS

Statutes of the State of Texas and policies mandated by the District's Board of Trustees authorize the District to invest in obligations of the U.S. Government or its agencies, repurchase agreements, commercial paper, public fund investment pools, mutual funds and money market accounts. All cash balances and investments are held separately in each of its funds.

As of June 30, 2015, the carrying amount of the District's cash deposits were \$117,821 and the bank balance was \$15,321. The District's cash deposits at June 30, 2015 were entirely covered by FDIC insurance or by pledged collateral held by the District's bank in the District's name.

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

- a) Name of depository bank: Bank of America, N.A.
- b) Amount of bond or security pledged as of the date of the highest combined balance on deposit was \$11,485,459.
- c) Highest cash, savings and time deposits combined account balances amount was \$428,854 and occurred on March 27, 2015.
- d) Total amount of Federal Deposit Insurance Corporation (FDIC) coverage at the time of highest combined balance was \$250,000.

NOTE 2. CASH AND INVESTMENTS - CONTINUED

As of June 30, 2015, the District had the following investments:

Investment Type		Fair Value	Weighted Average Maturity (Years)
U.S. Agencies	\$	5,000,000	0.252
Commercial Paper	·	209,965,790	0.152
Demand Deposits		93,215,169	0.000
Public Funds Investment Pools		18,956,354	0.003
Total Fair Value	\$	327,137,313	
Portfolio weighted average maturity			0.102

The fair value of investments is \$18,337 more than the book value reported by the District. As required by GASB Statement No. 31, the District recognizes the net unrealized gain/loss on investments with a maturity date greater than one year from the acquisition date and investments that are callable.

Interest rate risk. In accordance with the District's investment policy, investments are made in a manner that ensures the preservation of capital in the overall portfolio, and offsets during a 12-month period any market price losses resulting from interest-rate fluctuations by income received from the balance of the portfolio. The District's policy states that no individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio.

Credit risk. The District's policy relating to the credit risk of investments reflects adherence to the Public Funds Investment Act, which limits investments in commercial paper to not less than A-1 or P-1 or equivalent rating by at least two nationally recognized credit rating agencies. As of June 30, 2015, the District had commercial paper of \$209,965,790 in the portfolio. The District's investments in public funds investment pools and money market mutual funds include those with TexPool, TexStar and LoneStar. TexPool, TexStar and LoneStar are public funds investment pools operating in full compliance with the Public Funds Investment Act. They are rated as AAA money market funds by Standard & Poor's. The investment pools use amortized costs, rather than market value, to report net position to compute share prices. Accordingly, the fair value of the position in these pools is the same as the value of the shares in each pool. As of June 30, 2015, the District's investment in TexPool, TexStar and LoneStar was \$801,797, \$8,170,371 and \$9,984,186, respectively.

NOTE 2. CASH AND INVESTMENTS - CONTINUED

<u>Concentration of credit risk.</u> The investment policy of the District places no limitations on the amount that can be invested in any one issuer; however, the investment portfolio is diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer. More than 5% of the District's investments are in the following instruments:

	Percentage			
Commercial Paper	of	S&P	Moody	Fitch
Investment Description	Investments	Rating	Rating	_Rating_
JP Morgan Sec	22.92%	A-1	P-1	F1
Toyota Mtr Cr	14.36%	A-1+	P-1	Not rated
GE Capital Corp	11.00%	A-1+	P-1	Not rated
Salvation Army	5.81%	A-1+	P-1	Not rated

<u>Custodial credit risk – deposits</u>. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. Under the Dodd Frank Act, deposits held in noninterest-bearing transaction accounts are now aggregated with any interest-bearing deposits the owner may hold in the same ownership category, and the combined total is insured up to \$250,000.

<u>Custodial credit risk – investments.</u> For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments held by third parties were fully collateralized and held in the District's name.

NOTE 3. PROPERTY TAXES AND STATE AID REVENUE

Property Taxes

The appraisal of property within the District is the responsibility of the Collin County Appraisal District (Appraisal District). The District's property taxes are levied annually in October on the basis of the Appraisal District's assessed values of property as of January 1 of that calendar year and are due and payable when assessed. Such taxes are applicable to the fiscal year in which they are levied and become delinquent with an enforceable lien on property after January 31 of the subsequent calendar year.

NOTE 3. PROPERTY TAXES AND STATE AID REVENUE - CONTINUED

Property Taxes – Continued

Delinquent taxes receivable and the related allowance for uncollectible taxes are shown on the government-wide Statement of Net Position and the fund financial Balance Sheet.

The District is permitted to levy taxes up to \$1.17 per \$100 of assessed valuation for general governmental maintenance and operations. The tax rate for the payment of principal and interest on general obligation long-term debt is determined by the debt service requirements of the outstanding bonds as approved by the voters prior to issuance. For the current fiscal year, the Board of Trustees set a tax rate of \$1.448 per \$100 of assessed valuation. The maintenance and debt service portions of such rate are \$1.17 and \$0.278, respectively. The 2014 assessed valuation was \$37,955,635,681 resulting in a tax levy of \$537,995,588 for the current fiscal year. The 2014 tax levy reflects an adjustment of \$11,602,017 of frozen homestead exemptions for taxpayers 65 years and older as mandated by state property tax laws.

Property taxes which are measurable (quantifiable) and available (collectible within the current period or soon enough thereafter to finance expenditures of the current period, which the District has estimated to be collected in the two months after the fiscal year end) are recognized as revenue in the year of levy in the governmental fund financial statements. Property taxes, which are measurable but not available, are recorded net of estimated uncollectible amounts, as deferred revenues in the year of the levy in the governmental fund financial statements. Such deferred revenues are recognized in the fund financial statements as revenue in the fiscal year in which they become available. In the government-wide financial statements, property taxes are recognized as revenues in the year for which the taxes are levied.

Delinquent taxes receivable and the related allowance for uncollectible taxes in the governmental fund financial statements as of June 30, 2015 are as follows:

	Delinquent Taxes Receivable, Gross		lowance for llectible Taxes	Delinquent Taxes Receivable, Net		
General fund Debt service fund	\$	9,068,560 2,299,278	\$ 3,062,083 772,248	\$	6,006,477 1,527,030	
Total	\$	11,367,838	\$ 3,834,331	\$	7,533,507	

The District entered into a tax increment reinvestment zone (TIF) agreement during the 1999 fiscal year.

NOTE 3. PROPERTY TAXES AND STATE AID REVENUE - CONTINUED

Property Taxes – Continued

The TIF zone number 2 agreement provides the District with a facility for administrative and ancillary functions. For fiscal year 2001 through 2015, the District will contribute 100% of the Maintenance and Operations portion of its taxes attributable to the incremental increase in the assessed value of the property within the TIF Zone. Tax Increment Financing due to the TIF Board of \$2,110,608 is reported as due to other governments in the General Fund and is payable January 2016 and relates to Tax Year 2014 TIF #2 taxes.

State Aid Revenue

The Texas Education Agency, through its application of state law, allocates state revenues to school districts by formula allocation. The District receives two allocations, a per capita allocation and a foundation program allocation. The District also recognizes revenues for the state's share of the contributions to the Teacher Retirement System of Texas. See Note 10 for additional information on the employee's retirement plan. Other state revenues are received through other state miscellaneous programs on an allocated basis.

State Program Revenues

The components of state program revenues as shown in the governmental fund financial statements are as follows:

Revenues	Amoun	ts
Per capita revenues Foundation fund revenues Instructional materials allotment	13,27	68,454 74,190
Other state revenues TRS on behalf	4,15	02,774 55,404 49,844
Total State Program Revenues	\$ 55,99	50,666

NOTE 4. RECEIVABLES

Receivables due from other governments, as of June 30, 2015 for the District's individual major funds and non-major, internal service and fiduciary funds in the aggregate are as follows:

	General Fund	Debt Service Fund		Debt Service and Othe		Non-Major and Other Funds	Total	
Due from the State of Texas Due from the Federal Government Due from Other Local Governments	\$ 7,945,514 - 166,787	\$	- - 39,801	\$	6,426,525 4,113,622 -	\$ 14,372,039 4,113,622 206,588		
Total receivables	\$ 8,112,301	\$	39,801	\$	10,540,147	\$ 18,692,249		

NOTE 5. CAPITAL ASSETS

A summary of capital asset activity during the year ended June 30, 2015 follows:

Governmental Activities:		Beginning Balance	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Capital assets not being depreciated: Land Construction in Progress Total capital assets not being depreciated	\$	77,097,642 34,727,773 111,825,415	\$ 5,579,376 36,649,618 42,228,994	\$ 14,155 37,543,874 37,558,029	\$ 82,662,863 33,833,517 116,496,380
Capital assets being depreciated: Land Improvements Buildings and Improvements Furniture/Equipment & Vehicles Total capital assets being depreciated		43,865,789 1,240,062,643 104,000,732 1,387,929,164	666,692 31,297,805 6,348,260 38,312,757	- - 5,474,455 5,474,455	44,532,481 1,271,360,448 104,874,537 1,420,767,466
Total Capital Assets		1,499,754,579	80,541,751	43,032,484	1,537,263,846
Less accumulated depreciation for: Land Improvements Buildings and Improvements Furniture/Equipment & Vehicles Total accumulated depreciation		15,035,801 409,375,807 78,184,224 502,595,832	2,228,945 30,698,075 6,305,994 39,233,014	- - 5,474,455 5,474,455	17,264,746 440,073,882 79,015,763 536,354,391
Governmental funds capital assets, net		997,158,747	41,308,737	37,558,029	1,000,909,455
Internal Service Funds: Furniture/Equipment & Vehicles Less Accumulated Depreciation Internal service funds capital assets, net	_	31,374 10,461 20,913	- 3,137 (3,137)	- - -	31,374 13,598 17,776
Governmental activities capital assets, net		997,179,660	41,305,600	37,558,029	1,000,927,231
Business Activities: Furniture/Equipment & Vehicles Less Accumulated Depreciation Business activities capital assets, net		5,445 5,445 -	- - -	- - -	5,445 5,445 -
Total Capital Assets, net	\$	997,179,660	\$ 41,305,600	\$ 37,558,029	\$ 1,000,927,231

NOTE 5. CAPITAL ASSETS - CONTINUED

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Instructional resources and media services Curriculum development and instructional staff development Instructional leadership School leadership Guidance, counseling, and evaluation services Health services Student transportation Food services Co-curricular/extracurricular activities General administration Plant maintenance and operations Security and monitoring services Data processing services Community services Facilities acquisition and construction	\$ 27,440,438 1,577,339 203,695 25,650 1,015,656 258,544 104,453 1,511,076 2,232,786 2,275,212 220,618 1,681,868 261,864 265,954 142,484 18,514
Total depreciation expense, governmental activities	\$ 39,236,151

Construction Commitments

The District had several active construction projects as of June 30, 2015. Projects included new school construction, additions to buildings and renovation or upgrades of existing facilities. Fiscal year 2015 expenses and estimated future expenditures for capital projects are funded from operating capital project funds, unexpended bond proceeds and additional general obligation bonds. The following summarizes the various types of projects:

New Construction – The District continued the addition and upgrades for the Plano East Health Science Academy.

Building Renovation/Upgrades – The District began working on refurbishments at Christie and Hughston Elementary schools. Contracts were awarded for roofing projects at Rose Haggar Elementary and Shiloh Center. Construction continued for renovations at Bethany and Hedgcoxe Elementary schools. The District continued to work on security upgrades at several campuses and minor capital project improvements.

NOTE 5. CAPITAL ASSETS - CONTINUED

Construction Commitments – Continued

Completed Projects -- During fiscal year 2015, the District completed the second phase of the Academy High School, renovations at Brinker and Daffron Elementary, an addition at Hunt Elementary, HVAC upgrades at Plano East Senior High, flooring at Schimelpfenig Middle School, Beverly Elementary and Hightower Elementary. Various security enhancements and upgrades were added at several campuses throughout the District.

Current projects include the following:

Project	Estimated Total Cost	xpenditures Incurred to 06/30/15	Estimated Future Expenditures	
Building Projects				
PSHS Roof Replacement/Welding Room	\$ 2,401,280	\$ 77,659	\$	2,323,621
Williams HS Carpet Upgrades	18,025	1,711		16,314
PESH Health Academy/Flooring/HVAC	7,888,909	6,206,032		1,682,877
Shepton HS Renovation	90,000	700		89,300
Shepard Flooring/Capital Improvement	279,535	169,398		110,137
Christie Refurbishment/Kitchen Addition	2,958,800	295,101		2,663,699
Hughston Refurbishment	1,145,234	157,789		987,445
Hedgcoxe Renovation	12,930,336	11,131,206		1,799,130
Bethany Renovation	14,537,721	13,332,711		1,205,010
Gulledge Fire Equipment Upgrades	93,527	48,358		45,169
Haggar Roof and Capital Project	607,228	292,489		314,739
Beverly Bathroom Upgrades	10,152	193		9,959
Centennial Flooring	216,598	89,416		127,182
Spring Creek HVAC Upgrades	190,046	9,660		180,386
Shiloh Roof	724,048	671,536		52,512
Bird Center Security	43,259	35,686		7,573
Service Center Canopy	42,325	1,200		41,125
Land improvement Projects				
PSHS Turf Project	441,949	414,822		27,127
PESH Turf Project	496,605	454,970		41,635
PESH Health Academy	158,350	6,000		152,350
PWSH Turf Project	433,426	410,886		22,540
Hughston Refurbishment	35,368	2,234		33,134
Hedgcoxe Renovation	418,897	11,762		407,135
Bethany Renovation	 611,345	 11,998		599,347
Total Ongoing Construction	\$ 46,772,963	\$ 33,833,517	\$	12,939,446

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

	F	Receivable		
General Fund Other Governmental Funds	\$	1,669,123	\$	1,669,123
Totals	\$	1,669,123	\$	1,669,123

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

The following is a summary of the District's transfers for the year ended June 30, 2015:

Transfers Out	 Transfers In						Total			
	General Fund	Del	ot Service Fund	Ca	apital Projects Fund	0	ther Gov. Funds	Inte	rnal Service Funds	
General Fund Capital Projects Fund Enterprise Funds Internal Service Funds	\$ - - 2,452,615 80,000	\$	- 70,054 - -	\$	21,900,000 - - -	\$	337,036 - 100,000 -	\$	650,000 - - -	\$ 22,887,036 70,054 2,552,615 80,000
	\$ 2,532,615	\$	70,054	\$	21,900,000	\$	437,036	\$	650,000	\$ 25,589,705

The transfers made during the period consisted of the following:

From	То	Amount	Description
General Fund	Other Governmental Funds	\$ 337,036	To finance costs in excess of federal allotments for Headstart; and to finance costs in excess of donations, grants and user charges in the Special Events Fund.
General Fund	Capital Projects Fund	21,900,000	To finance capital projects.
General Fund	Internal Service Fund	650,000	To finance the overhead of the health insurance fund administration.
Capital Projects Fund	Debt Service Fund	70,054	Transfer interest earned to finance debt service costs associated with construction projects.
Internal Service Fund	General Fund	80,000	Transfer excess funds in the internal service Sign Shop to General Fund to cover the cost of the new work order system for Facility Services
Enterprise Fund	General Fund	2,432,615	Transfer revenues in excess of costs from the After School Care Program and the Employee Child Care Program.
Enterprise Fund	Other Governmental Funds	100,000	Transfer portion of the After School Care Program revenues to Campus Activity for use at designated campuses.
Total Transfers		\$ 25,569,705	- =

NOTE 7. LONG-TERM DEBT

The following is a summary of the District's long-term debt for the year ended June 30, 2015:

		Obligations Outstanding 7/1/2014		New Obligations Incurred		Obligations Retired or Refunded and Accretion	Obligations Outstanding 6/30/2015		Obligations Due Within One Year	
General Obligation Bonds Payable	\$	924,632,781	\$	43,250,000	\$	(113,445,616)	\$	854,437,165	\$	72,407,165
CAB Premium and Accumulated Accretion		747,096		115,147		(124,385)		737,858		737,858
Premium on Bond Issuance		35,489,205		6,409,655		(7,220,005)		34,678,855		-
Compensated Absences		3,799,607		431,829		(349,598)		3,881,838		357,164
Arbitrage Liability		31,434				(11,041)		20,393		
Totals	\$	964,700,123	\$	50,206,631	\$	(121,150,645)	\$	893,756,109	\$	73,502,187

Debt Payable-Governmental Activities

Bonds payable at June 30, 2015, are composed of the following individual issues:

Description	Interest Rate	Amounts Original	Bonds Outstanding at	Issued	Bonds Outstanding at	CAB Premium and Accumulated
<u>Description</u>	<u>Payable</u>	<u>Issue</u>	July 1, 2014	(Retired)	June 30, 2015	<u>Accretion</u>
Unlimited Tax Refunding Bonds Series 2005	5.00%	56,805,000	7,895,000	(7,895,000)	-	-
School Building Unlimited Tax Bonds Series 2006	4.50% to 5.75%	70,535,000	52,165,000	(49,955,000)	2,210,000	-
Unlimited Tax Refunding Current Interest Bonds Series 2006	5.00% to 5.00%	121,805,000	121,805,000	-	121,805,000	-
School Building Refunding Capital Appreciation Bonds Series 2006	3.52% to 4.05%	7,375,443	2,127,781	(325,616)	1,802,165	737,859
School Building Unlimited Tax Bonds Series 2007	4.50% to 5.00%	76,670,000	58,450,000	(2,250,000)	56,200,000	-
School Building Unlimited Tax Bonds Series 2008	3.00% to 5.00%	58,280,000	43,370,000	(1,630,000)	41,740,000	-
Unlimited Tax Refunding Bonds Series 2008	3.25% to 4.60%	33,305,000	16,475,000	(7,855,000)	8,620,000 (continued)	-

NOTE 7. LONG-TERM DEBT - CONTINUED

Debt Payable-Governmental Activities – Continued

Interest Rate <u>Payable</u>	Amounts Original <u>Issue</u>	Bonds Outstanding at July 1, 2014	Issued (<u>(Retired)</u>	Bonds Outstanding at June 30, 2015	CAB Premium and Accumulated Accretion
5.00% to 5.25%	177,465,000	160,585,000	(4,775,000)	155,810,000	-
4.00%	17,685,000	4,225,000	(4,225,000)	-	-
4.04% to 6.27%	87,390,000	87,390,000	-	87,390,000	-
1.00%	31,900,000	27,910,000	(1,330,000)	26,580,000	-
3.00% to 5.00%	108,815,000	59,340,000	(17,760,000)	41,580,000	-
2.50% to 5.00%	92,840,000	86,180,000	(3,485,000)	82,695,000	
4.00% to 5.00%	46.115.000	46.115.000	(2.375.000)	43.740.000	_
2.00% to			, , ,	, ,	_
4.00% to	, ,	, ,	, , ,	, ,	
4.50% to		, ,	(2,000,000)	, ,	
2.63% to	, ,	, ,	-	, ,	-
2.00% to	, ,	46,795,000	-	, ,	-
5.00%	43,250,000	\$ 924,632,781	43,250,000 \$ (70,195,616)	\$ 854,437,165	- \$ 737,859
	Rate Payable 5.00% to 5.25% 4.00% 4.04% to 6.27% 1.00% 2.50% to 5.00% 4.00% to 5.00% 4.00% to 4.00% to 5.00% 4.50% to 5.00% 5.00% 4.50% to 5.00%	Rate Payable Issue 5.00% to 5.25% 177,465,000 4.00% 17,685,000 4.04% to 6.27% 87,390,000 1.00% 31,900,000 3.00% to 5.00% 108,815,000 2.50% to 5.00% 92,840,000 4.00% to 5.00% 46,115,000 2.00% to 4.00% to 5.00% 53,740,000 4.50% to 5.00% 25,955,000 2.63% to 3.88% 48,795,000 2.00% to 3.88% 48,795,000	Rate Payable Original Issue Outstanding at July 1, 2014 5.00% to 177,465,000 160,585,000 4.00% 176,885,000 4,225,000 4.04% to 87,390,000 87,390,000 1.00% 31,900,000 27,910,000 3.00% to 108,815,000 59,340,000 2.50% to 10 5.00% 92,840,000 86,180,000 4.00% to 27,805,000 46,115,000 46,115,000 4.00% to 53,740,000 53,740,000 48,795,000 2.63% to 3.88% 48,795,000 48,795,000 - 5.00% to 3.88% 48,795,000 - -	Rate Payable Original Issue Outstanding at July 1, 2014 Issued (Retired) 5.00% to to 5.25% 177,465,000 160,585,000 (4,775,000) 4.00% 17,685,000 4,225,000 (4,225,000) 4.04% to 6.27% 87,390,000 87,390,000 - 1.00% 31,900,000 27,910,000 (1,330,000) 3.00% to 5.00% 108,815,000 59,340,000 (17,760,000) 2.50% to 5.00% 92,840,000 86,180,000 (3,485,000) 4.00% to 5.00% 46,115,000 46,115,000 (2,375,000) 2.00% to 5.00% 27,805,000 22,110,000 (6,705,000) 4.50% to 5.00% 53,740,000 53,740,000 - 4.50% to 5.00% 25,955,000 25,955,000 - 2.63% to 5.00% 48,795,000 48,795,000 - 2.00% to 5.00% 43,250,000 - 43,250,000	Rate Payable Payable Original Issue Outstanding at July 1. 2014 Issued (Retired) Outstanding at June 30. 2015 5.00% 10 5.25% 1777,465,000 160,585,000 (4,775,000) 155,810,000 4.00% 17,685,000 4,225,000 (4,225,000) - 4.04% 10 6.27% 87,390,000 87,390,000 - 87,390,000 1.00% 31,900,000 27,910,000 (1,330,000) 26,580,000 3.00% 10 8,815,000 59,340,000 (17,760,000) 41,580,000 2.50% 10 10 8,815,000 59,340,000 (3,485,000) 82,695,000 4.00% 10 46,115,000 46,115,000 (2,375,000) 43,740,000 2.00% 10 5,00% 53,740,000 22,110,000 (6,705,000) 15,405,000 4.00% 10 5,00% 53,740,000 53,740,000 25,955,000 - 25,955,000 2.63% 10 5,00%

NOTE 7. LONG-TERM DEBT - CONTINUED

Debt Payable-Governmental Activities - Continued

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

	Bond Principal			Bond Interest		 Totals
2016	\$	72,407,165	\$	38,214,799		\$ 110,621,964
2017		73,560,000		35,710,532		109,270,532
2018		64,440,000		32,652,369		97,092,369
2019		58,085,000		29,937,703		88,022,703
2020		58,595,000		27,361,462		85,956,462
2021-2025		193,175,000		103,383,859		296,558,859
2026-2030		175,400,000		64,007,349		239,407,349
2031-2035		139,840,000		22,512,542		162,352,542
2036-2040		18,935,000	1	1,228,025		20,163,025
	\$	854,437,165	\$	355,008,640		\$ 1,209,445,805

During the year, the District issued \$43,250,000 Series 2015 Refunding Bonds used to refund \$47,855,000 of outstanding Series 2006 Unlimited Tax Bonds. An amount of \$49,939,312 was placed in an irrevocable trust to provide for future debt service payments relating to the defeased bonds. Accordingly, the trust assets and liabilities for the defeased bonds are not included in the District's financial statements. The aggregate difference in debt service between the refunding debt and the refunded debt is a savings of \$6,846,578 which is a net present value economic gain of \$5,297,109. The net carrying amount of the reacquisition price exceeds the old debt by \$744,576.

As of June 30, 2015, the principal balance of all defeased bonds outstanding was \$47,855,000, which are scheduled to be called February 15, 2016. Original losses on refunding were \$34.9 million of which \$8.5 million is unamortized and reported in the Statement of Net Position as a reduction in the long-term debt. Unamortized bond premiums of \$34.7 million are reported in the Statement of Net Position as an increase in the long-term debt.

As of June 30, 2015, \$16,020,000 of bonds were authorized by bond election and not issued.

NOTE 7. LONG-TERM DEBT - CONTINUED

Other Long-Term Debt

<u>Arbitrage</u> - The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury of investment income received at yields that exceed the issuer's tax-exempt borrowing rates. The U.S. Treasury requires payment for each issue every five years. Arbitrage liability for tax-exempt debt subject to the Tax Reform Act issued through June 30, 2015, amounted to \$20,393.

The estimated liability is updated annually for any tax-exempt issuances or changes in yields until such time payment of the calculated liability is due.

<u>Compensated Absences</u> - Certain employees are entitled to receive accrued vacation pay in a lump-sum cash payment upon termination of employment with the District. The net increase of \$82,231 over the prior fiscal year represents the recorded decrease in the liability due to employees' not using accumulated vacation pay and allowing days to accumulate. The general fund and special revenue funds are used to liquidate compensated absences.

NOTE 8. ENCUMBRANCES

At June 30, 2015, the District had encumbrances which are classified as restricted, committed or assigned in accordance with purpose constraints. Encumbrances reported in the Governmental Funds were as follows:

Function	General Fund	Capital Projects	Food Service	Federal Special Revenue	State Special Revenue	Local Special Revenue	Total
Instruction	\$ 556,364	\$ -	\$ -	\$ 58,836	\$ 6,388,543	\$ 71,650	\$ 7,075,393
Instructional resources	21,530	-	-	-	-	18,412	39,942
Curriculum & instructional							
staff development	12,185	-	-	4,553	3,500	1,840	22,078
Instructional leadership	154	-	-	36,300	-	-	36,454
School leadership	8,288	-	-	-	-	3,084	11,372
Guidance, counseling &							
evaluation services	229,192	-	-	187	16,850	368	246,597
Health services	2,760	-	-	-	-	-	2,760
Student transportation	20,393	-	-	-	-	-	20,393
Food services	-	-	103,386	12,565	-	-	115,951
Co-curricular/extracurricular							
activities	171,889	-	-	-	-	188,720	360,609
General administration	33,919	-	-	-	-	3,416	37,335
Plant maintenance							
and operations	920,072	-	-	-	-	34,803	954,875
Security and							
monitoring services	95,260	-	-	-	-	-	95,260
Data processing services	9,500	-	-	-	-	-	9,500
Community services	33,727	-	-	887	-	1,066.00	35,680
Facilities acquisition							
and construction		16,312,775	565,000				16,877,775
Total encumbrances							
by fund type	\$ 2,115,233	\$ 16,312,775	\$ 668,386	\$ 113,328	\$ 6,408,893	\$ 323,359	\$ 25,941,974

NOTE 9. RISK MANAGEMENT

The District is exposed to various risks related to theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District's risk management program encompasses various means of protecting the District against losses through policies with commercial insurance carriers or through self-insurance. Settled claims have not exceeded insurance coverage in any of the previous five fiscal years.

Workers' Compensation

The District maintains a self-insurance program for workers' compensation. Contributions are paid from all governmental and proprietary funds to the Workers' Compensation Internal Service Fund from which all claims and administrative expenses are paid. The District maintains a catastrophic loss insurance policy for catastrophic losses exceeding \$400,000 per occurrence up to statutory limit of liability.

An accrual for incurred but not reported claims in the amount of \$1,811,000 has been recorded in the fund as of June 30, 2015. Claims payable, including an estimate of claims incurred but not reported, was actuarially determined based on the District's historical claims experience and an estimate of the remaining liability on known claims.

Workers' Compensation Fund changes in claims payable for the years ended June 30, 2015 and 2014:

	Ju	ine 30, 2015	June 30, 2014		
Claims payable, beginning of fiscal year	\$	1,736,000	\$	1,682,000	
Incurred claims and claim adjustment expenses		1,310,639		1,309,077	
Claim payments during the year		(1,235,639)		(1,255,077)	
Claims payable, end of fiscal year	\$	1,811,000	\$	1,736,000	

Health Benefits

The District employees are eligible to purchase health insurance through TRS-Active Care which is the statewide health plan for public education employees established by the 77th Texas Legislature and is a fully insured plan administered by Blue Cross and Blue Shield of Texas.

During the year ended June 30, 2015, the District funded benefit credits of \$259 per month per participating employee to the health insurance internal service fund.

The District contribution, along with the employee contribution made through payroll deduction was used to pay the premiums for the insurance plans chosen by the employee. The District also offers a flexible spending option that is administered by Flexible Benefit Administrators.

NOTE 9. RISK MANAGEMENT - CONTINUED

Property, Casualty, General Liability and Professional Liability

The District purchases commercial policies which include general liability, property and auto insurance. However, the District has established a self-funded internal service fund to pay the cost of deductibles associated with these insurance policies. There have been no significant reductions in insurance coverage from coverage in the prior year for any category of risk.

The deductible for property insurance is \$100,000 with no deductible on auto insurance. In addition, the District purchases professional legal liability insurance and must pay the first \$250,000 on each liability claim. The amount of claims settlements did not exceed the insurance coverage in each of the past three years.

An accrual for incurred but not reported claims in the amount of \$53,176 has been recorded as of June 30, 2015. Property and Liability changes in claims payable for the years ended June 30, 2015 and 2014:

	June 30, 2015		Jun	e 30, 2014
Claims payable, beginning of fiscal year	\$	51,344	\$	52,680
Incurred claims and claim adjustment expenses		34,466		38,730
Claim payments during the year		(32,634)		(40,066)
Claims payable, end of fiscal year	\$	53,176	\$	51,344

Unemployment

During the fiscal year ended June 30, 2011, the District opened a separate internal service fund to account for unemployment benefits. TASB Risk Management Fund bills the District quarterly for the unemployment benefits paid out by the Texas Workforce Commission.

The District maintains the self-insurance program for unemployment benefits which is funded by premiums charged to the general and special revenue funds. An accrual for incurred but not reported claims in the amount of \$288,834 has been recorded as of June 30, 2015.

NOTE 9. RISK MANAGEMENT - CONTINUED

Unemployment – Continued

Changes in unemployment claims payable for the years ended June 30, 2015 and 2014:

	June 30, 2015		Jur	ne 30, 2014
Claims payable, beginning of fiscal year	\$	288,834	\$	288,834
Incurred claims and claim adjustment expenses		131,687		110,598
Claim payments during the year		(131,687)		(110,598)
Claims payable, end of fiscal year	\$	288,834	\$	288,834

The liabilities for each type of claims payable described above are expected to be liquidated within the next twelve months, and are, therefore, recorded as current liabilities.

NOTE 10. EMPLOYEES' RETIREMENT PLAN AND RETIREE HEALTH PLAN

Retirement Plan Description

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

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

Pension Plan Fiduciary Net Position

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

NOTE 10. EMPLOYEES' RETIREMENT PLAN AND RETIREE HEALTH PLAN - CONTINUED

Benefits Provided

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

Contributions

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

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

NOTE 10. EMPLOYEES' RETIREMENT PLAN AND RETIREE HEALTH PLAN - CONTINUED

Contributions - Continued

	Contribution Rates		
	<u>2014</u>		<u>2015</u>
Member	6.4%		6.7%
Non-Employer Contributing Entity (State)	6.8%		6.8%
Employers	6.8%		6.8%
2014 Employer Contributions		\$	5,298,715
2014 Member Contributions		\$	20,247,946
2014 NECE On-Behalf Contributions		\$	16,396,817

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

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

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

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

NOTE 10. EMPLOYEES' RETIREMENT PLAN AND RETIREE HEALTH PLAN - CONTINUED

Actuarial Assumptions

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

Valuation Date August 31, 2014
Acturial Method Normal Individual Entry Age

Amortization Method Level Percentage of Payroll, Open

Remaining Amortization Period 30 Years

Asset Valuation Method 5 year Market Value

Discount Rate 8.00%
Long-term Expected Investment Rate of Return* 8.00%

Salary Increases* 4.25% to 7.25%

Weighted-Average at Valuation Date 5.55% Payroll Growth Rate 3.50%

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

Discount Rate

The discount rate used to measure the total pension liability was 8%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%.

^{*}Includes Inflation of 3%

NOTE 10. EMPLOYEES' RETIREMENT PLAN AND RETIREE HEALTH PLAN - CONTINUED

Discount Rate - Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2014 are summarized below:

			Long-Term
			Expected
	_		Portfolio
	Target	Real Return	Real Rate of
Asset Class	Allocation	Geometric Basis	Return *
Global Equity	18%	7.0%	1.4%
U.S.	13%	7.3%	1.1%
Non-U.S. Developed	9%	8.1%	0.9%
Emerging Markets	4%	5.4%	0.2%
Directional Hedge Funds	13%	9.2%	1.4%
Private Equity			
Stable Value			
U.S. Treasuries	11%	2.9%	0.3%
Absolute Return	0%	4.0%	0.0%
Stable Value Hedge Funds	4%	5.2%	0.2%
Cash	1%	2.0%	0.0%
Real Return			
Global Inflation Linked Bonds	3%	3.1%	0.0%
Real Assets	16%	7.3%	1.5%
Energy and Natural Resources	3%	8.8%	0.3%
Commodities	0%	3.4%	0.0%
Risk Party			
Risk Party	5%	8.9%	0.4%
Alpha			1.0%
Total	100%	 	8.7%

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

NOTE 10. EMPLOYEES' RETIREMENT PLAN AND RETIREE HEALTH PLAN - CONTINUED

Discount Rate Sensitivity Analysis

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

	1%	6 Decrease in			19	6 Increase in
	Di	scount Rate	D	iscount Rate	Di	scount Rate
		(7.0%)		(8.0%)		(9.0%)
Proportionate share of the net pension liability:	\$	99,758,805	\$	55,826,630	\$	22,973,547

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

At August 31, 2014, the District reported a liability of \$55,826,630 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 55,826,630
State's proportionate share that is associated with the District	173,123,406
Total	\$ 228,950,036

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

At August 31, 2014 the District's proportion of the collective net pension liability was 0.2089994%. Since this is the first year of implementation, the District does not have the proportion measured as of August, 31, 2013. The Notes to the Financial Statements for August 31, 2014 for TRS stated that the change in proportion was immaterial and, therefore, disregarded this year.

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

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

NOTE 10. EMPLOYEES' RETIREMENT PLAN AND RETIREE HEALTH PLAN - CONTINUED

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

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective 09/01/2013. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

For the year ended June 30, 2015, the District recognized pension expense of \$16,004,937 and revenue of \$16,004,937 for support provided by the State.

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

	Deferred Outflows of Resources	 ferred Inflows f Resources
Differences between expected and actual economic experiences	\$ 863,377	\$ -
Changes in actuarial assumptions	3,628,793	-
Differences between projected and actual investment earnings Changes in proportion and differences between the employer's	-	17,062,898
contributions and the proportionate share of contributions	 -	14,634
Total	\$ 4,492,170	\$ 17,077,532

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

	Pension		
	Expense		
	 (Income)		
Year ended August 31:	 _		
2016	\$ (3,510,366)		
2017	(3,510,366)		
2018	(3,510,366)		
2019	(3,510,366)		
2020	755,359		
Thereafter	 700,743		
Total	\$ (12,585,362)		

NOTE 10. EMPLOYEES' RETIREMENT PLAN AND RETIREE HEALTH PLAN - CONTINUED

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

At June 30, 2015, the District reported Deferred Resource Outflows and Deferred Resource Inflows for the TRS pension plan as follows:

Total net amounts per August 31, 2014 measurement date Contributions paid to TRS subsequent to the measurement date Total

Deferred		
Outflows of	De	eferred Inflows
Resources	0	f Resources
\$ 4,492,170	\$	17,077,532
8,005,133		-
\$ 12,497,303	\$	17,077,532

Retiree Health Plan

Plan Description

The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit post-employment health care plan administered by the Teacher Retirement System of Texas.

TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants.

Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance code, Sections 1575.202, 203 and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.00% and 0.65% of the public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55%. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee. In addition, the State of Texas contributed \$961,825 in 2015 for on-behalf payments for Medicare Part D.

NOTE 10. EMPLOYEES' RETIREMENT PLAN AND RETIREE HEALTH PLAN - CONTINUED

Retiree Health Plan

Contributions Made

Contributions made by the State, the District and its employees; and the District's covered payroll for the fiscal years 2015, 2014, and 2013 are as follows:

	 2015	2014	2013
Covered Payroll	\$ 327,053,718	\$ 315,425,922	\$ 312,407,141
Contributions made by the State Retirement plan rate * Retiree health care rate Medicare Part D	20,649,844 6.80% 1.00% 961,825	19,585,196 6.80% 1.00% 843,659	17,737,213 6.40% 0.50% 1,187,557
District Required and Actual contributions to TRS & TRS - Care	5,822,171	5,375,842	5,059,543
Employee contributions to TRS & TRS - Care	21,748,666	20,187,185	19,994,021

Contributions Made – Continued

The contributions made by the State on behalf of the District have been recorded in the government-wide financial statements and in the fund financial statement of the General Fund as both state revenues and payroll expenditures. These contributions are the legal responsibility of the State.

TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan and TRS-Care. This report may be obtained by contacting the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701.

NOTE 11. RECAPTURE PAYMENT

Intergovernmental Charges include an amount of \$46,603,711 representing recapture payments made in accordance with the state school finance law.

NOTE 11. RECAPTURE PAYMENT-CONTINUED

The state school finance law has capped the amount of property value per student that can be retained by local districts based on the following: .

	2014-15			
	Tax	Tax Effort		th per WADA
1st Equalized Wealth Level	\$	1.00	\$	504,000
2nd Equalized Wealth Level		0.06		Unlimited
3rd Equalized Wealth Level		0.11	\$	319,500
	\$	1.17		

The District's property value of \$552,244 per weighted average daily attendance is significantly higher than the state mandated limit. The amount of tax revenue generated by the excess property value over the state mandated limit is recaptured by the state. The formula for this expense is based on prior taxable value using current year tax collections and current year WADA (weighted average daily attendance). The District's recapture payment for 2014-2015 of \$46,639,234 increased \$12 million due to increased tax collections. Due to prior year adjustments and final settle ups, the District received \$35,523 from the State.

NOTE 12. COMMITMENTS AND CONTINGENCIES

The District received financial resources from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, subject to audit by the grantor agencies and the Texas Education Agency. Any disallowed claims resulting from such audits could become a liability of the General Fund. However, in the opinion of management, any such disallowed claims, if any, will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2015.

The District is the defendant in a 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 material adverse effect on the accompanying combined financial statements. A provision for losses has been recorded in the self-funded internal service fund to pay the cost of deductibles associated with the District's professional legal liability insurance.

NOTE 12. COMMITMENTS AND CONTINGENCIES-CONTINUED

The District is party to several operating leases for the rental of copier machines and portable buildings. These leases are for various terms with expiration dates through 2019. Payments under the leases for the year ended June 30, 2015 totaled \$1,376,710. Future obligations under the leases are as follows:

2016	\$ 1,171,295
2017	1,096,067
2018	1,088,129
2019	784,815

NOTE 13. SHARED SERVICE ARRANGEMENTS

The District is the fiscal agent for a Shared Service Arrangement (SSA) which provides deaf education services to member districts whose students are enrolled in the Regional Day School Program for the Deaf (RDSPD). In addition to the District, other member districts include Allen ISD, Anna ISD, Blue Ridge ISD, Celina ISD, Community ISD, Coppell ISD, Farmersville ISD, Frisco ISD, Imagine International, McKinney ISD, Melissa ISD, Princeton ISD, Prosper ISD, Richardson ISD and Wylie ISD.

The District, acting as the fiscal agent, receives monies from the granting agencies and administers the program. The fiscal agent is responsible for employment of personnel, budgeting, accounting and reporting. According to guidance provided in the TEA Financial Accounting Resource Guide, Update 15.0, the District has accounted for the activities of the SSA in the appropriate special revenue funds. Additionally, the SSA is accounted for using Model #2 in Section 1.3.1.6 of the Accounting and Reporting Treatment Guidance.

According to the SSA agreement, costs incurred by the RDSPD over and above the amount of state and federal funds received shall be divided among the member districts using a weighted formula based on student services, time and distance to a school.

NOTE 13. SHARED SERVICE ARRANGEMENTS - CONTINUED

Expenditures billed to the SSA members as of June 30, 2015 are summarized below:

Allen ISD Anna ISD Blue Ridge ISD Celina ISD Community ISD Coppell ISD Farmersville ISD Frisco ISD Imagine International McKinney ISD Melissa ISD Plano ISD Princeton ISD Prosper ISD	\$ 119,332 4,955 2,263 18,012 8,531 10,703 4,525 165,766 158 158,904 4,480 731,070 17,527 25,229
	•
Richardson ISD Wylie ISD	266,296 80,872
Total	\$ 1,618,623

NOTE 14. CHANGE IN ACCOUNTING PRINCPLES

As a result of the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date", an adjustment has been made to record the District's net pension liability as of July 1, 2014. As a result, beginning net position of the governmental activities has been decreased by \$64,144,977.

NOTE 15. EVALUATION OF SUBSEQUENT EVENTS

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

NOTE 16. NEW ACCOUNTING PRONOUNCEMENTS

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

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

REQUIRED SUPPLEMENTARY INFORMATION

Teamwork for Excellence



EXHIBIT G-1

PLANO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL – GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2015

Data					Variance With Final Budget	
Control		Budgeted	Amounts	Actual Amounts	Positive or	
Codes		Original	Final	(GAAP BASIS)	(Negative)	
				•	· · ·	
REVEN	JES:					
5700	Total Local and Intermediate Sources	\$ 443,566,893	\$ 448,336,436	\$ 448,322,539	\$ (13,897)	
5800	State Program Revenues	44,247,610	44,985,313	47,625,653	2,640,340	
5900	Federal Program Revenues	5,747,500	5,817,185	6,073,868	256,683	
5000	Total Bassassa	400 500 000	400 400 004	500 000 000	0.000.400	
5020	Total Revenues	493,562,003	499,138,934	502,022,060	2,883,126	
EXPENI	OUTURES:					
0011	Current:	204 204 026	270 007 070	277 442 400	1 475 600	
0011 0012	Instruction Instructional Resources and Media Services	281,394,926 7,959,789	278,887,878	277,412,188 7,650,885	1,475,690	
0012	Curriculum and Instructional Staff Development	6,500,394	7,946,121 6,790,531	6,422,260	295,236 368,271	
0013	Instructional Leadership	3,055,100	3,049,867	2,968,348	81,519	
0021	School Leadership	24,516,127	24,528,979	24,296,589	232,390	
0023	Guidance, Counseling and Evaluation Services	17,800,949	17,740,951	17,262,304	478,647	
0031	Social Work Services	988,571	995,096	976,142	18,954	
0032	Health Services	5,148,992	5,281,270	5,257,760	23,510	
0034	Student (Pupil) Transportation	13,665,350	13,164,496	13,279,301	(114,805)	
0035	Food Services	-	10,312	10,038	274	
0036	Extracurricular Activities	7,277,057	6,883,091	6,565,329	317,762	
0041	General Admininstration	9,458,171	9,882,533	9,517,565	364,968	
0051	Facilities Maintenance and Operations	40,022,633	40,285,298	37,846,129	2,439,169	
0052	Security and Monitoring Services	3,827,635	3,439,230	3,186,924	252,306	
0053	Data Processing Services	5,445,110	5,590,323	5,333,138	257,185	
0061	Community Services	1,180,751	1,180,654	1,191,639	(10,985)	
	Intergovernmental:	, ,	, ,	, ,	, , ,	
0091	Contracted Instructional Services Between Schools	49,696,353	50,356,994	46,603,711	3,753,283	
0092	Incremental Costs Associated with Chapter 41	600,000	600,000	600,000	-	
0093	Payments to Fiscal Agent/Member District of SSA	253,000	268,565	268,565	-	
0095	Payments to Juvenile Justice Alternative Ed. Prg.	183,000	183,000	48,878	134,122	
0097	Payments to Tax Increment Fund	1,854,408	3,377,635	3,377,634	1	
0099	Other Intergovermental charges	2,602,500	2,822,835	2,822,834	1	
6030	Total Expenditures	483,430,816	483,265,659	472,898,161	10,367,498	
1100	Excess (Deficiency) of Revenues Over (Under)					
	Expenditures	10,131,187	15,873,275	29,123,899	13,250,624	
	FINANCING SOURCES (USES):					
7912	Sale of Real and Personal Property	-	400,122	400,122	-	
7915	Transfers In	9,916,464	9,612,058	2,532,615	(7,079,443)	
7949	Insurance Recoveries	(00.047.054)	(00.040.704)	233,145	233,145	
8911	Transfers Out (Use)	(20,047,651)	(30,349,781)	(22,887,036)	7,462,745	
7080	Total Other Financing Sources (Uses)	(10,131,187)	(20,337,601)	(19,721,154)	616,447	
1200	Net Change in Fund Balances	400 470 400	(4,464,326)	9,402,745	13,867,071	
0100	Fund Balance - July 1 (Beginning)	169,179,429	169,179,429	169,179,429		
3000	Fund Balance - June 30 (Ending)	\$ 169,179,429	\$ 164,715,103	\$ 178,582,174	\$ 13,867,071	

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

	2015
District's Proportion of the Net Pension Liability (Asset)	0.2089994%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 55,826,630
States Proportionate Share of the Net Pension Liability (Asset) associated with the District	173,123,406
Total	\$ 228,950,036
District's Covered Employee Payroll	\$ 316,362,498
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Employee Payroll	17.65%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	83.25%

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

PLANO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF THE DISTRICT CONTRIBUTIONS TEACHER RETIREMENT SYSTEM FOR FISCAL YEAR 2015

		2015
Contractually Required Contribution	\$	5,822,171
Contribution in Relation to the Contractually Required Contribution		(5,822,171)
Contribution Deficiency (Excess)	\$	-
District's Covered Employee Payroll	\$;	327,053,718
Contributions as a percentage of Covered Employee Payroll		1.78%

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

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

PLANO INDEPENDENT SCHOOL DISTRICT NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. BUDGETS

The District is required by state law to adopt an annual budget for the General Fund, presented on the modified accrual basis of accounting, which is consistent with GAAP. Annual budgets are also adopted for the Child Nutrition Program and the Debt Service Fund.

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

- A. Prior to June 30 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
- B. A meeting of the Board of Trustees is then called for the purpose of adopting the proposed budget after giving at least ten days and up to 30 days public notice of the meeting.
- C. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board of Trustees.
- D. Budget data is filed with the Texas Education Agency as a part of the District's annual fall submission to the TEA Public Education Information Management System (PEIMS).

Once a budget is approved, it can be amended at the function and fund level only by approval of a majority of the members of the Board of Trustees. The function level is the legal level of budgetary control and the object level is the administrative level of control. Amendments are presented to the Board at its regular meetings. Each amendment crossing the function level must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year-end, as dictated by law.

Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Board approval is not required for amendments by department heads that move monies within a function. Budgeted amounts are as amended by the Board of Trustees. All budget appropriations lapse at year-end.

NOTE 2. SIGNIFICANT ITEMS

Budget Amendments

During the year, numerous budget amendments are approved by the Board in order to redistribute the budget to align specific amounts to meet projected actual expenditures.

PLANO INDEPENDENT SCHOOL DISTRICT NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2015

NOTE 2. SIGNIFICANT ITEMS - CONTINUED

Budget Amendments - Continued

The Board also approves appropriations of fund balance to meet budgetary needs that may arise after the original budget is approved.

Significant changes between the original and final budgets in the General Fund include the following:

Dudmat

Type of Revenue/Expenditure	0	riginal Budget	 Final Budget	A	mendments
Total Local and Intermediate Sources	\$	443,566,893	\$ 448,336,436	\$	4,769,543
Instruction		281,394,926	278,887,878		(2,507,048)
Food Services		-	10,312		10,312
Payments to Tax Increment Fund		1,854,408	3,377,635		1,523,227

The budget for Local and Intermediate Revenues was increased \$4.7 million to reflect the increased property values on the final appraised values.

The adopted budget for Instruction was decreased by \$2.5 million to accurately reflect the salary expenditures. The adopted budget is based on full employment for the entire year and vacancies are valued at an estimate. The final budget is based on actual expenditures.

The Food Service budget was added during the year to cover the costs of the cell phone addendas paid to Food Service staff. This expenditure is not allowed under the federal program.

Payments to the Tax Increment Fund was increased to reflect the amounts paid relating to 2012-13 and 2013-14 for the difference between the \$1.50 original tax rate and the \$1.04 compressed rate actually collected. The amounts at the increased rate were paid into the TIF and the state paid the District through the state revenue formula.

Excess Expenditures

The Budgetary Comparison Schedule for the General Fund indicates two areas with an excess of expenditures over appropriations for the year ended June 30, 2015 as follows:

Type of Expenditure		inal Budget	Actual	Actual Over Budget		
Transportation	\$	13,164,496	\$ 13,279,301	\$	(114,805)	
Community Services		1,180,654	1,191,639		(10,985)	

PLANO INDEPENDENT SCHOOL DISTRICT NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2015

NOTE 2. SIGNIFICANT ITEMS - CONTINUED

Excess Expenditures – Continued

Transportation and Community Service expenditures each were in excess of final budget with a 1% variance. In both categories, the majority of the expenditures are related to salary. The final budget projection was under budget due to the final calculation of TRS on Behalf. Total expenditures for the General Fund did not exceed the budget.

Pension Liability

Changes of Benefit Terms

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

Changes of Assumptions

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period. COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Teamwork for Excellence



EXHIBIT H-1

PLANO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL – DEBT SERVICE FUND FOR THE YEAR ENDED JUNE 30, 2015

Data						iance With al Budget
Control		Budgeted	Amounts	Actual Amounts	Po	sitive or
Codes		Original	Final	(GAAP BASIS)	(1)	legative)
REVEN		A 40 - 00-4 - 0	A 40 5 040 4 5 0	A 100 110 0 7 0	•	
5700	Total Local and Intermediate Sources	\$ 105,935,473	\$ 105,943,473	\$ 106,146,670	\$	203,197
5020	Total Revenues	105,935,473	105,943,473	106,146,670		203,197
EXPEN	IDITURES:					_
	Debt Service:					
0071	Debt Service - Principal on Long Term Debt	64,388,869	65,715,000	65,715,000		-
0072	Debt Service - Interest on Long Term Debt	43,142,523	41,816,391	41,816,391		-
0073	Debt Service - Bond Issuance Cost and Fees	50,000	197,443	635,719		(438,276)
6030	Total Expenditures	107,581,392	107,728,834	108,167,110		(438,276)
1100 E	Deficiency of Revenues Under Expenditures	(1,645,919)	(1,785,361)	(2,020,440)		(235,079)
	R FINANCING SOURCES (USES):					
7911	Refunding Bonds Issued	-	43,250,000	43,250,000		-
7915	Transfers In	80,000	65,000	70,054		5,054
7916	Premium or Discount on Issuance of Bonds	-	6,409,655	6,409,655		-
8949	Payment to Bond Escrow Agent		(49,939,312)	(49,495,821)		443,491
7080	Total Other Financing Sources (Uses)	80,000	(214,657)	233,888		448,545
1200	Net Change in Fund Balances	(1,565,919)	(2,000,018)	(1,786,552)		213,466
1200	The Change in Fana Balanoo	(1,000,010)	(2,000,010)	(1,700,002)		210,100
0100	Fund Balance - July 1 (Beginning)	34,925,023	34,925,023	34,925,023		-
3000	Fund Balance - June 30 (Ending)	\$ 33,359,104	\$ 32,925,005	\$ 33,138,471	\$	213,466
	· • • • • • • • • • • • • • • • • • • •					

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

			240		289	379		
Data			National	Otl	her Federal	Other Federal		
Control		Breakfast and			Special	SSA Special		
Codes		Lun	ch Program	Rev	Revenue Funds		nue Funds	
ASSETS								
1110	Cash and Investments	\$	7,682,734	\$	9,603	\$	_	
1240	Due from Other Governments	Ψ	264,642	Ψ	3,810,940	Ψ	38,041	
1250	Accrued Interest		501		-		-	
1290	Other Receivables		40,447		-		-	
1300	Inventories		270,440		-			
1000	Total Assets	\$	8,258,764	\$	3,820,543	\$	38,041	
LIABILIT	IES AND FUND BALANCES:							
L	iabilities:							
2110	Accounts Payable	\$	65,483	\$	75,728	\$	-	
2160	Accrued Wages Payable		215,763		2,085,398		28,996	
2170	Due to Other Funds		-		1,659,417		9,045	
2180	Due to Other Governments		-		-		-	
2300	Unearned Revenues		737,529		-		-	
2000	Total Liabilities		1,018,775		3,820,543		38,041	
F	und Balances:							
	Ion Spendable							
3410 F	Investments in Inventory Restricted		270,440		-		-	
3450	Food Services		6,969,549		-		-	
3450 C	State Special Revenue Committed		-		-		-	
3545	Local Special Revenue							
3000	Total Fund Balances		7,239,989					
4000	Total Liabilities							
	and Fund Balances	\$	8,258,764	\$	3,820,543	\$	38,041	

EXHIBIT H-2

410 structional Materials Allotment	429 ther State Special enue Funds	;	459 Other SSA Special Revenue Funds		499 Other Local Special Revenue Funds		Total Nonmajor overnmental Funds
\$ 2,675,705 6,400,160 - - -	\$ 182,930 2,055 - - -	\$	527,526 24,309 - - -	\$	9,870,526 - 197 13,566 -	\$	20,949,024 10,540,147 698 54,013 270,440
\$ 9,075,865	\$ 184,985	\$	551,835	\$	9,884,289	\$	31,814,322
\$ -	\$ 2,497	\$	17,035	\$	135,969	\$	296,712
-	1,394 661		534,800		133,477		2,999,828 1,669,123
-	-		-		3,711		3,711
 6,400,160	-				16,448		7,154,137
 6,400,160	 4,552		551,835		289,605		12,123,511
-	-		-		-		270,440
-	-		-		-		6,969,549
2,675,705	180,433		-		-		2,856,138
 	 				9,594,684		9,594,684
 2,675,705	 180,433			- <u></u>	9,594,684		19,690,811
\$ 9,075,865	\$ 184,985	\$	551,835	\$	9,884,289	\$	31,814,322

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

Data Control Codes	ontrol		240 National reakfast and nch Program	;	289 er Federal Special enue Funds	379 Other Federal SSA Special Revenue Funds	
REVEN	UES:						
5700	Total Local and Intermediate Sources	\$	13,365,279	\$	36,463	\$	-
5800	State Program Revenues		576,496		-		-
5900	Federal Program Revenues		9,962,573	-	17,695,026		296,184
5020	Total Revenues		23,904,348		17,731,489		296,184
EXPEN	DITURES:						
C	Current:						
0011	Instruction		-		13,495,438		184,094
0012	Instructional Resources and Media Services		-		-		-
0013	Curriculum and Instructional Staff Development		-		1,216,197		-
0021	Instructional Leadership		-		529,738		35,039
0023	School Leadership		-		-		-
0031	Guidance, Counseling and Evaluation Services		-		990,409		57,051
0032 0033	Social Work Services Health Services		-		- 197,621		-
0033	Student (Pupil) Transportation		<u>-</u>		40,188		_
0034	Food Services		23,411,903		42,521		_
0036	Extracurricular Activities		-		46,732		20,000
0041	General Administration		63,719		12,601		-
0051	Facilities Maintenance and Operations		377,396		32,067		-
0052	Security and Monitoring Services		-		119		-
0053	Data Processing Services		-		-		-
0061	Community Services		-		663,235		-
lı	ntergovernmental:						
0093	Payments to Fiscal Agent/Member Districts of SSA		<u>-</u>		731,070		
6030	Total Expenditures		23,853,018		17,997,936		296,184
1100 E	Excess (Deficiency) of Revenues Over (Under)						
	Expenditures		51,330		(266,447)		
	FINANCING SOURCES:						
7915	Transfers In		39,757		266,447		
7080	Total Other Financing Sources		39,757		266,447		
1200	Net Change in Fund Balance		91,087		-		-
0100	Fund Balance - July 1 (Beginning)		7,148,902		-		-
3000	Fund Balance - June 30 (Ending)	\$	7,239,989	\$	-	\$	-

ı	410 structional Materials Allotment	429 Other State Special Revenue Funds	459 Other SSA Special enue Funds	499 other Local Special venue Funds	Total Nonmajor overnmental Funds
\$	43,656 3,902,774 -	\$ - 68,937 -	\$ 248,545 3,776,806 -	\$ 11,557,306 - -	\$ 25,251,249 8,325,013 27,953,783
	3,946,430	68,937	4,025,351	11,557,306	 61,530,045
	2,330,737 - -	15,544 - 35,246	3,671,924 - 12,044	3,232,536 96,881 270,173	22,930,273 96,881 1,533,660
	- - -	- 1,227 1,240 -	119,560 - 44,175 -	2,663 549,910 198,333 623	687,000 551,137 1,291,208 623
	- - -	- - - 500	- - - 20,707	58,257 2,833 68,530 5,494,447	255,878 43,021 23,522,954 5,582,386
	- - -	- - -	- - -	166,853 541,474 172,510	243,173 950,937 172,629
	- -	- 21,881	- 156,941	394,323 35,571	394,323 877,628
	2,330,737	75,638	4,025,351	11,285,917	731,070 59,864,781
	1,615,693	 (6,701)	 -	 271,389	 1,665,264
	-	 -	 -	 130,832	 437,036
	1,615,693 1,060,012	(6,701) 187,134	- - -	130,832 402,221 9,192,463	2,102,300 17,588,511
\$	2,675,705	\$ 180,433	\$ 	\$ 9,594,684	\$ 19,690,811

PLANO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL – NATIONAL BREAKFAST AND LUNCH PROGRAM FOR THE YEAR ENDED JUNE 30, 2015

Data				Actual Amounts (GAAP BASIS)	Variance With Final Budget
Control		Budgeted	Amounts	,	Positive or
Codes		Original	Final		(Negative)
REVEN	IIES.				
5700	Total Local and Intermediate Sources	\$ 14,286,209	\$ 14,288,559	\$ 13,365,279	\$ (923,280)
5800	State Program Revenues	522,000	522,000	φ 13,303,279 576,496	φ (323,200) 54,496
5900	Federal Program Revenues	9,525,077	9,600,577	9,962,573	361,996
0000	r caciai i rogiaiii itevenaes	0,020,011	3,000,011	3,302,010	001,000
5020	Total Revenues	24,333,286	24,411,136	23,904,348	(506,788)
EXPEN	DITURES:				
0035	Food Services	24,541,298	24,761,909	23,411,903	1,350,006
0041	General Administration	114,759	114,759	63,719	51,040
0051	Facilities Maintenance and Operations	360,000	361,500	377,396	(15,896)
0081	Facilities Acquisition and Construction		565,000		565,000
6030	Total Expenditures	25,016,057	25,803,168	23,853,018	1,950,150
1100	Deficiency of Revenues Under	(200 774)	(4.000.000)	54.000	4 440 000
OTHER	Expenditures FINANCING SOURCES	(682,771)	(1,392,032)	51,330	1,443,362
7915	Transfers In	-	61,608	39,757	(21,851)
7080	Total Other Financing Sources		61,608	39,757	(21,851)
1200	Net Change in Fund Balances	(682,771)	(1,330,424)	91,087	1,421,511
0100	Fund Balance - July 1 (Beginning)	7,148,902	7,148,902	7,148,902	
3000	Fund Balance - June 30 (Ending)	\$ 6,466,131	\$ 5,818,478	\$ 7,239,989	\$ 1,421,511

PLANO INDEPENDENT SCHOOL DISTRICT COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS JUNE 30, 2015

	mployee hild Care	Aft	ter School Care	Co	ncessions	Pho	otography	E	Total onmajor nterprise Funds
ASSETS:									
Current Assets:									
Cash and Investments	\$ 165,850	\$	49,624	\$	111,087	\$	47,204	\$	373,765
Accrued Interest	-		170		7		-		177
Other Receivables	 		468,756						468,756
Total Current Assets	 165,850		518,550		111,094	-	47,204		842,698
Noncurrent Assets:									
Capital Assets:									
Furniture and Equipment	-		-		5,445		-		5,445
Depreciation on Furniture and Equipment	 -		<u> </u>		(5,445)				(5,445)
Total Noncurrent Assets			-		-		-		-
Total Assets	165,850		518,550		111,094		47,204		842,698
LIABILITIES:									
Current Liabilities:									
Accounts Payable	4,405		167,649		1,036		-		173,090
Accrued Wages Payable	61,445		40,350		-		-		101,795
Unearned Revenues	 -		310,551		-		-		310,551
Total Liabilities	65,850		518,550		1,036				585,436
NET POSITION:									
Unrestricted Net Position	 100,000				110,058		47,204		257,262
Total Net Position	\$ 100,000	\$		\$	110,058	\$	47,204	\$	257,262

PLANO INDEPENDENT SCHOOL DISTRICT COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED JUNE 30, 2015

	Employee	After School			Total Nonmajor Enterprise
	Child Care	Care	Concessions	Photography	Funds
OPERATING REVENUES:					
Local and Intermediate Sources	\$ 1,355,019	\$ 8,165,093	\$ 347,126	\$ 39,750	\$ 9,906,988
Total Operating Revenues	1,355,019	8,165,093	347,126	39,750	9,906,988
OPERATING EXPENSES:					
Payroll Costs	1,019,792	4,265,088	107,540	-	5,392,420
Professional and Contracted Services	60,531	16,700	3,809	-	81,040
Supplies and Materials	36,280	125,918	147,009	-	309,207
Other Operating Costs	109,726	1,236,764	66,168	34,133	1,446,791
Total Operating Expenses	1,226,329	5,644,470	324,526	34,133	7,229,458
Operating Income	128,690	2,520,623	22,600	5,617	2,677,530
NON OPERATING REVENUES (EXPENSES):					
Earnings from Temporary Deposits & Investments		3,302		24	3,326
Total Non Operating Revenues (Expenses)		3,302		24	3,326
Income (Loss) Before Transfers	128,690	2,523,925	22,600	5,641	2,680,856
Transfers Out	(28,690)	(2,523,925)			(2,552,615)
Change in Net Position	100,000	-	22,600	5,641	128,241
Total Net Position - July 1 (Beginning)			87,458	41,563	129,021
Total Net Position - June 30 (Ending)	\$ 100,000	\$ -	\$ 110,058	\$ 47,204	\$ 257,262

PLANO INDEPENDENT SCHOOL DISTRICT COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED JUNE 30, 2015

	Emplo Child	•	Af	fter School Care	Co	ncessions	Pho	otography	Total Nonmajor Enterprise Funds
CASH FLOW FROM OPERATING ACTIVITIES:									
Cash Received from User Charges	\$ 1,35	,	\$	8,072,852	\$	347,126	\$	39,750	\$ 9,814,747
Cash Payments to Employees for Services		7,857)		(4,273,180)		(107,540)		-	(5,408,577)
Cash Payments for Suppliers		2,018)		(32,516)		(148,212)		-	(272,746)
Cash Payments for Other Operating Expenses	(10	9,726)		(1,236,764)		(67,738)		(34,133)	(1,448,361)
Net Cash Provided by Operating Activities	12	5,418		2,530,392		23,636		5,617	2,685,063
CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES:									
Transfers Out	(2	8,690)		(2,523,925)		_			(2,552,615)
Transiers Out	(2	0,090)		(2,323,923)					(2,332,013)
Net Cash Used for Non-Capital Financing Activities	(2	8,690)		(2,523,925)		-			(2,552,615)
CASH FLOWS FROM INVESTING ACTIVITIES:									
Proceeds from sales and maturities of investments		_		_		_		988	988
Purchase of Investment Securities		-		(98)		(1,005)		-	(1,103)
Interest and Dividends on Investments				3,138		7		24	3,169
Net Cash Provided by (Used for) Investing Activities				3,040		(998)		1,012	3,054
NET INCREASE IN CASH AND CASH EQUIVALENTS:	9	6,728		9,507		22,638		6,629	135,502
Cash and Cash Equivalents at Beginning of the Year	6	9,122		26,090		56,986		27,234	179,432
Cash and Cash Equivalents at the End of the Year	16	5,850		35,597		79,624		33,863	314,934
Temporary Investment Not in Cash Equivalents				14,027		31,463		13,341	58,831
Cash on Statement of Net Position	\$ 16	5,850	\$	49,624	\$	111,087	\$	47,204	\$ 373,765
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: Operating Income Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities Effect of Increases and Decreases in Current	\$ 12	8,690	\$	2,520,623	\$	22,600	\$	5,617	\$ 2,677,530
Assets and Liabilities									(2.4.22
Decrease (increase) in Receivables		-		(81,378)		-		-	(81,378)
Decrease (increase) in Prepaid Expenses		1,122		-		4 000		-	1,122
Increase (decrease) in Accounts Payable		3,671		110,102		1,036		-	114,809
Increase (decrease) in Accrued Wages Payable Increase (decrease) in Unearned Revenues	(8,065) -		(8,092)		-		-	(16,157)
increase (decrease) in offeathed Revenues				(10,863)					(10,863)
Net Cash Provided by Operating Activities	\$ 12	5,418	\$	2,530,392	\$	23,636	\$	5,617	\$ 2,685,063

PLANO INDEPENDENT SCHOOL DISTRICT COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS JUNE 30, 2015

	752			753
	Pri	nt Shop		Health Benefits
ASSETS:				
Current Assets:				
Cash and Investments Accrued Interest	\$	8,805 -	\$	1,393,958 49
Other Receivables		404		-
Unearned Expenses		-		355,011
Total Current Assets		9,209		1,749,018
Noncurrent Assets:				
Capital Assets:				
Furniture and Equipment		14,944		-
Depreciation on Furniture and Equipment		(11,955)		-
Total Noncurrent Assets		2,989		-
Total Assets		12,198		1,749,018
LIABILITIES:				
Current Liabilities				
Accounts Payable		-		2,714
Accrued Wages Payable		5,723		-
Accrued Expenses			-	104,717
Total Liabilities		5,723		107,431
NET POSITION:				
Investments in Capital Assets		2,989		-
Unrestricted Net Position		3,486		1,641,587
Total Net Position	\$	6,475	\$	1,641,587

772			773		775		786					
	Workers'						surance	Total				
	mpensation		mployment		Sign		Claims	Internal				
Se	elf-Funded	Se	lf-Funded		Shop	Se	lf-Funded	Sei	rvice Funds			
\$	2,861,798	\$	922,684	\$	254,279 \$		304,158	\$	5,745,682			
	187		60		16		20		332			
	-		-		-		-		404			
	-		-				-		355,011			
	2,861,985		922,744		254,295		304,178		6,101,429			
	, , , , , , , , , , , , , , , , , , , ,							-				
	-		-		16,430		-		31,374			
			-		(1,643)		-		(13,598)			
	_		_		14,787		_		17,776			
		-			14,707				17,770			
	2,861,985		922,744		269,082		304,178		6,119,205			
	94		33,840		-		-		36,648			
	-		-		-		-		5,723			
	1,811,000		288,834		-		53,176		2,257,727			
	1,811,094		322,674		-		53,176		2,300,098			
	<u>-</u>		_		14,787		-		17,776			
	1,050,891		600,070		254,295		251,002		3,801,331			
\$	1,050,891	\$	600,070	\$	269,082	\$	251,002	\$	3,819,107			
Ψ	1,000,001	Ψ	000,070	Ψ	200,002	Ψ	201,002	Ψ	5,015,101			

PLANO INDEPENDENT SCHOOL DISTRICT COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2015

		752	753
	F	Print Shop	Health Benefits
OPERATING REVENUES:			_
Local and Intermediate Services	\$	1,280,205	\$ 34,625,722
Total Operating Revenues		1,280,205	34,625,722
OPERATING EXPENSES:			
Payroll Costs		328,308	327,895
Professional and Contracted Services		659,217	147,068
Supplies and Materials		284,751	14,327
Depreciation Other Operating Costs		1,494	- 24 794 050
Other Operating Costs			34,781,959
Total Operating Expenses		1,273,770	35,271,249
Operating Income (Loss)		6,435	 (645,527)
NON OPERATING REVENUES (EXPENSES):			
Earnings from Temporary Deposits & Investments Insurance Recovery		<u>-</u>	- -
Total Non Operating Revenues (Expenses)			
Income (Loss) Before Transfers		6,435	(645,527)
Transfers In		-	650,000
Transfers Out			 <u> </u>
Total Transfers		-	650,000
Change in Net Position		6,435	4,473
Total Net Position - July 1 (Beginning)		40	 1,637,114
Total Net Position - June 30 (Ending)	\$	6,475	\$ 1,641,587

V	772 Vorkers'	77	73	775		786 urance	Total			
Cor	npensation	Unempl		Sign	С	laims	Internal			
Se	lf-Funded	Self-F	unded	Shop	Self	-Funded	Se	rvice Funds		
\$	1,848,982	\$		\$ 7,551	\$	390	\$	37,762,850		
	1,848,982			 7,551		390		37,762,850		
	440,462		_	_		_		1,096,665		
	1,045,764		-	-		19,636		1,871,685		
	96,432		-	3,713		239		399,462		
	-		-	1,643		-		3,137		
	403,371		146,303	 		1,832		35,333,465		
	1,986,029		146,303	 5,356		21,707		38,704,414		
	(137,047)		(146,303)	 2,195		(21,317)		(941,564)		
	F F07		4 005	400		040		0.444		
	5,527		1,835 -	469 -		613 15,174		8,444 15,174		
						10,171		10,111		
	5,527	-	1,835	469	-	15,787		23,618		
	(131,520)		(144,468)	2,664		(5,530)		(917,946)		
	-		-	-		_		650,000		
				(80,000)		-		(80,000)		
	-		-	(80,000)		-		570,000		
	(131,520)		(144,468)	(77,336)		(5,530)		(347,946)		
	1,182,411		744,538	 346,418		256,532		4,167,053		
\$	1,050,891	\$	600,070	\$ 269,082	\$	251,002	\$	3,819,107		

PLANO INDEPENDENT SCHOOL DISTRICT COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2015

		752		753 Health
	Dr.	int Shop	S	Benefits elf-Funded
CASH FLOW FROM OPERATING ACTIVITIES:	• • •	пи опор		en-i unaca
Cash Received from User Charges	\$ ^	1,292,587	\$	34,625,722
Cash Payments to Employees for Services		(335,674)		(327,895)
Cash Payments for Insurance Claims		-		21,317
Cash Payments for Suppliers		(959,275)		(162,825)
Cash Payments for Other Operating Expenses				(34,796,047)
Net Cash Provided by (Used for) Operating Activities		(2,362)		(639,728)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Transfers In		-		650,000
Transfers Out Insurance Proceeds		- -		- -
Net Cash Provided by (Used for) Non-Capital Financing Activities				650,000
CASH FLOWS FROM INVESTING ACTIVITIES				000,000
Proceeds from Sale and Maturities of Securities		1,860		84,580
Interest and Dividends on Investments		2		173
Net Cash Provided by Investing Activities		1,862		84,753
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:		(500)		95,025
Cash and Cash Equivalents at Beginning of the Year		7,323		902,849
Cash and Cash Equivalents at the End of the Year		6,823		997,874
Temporary Investment Not in Cash Equivalents		1,982		396,084
Cash on Statement of Net Position	\$	8,805	\$	1,393,958
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Operating Income (Loss) Adjustments to Reconcile Operating Income (Loss)	\$	6,435	\$	(645,527)
to Net Cash Provided by (Used for) Operating Activities				
Depreciation		1,494		-
Effect of Increases and Decreases in Current		·		
Assets and Liabilities				
Decrease (increase) in Receivables		51,288		-
Decrease (increase) in Prepaid Expenses		- (4 5 207)		(16,117)
Increase (decrease) in Accounts Payable Increase (decrease) in Accrued Wages Payable		(15,307) (7,366)		2,029
Increase (decrease) in Due to Other Funds		(38,906)		- -
Increase (decrease) in Accrued Expenses		-		19,887
Net Cash Provided by (Used for) Operating Activities	\$	(2,362)	\$	(639,728)

772 Workers' Compensation Self - Funded		773 Unemployment Self-Funded		775 Sign Shop	786 nsurance Claims lf-Funded	Total Internal Service Funds		
\$ 1,848,982 (440,462) (1,235,638) (126,826) (108,009)	\$	- - (131,687) - -	\$	7,551 - - (3,713)	\$ 390 - (32,694) -	\$	37,775,232 (1,104,031) (1,378,702) (1,252,639) (34,904,056)	
(61,953)		(131,687)		3,838	(32,304)		(864,196)	
 - - - -		- - - -		(80,000) - (80,000)	- - 15,174 15,174		650,000 (80,000) 15,174 585,174	
200,712 5,807		103,581 1,944		42,257 513	25,104 644		458,094 9,083	
 206,519		105,525		42,770	25,748		467,177	
144,566		(26,162)		(33,392)	8,618		188,155	
1,904,108		686,806		215,356	209,177		3,925,619	
2,048,674		660,644		181,964	217,795		4,113,774	
 813,124		262,040		72,315	86,363		1,631,908	
\$ 2,861,798	\$	922,684	\$	254,279	\$ 304,158	\$	5,745,682	
\$ (137,047)	\$	(146,303)	\$	2,195	\$ (21,317)	\$	(941,564)	
-		-		1,643	-		3,137	
-		-		-	-		51,288	
-		-		-	-		(16,117)	
94		14,616		-	(12,819)		(11,387)	
-		-		-	- -		(7,366) (38,906)	
 75,000		-		-	1,832		96,719	
\$ (61,953)	\$	(131,687)	\$	3,838	\$ (32,304)	\$	(864,196)	

PLANO INDEPENDENT SCHOOL DISTRICT COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES ALL AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2015

	I	Balance July 1 2014		Additions	D	eductions	Balance June 30 2015
STUDENT ACTIVITY FUNDS:			-	10.0			
Assets:							
Cash and Temporary Investments Accrued Interest	\$	292,233 27	\$	171,352 -	\$	161,159 15	\$ 302,426 12
Total Assets	\$	292,260	\$	171,352	\$	161,174	\$ 302,438
Liabilities:							
Accounts Payable Due to Student Groups	\$	115 292,145	\$	159,647 171,352	\$	159,708 161,113	\$ 54 302,384
Total Liabilities	\$	292,260	\$	330,999	\$	320,821	\$ 302,438
OTHER AGENCY FUNDS: Assets:							
Cash and Temporary Investments Other Receivables	\$	149,107 235	\$	1,012,512 -	\$	936,713 160	\$ 224,906 75
Total Assets	\$	149,342	\$	1,012,512	\$	936,873	\$ 224,981
Liabilities: Accounts Payable Due to Other Groups	\$	2,500 146,842	\$	921,889 1,000,027	\$	924,389 921,888	\$ - 224,981
Total Liabilities	\$	149,342	\$	1,921,916	\$	1,846,277	\$ 224,981
TOTAL AGENCY FUNDS: Assets:				_			
Cash and Temporary Investments Accrued Interest Other Receivables	\$	441,340 27 235	\$	1,183,864 - -	\$	1,097,872 15 160	\$ 527,332 12 75
Total Assets	\$	441,602	\$	1,183,864	\$	1,098,047	\$ 527,419
Liabilities: Accounts Payable Due to Student Groups Due to Other Groups	\$	2,615 292,145 146,842	\$	1,081,536 171,352 1,000,027	\$	1,084,097 161,113 921,888	\$ 54 302,384 224,981
Total Liabilities	\$	441,602	\$	2,252,915	\$	2,167,098	\$ 527,419

REQUIRED TEXAS EDUCATION AGENCY REPORT SECTION

PLANO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF DELINQUENT TAXES RECEIVABLE YEAR ENDED JUNE 30, 2015

	Tax R	ates	Ass	essed/Appraised			
Last 10 Years			٧	alue for School		Balance	
Ended June 30	Maintenance	Debt Service		Tax Purposes	J	uly 1, 2013	
2006 & PRIOR	1.5000	0.2334	\$	28,921,415,823	\$	1,000,785	
2007	1.3300	0.2484		30,665,981,311		424,705	
2008	1.0200	0.2484		32,254,750,285		320,243	
2009	1.0400	0.2634		34,847,134,028		783,549	
2010	1.0400	0.2884		33,530,843,785		1,041,644	
2011	1.0400	0.3134		33,730,477,447		928,221	
2012	1.0400	0.3334		33,679,153,618		1,045,784	
2013	1.0400	0.3334		33,895,714,519		1,263,180	
2014	1.1700	0.2830		35,508,818,530		4,684,767	
2015	1.1700	0.2780		37,955,635,681			
1000	Totals				\$	11,492,878	
9000 - Portion of R	\$						

EXHIBIT J-1

Current Year's Total Levy		aintenance ollections		Debt Service Collections	Α	Entire Year's djustments	Jι	Ending Balance ine 30, 2015
	\$	21,969 18,766 23,853 30,812 458,961 531,017 425,179 229,719 1,993,310	\$	3,407 3,505 5,809 7,803 127,274 160,021 136,302 73,642 482,142	\$	(318,104) (623) (468) (289,254) 153,343 668,367 526,453 151,258 (805,242)	\$	657,305 401,811 290,113 455,680 608,752 905,550 1,010,756 1,111,077 1,404,073
537,995,588 \$ 537,995,588		<u>435,423,408</u> <u>439,156,994</u>		104,722,483	\$	6,672,560 6,758,290	 \$	4,522,257 11,367,374
\$ -	\$ Endi	2,110,608 ng Balance 6/3	\$ 0/20 ²	- 15			\$	11,367,374
	Total Less	-	ixes F	District Taxes ReReceivable 6/30/2		le		464 11,367,838 (3,062,083)
	Debt	Service Fund Delinquent Bala	ance	6/30/2015			\$	(3,002,003) (772,248) 7,533,507

Teamwork for Excellence



STATISTICAL SECTION

(Unaudited)

This section of the Plano Independent School District's comprehensive annual financial reportpresents detailed information as a context for understanding what the information in the financial statements, notes, and required supplementary information says about the District's overall financial health.

Contents	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well - being have changed over time.	105
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, property taxes.	109
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the ability to issue additional debt in the future.	110
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	119
Operational Information 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 activities it performs.	122

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Teamwork for Excellence



PLANO INDEPENDENT SCHOOL DISTRICT NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

(Unaudited)

(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

Fiscal Year

	1130011001																		
		2006		2007		2008		2009		2010	2011	2	012	2	2013	2	2014	2	015
Governmental Activities: Net Investment in capital assets	\$	(6,937)	\$	6,177	\$	10,868	\$	13,461	\$	26,482	\$ 41,667	\$ 7	4,007	\$ 9	97,719	\$ 12	20,499	\$ 15	59,052
Restricted		29,922		29,741		34,644		35,000		29,443	29,387	2	7,478	2	26,912	2	29,242	3	31,230
Unrestricted		146,159		160,607		158,432		150,549		146,015	164,593	18	0,777	16	69,663	18	80,980	13	31,642
Total Governmental Net Assets	\$	169,144	\$	196,525	\$	203,944	\$	199,010	\$	201,940	\$ 235,647	\$28	2,262	\$ 29	94,294	\$33	30,721	\$ 32	21,924
Business Type Activities: Net Investment in capital assets	\$	2	\$	2	\$	1	\$	-	\$	-	\$ -	\$	-	\$	-	\$	-	\$	-
Restricted																			
Unrestricted		16		32		(31)		33		19	12		46		98		129		257
Total Business Type Activities	\$	18	\$	34	\$	(30)	\$	33	\$	19	\$ 12	\$	46	\$	98	\$	129	\$	257
Total Primary Government: Net Investment in capital assets	\$	(6,935)	\$	6,179	\$	10,869	\$	13,461	\$	26,482	\$ 41,667	\$ 7	4,007	\$ 9	97,719	\$ 12	20,499	\$ 15	59,052
Restricted		29,922		29,741		34,644		35,000		29,443	29,387	2	7,478	2	26,912	2	29,242	3	31,230
Unrestricted		146,175		160,639		158,401		150,582		146,034	164,605	18	0,823	16	69,761	18	31,109	13	31,899
Total Primary Government	\$	169,162	\$	196,559	\$	203,914	\$	199,043	\$	201,959	\$ 235,659	\$28	2,308	\$ 29	94,392	\$33	30,850	\$ 32	22,181

PLANO INDEPENDENT SCHOOL DISTRICT CHANGE IN NET POSITION LAST TEN FISCAL YEARS

(Unaudited)
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	Fiscal Year																		
	2006		2007		2008		2009		2010		2011		2012		2013		2014		2015
Expenses		_		_															
Governmental activities:																			
Instruction	\$ 253,45		\$ 273,019	\$	299,557	\$	309,070	\$	314,910	\$	318,948	\$	306,009	\$	308,433	\$	316,344	\$	333,944
Instructional Resources & Media Services	11,05		11,527		10,104		9,650		9,104		9,511		8,278		8,761		8,882		9,195
Curriculum & Instructional Staff Development	6,37		7,432		8,764		8,733		9,046		9,638		8,165		8,252		7,440		8,412
Instructional Leadership	3,65 20,73		3,783 20,703		3,775 22,575		4,018 23,368		4,275 23,860		4,147 24,110		3,652 23,056		3,652 23,870		3,383 24,812		3,818 26,673
School Leadership Guidance, Counseling & Evaluation Services	14,12		15,170		16,329		17,390		18,222		18,272		17,093		18,353		18,481		19,459
Social Work Services	1.11		1.246		1,266		1,320		1,205		1.082		819		868		914		1.008
Health Services	3,82		4,163		4,620		4,629		4,992		5,111		5,024		5,145		5,306		5,791
Student (Pupil) Transportation	7,95		8,918		10,903		8,968		11,352		7,378		11,881		9,373		14,222		13,327
Food Services	16,70	00	18,056		19,304		19,686		21,279		22,352		23,671		23,900		24,492		26,341
Cocurricular/Extracurricular Activities	7,70)3	8,196		8,482		9,240		9,272		9,122		8,795		14,104		13,817		14,470
General Administration	10,26		10,715		11,468		8,774		10,007		9,240		8,862		9,864		9,803		10,179
Plant Maintenance & Operations	39,62		42,957		43,518		43,944		43,660		43,993		42,655		43,143		39,577		40,207
Security & Monitoring Services	2,58		2,651		2,944		2,955		2,792		2,245		3,462		3,505		3,390		3,475
Data Processing Services	7,48		8,161		8,384		7,550		8,163		5,272		6,496		5,318		5,332		5,825
Community Services	6,11		6,193		1,220		1,553		1,985		2,245		2,336		2,097		1,826		2,330
Debt Service - Interest on Long Term Debt Debt Service - Bond Issuance Cost and Fees	32,88 18		35,720 150		37,533 134		42,373 132		47,343 34		43,932 490		43,019 35		41,082 33		38,771 308		42,035 192
Facilities Acquisition & Construction	10,70		13,232		13.569		25,792		23,492		23,308		15,960		18,431		13,684		13,728
Contracted Instructional Services Between Schools	132.99		125.383		81.036		91.421		34.752		28,998		39.584		24.960		36.016		46.604
Incremental Costs Associated with Chapter 41	76		838		650		600		600		444		600		600		600		600
Payments to Fiscal Agent/Member Districts of SSA	53		509		719		740		709		834		634		755		999		1,000
Payments to Juvenile Justice Alternative Ed. Prg.	10		137		158		155		132		103		90		212		118		49
Payments to Tax Increment Fund	5,26	66	5,312		4,601		4,834		4,441		8,912		2,594		2,978		1,875		3,378
Other Intergovernmental Charges	-		-		-		2,200		2,248		2,450		2,247		2,388		2,632		2,823
Total governmental activities expenses	596,21	4	624,171		611,613	_	649,095	_	607,875	_	602,137	_	585,017	_	580,077	_	593,024	_	634,863
Dunings to me activities																			
Business-type activities: Employee Child Care							31		694		714		752		1,194		1,219		1,226
After School Care							5,455		5,040		4.932		4,804		4,814		4,966		5,644
Concessions	12	8	137		162		328		213		243		223		231		211		325
Photography	-	-0	-		-		-		58		41		55		44		42		34
Total business-type activities expenses	12	28	137		162		5,814		6,005		5,930		5,834		6,283		6,438		7,229
Total primary government expenses	\$ 596,34	12	\$ 624,308	\$	611,775	\$	654,909	\$	613,880	\$	608,067	\$	590,851	\$	586,360	\$	599,462	\$	642,092
Program Revenues																			
Governmental activities:																			
Charges for Services:																			
Instruction	\$ 4,33	30	\$ 5,048	\$	5,272	\$	4,381	\$	4,357	\$	4,367	\$	4,433	\$	3,889	\$	3,761	\$	3,768
Food Service	11,01	4	11,247		11,680		12,341		12,614		12,682		12,931		13,013		13,659		13,357
Cocurricular/Extracurricular Activities	1,73		1,516		1,482		1,401		1,552		1,425		1,468		1,554		1,612		1,793
Plant Maintenance & Operations	1,20		1,152		1,539		1,122		878		928		935		957		979		1,069
Community Services	6,58		7,052		145		76		81		81		61		33		11		6
Other	64		315		612		269		183		144		124		150		142		97
Operating Grants and Contributions	46,47		48,736		53,350		56,502		77,525		86,767		61,521		62,621		68,323		84,554
Capital Grants and Contributions	1,93		293	_	-					_	615		11,500			_		_	
Total governmental activities program revenues	73,92	20	75,359		74,080	_	76,092	_	97,190	_	107,009	_	92,973	_	82,217		88,487	_	104,644
Business-type activities:																			
Charges for services:																			
Employee Child Care	-		-		11		531		687		726		776		1,095		1,273		1,355
After School Care	-		-		7,462		7,144		6,956		6,960		7,074		7,207		7,542		8,165
Concessions Photography	13	59	176		262		239		199 48		234 43		252 60		262		228 56		347 40
Total business-type activities program revenues	13	39	176		262		7,914		7,890	_	7,963		8,162		8,628	-	9,099		9,907
Total primary government program revenues	\$ 74,05		\$ 75,535	\$	74,342	\$	84,006	\$	105,080	\$	114,972	\$	101,135	\$	90,845	\$	97,586	\$	114,551
. Star primary government program revenues	ψ /+,Ut		ψ 10,000	Ψ	17,042	Ψ	0,000	Ψ	100,000	Ψ	117,312	Ψ	101,100	Ψ	50,045	Ψ	37,000	Ψ	117,001
Net (Expense) Revenue																			
Governmental activities	\$ (522,29	94)	\$ (548,812)	\$	(537,533)	\$	(573,002)	\$	(510,685)	\$	(495,128)	\$	(492,045)	\$	(497,860)	\$	(504,537)	\$	(530,219)
Business-type activities		2	14_		1,921		1,904		1,885	_	2,033		2,328		2,345		2,661	_	2,678
Total primary government net expense	\$ (522,29	92)	\$ (548,798)	\$	(535,612)	\$	(571,098)	\$	(508,800)	\$	(493,095)	\$	(489,717)	\$	(495,515)	\$	(501,876)	\$	(527,541)

PLANO INDEPENDENT SCHOOL DISTRICT CHANGE IN NET POSITION LAST TEN FISCAL YEARS

(Unaudited)
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	Fiscal Year																	
		2006		2007		2008		2009		2010	 2011		2012	2013		2014		2015
Net (Expense) Revenue Governmental activities	\$	(522,294)	\$	(548,812)	\$	(537,533)	\$	(573,002)	\$	(510,685)	\$ (495,128)	\$	(492,045)	\$ (497,860)	\$	(504,537)	\$	(530,219)
Business-type activities	Ψ	2	Ψ	14	Ψ	1,921	Ψ	1,904	Ψ	1,885	 2,033	Ψ	2,328	2,345	Ψ	2,661	Ψ	2,678
Total primary government net expense	\$	(522,292)	\$	(548,798)	\$	(535,612)	\$	(571,098)	\$	(508,800)	\$ (493,095)	\$	(489,717)	\$ (495,515)	\$	(501,876)	\$	(527,541)
General Revenues and Other Changes in Net Position Governmental Activities: Taxes																		
Property taxes levied for general purposes	\$	435,617	\$	409,133	\$	333,528	\$	352,709	\$	349,563	\$ 339,532	\$	344,781	\$ 351,218	\$	412,190		439,832
Property taxes levied for debt service		68,599		77,383		82,905		91,245		98,722	104,420		112,694	114,865		101,575		106,235
Unrestricted grants and contributions		23,418		64,836		105,742		106,017		56,590	75,038		71,575	38,658		25,148		33,279
Investment earnings		13,479		17,681		15,715		9,415		1,488	2,068		760	868		623		622
Miscellaneous		4,916		7,901		5,008		6,815		5,344	5,011		6,551	1,987		2,687		2,659
Insurance recovery		-		-		-		-		-	-		-	-		-		-
Gain (Loss) on disposition of capital assets		-		-		-		-		-	723		-	-		-		386
Transfers				-		2,054		1,867		1,908	 2,043		2,298	2,296		2,632		2,553
Total governmental activities		546,029		576,934		544,952		568,068		513,615	 528,835		538,659	509,892		544,855		585,566
Business-type activities:														_		_		
Investment earnings		1		1		68		26		10	3		(0.000)	2		(2.000)		(0.550)
Transfers				- 4		(2,054)		(1,867)		(1,908)	 (2,043)		(2,298)	(2,296)		(2,632)		(2,552)
Total business-type activities		1_				(1,986)		(1,841)		(1,898)	(2,040)		(2,294)	(2,294)		(2,630)	-	(2,549)
Total primary government	\$	546,031	\$	576,935	\$	542,966	\$	566,227	\$	511,717	\$ 526,795	\$	536,365	\$ 507,598	\$	542,225	\$	583,017
Change in Net Position																		
Governmental activities	\$	23,735	\$	28,122	\$	7,419	\$	(4,934)	\$	2,930	\$ 33,707	\$	46,615	\$ 12,032	\$	40,318	\$	55,347
Business-type activities		3		16		(65)		63		(13)	(7)		33	52		31		129
Total primary government	\$	23,738	\$	28,137	\$	7,354	\$	(4,871)	\$	2,917	\$ 33,700	\$	46,648	\$ 12,084	\$	40,349	\$	55,476

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

(Unaudited)

(Modified Accrual Basis of Accounting) (Amounts Expressed in Thousands)

	Fiscal Year												
	2006	2007	2008	2009	2010	2011 ¹	2012	2013	2014	2015			
General Fund:													
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,610	\$ 2,703	\$ 2,121	\$ 2,044	\$ 1,296			
Reserved	2,241	2,308	2,127	2,506	2,620	-	-	-	-	-			
Assigned	-	-	-	-	-	2,182	1,935	19,870	12,884	9,515			
Unreserved designated	6,133	7,418	6,843	8,250	3,757	-	-	-	-	-			
Unassigned	-	-	-	-	-	147,394	160,919	132,178	154,251	167,771			
Unreserved	114,930	125,947	122,252	116,608	126,838				-				
Total general fund	\$123,304	\$135,673	\$131,222	\$127,364	\$133,215	\$152,186	\$ 165,557	\$154,169	\$ 169,179	\$ 178,582			
All Other Governmental Funds:													
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 284	\$ 290	\$ 211	\$ 185	\$ 270			
Reserved	239	258	204	193	285	· -	· -	· <u>-</u>	-	· -			
Restricted													
Debt Service	-	-	-	-	-	37,435	35,999	35,188	34,925	33,138			
Capital Projects	-	-	-	-	-	80,981	130,444	112,315	64,007	35,596			
Food Service	-	-	-	-	-	8,217	7,185	6,952	6,968	6,970			
Federal Special Revenue	-	-	-	-	-	7	-	-	-	-			
State Special Revenue	-	-	-	-	-	365	818	770	1,247	2,856			
Committed	-	-	-	-	-	5,840	6,772	8,840	9,189	9,596			
Unreserved designated	75	90	567	71,676	77,783	-	-	-	-	-			
Unreserved, reported in													
Special revenue funds	6,867	8,397	9,382	9,610	12,538	-	-	-	-	-			
Capital projects funds	113,855	98,234	89,666	102,660	115,331	-	-	-	-	-			
Debt service fund	36,920	39,184	40,718	45,614	39,320				-				
Total all other governmental funds	\$157,956	\$146,163	\$140,538	\$229,753	\$245,257	\$133,129	\$181,508	\$164,276	\$ 116,521	\$ 88,426			
Total governmental funds	\$281,260	\$281,836	\$271,760	\$357,117	\$378,472	\$285,315	\$347,065	\$318,445	\$ 285,700	\$ 267,008			

¹ Fiscal year 2011, the District implemented GASB 54 which changed the fund balance classifications to Nonspendable, Restricted, Committed, Assigned and Unassigned. See Note 1 to the Basic Financial Statements.

PLANO INDEPENDENT SCHOOL DISTRICT GOVERNMENTAL FUNDS, REVENUES LAST TEN FISCAL YEARS

(Unaudited) (Modified Accrual Basis of Accounting) (Amounts Expressed in Thousands)

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		La			-	а	

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Federal sources:										
Federal grants	\$ 17,936	\$ 16,275	\$ 16,810	\$ 18,199	\$ 38,120	\$ 48,515	\$ 20,571	\$ 23,114	\$ 21,888	\$ 24,065
Food services	4,940	5,349	6,015	6,363	7,496	8,008	8,355	8,963	9,396	9,963
Total federal sources	22,876	21,624	22,825	24,562	45,616	56,523	28,926	32,077	31,284	34,028
State sources:										
State education finance program	36,256	79,568	123,519	124,349	75,535	91,954	87,367	50,928	39,537	47,626
State grants and other	6,641	8,419	8,697	10,234	9,582	9,908	12,190	5,285	11,409	8,325
Total state sources	42,897	87,987	132,216	134,583	85,117	101,862	99,557	56,213	50,946	55,951
Local sources:										
Ad valorem taxes	504,216	487,970	416,042	445,420	448,529	446,091	457,022	466,582	512,921	544,873
Food service sales	11,025	11,246	11,909	12,340	12,611	12,721	12,929	13,012	13,661	13,356
Interest and other income	13,479	18,750	16,255	9,028	1,434	1,644	767	872	635	631
Other revenue	22,921	25,631	16,832	15,747	15,757	15,765	30,330	21,529	19,886	20,966
Total local sources	551,641	543,597	461,038	482,535	478,331	476,221	501,048	501,995	547,103	579,826
Total revenues	\$617,414	\$653,208	\$616,079	\$641,680	\$609,064	\$634,606	\$629,531	\$590,285	\$ 629,333	\$ 669,805

EXHIBIT S-5

PLANO INDEPENDENT SCHOOL DISTRICT GOVERNMENTAL FUNDS, EXPENDITURES AND DEBT SERVICE RATIO LAST TEN FISCAL YEARS

(Unaudited)
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	Fiscal Year										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Expenditures:											
Instruction & Instructional-Related Services	\$257,275	\$277,297	\$300,195	\$306,772	\$312,619	\$318,959	\$299,009	\$297,559	\$305,883	\$ 316,046	
Instructional & School Leadership	23,893	23,937	25,679	26,329	26,602	27,383	25,802	26,397	27,200	28,503	
Support Services - Student	48,392	52,174	57,044	58,956	60,036	62,054	61,800	68,701	71,203	74,047	
Administrative Support Services	9,832	10,438	11,283	8,786	8,812	8,948	8,625	9,408	9,641	9,761	
Support Services - Nonstudent	45,330	50,027	49,445	49,366	49,887	50,344	49,626	50,233	47,394	47,884	
Ancillary Services	6,138	6,187	1,204	1,424	1,987	2,128	2,227	1,965	1,682	2,069	
Debt Service - Principal on long-term debt	39,485	45,880	48,480	50,860	58,918	58,165	67,180	70,215	56,610	65,715	
Debt Service - Interest on long-term debt	35,172	36,000	38,747	39,361	48,048	48,354	47,692	45,878	43,632	41,817	
Debt Service - Bond Issuance Costs and Fees	320	569	397	1,861	1,077	749	413	317	308	635	
Facilities Acquisition & Construction	61,717	95,844	66,346	96,498	118,296	113,055	59,496	78,151	57,645	50,347	
Intergovernmental Charges 1	139,664	132,180	87,164	99,950	42,882	41,741	45,749	31,894	42,240	54,453	
Total Expenditures	\$667,218	\$730,533	\$685,984	\$740,163	\$729,164	\$731,880	\$667,619	\$680,718	663,438	691,277	
Capital Expenditures	\$ 52,526	\$ 85,689	\$ 53,887	\$ 77,375	\$103,874	\$ 99,845	\$ 47,012	\$ 66,635	\$ 46,794	\$ 42,925	
Debt service as a percentage of noncapital expenditures	12.1%	12.7%	13.8%	13.6%	17.1%	16.9%	18.5%	18.9%	16.3%	16.6%	

¹ Intergovernmental charges include: Contracted Instructional Services Between Schools, Incremental Costs Associated with Chapter 41 (2004 first year) Payments to Fiscal Agent/Member Districts of SSA, Payments to Juvenile Justice Alternative Ed. Prg., Payment to Tax Increment Fund (2001 first year), and Appraisal District Costs (2009 first year). The Contracted Instructional Services Between Schools increased due to increases in tax revenue as a result of increases in appraised property values.

EXHIBIT S-6

PLANO INDEPENDENT SCHOOL DISTRICT GOVERNMENTAL FUNDS, OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCE LAST TEN FISCAL YEARS

(Unaudited)

(Modified Accrual Basis of Accounting) (Amounts Expressed in Thousands)

	Fiscal Year										
	2006	2007	2008	2009	2010	2011	2012	2013		2014	2015
Excess of revenues over (under) expenditures	\$ (49,804)	\$ (77,325)	\$ (69,905)	\$ (98,483)	\$ (120,100)	\$ (97,274)	\$ (38,088)	\$ (90,433)	\$	(34,105)	\$ (21,472)
Other financing sources (uses)											
Transfers In	4,955	6,731	9,247	7,446	7,222	5,129	4,087	3,085		11,838	24,940
Transfers Out	(4,955)	(7,331)	(7,192)	(5,580)	(4,694)	(3,086)	(2,589)	(1,588)		(9,706)	(22,957)
Bonds issued	70,535	76,670	58,280	179,999	136,975	-	92,840	53,740		-	=
Refunding bonds issued	-	129,180	33,305	-	-	108,815	46,115	27,805		74,750	43,250
Premiums on bonds issued	2,821	4,496	2,488	1,747	1,952	14,304	14,023	8,903		5,673	6,409
Payment to bond refunding agent	-	(131,106)	(36,299)	-	-	(122,845)	(54,638)	(30,132)		(81,699)	(49,496)
Insurance Proceeds	-	-	-	-	-	-	-	-		505	233
Sale of capital assets	29	-	-	-	-	1,800	-	-		-	400
Capital leases	=	=	=	228	=	=	=	-		-	=
Total other financing sources (uses)	73,385	78,640	59,829	183,840	141,455	4,117	99,838	61,813		1,361	2,779
Net change in fund balances	\$ 23,581	\$ 1,315	\$ (10,076)	\$ 85,357	\$ 21,355	\$ (93,157)	\$ 61,750	\$ (28,620)	\$	(32,744)	\$ (18,693)

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

(Unaudited)
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

		Actual Va			Total	Total	
Fiscal	Residential	Industrial	Rural	Personal	Less:	Assessed	District
Year	Property	Property	Acreage	Property	Exemptions	Value	Rate 1
2006	21,192,806	7,119,236	563,882	2,234,944	2,189,452	28,921,416	1.7334
2007	22,197,270	7,693,125	523,206	2,389,513	2,137,133	30,665,981	1.5784
2008	23,322,123	8,527,170	517,748	2,583,357	2,695,648	32,254,750	1.2684
2009	24,083,793	9,137,863	541,191	2,981,489	1,897,202	34,847,134	1.3034
2010	20,620,809	12,895,711	700,169	3,052,462	3,738,307	33,530,844	1.3284
2011	21,233,623	12,377,934	646,338	3,391,275	3,918,693	33,730,477	1.3534
2012	20,517,769	12,645,545	615,144	3,536,560	3,635,864	33,679,154	1.3734
2013	20,515,276	13,582,588	608,232	3,750,946	4,561,327	33,895,715	1.3734
2014	21,372,046	14,580,038	655,944	4,087,705	4,719,339	35,976,394	1.4530
2015	22,561,174	15,716,480	574,806	4,318,714	5,215,540	37,955,635	1.4390

Source: Comptroller of Public Accounts - School District Summary Worksheet

¹ Per \$100 of assessed value.

EXHIBIT S-8

PLANO INDEPENDENT SCHOOL DISTRICT DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS

(Unaudited)
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

Overlapping Rates 1

	District	es			Collin Co.										
Fiscal Year	Maintenance & Operations	Debt Service	Total	City of Plano	Collin County	Community College (CCCC)	City of Allen	City of Carrollton	City of Dallas	City of Garland	City of Lucas	City of Murphy	City of Parker	City of Richardson	City of Wylie
2006	1.5000	0.2334	1.7334	0.4535	0.2500	0.0894	0.5600	0.5993	0.7417			0.4683	0.2820	0.5252	
2007	1.3300	0.2484	1.5784	0.4535	0.2500	0.0877	0.5580	0.6329	0.7292			0.4683	0.3771	0.5752	
2008	1.0200	0.2484	1.2684	0.4735	0.2450	0.0870	0.5570	0.6179	0.7479			0.4683	0.3771	0.5752	
2009	1.0400	0.2634	1.3034	0.4735	0.2425	0.0865	0.5560	0.6179	0.7479			0.5183	0.3771	0.5752	
2010	1.0400	0.2884	1.3284	0.4735	0.2425	0.0863	0.5550	0.6179	0.7970	0.7046	0.3742	0.5384	0.3771	0.5752	0.8989
2011	1.0400	0.3134	1.3534	0.4886	0.2400	0.0863	0.5540	0.6176	0.7970	0.7046	0.3742	0.5650	0.3371	0.6352	0.8989
2012	1.0400	0.3334	1.3734	0.4886	0.2400	0.0863	0.5530	0.6179	0.7970	0.7046	0.3742	0.5650	0.3771	0.6352	0.8989
2013	1.0400	0.3334	1.3734	0.4886	0.2400	0.0863	0.5520	0.6179	0.7970	0.7046	0.3742	0.5700	0.3771	0.6352	0.8889
2014	1.1700	0.2830	1.4530	0.4886	0.2375	0.0836	0.5500	0.6179	0.7970	0.7046	0.3207	0.5700	0.3509	0.6352	0.8839
2015	1.1700	0.2690	1.4390	0.4886	0.2350	0.0819	0.5400	0.6153	0.7970	0.7046	0.3206	0.5500	0.3509	0.6351	0.8789

¹ Includes levies for operating and debt service

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

(Unaudited)

			2015		2006					
<u>Taxpayer</u>	Taxable Value		Rank	Percentage of Total Taxable Value	Taxable Value		Rank	Percentage of Total Taxable Value		
BCS Office Investments One, LP	\$	329,153,747	1	0.87 %						
Oncor Electric Delivery Company		265,832,334	2	0.70	\$	228,184,717	1	0.79 %		
Health Care Service Corporation		234,520,075	3	0.62						
Texas Instruments, Inc		209,726,181	4	0.55						
Bank of America, NA		209,034,877	5	0.55						
TM Willow Bend Shops LP		200,800,000	6	0.53						
Bank of America, NA		174,000,000	7	0.46						
Texas Instruments, Inc		172,376,757	8	0.45						
HP Enterprise Services LLC		146,470,263	9	0.39						
J C Penney Corporation, Inc		144,841,465	10	0.38		167,084,175	3	0.58		
Alcatel USA Sourcing LP						210,175,207	2	0.73		
Electronic Data Systems Corp.						134,832,418	4	0.47		
Willow Bend Shopping Center LP						115,539,989	5	0.40		
EDS Information Services LLC						157,925,734	6	0.55		
Countrywide Funding Corp						95,626,367	7	0.33		
Dallas Morning News LP						81,109,799	8	0.28		
Ericsson						79,543,082	9	0.28		
HSP of Texas Inc.						78,722,889	10	0.27		
Total	\$	2,086,755,699		5.50 %	\$	1,348,744,377		4.68 %		

Total Taxable Value \$37,955,635,681 \$28,921,415,823

Source: Collin County Tax Assessor Collector

EXHIBIT S-10

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

(Unaudited)

						Collected Wi Fiscal Year of						Total Collections to Date			
Fiscal		Amount	0	and	.,	Levy for		1 isour rear or	Percentage	_	_	Subsequent		Total Concetion	Percentage
<u>Year</u>		Levied	Corrections		Fiscal Year			Amount	of Levy			Years		Amount	of Levy
2006	\$	506,379,142	\$	1,804,641	\$	508,183,783	\$	498,938,497	99	%	\$	8,587,981	\$	507,526,478	99.87 %
2007		489,387,533		742,569		490,130,102		482,508,116	99			7,220,175		489,728,291	99.92
2008		419,159,205		(646,268)		418,512,937		412,176,374	98			6,046,450		418,222,824	99.93
2009		454,874,791		(6,863,835)		448,010,956		441,638,332	97			5,916,944		447,555,276	99.90
2010		438,406,394		12,390,596		450,796,990		445,745,911	102			4,442,327		450,188,238	99.86
2011		449,546,631		(1,163,624)		448,383,007		444,404,742	99			3,072,715		447,477,457	99.80
2012		455,730,380		1,426,239		457,156,619		453,398,398	99			2,747,465		456,145,863	99.78
2013		459,422,353		6,300,800		465,723,153		461,906,257	101			2,705,819		464,612,076	99.76
2014		506,969,500		7,662,574		514,632,074		509,947,307	101			3,280,694		513,228,001	99.73
2015		537,995,588		6,672,560		544,668,148		540,145,891	100			-		540,145,891	99.17

PLANO INDEPENDENT SCHOOL DISTRICT **OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS**

(Unaudited)

(Dollars in thousands, except per capita)

	Governmental Activities			Total	Resources	Net Bonded	Gross Bonded Debt as %	Gross Bonded	Net Bonded Debt as % of	Net Bonded	
Fiscal Year	Unlimited Tax Bonds ²	Loans Payable	Capital Leases	Primary Government	Restricted for Debt Service	Debt Outstanding	of Personal Income ¹	Debt Per Capita	Assessed Value	Debt Per Capita	
2006	\$ 820,099	\$ -	\$ -	\$ 820,099	\$ 24,869	\$ 795,230	7%	\$ 2,551	2.75%	\$ 2,474	
2007	857,459	-	-	857,459	24,755	832,704	6%	2,696	2.72	2,618	
2008	864,026	-	-	864,026	28,440	835,586	6%	2,698	2.59	2,609	
2009	991,780	-	108	991,888	28,528	963,360	10%	3,085	2.85	2,996	
2010	1,068,831	-	-	1,068,831	21,598	1,047,233	10%	3,281	3.12	3,215	
2011	1,011,105	-	-	1,011,105	20,886	990,219	10%	3,086	2.84	3,022	
2012	1,039,226	-	-	1,039,226	20,002	1,019,224	10%	3,146	3.03	3,086	
2013	1,022,548	-	-	1,022,548	19,753	1,002,795	9%	3,058	2.96	2,998	
2014	960,869	-	-	960,869	20,846	940,023	8%	2,839	2.77	2,777	
2015	889,854	-	-	889,854	21,133	868,721	8%	2,601	2.56	2,540	

Note: ¹ Refer to Exhibit S-14 for per capita personal income information.
² Unlimited Tax Bond equals GO Bonds Payable plus Accreted Interest less Premium on Bond Issuance

EXHIBIT S-12

PLANO INDEPENDENT SCHOOL DISTRICT DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2015

(Unaudited)
(Dollars in thousands, except per capita)

Governmental Unit	Gro	ess Bonded Debt	Estimated Percentage Applicable		D	stimated Share of irect and verlapping Debt
City of Plano ¹	\$	319,362	86.10	%	\$	274,971
Collin County Community College ¹		39,000	44.08			17,191
Collin County ²		402,795	45.18			181,983
City of Allen ¹		99,775	3.94			3,931
City of Carrollton 1		168,728	0.52			877
City of Dallas ²		1,700,336	4.16			70,734
City of Garland ¹		260,321	0.19			495
City of Lucas 1		6,036	4.93			298
City of Murphy ¹		32,466	71.99			23,372
City of Parker 1		5,755	74.98			4,315
City of Richardson ¹		208,600	38.90			81,145
City of Wylie ¹		80,795	0.31			250
Subtotal, overlapping debt						659,563
District gross bonded debt						889,854
Total direct and overlapping debt					\$	1,549,417

Sources: Debt outstanding data provided by each governmental unit. Data for calculation of overlapping percentages was provided by Collin County Appraisal District and Dallas County Appraisal District.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district.

¹ Reported as of entity's fiscal year end 2014.

² Reported as of entity's fiscal year end 2015.

PLANO INDEPENDENT SCHOOL DISTRICT LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

(Unaudited) (Dollars in thousands)

Fiscal Year		Debt Limit	Α	Total Net Debt pplicable To Limit		Legal Debt Margin	Applic as a	otal Net Debt able to the Limit Percentage of Debt Limit
2006	\$	2,892,142	\$	757,188	\$	2,134,954		26.18 %
2007		3,066,598		791,397		2,275,201		25.81
2008		3,225,475		797,795		2,427,680		24.73
2009		3,381,040		923,350		2,457,690		27.31
2010		3,353,084		1,007,770		2,345,314		30.06
2011	3,373,048		942,981			2,430,067		27.96
2012		3,367,915		966,485		2,401,430		28.70
2013		3,389,572		949,362		2,440,210		28.01
2014		3,550,882		890,455		2,660,427		25.08
2015		3,795,564		822,037		2,973,527		21.66
	Le	gal Debt Marg	jin Cal	culation for F	Fiscal `	Year 2015		
	Assessed Value Debt limit (10% of Total bonded deb Less reserve for r Debt applicable to Legal debt margir		ot retirem o limit	•	\$	889,854 33,138	\$	37,955,636 3,795,564 <u>856,716</u> 2,938,848

PLANO INDEPENDENT SCHOOL DISTRICT DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Population		Personal Income thousands)	P	r Capita ersonal ncome	Unemployment Rate		
2006	321,423	\$	12,490,424	\$	38,860	4.60	%	
2007	318,073		13,726,042		43,154	3.90		
2008	320,292		15,064,839		47,035	4.30		
2009	321,502		10,299,677		32,036	7.40		
2010	325,781		10,541,298		32,357	7.50		
2011	327,661		9,984,522		30,472	7.60		
2012	330,311		10,403,381		31,496	6.70		
2013	334,437		10,934,607		32,696	6.00		
2014	338,474		11,384,568		33,635	5.00		
2015	342,078		11,625,338		33,984	3.70		

Sources: Population estimates were provided by the District with the exception of 2010 which was obtained from the U.S. Census Bureau.

Personal income figures were obtained from the U.S Census Bureau. Unemployment rates were provided by the Texas Workforce Commission.

PLANO INDEPENDENT SCHOOL DISTRICT PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

		2015		2006					
			Percentage			Percentage			
			Of Total District			Of Total District			
Employer	Employees Rank		Employment	Employees	Rank	Employment			
Plano ISD	6,526	1	4.30 %	6,756	1	5.09 %			
Bank of America Home Loans	4,500	2	2.97	,					
Capital One Finance	4,500	3	2.97						
HP Enterprise Services	4,500	4	2.97						
Ericsson	3,020	5	1.99						
J. C. Penney, Inc.	3,000	6	1.98	3,800	5	2.86			
City of Plano	2,790	7	1.84	2,568	9	1.94			
Frito-Lay	2,500	8	1.65	3,000	7	2.26			
Dell Services	2,250	9	1.48						
Texas Health Presbyterian Hopital	1,680	10	1.11						
Electronic Data Systems				6,700	2	5.05			
Alcatel-USA				5,080	3	3.83			
Perot Systems				4,311	4	3.25			
Shops at Willow Bend				3,240	6	2.44			
Countrywide Home Loans				3,000	8	2.26			
Collin Creek Mall				2,418	10	1.82			
Total	35,266		23.24 %	40,873		30.80 %			

Sources:

Texas Workforce Commission provided total labor force numbers - 2015 (151,737); 2006 (132,704) Plano Economic Development Corporation provided 2015 Principal Employers. 2006 data from PISD 2006 CAFR

PLANO INDEPENDENT SCHOOL DISTRICT FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE LAST TEN FISCAL YEARS

(Unaudited)

_					Fiscal	Year					_
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Percent Change 2006 - 2015
Instruction											
Teachers	3,801	3,855	4,003	4,067	3,942	4,011	3,822	3,813	3,825	3,865	2 %
Librarians	69	66	70	71	70	73	71	71	71	70	1
Educational Aides	668	750	648	661	629	622	580	573	559	568	(15)
Interpreters	12	15	17	12	13	9	12	13	17	14	17
Other Professionals (instructional)	128	132	138	156	141	162	159	153	159	171	34
	4,678	4,818	4,875	4,967	4,796	4,877	4,643	4,623	4,631	4,688	0
Campus Administration											
Principal	67	67	68	68	68	71	71	72	72	72	7
Assistant Principal	83	85	87	90	89	92	87	88	92	95	14
Instructional Officer	6	8	8	8	10	10	10	10	8	8	33
Athletic Director	-	-	-	-	-	2	3	3	3	3	300
	156	160	163	166	167	175	171	173	175	178	14
Student Services											
Counselor	142	145	143	147	146	152	138	143	146	148	4
Educational Diagnostician	27	28	29	29	30	32	30	30	33	34	26
School Nurse	70	70	72	72	72	73	73	71	71	72	3
LSSP/Psychologist	13	13	13	14	14	14	14	13	12	10	(23)
Social Worker	8	9	9	10	10	9	8	8	9	10	25
	260	265	266	272	273	279	263	265	271	274	5
Support and Administration											
Superintendent, Deputy, Assoc. & Assistant	8	8	7	7	7	7	5	6	6	7	(13)
Non-Campus Professionals	204	213	208	211	223	223	216	222	224	229	12
Auxiliary Staff	1,450	1,146	1,375	1,216	1,301	1,342	1,239	1,250	1,219	1,276	(12)
•	1,662	1,366	1,590	1,434	1,531	1,572	1,460	1,478	1,449	1,512	(9)
Total	6,756	6,608	6,894	6,839	6,766	6,903	6,537	6,538	6,526	6,652	(2) %

Source: Fall Public Education Information Management System (PEIMS) Submissions with full-time equivalent employees as of the last Friday in October.

Notes: Full-time instructional employees of the district are employed for 189 contract days. Campus Administrators and Student Services employees are primarily employed for 220 days. Central administrative and non-campus professional staff are employed for 246 days. Auxiliary staff are employed on an hourly basis with daily hours worked ranging from 8 hours to 4 hours.

PLANO INDEPENDENT SCHOOL DISTRICT **OPERATING STATISTICS LAST TEN FISCAL YEARS**

(Unaudited)

Fiscal Year	Enrollment ¹	Operating Expenditures ²	Cost Per Pupil	Percentage Change	Expenditures Excluding Recapture	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2006	53,238	\$ 531,075,643	\$ 9,975	1.86 %	\$ 398,076,567	\$ 7,477	1.56 %	3,801	14.0	21 %
2007	52,997	552,265,959	10,421	4.46	426,882,506	8,055	7.72	3,855	13.7	19
2008	53,683	532,066,841	9,911	(4.89)	451,030,359	8,402	4.31	4,003	13.4	21
2009	54,203	551,978,466	10,184	2.75	460,557,493	8,497	1.13	4,067	13.3	22
2010	54,939	503,313,863	9,161	(10.04)	468,562,031	8,529	0.38	3,942	13.9	25
2011	55,570	511,557,078	9,206	0.48	482,558,989	8,684	1.82	4,011	13.9	26
2012	55,659	492,837,819	8,855	(3.81)	453,254,176	8,143	(6.22)	3,822	14.6	27
2013	55,185	486,157,034	8,810	(0.51)	461,196,436	8,357	2.63	3,813	14.5	28
2014	54,822	505,830,681	9,227	4.74	469,814,931	8,570	2.55	3,825	14.3	29
2015	54,689	532,762,942	9,742	5.58	486,159,231	8,890	3.73	3,865	14.1	31

¹ Enrollment is as of the October reporting date to TEA through the Public Education Information System (PEIMS). ² Operating expenditures are total governmental fund expenditures less debt service and capital projects.

PLANO INDEPENDENT SCHOOL DISTRICT TEACHER BASE SALARIES LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Minimum Salary	Maximum Salary	District Average Salary	Statewide Average Salary
2006	\$ 38,000	\$ 64,528	\$ 43,952	\$ 41,744
2007	41,250	67,092	46,945	44,897
2008	43,149	69,736	48,712	46,178
2009	44,251	71,122	49,669	47,158
2010	45,100	71,858	52,375	48,263
2011	46,150	71,858	51,741	48,639
2012	45,112	71,950	51,579	46,361
2013	46,700	73,137	52,245	48,821
2014	47,000	73,676	52,399	49,692
2015	48,500	74,003	53,800	50,715

Sources:

Plano ISD 2014-2015 Compensation Plan Book TEA PEIMS Standard Reports

PLANO INDEPENDENT SCHOOL DISTRICT SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS

(Unaudited)

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Schools:			· ·							
Elementary	40	40	40	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Buildings Square Feet	42 2,926,668	43 3,045,516	43 3,084,444	44 3,194,580	44 3,204,030	44 3,234,785	44 3,253,327	44 3,301,493	44 3,350,490	44 3,378,450
Enrollment	24,811	24,550	24,730	24,658	25,005	24,941	24,721	24,406	24,107	23,900
Middle School										
Buildings	12	12	12	12	13	13	13	13	13	13
Square Feet	1,805,997	1,805,997	1,814,967	1,817,526	1,970,926	1,979,618	1,980,339	1,980,339	1,980,339	1,980,479
Enrollment	12,048	12,103	12,151	12,476	12,459	12,640	12,706	12,730	12,621	12,447
High School										
Buildings	5	5	5	5	5	5	6	7	7	6
Square Feet	1,126,915	1,233,936	1,233,939	1,233,939	1,274,402	1,275,730	1,572,843	1,679,897	1,679,897	1,572,843
Enrollment	7,984	7,889	7,977	7,936	8,191	8,414	8,433	8,435	8,496	8,540
Senior High School										
Buildings	3	3	3	3	3	3	3	3	3	4
Square Feet	1,252,658	1,252,658	1,272,129	1,272,150	1,328,045	1,369,618	1,369,618	1,458,754	1,458,754	1,576,908
Enrollment	7,071	7,132	7,290	7,429	7,440	7,604	7,806	7,872	7,937	8,183
Early Childhood Schools										
Buildings	3	3	3	3	3	3	3	3	3	3
Square Feet	147,683	147,683	147,683	156,458	156,458	156,458	156,458	156,458	156,458	156,458
Enrollment ¹	1,267	1,261	1,435	1,704	1,844	1,971	1,993	1,742	1,661	1,619
Total Schools										
Buildings	65	66	66	67	68	68	69	70	70	70
Square Feet	7,259,921	7,485,790	7,553,162	7,674,653	7,933,861	8,016,209	8,332,585	8,576,941	8,625,938	8,665,138
Enrollment	53,181	52,935	53,583	54,203	54,939	55,570	55,659	55,185	54,822	54,689

PLANO INDEPENDENT SCHOOL DISTRICT SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year

					1 1000					
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other PISD Facilities:										
Other Educational Facilities -										
Buildings	3	3	3	4	4	5	4	5	5	5
Square Feet	97,775	97,775	97,775	126,961	138,036	246,246	246,246	149,820 ² 1	149820	149,820
Administrative										
Buildings	5	6	6	6	6	6	6	6	6	6
Square Feet	211,866	223,271	223,271	223,271	223,271	223,271	223,271	204,199	204199	204,199
Facility Services										
Buildings	4	4	4	4	4	4	4	4	4	4
Square Feet	142,389	142,389	142,389	142,389	148,662	148,662	148,662	148,662	148662	148,662
Athletics										
Stadiums	6	6	6	6	6	6	6	6	6	6
Running Tracks	9	9	9	9	9	10	10	10	10	10
Tennis Courts	20	20	20	20	21	22	22	21	21	21
Softball Fields	5	5	3	3	3	4	4	4	4	4
Baseball Fields	7	7	7	7	7	8	8	8	8	8
Indoor Athletic Fields	3	3	3	3	3	3	3	3	3	3

Teamwork for Excellence



REPORTS ON INTERNAL CONTROL, COMPLIANCE, AND FEDERAL AWARDS

Teamwork for Excellence





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

Board of Trustees Plano Independent School District Plano, 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, the business-type activities, each major fund, and the aggregate remaining fund information of Plano Independent School District (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 3, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, 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 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 of 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*.

Plano Independent School District

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Purpose of this Report

This 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.

Wenn and Didwey dos

Dallas, Texas November 3, 2015



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

Board of Trustees Plano Independent School District Plano, Texas

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Plano Independent School District

Page 2

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency [15-01].

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

WEAVER AND TIDWELL, L.L.P.

Wenn and Didwey dig

Dallas, Texas November 3, 2015

EXHIBIT K-1

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

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF DEFENSE			
Direct Funding U.S. Department of Defense			
Junior ROTC Program	12.000		\$ 241,880
Samor No 10 1 Togram	12.000		Ψ 211,000
Total Direct Funding U.S. Department of Defense			241,880
TOTAL U.S. DEPARTMENT OF DEFENSE			241,880
U.S. DEPARTMENT OF EDUCATION			
Passed Through State Department of Education			
ESEA Title I Part A - Improving Basic Programs	84.010A	14-610101043910	92,066
ESEA Title I Part A - Improving Basic Programs	84.010A	15-610101043910	4,791,408
Total Title I - Part A Cluster			4,883,474
Title IV IDEA - Part B, Formula	84.027	14-6600010439106600	467,439
Title IV IDEA - Part B, Formula	84.027	15-6600010439106600	8,795,580
Title IV IDEA - Part B, Preschool	84.027	14-6610010439106610	5,119
Title IV IDEA - Part B, Preschool	84.027	15-6610010439106610	234,124
SSA - IDEA - Part B, Discretionary	84.027	15-6600020439106673	209,890
SSA - IDEA - Part B, Deaf	84.027	15-6600010439106601	65,397
SSA - IDEA - Part B, Preschool Deaf	84.173	15-6610010439106611	12,262
Total Special Education Cluster			9,789,811
Vocational Education - Basic Grant	84.048	14-420006043910	1,644
Vocational Education - Basic Grant	84.048	15-420006043910	394,515
Total Vocational Education			396,159
SSA - IDEA, Part C - Early Intervention (Deaf)	84.181A	15-3911010439103911	8,634
Title III, Language Instruction LEP	84.365	14-671001043910	214,521
Title III, Language Instruction LEP	84.365	15-671001043910	965,346
Total Title III			1,179,867
ESEA Title II, Part A, Teacher & Principal Training	84.367A	14-694501043910	107,139
ESEA Title II, Part A, Teacher & Principal Training	84.367A	15-694501043910	676,153
Total Title II, Part A			783,292
			(continued)

EXHIBIT K-1

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

Title IV Part A Summer School LEP	84.369	15-69550502	89,632
Total Passed Through State Department of Education			17,130,869
TOTAL U.S. DEPARTMENT OF EDUCATION			17,130,869
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Funding U.S. Department of Health and Human Services			
Head Start	93.600	CH6042/40	718,747
Head Start	93.600	CH6042/41	327,765
Total Head Start Cluster			1,046,512
Medicaid Administrative Claim Program	93.778	15-043910	111,247
Total Direct Funding U.S. Department of Health and Human	Services		1,157,759
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES	;		1,157,759
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the State Department of Agriculture			
National School Breakfast Program	10.553	15-043910	1,627,534
National School Lunch Program	10.555	15-043910	6,999,104
Commodity Food Distribution	10.555	15-043910	1,335,935
Summer Feeding Program	10.559	14-043910	8,999
Summer Feeding Program	10.559	15-043910	32,167
Total Child Nutrition Cluster			10,003,739
Total Passed Through the State Department of Agriculture			10,003,739
TOTAL U.S. DEPARTMENT OF AGRICULTURE			10,003,739
	TOTAL EXPENDIT	URES OF FEDERAL AWARDS	\$ 28,534,247
			(Concluded)

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

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

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

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in the General Fund or Special Revenue Funds which are both Governmental Fund type. With this measurement focus, only current assets and current liabilities and the 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 deferred 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 ending date, in accordance with provisions in Section H, Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Statement Provisional 6/97.
- 4. The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustments by the grantor agencies; therefore, to the extent that the District has not complied with rules and regulations governing the grants, refund of any money received may be required and the collectability of any related receivable at June 30, 2015 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

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

5. The following table reconciles total expenditures per the Schedule of Expenditures of Federal Awards (Exhibit K-1) to Federal Program Revenues per Exhibit C-3:

Total Expenditures of Federal Awards per Exhibit K-1	\$ 28,534,247
Reimbursements received from the Federal School Health and Related Services	3,805,506
Rebates received from the Federal Government for Build America Bonds	 1,687,898
Total Federal Program Revenues per Exhibit C-3	\$ 34.027.651

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

I. Summary of the Auditor's Results:

Fir	nancial Statements	
a.	An unmodified opinion was issued on the financial state	ements.
b.	Internal control over financial reporting:	
	 Material weakness(es) identified? 	Yes <u>X</u> No
	 Significant deficiency(ies) identified that are not considered a material weakness? 	Yes <u>X</u> None reported
C.	Noncompliance material to financial statements noted.	Yes <u>X</u> No
Ma	ajor Programs	
d.	Internal control over major programs:	
	 Material weakness(es) identified? 	Yes <u>X</u> No
	 Significant deficiency(ies) identified that are not considered a material weakness? 	None reported
e.	An unmodified opinion was issued on compliance for m	najor programs.
f.	Any audit findings disclosed that were required to be reported under Section 510(a) or OMB Circular A-133.	Yes <u>X</u> No
g.	Identification of major programs:	
	Child Nutrition Cluster Title I, Part A Cluster Title III	10.553, 10.555, 10.559 84.010A 84.365
h.	The dollar threshold used to distinguish between Type A and Type B programs.	<u>\$856,027</u>
i.	Auditee qualified as a low-risk auditee.	XYesNo

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

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

None

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

Finding 15-01

CFDA 10.553, 10.555, and 10.559 — Child Nutrition Cluster; 84.010A — Title I, Part A Cluster Department of Education, passed through the Texas Education Agency

Procurement — Significant Deficiency in Controls over Compliance

Criteria — According to the June 2015 OMB Circular A-133 Compliance Supplement, non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction.

Condition — During our procurement testing, we identified two instances where the District failed to properly document the review of vendors for suspension and debarment prior to incurring charges.

Cause — District procedures regarding the review for suspension and debarment was not consistent throughout the purchasing department.

Questioned Costs — None

Effect — Failure to properly document the review of vendors for suspension and debarment can lead to the utilization of vendors that are suspended and debarred which is strictly prohibited.

Recommendation — Review internal controls, procedures and checklists related to procurement to ensure that they are updated, complete and sufficient to comply with grant compliance requirements.

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

Management Response — Purchasing is in the process of reviewing and updating all procedures related to verifying suspensions and debarments for those purchases made with federal funds. Purchasing currently requires a form requesting information from each participating bidder to declare if they have been debarred for all bid processes known to use federal related funds. Each form is then verified using the www.sam.gov federal website and documentation is added to the bid file.

For non-bid purchases using federal funds, Purchasing staff will verify the suspension/debarment using the www.sam.gov federal website and attach the verification to the TEAMS purchase order.

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

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

None

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