



# Stephenville Independent School District

Comprehensive Annual Financial Report  
For the Fiscal Year Ended August 31, 2015  
Stephenville, Texas

Developing the Potential of Every Student, Every Day



# Stephenville Independent School District

Stephenville, Texas

## Comprehensive Annual Financial Report For the Fiscal Year Ended August 31, 2015

Mr. Matt Underwood  
Superintendent

Prepared by  
Business Operations

Deborah Hummel, CPA, RTSBA  
Executive Director Finance & Operations

Julie Griffin, CTSBO, Business Manager

# Stephenville Independent School District

## Mission Statement

Empowering learners to achieve excellence through initiative and integrity.

## Motto

Developing the Potential for Every Student, Every Day.

## Core Values

**Growth**

**Integrity**

**Initiative**

**Relationship**

**Excellence**

**Personalization**

## 2015-2020 Strategic Goals

- Provide a caring and compassionate culture where students can effectively communicate, collaborate, and create, in a way that enables them to connect and function effectively as a lifelong learner.
- Provide a challenging curriculum in tune with evolving technology advancements enabling students to be competitive and successful in the global marketplace.
- Provide daily instruction that challenges students to think creatively, critically, and collaboratively.
- Provide assistance for each student to envision their individual potential, within the context of global workforce, enabling personal responsibility, and provide them the avenues for success.
- Provide challenging education programs delivered by a broader curriculum supported by professional learning that will give students the qualities and skills needed to succeed in the 21<sup>st</sup> century.
- Provide safe and secure educational facilities that enhance an educational experience that is sought after by students all over the country.

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*Introductory Section*

CERTIFICATE OF BOARD

Stephenville Independent School District  
Name of School District

Erath  
County

072-903  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) \_\_\_\_\_approved \_\_\_\_\_disapproved for the year ended August 31, 2015, at a meeting of the board of trustees of such school district on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Signature of Board Secretary

\_\_\_\_\_  
Signature of Board President

If the board of trustees disapproved of the auditor's report, the reason(s) for disapproving it is (are):  
(attach list as necessary)



## Stephenville Independent School District Board of Trustees



Ann Calahan, Ph.D.  
President

**Dr. Calahan** is serving her fourth three-year term as a board member and 10 years as President. She also serves as a member of the Texas Association of School Boards Board of Directors. Dr. Calahan is currently Professor and Head for the Department of Curriculum and Instruction (teacher preparation) at Tarleton State University. She holds a BS degree in Elementary Education from Tarleton, M.Ed. in Educational Leadership with Principal Certification from Tarleton, and Ph.D. in Curriculum and Instruction from Texas A&M University, College Station. Her term expires May 2016.



Mr. Scott Osman  
Vice President

**Mr. Osman** is serving his first three-year term. Mr. Osman has a B.S. in Civil Engineering and Engineering & Public Policy from Carnegie Mellon University and was a Structural Engineer for an international engineering and construction company. Mr. Osman then obtained his Juris a Doctorate from the University of Houston, established his own law firm, and has practiced law for over 20 years in Stephenville. Recently, Mr. Osman became a partner in an antimicrobial company which cleans, protects and preserves the environment with non-leaching, non-toxic products. His term expires in May 2016.



Mrs. Sherrie Evans  
Board Secretary

**Mrs. Evans** is serving her second three-year term following a one-year unexpired term. Mrs. Evans, a lifelong resident of Stephenville, retired from teaching in 2010 after 28 years of service (24 years with Stephenville ISD - teacher/Stingerette Director and 4 years with Tarleton State University - teacher/Stars Director). Mrs. Evans is currently a real estate agent for Hayden Real Estate. Mrs. Evans' term will expire in May 2018.



**Mr. Gary Sult** is serving his third three-year term on the Board of Trustees. He is active in the church and many local, state and international service organizations. He also serves as a director of numerous local non-profit boards, many of which directly impact the youth of the Stephenville area. He and his wife Jana have two sons. Gary is a CPA and a partner with the firm Boucher Morgan & Young CPAs. His term expires May 2018.



**Mrs. Keri Vanden Berge** is serving her second three-year term on the Stephenville Board of Trustees. Keri graduated from Tarleton State University with a major in Interdisciplinary Studies. She then attended Texas Tech University and graduated with a Master's degree in Educational Leadership. Keri has been an elementary teacher, assistant principal, and also supervised student teachers. Her term expires May 2018.



**Mr. Cole Gilliam Parks** is currently serving his first three-year term on the Board of Trustees. Mr. Parks, and his wife, Kaylee, are members of First Baptist Church of Stephenville and they have two children, Holtin (3) and Heidee (1). Passionate about growth, creating value and service to others, Mr. Parks serves on several local and regional, non-profit and for-profit boards. Professionally, he is an Executive with Ameriprise Financial Services, Inc. and the Principal of Southwestern Enterprises. His term expires in May of 2017.



**Dr. Ed Dittfurth** is filling the unexpired term for Place 7. Dr. Dittfurth has been a part of the community for the past 24 years, for 16 years he has served as pastor of Cornerstone Church. Ed is an ordained minister and holds a Master's degree in Management and Leadership; he has completed his Doctorate in Education at Tarleton State University. He and his wife Cristi have three children, Ciara, Rett and Asher. His term expires May 2017.



# STEPHENVILLE

## INDEPENDENT SCHOOL DISTRICT



*Developing the Potential of Every Student, Every Day*

Administration

December 14, 2015

Board of Trustees  
Stephenville Independent School District  
2655 W. Overhill Drive  
Stephenville, Texas 76401

Dear Board Members:

The Texas Education Code requires that all school districts file a complete set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. Pursuant to that requirement and the standards set out for those financial statements, we hereby submit the Comprehensive Annual Financial Report (CAFR) of Stephenville Independent School District ("District") for the fiscal year ended August 31, 2015 herein. The District's Business Office has prepared this report with responsibility for the accuracy and completeness of the report resting solely with the District. To provide reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe this data, as presented, is accurate in all material aspects, is presented in a manner to fairly represent the financial position and results of operation of the District and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included. The CAFR for the year ended August 31, 2015, is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Snow, Garrett, and Williams, CPA, a firm licensed as certified public accountants, has audited the financial statements of the District. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the year ended August 31, 2015, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements: assessing the accounting principles used and

Board of Trustees  
December 14, 2015

significant estimates made by management, and evaluating the overall financial statement presentation. The auditor's report on the financial statements and their conformity with GAAP and GASB is included and can be found on page 14 of this document.

The independent audit of the financial statements is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but, also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are included in this document beginning on page 73.

GAAP also requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors (page 17).

#### District Profile

Stephenville Independent School District is one of 1,247 public school districts in the state of Texas for the school year 2014-2015. It provides a program of public education from pre-kindergarten through grade twelve. The District serves the student population located inside Erath County covering approximately 234 square miles. It serves as a feeder district for three surrounding pre-kindergarten through grade 8 school districts, (Morgan Mill ISD, Bluff Dale ISD, and Three Way ISD). Considered a mid-size school it serves a unique population including students in very rural settings to students with family ties to the thriving Tarleton State University.

The Stephenville Independent School District's Board of Trustees ("Board"), a seven-member group, is elected by the public to serve the students, parents, staff and taxpayers of the District. As a whole the Board has decision-making authority. This level of governance is the policy making body for the District and has responsibility over all activities related to public elementary and secondary school education within the jurisdiction of the District. The members have the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

The District receives funding from local, state and federal funding sources. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. Management of the District is independent of other state and local governments. The Erath County Tax Assessor-Collector collects taxes for the District based on assessments levied by the Erath County Appraisal District, but neither entity exercises any control over its expenditures.

The annual budget is formulated using both core components from the District's Strategic Plan that was developed with community input and those needs outlined in the District and Campus Improvement Plans. This budget serves as the foundation for the District's financial planning and control. The District's adopted budget includes activities in the General Fund, Debt Service Fund and Child Nutrition Fund. The objective of these budgetary controls is to ensure compliance with legal provisions as provided in the annual budget as adopted and amendments approved by the District's Board of Trustees. Comparative analysis in regard to budget is included in the supplemental section of this report.

### Economic Conditions and Outlook

The city of Stephenville is situated approximately 60 miles to the west and south of the Dallas/Fort Worth Metropolitan area. The city serves Stephenville and surrounding communities as the county seat of Erath County, and it is the hub for services to the county for medical, retail, industrial and education. Area within the boundaries of the district includes the entire city of Stephenville and much of Erath County. The area enjoys a fairly stable and diversified economic environment which directly relates to the strength of the state of Texas economy. Agriculture, manufacturing and higher education are the keys and the basis for the economy. Agriculture has been a significant economic factor in the area. Erath County has large livestock production numbers and was 10<sup>th</sup> in the state in cattle production in 2010. The city also has several manufacturing industries in town. Local manufacturing includes coated abrasives; oilfield related products, cream cheese, fiber gratings and fasteners, metal processing of electrical products, trailer customization and forged pipe unions. Tarleton State University, a member of the Texas A & M System, provides further economic stability as the largest employer. The student body includes representatives from 220 Texas counties, 45 states, and 34 foreign countries. Tarleton's 2015 fall enrollment is approaching 12,000 students. Additionally, Ranger College is a growing segment of the educational component of the city. Its enrollment has increased to 350 students at the Stephenville Campus with growth in programs available and students enrolled anticipated.

### Strategic Plan Initiatives and Progress

In 2015, Stephenville Independent School District Board of Trustees participated with staff members, parents and students to develop a strategic mission statement, core values, and goals to move the District forward with purpose. During the process numerous objectives were outlined as components to create a platform to assist the District in meeting the needs of its current students, its future students, their parents, the staff, and the community at large. The goals are:

- Provide a caring and compassionate culture where students can effectively communicate, collaborative, and create, in a way that enables them to connect and function effectively as a lifelong learner.
- Provide a challenging curriculum in tune with evolving technology advancements enabling students to be competitive and successful in the global marketplace.
- Provide daily instruction that challenges students to think creatively, critically and collaboratively.
- Provide assistance for each student to envision their individual potential, within the context of global workforce, enabling personal responsibility, and provide them the avenues for success.
- Provide challenging education programs delivered by a broader curriculum supported by professional learning that will give students the qualities and skills needed to succeed in the 21<sup>st</sup> century.
- Provide safe and secure educational facilities that enhance an educational experience that is sought after by students all over the country.

The Board and the staff will work diligently at addressing each goal. Key components now in process are:

- Implementation of a scalable one to one digital environment for students grades 3-12 beginning at Hook Elementary and working upwards through each grade level with a projected completion date of 2018.
- Implementation was assisted during 2014-2015 school year with an agreement for evaluation and training with a national group, Digital Promise.
- The Board discussed, approved and ordered a Tax Ratification Election held on November 2, 2015 that moved pennies from the Interest and Sinking Fund Tax Rate to the Maintenance and

Board of Trustees  
December 14, 2015

Operations Tax Rate while leaving the total tax rate the same. The TRE was approved by voters at a 71% passage rate. This will add not only additional local funds to the ongoing educational goals but also an influx of additional state revenues based of funding formulas.

- Staff training has begun district wide for a device rich environment and devices have been selected and ordered for the Hook Campus implementation.
- Administrators have begun classroom “Walk-Throughs” using an established rubric to establish a baseline to use for instructional improvement and the consistent and quality use of classroom technology to focus on increased student engagement.
- Some staff have been added or reassigned to assist teachers in creating instruction that meets requirements for content mastery, using components that speak to the 21st Century, a global workforce and advancements in technology.
- Lead teachers for either every grade level or core content area were selected to work with other teachers to move the curriculum forward to increase engagement and content rigor.
- Creating a culture that has the knowledge to create a student safe internet and technological environment by balancing controls and accessibility.
- Participation in the “Raise Your Hand for Texas” Grant application process as additional funding for one to one device and training cost and implementation.
- Continue to think forward with the implementation on what cost can be eliminated as the focus moves from paper to digital and create an avenue for sustainability.

Additional planning components and more specific objectives are completed annually as the District continues to merge the campus site-based planning process and the process of the District’s Improvement Plan. Those planning tools are used as the basis for the District’s budget and financial planning processes. The budget process begins at the campus and department level and continues with a system wide review process. The Board and key administrators develop a final document that specifically relates to the upcoming year. The process also reviews the revenue and expenditure pattern trends considering the local economy and the legislative processes both state and federal that will influence the ability for the District to serve its students and the community. New goals and targets are discussed in terms of the impact this budget will have on future years. All these components converge with the strategic goals to assure that the budget and planning support SISD students, their needs, and the District vision of developing potential for every student, every day for the years to come.

#### Other Information

##### Independent Audit

State law and District policy require an annual audit by independent certified public accountants. The accounting firm of Snow, Garrett and Williams, CPA, was selected to fulfill this requirement. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act of 1984, as amended in 1996 and U.S. Office of Management and Budget Circular A-133, Audits of State, Local and Governments, and Non-Profit Organization. The auditor’s report on the government-wide financial statements and the fund statements and schedules is included in the financial section of this report.

The District received a passing rating in 2015, scoring 30 points out of 30 points, under the State of Texas School FIRST – Financial Integrity Rating System of Texas. Totally revised for the current year, the purpose of this rating system is to ensure that each school district in the state are held accountable for being audited timely and for timely and accurate submission of required reporting of its financial information including use of resources, debt capacity and debt timely payment, and if any, instances

Board of Trustees  
December 14, 2015

material weakness in internal controls were found by the auditors. It also speaks to the District's reporting both financial and operational and requires certain disclosures.

The District received for the second year in a row, The Texas Comptroller's Leadership Circle Award, Platinum Level Distinction for financial transparency developed, posted and maintained by the District on its website. Also, the District's rating with Standards and Poor's was upgraded this year from an A+ to an AA-rating. These are examples of the District work toward financial integrity, transparency, and stability.

Acknowledgements

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Business Office and the Administrative Offices. Our appreciation to all of the members of these departments is expressed. Each assisted and/or contributed to its preparation in some manner.

We also wish to thank the members of the Board of Trustees for their continued leadership and support, for their contributions to the planning and conducting the financial operations of the District in a responsible and progressive manner. Additionally we would like to thank the SISD family of administrators, teachers, and other staff who daily assist the students of this District. Finally it is our honor to serve this Community; one that supports this District and its students creating an environment of continued excellence.

Sincerely,



Matt Underwood  
Superintendent



Deborah Hummel, CPA, RTSBA  
Executive Director of Finance &  
Operations



Government Finance Officers Association

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

Presented to

**Stephenville Independent School  
District, Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**August 31, 2014**

Executive Director/CEO



## **Stephenville Independent School District Administrative Staff**

Mr. Matt Underwood	Superintendent
Kathy Haynes	Executive Director of Human Resources & Student Services
Deborah Hummel, CPA	Executive Director of Finance & Operations
Shelby Womack	Executive Director of Technology & Digital Learning
Jennifer Ryan	Executive Director of Curriculum & Instruction
Kelli Crain	Director of Assessment, Federal & Special Programs
Melinda Harrington	Director of Special Education
Alan Haire	Director of Athletics
Mindy Wooley	Director of Grants Writing and Education Foundation
Keith Starnes	Director of Maintenance Operations
Mona Little	Director of Child Nutrition
Ron Henry	Director of Transportation

## **Campus Administrative Staff**

Stephenville High School	
Stephanie Traweek	Principal
Victor Saucedo	Assistant Principal
Rachel Carter	Assistant Principal
Henderson Junior High School	
Renee Goodwin	Principal
Brian Sanders	Assistant Principal
Gilbert Intermediate School	
Mary Laigle	Principal
Jared Duncan	Assistant Principal
Hook Elementary School	
Stephanie Pack-Acthley	Principal
Daresa Rhine	Assistant Principal
Chamberlin Elementary School	
Jennifer Salyards	Principal
Reagan Hall	Assistant Principal
Central Elementary	
Kelly Magin	Principal
Reagan Hall	Assistant Principal

# Stephenville Independent School District Board of Trustees

Superintendent - Matt Underwood

Executive Director of Finance & Operations  
Deborah Hummel

Director of Maintenance  
Keith Starnes

Director of Transportation  
Ronald Henry

Director of Child Nutrition  
Mona Little

Executive Director of Technology & Digital Learning  
Shelby Womack

Digital Learning Integration Specialist  
Brianna Hodges

Executive Director of Human Resources & Student Services  
Kathy Hampton-Haynes

Director of Special Education  
Melinda Harrington

Principal-Central  
Kelly Magin

Principal-Chamberlin  
Jennifer Salyards

Principal-Hook  
Stephanie Pack-Atchley

Principal-Gilbert  
Mary Laigle

Principal-Henderson  
Renee Goodwin

Principal-SHS  
Stephanie Traweek

Athletic Director  
Alan Haire

Assistant Athletic Dir/Head Trainer  
Mike Carroll

Executive Director of Curriculum and Instruction  
Jennifer Ryan

Director of Assessment, Federal & Special Programs  
Kelli Crain

Director of Grant Writing  
Mindy Wooley

Director of Professional Development  
Michelle McNutt

## **Stephenville Independent School District**

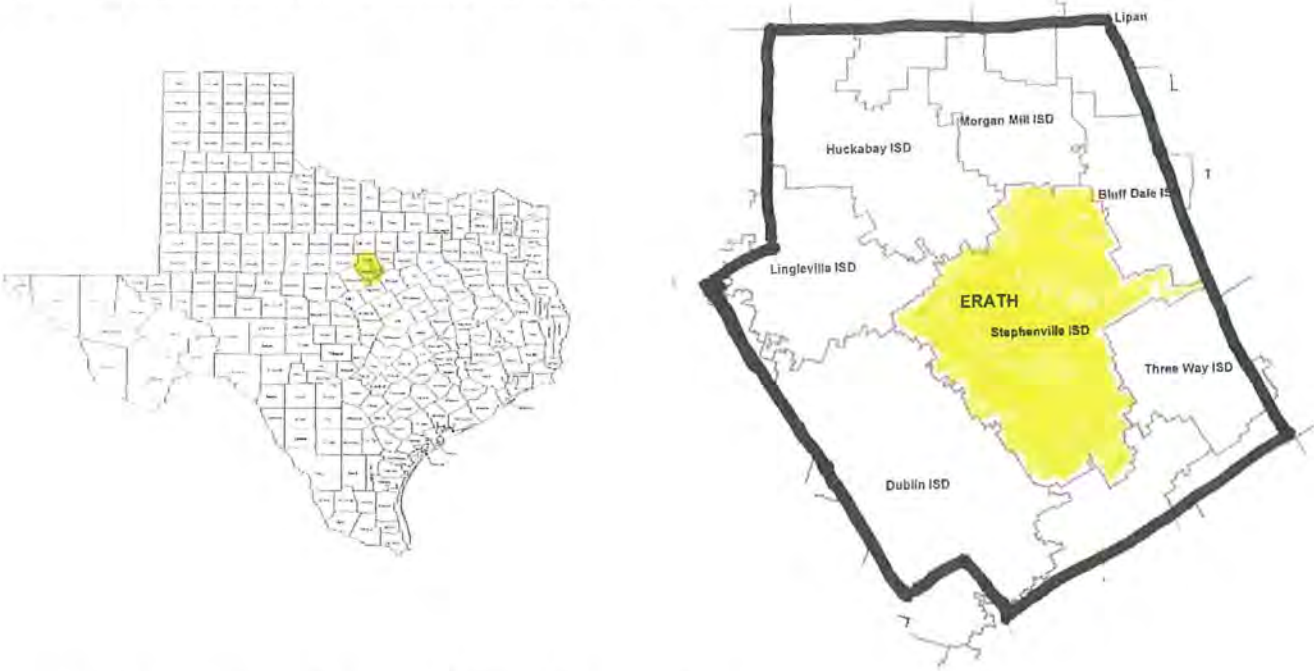
### **Key Consultants and Partners**

Walsh, Anderson, Brown, Gallegos & Green, PC	Legal Counsel
Powell & Leon, LLP	Legal Counsel
Linebarger, Goggan, Blair, Pena & Sampson, LLP	Delinquent Tax Counsel
McCall, Parkhurst & Horton, LLP	Bond Counsel
BOSC, Inc.	Bond Underwriting Consultant
Huckabee & Associates, Inc.	Architectural Consultant
Snow, Garrett & Williams, CPAs	Auditor
BLX Group	Arbitrage Analysis Consultant
SSC Service Solutions	Custodial Contractor
First Financial Bank	Depository

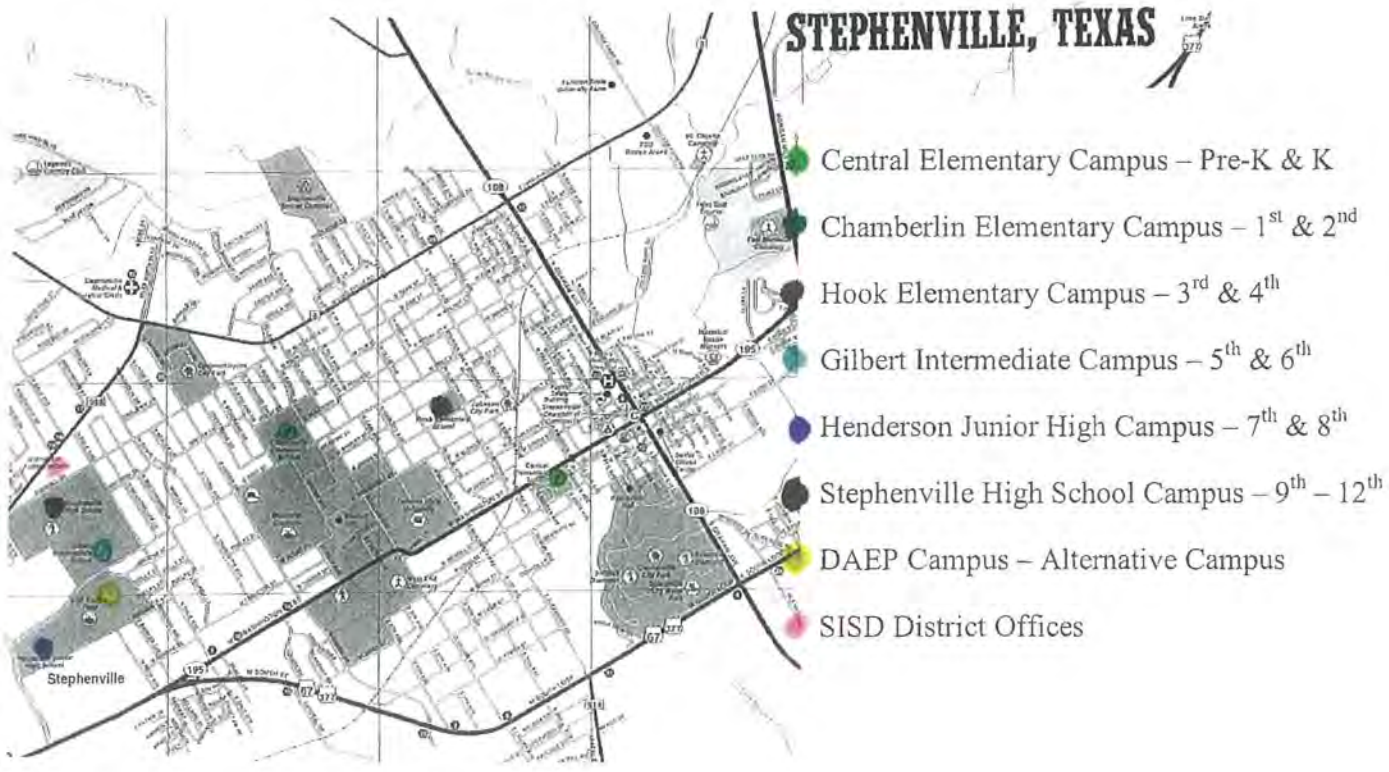
### **Governmental Partners**

Erath County Appraisal District	Tax Appraisal
Erath County Tax Assessor-Collections	Tax Collections
Ranger College	Dual Credit Classes
City of Stephenville	Facility Sharing
City of Stephenville	Resource Officer
Tarleton State University	Stadium Use

Map of School Districts in Erath County with Boundaries



Map of Stephenville, Texas and SISD Campus Locations



*Financial Section*



**SNOW GARRETT WILLIAMS**  
CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditor's Report**

To the Board of Trustees  
Stephenville Independent School District  
2655 W. Overhill Drive  
Stephenville, Texas 76401

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Stephenville Independent School District ("the District") as of and for the year ended August 31, 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Stephenville Independent School District as of August 31, 2015, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *Change in Accounting Principle*

As described in Note A to the financial statements, in 2015, Stephenville Independent School District adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for contributions made Subsequent to the Measurement Date -- an amendment of GASB Statement No. 68*. 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, schedule of the District's proportionate share of the net pension liability and schedule of District pension contributions identified as Required Supplementary Information in the table of contents 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 Stephenville Independent School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

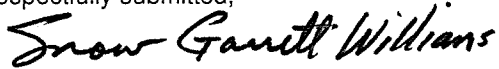
The combining and individual nonmajor fund financial statements and other supplementary information, except for Exhibit J-2, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for that portion labeled "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other supplementary information 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 and Exhibit J-2 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 December 8, 2015 on our consideration of Stephenville Independent School 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 Stephenville Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "Snow Garrett Williams". The signature is written in a cursive, flowing style.

Snow Garrett Williams

December 8, 2015



## Management's Discussion and Analysis (Unaudited)

As management of the District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended August 31, 2015. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which follow this section.

### Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$22,663,704 (*net position*). Of this amount, \$10,319,818 (*unrestricted net position*) may be used to meet the District's ongoing obligations.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$15,091,681. Approximately 60 percent of this total amount, \$9,096,295, is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,096,295 or 33 percent of the total general fund expenditures.

### Overview of the Financial Statements

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

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

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

The *statement of activities* presents information for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (*governmental activities*) as opposed to *business-type activities* that are intended to recover all or a significant portion of their costs through user fees and charges. The District has no *business-type activities* and no component units for which it is financially accountable. The government-wide financial statements can be found on pages 24-25 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. 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/or bond covenants.
- Other funds may be established by the Board to control and manage money for particular purposes or to show that it is properly using certain taxes or grants.

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

- **Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The District adopts an annual appropriated budget for its general fund, debt service fund and food service fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found on pages 26-29 of this report.
- **Fiduciary funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The District is the trustee, or *fiduciary*, for these funds and 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 position and a statement of changes in fiduciary net assets that can be found on pages 30-31.
- **Notes to the financial statements.** The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32-50 of this report.

**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. Required supplementary information can be found on pages 51-55 of this report.

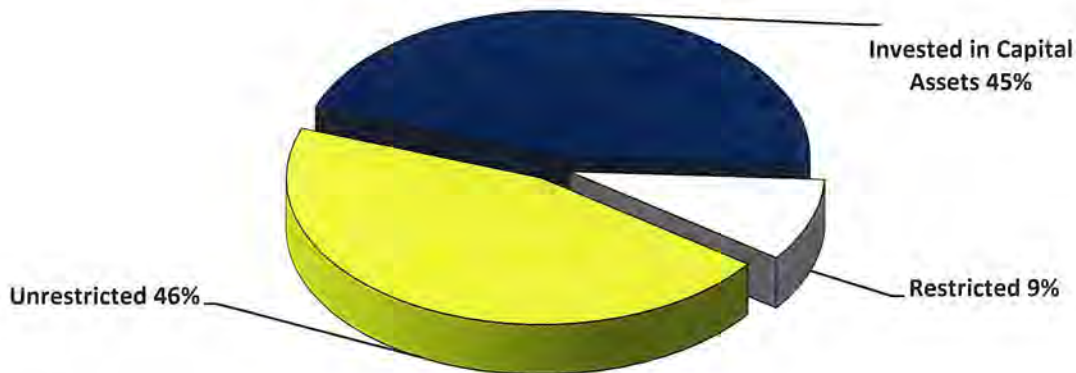
### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, net assets exceeded liabilities by \$22,663,704, as of August 31, 2015.

### The District's Net Position

	August 31, 2015	August 31, 2014
Current assets	\$ 17,784,402	\$ 16,337,814
Capital assets	39,839,876	41,582,706
Total assets	<u>57,624,278</u>	<u>57,920,520</u>
Deferred outflows of resources		
Deferred loss on refunding	273,150	406,002
Deferred outflow related to pensions	687,936	-
Total deferred outflows of resources	<u>961,086</u>	<u>406,002</u>
Current liabilities	2,450,168	2,780,625
Long-term liabilities outstanding	32,621,511	31,557,711
total liabilities	<u>35,071,679</u>	<u>34,338,336</u>
Deferred inflows of resources		
Deferred inflow related to pensions	849,981	-
Total deferred outflows of resources	<u>849,981</u>	<u>-</u>
Net position:		
Net investment in capital assets	10,270,113	11,062,368
Restricted	2,073,773	1,486,949
Unrestricted	10,319,818	11,438,869
Total net position	<u>\$ 22,663,704</u>	<u>\$ 23,988,186</u>

### Net Assets as of 8/31/15



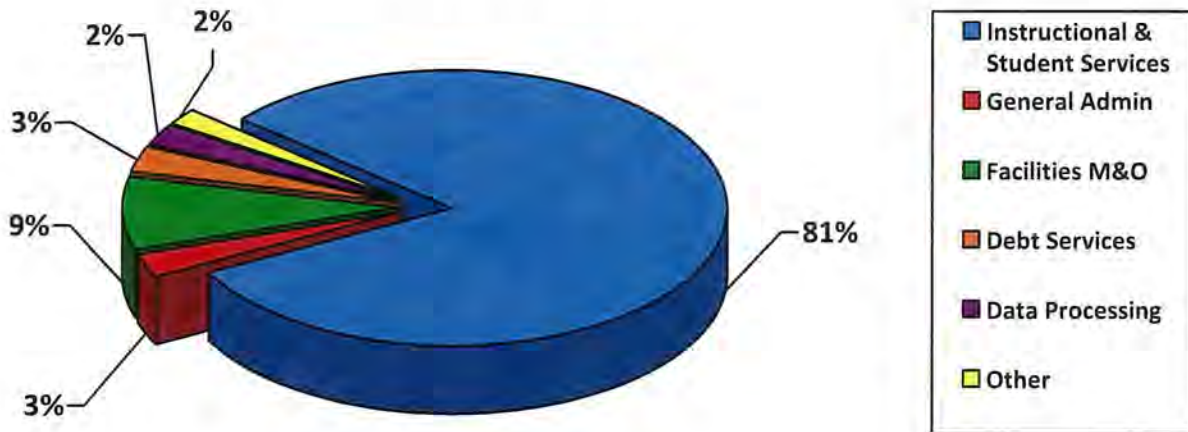
Investment in capital assets (e.g., land, buildings, furniture and equipment, and construction in progress) is \$10,270,113. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional \$2,073,773 of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$10,319,818, may be used to meet the District's ongoing obligations. This surplus is not an indication that the District has significant resources available to meet financial obligations next year, but rather the result of having *long-term* commitments that are less than currently available resources and due to bond proceeds for construction projects.

**Governmental activities.** The District's total net position increased \$1,823,680. The total cost of all *governmental activities* this year was \$34,966,853. The amount that our taxpayers paid for these activities through property taxes was \$17,760,663 or 51%.

**Changes in the District's Net Position**

	<u>Fiscal Year</u> <u>August 31, 2015</u>	<u>Fiscal Year</u> <u>August 31, 2014</u>
Revenues:		
Program Revenues		
Charges for Services	\$ 448,483	\$ 1,234,888
Operating Grants and Contributions	5,078,408	4,630,403
General revenues		
Property Taxes	17,760,663	16,915,161
State Grants	10,103,225	10,870,809
Other	3,399,754	782,703
Total Revenues	<u>36,790,533</u>	<u>34,433,964</u>
Expenses:		
Instruction	19,226,260	18,038,363
Instruction Resources & Media Services	419,377	408,882
Curriculum and Staff Development	373,775	306,820
Instructional Leadership	490,673	445,650
School Leadership	1,543,331	1,393,141
Guidance, Counseling & Evaluation Services	1,207,352	1,002,847
Health Services	346,620	275,369
Student Transportation	1,175,140	1,172,545
Food Service	1,568,332	1,638,233
Cocurricular / Extracurricular Activities	1,972,319	1,748,869
General Administration	1,027,773	944,884
Facilities Maintenance & Operations	2,973,140	3,224,356
Security and Monitoring Services	84,445	110,958
Data Processing Services	859,542	763,991
Community Services	18,337	45,429
Interest on Long-Term Debt	982,586	1,106,351
Bond Issuance Costs and Fees	139,852	-
Capital Outlay	-	715,294
Payments Related to Shared Service Arrangements	64,851	89,464
Other Intergovernmental Charges	493,148	467,652
Total Expenses	<u>34,966,853</u>	<u>33,899,098</u>
Increase (decrease) in net position	1,823,680	534,866
Net position - beginning	23,988,186	23,453,320
Prior period adjustment	(3,148,162)	-
Net position - beginning, as restated	<u>20,840,024</u>	<u>23,453,320</u>
Net position - ending	<u>\$ 22,663,704</u>	<u>\$ 23,988,186</u>

### **Expenditures by Function**



#### **Financial Analysis of the District's Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes.

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$15,091,681, an increase of \$1,872,650. Approximately 60 percent of this total amount (\$9,096,295) constitutes *unassigned fund balance*. The remainder of fund balance is *restricted* or *committed*, to indicate that it is not available for new spending because it has already been *restricted* for (1) federal and state grant restrictions (\$560,395), (2) capital acquisitions and contractual obligations (\$400,454), and (3) retirement of long-term debt (\$1,072,166); and, *committed* for other commitments (\$3,962,371).

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 \$9,096,295, out of a total fund balance of \$12,885,570. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total fund expenditures. Unassigned fund balance represents 33 percent of the total general fund expenditures, while total fund balance represents 47 percent of that same amount.

The fund balance of the District's general fund increased \$1,939,490 during the current fiscal year. Key factors in this increase are:

- Sale of land totaling \$308,000;
- Savings in utility cost and other maintenance areas for approximately \$300,000;
- Insurance recovery for roof repairs to be completed in 2015 in the amount of \$1.3 million.

## General Fund Budgetary Highlights

Over the course of the year, the District recommended and the Board approved several revisions to budgeted revenue and appropriations. These amendments were due to allow for unexpected occurrences and to better reflect the activities of the District. Budget revisions were primarily due to:

- Increases in revenue are related primarily to increases receipts in the form of insurance recovery, gifts and specific service billed to payees. Decreases in revenue were related to a drop in enrollment of 50 students for the year.
- Increases in expenditures related to uses of gifts and awards, replacements and repairs for insured items. Additionally some revisions related only to movement of expenditure from one function to another function for more appropriate recoding based on TEA's Financial Accounting Resources Guide.

The following are significant variations between the final budget and actual amounts for the general fund:

- Actual revenues were higher than budgeted by \$2,023,096 primarily related to an increase in Local and Intermediate Sources: and,
- Actual expenditures were lower than budgeted by \$463,589 primarily due to Instruction, Instructional Leadership, and Plant Maintenance and Operations.

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment purchases. The fund balance of the District's capital projects fund was \$400,454 as of August 31, 2015, all of which is restricted or committed for capital projects. The net decrease in the capital projects fund balance for the fiscal year ending August 31, 2015, was \$230,920 due to construction expenditures incurred for the completion of Chamberlin and Central Elementary campus improvements.

## Capital Asset and Debt Administration

**Capital assets.** The District's investment in capital assets for its governmental activities as of August 31, 2015, amounts to \$39,839,876 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and furniture and equipment.

Major capital asset events during the year included the completion of major projects like Chamberlin and Central Elementary campus improvements completion, district-wide security and access controls, and the purchase of a 77 passenger bus.

### Districts Capital Assets (net of depreciation)

	<u>August 31, 2015</u>	<u>August 31, 2014</u>
Land	\$ 567,436	\$ 574,936
Buildings and improvements	37,947,693	15,984,122
Furniture and equipment	1,324,747	1,458,694
Construction in progress	-	23,564,954
Total at historical cost	<u>\$ 39,839,876</u>	<u>\$ 41,582,706</u>

Additional information on the District's capital assets can be found in Note C on page 40 of this report.

**Long-term debt.** As of August 31 ,2015, the District had total general obligation bonded debt outstanding of \$27,340,000, a decrease of \$1,505,000 over the prior year. Premium on bonds decreased \$211,869 from the prior year resulting in an ending balance of \$2,538,123. The District's discount on bonds decreased \$2,071 from the prior year resulting in an ending balance of (\$35,210). The District's loss on refunding decreased \$132,852 from the prior year resulting in an ending balance of (\$273,150). The net pension liability for fiscal year 2015 had an ending balance of \$2,778,598 due to the implementation of GASB 68 & 71.

Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC Business ("S&P") has assigned a municipal bond rating of "AAA" to the Bonds based upon the Permanent School Fund Guarantee. S&P generally rates all bond issues guaranteed by the Permanent School Fund of the State of Texas "AAA".

The District's underlying rating for the Bonds (without consideration of the Permanent School Fund guarantee or other credit enhancement) is "AA-" by S&P.

State statutes limit the amount of general obligation debt a government entity may issue up to 10 percent of its total assessed valuation. The current debt limitation for the District is

\$142,787,497, which is significantly in excess of the District's outstanding general obligation debt.

Additional information on the District's long-term debt can be found in Note E on pages 41-42 of this report.

#### **Economic Factors and Next Year's Budgets and Rates**

- Tax rate for Maintenance & Operations budget set at \$ 1.17 per \$100 valuation and Interest and Sinking rate for \$0.0649 for a total tax rate of \$1.2349.
- The District budgeted revenues of \$30,074,648 and expenditures of \$29,063,675 in the 2015-2016 budget.

#### **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances as well as demonstrate accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Stephenville Independent School District's Business Office.

*Basic Financial Statements*



**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**AUGUST 31, 2015**

Data Control Codes	1	Governmental Activities
<b>ASSETS:</b>		
1110	<i>Cash and Cash Equivalents</i>	\$ 8,440,464
1120	<i>Current Investments</i>	8,168,445
1225	<i>Property Taxes Receivable (Net)</i>	292,383
1240	<i>Due from Other Governments</i>	516,862
1290	<i>Other Receivables (Net)</i>	6,248
1410	<i>Unrealized Expenses</i>	360,000
Capital Assets:		
1510	<i>Land</i>	567,436
1520	<i>Buildings and Improvements, Net</i>	37,947,693
1530	<i>Furniture and Equipment, Net</i>	1,324,747
1000	Total Assets	<u>57,624,278</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
	<i>Deferred Loss on Refunding</i>	273,150
1705	<i>Deferred Outflow Related to Pensions</i>	687,936
1700	Total Deferred Outflows of Resources	<u>961,086</u>
<b>LIABILITIES:</b>		
2110	<i>Accounts Payable</i>	330,411
2140	<i>Interest Payable</i>	49,830
2165	<i>Accrued Liabilities</i>	1,294,094
2177	<i>Due to Fiduciary</i>	6,389
2180	<i>Due to Other Governments</i>	695,926
2300	<i>Unearned Revenue</i>	73,518
Noncurrent Liabilities:		
2501	<i>Due Within One Year</i>	1,555,000
2502	<i>Due in More Than One Year</i>	28,287,913
2540	<i>Net Pension Liability</i>	2,778,598
2000	Total Liabilities	<u>35,071,679</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
2605	<i>Deferred Inflow Related to Pensions</i>	849,981
2600	Total Deferred Inflows of Resources	<u>849,981</u>
<b>NET POSITION:</b>		
3200	Net Investment in Capital Assets	10,270,113
Restricted For:		
3820	Federal and State Programs	560,395
3850	Debt Service	1,112,924
3860	Capital Projects	400,454
3900	Unrestricted	10,319,818
3000	Total Net Position	<u>\$ 22,663,704</u>

The accompanying notes are an integral part of this statement.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2015**

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues		4 Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Governmental Activities		
	Governmental Activities:					
11	Instruction	\$ 19,226,260	\$ 37,682	\$ 2,804,650	\$ (16,383,928)	
12	Instructional Resources and Media Services	419,377	876	28,760	(389,741)	
13	Curriculum and Staff Development	373,775	278	235,556	(137,941)	
21	Instructional Leadership	490,673	994	53,860	(435,819)	
23	School Leadership	1,543,331	3,266	111,674	(1,428,391)	
31	Guidance, Counseling, & Evaluation Services	1,207,352	2,065	292,488	(912,799)	
33	Health Services	346,620	728	24,405	(321,487)	
34	Student Transportation	1,175,140	2,710	70,179	(1,102,251)	
35	Food Service	1,568,332	389,323	920,133	(258,876)	
36	Cocurricular/Extracurricular Activities	1,972,319	1,077	55,957	(1,915,285)	
41	General Administration	1,027,773	2,183	61,714	(963,876)	
51	Facilities Maintenance and Operations	2,973,140	6,762	116,330	(2,850,048)	
52	Security and Monitoring Services	84,445	166	1,949	(82,330)	
53	Data Processing Services	859,542	284	33,426	(825,832)	
61	Community Services	18,337	--	16,955	(1,382)	
72	Interest on Long-term Debt	982,586	--	222,468	(760,118)	
73	Bond Issuance Costs and Fees	139,852	--	--	(139,852)	
93	Payments Related to Shared Services Arrangements	64,851	89	27,904	(36,858)	
99	Other Intergovernmental Charges	493,148	--	--	(493,148)	
TG	Total Governmental Activities	<u>34,966,853</u>	<u>448,483</u>	<u>5,078,408</u>	<u>(29,439,962)</u>	
TP	Total Primary Government	<u>\$ 34,966,853</u>	<u>\$ 448,483</u>	<u>\$ 5,078,408</u>	<u>(29,439,962)</u>	
	General Revenues:					
MT	Property Taxes, Levied for General Purposes				14,960,625	
DT	Property Taxes, Levied for Debt Service				2,800,038	
IE	Investment Earnings				25,999	
GC	Grants and Contributions Not Restricted to Specific Programs				10,103,225	
MI	Miscellaneous				3,373,755	
TR	Total General Revenues				<u>31,263,642</u>	
CN	Change in Net Position				<u>1,823,680</u>	
NB	Net Position - Beginning				23,988,186	
PA	Prior Period Adjustment				(3,148,162)	
	Net Position - Beginning, as Restated				<u>20,840,024</u>	
NE	Net Position - Ending				<u>\$ 22,663,704</u>	

The accompanying notes are an integral part of this statement.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**AUGUST 31, 2015**

Data Control Codes	10 General Fund	Other Governmental Funds	98 Total Governmental Funds
<b>ASSETS:</b>			
1110 <i>Cash and Cash Equivalents</i>	\$ 6,389,963	\$ 2,050,501	\$ 8,440,464
1120 <i>Current Investments</i>	8,168,445	--	8,168,445
1225 <i>Taxes Receivable</i>	389,081	57,812	446,893
1230 <i>Allowance for Uncollectible Taxes (Credit)</i>	(137,456)	(17,054)	(154,510)
1240 <i>Due from Other Governments</i>	228,301	288,561	516,862
1260 <i>Due from Other Funds</i>	188,035	2,520	190,555
1290 <i>Other Receivables</i>	6,138	110	6,248
1410 <i>Unrealized Expenditures</i>	--	360,000	360,000
1000 <b>Total Assets</b>	<b>15,232,507</b>	<b>2,742,450</b>	<b>17,974,957</b>
<b>LIABILITIES:</b>			
Current Liabilities:			
2110 <i>Accounts Payable</i>	\$ 231,702	\$ 98,709	\$ 330,411
2150 <i>Payroll Deductions &amp; Withholdings</i>	24,197	--	24,197
2160 <i>Accrued Wages Payable</i>	976,589	76,266	1,052,855
2170 <i>Due to Other Funds</i>	4,434	192,510	196,944
2180 <i>Due to Other Governments</i>	682,487	13,439	695,926
2200 <i>Accrued Expenditures</i>	117,042	100,000	217,042
2300 <i>Unearned Revenue</i>	58,861	14,657	73,518
2000 <b>Total Liabilities</b>	<b>2,095,312</b>	<b>495,581</b>	<b>2,590,893</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Property Taxes	251,625	40,758	292,383
2600 <b>Total Deferred Inflows of Resources</b>	<b>251,625</b>	<b>40,758</b>	<b>292,383</b>
<b>FUND BALANCES:</b>			
Restricted Fund Balances:			
3450 <i>Federal/State Funds Grant Restrictions</i>	--	560,395	560,395
3470 <i>Capital Acquisitions &amp; Contractual Obligations</i>	--	400,454	400,454
3480 <i>Retirement of Long-Term Debt</i>	--	1,072,166	1,072,166
Committed Fund Balances:			
3510 <i>Construction</i>	3,789,275	--	3,789,275
3545 <i>Other Committed Fund Balance</i>	--	173,096	173,096
3600 <i>Unassigned</i>	9,096,295	--	9,096,295
3000 <b>Total Fund Balances</b>	<b>12,885,570</b>	<b>2,206,111</b>	<b>15,091,681</b>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 15,232,507	\$ 2,742,450	\$ 17,974,957

The accompanying notes are an integral part of this statement.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 AUGUST 31, 2015*

Total fund balances - governmental funds balance sheet	\$ 15,091,681
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	39,839,876
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	292,383
Payables for bond principal which are not due in the current period are not reported in the funds.	(27,340,000)
Payables for bond interest which are not due in the current period are not reported in the funds.	(49,830)
Deferred outflows for loss on refundings are capitalized in the SNP but not in the funds.	273,150
Premiums and discounts on bonds which are not due and payable in the current period are not reported in the funds.	(2,502,913)
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(2,778,598)
Deferred Resource Inflows related to TRS are not reported in the funds.	(849,981)
Deferred Resource Outflows related to TRS are not reported in the funds.	<u>687,936</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 22,663,704</u>

The accompanying notes are an integral part of this statement.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2015**

Data Control Codes	10 General Fund	Other Governmental Funds	98 Total Governmental Funds
<b>REVENUES:</b>			
5700 Local and Intermediate Sources	\$ 16,853,571	\$ 3,584,263	\$ 20,437,834
5800 State Program Revenues	11,320,825	455,640	11,776,465
5900 Federal Program Revenues	686,757	2,718,413	3,405,170
5020 Total Revenues	<u>28,861,153</u>	<u>6,758,316</u>	<u>35,619,469</u>
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	15,901,888	1,524,044	17,425,932
0012 Instructional Resources and Media Services	377,973	--	377,973
0013 Curriculum and Staff Development	117,584	228,454	346,038
0021 Instructional Leadership	421,725	19,605	441,330
0023 School Leadership	1,387,873	--	1,387,873
0031 Guidance, Counseling, & Evaluation Services	877,796	223,911	1,101,707
0033 Health Services	310,873	--	310,873
0034 Student Transportation	1,153,267	--	1,153,267
0035 Food Service	--	1,518,673	1,518,673
0036 Cocurricular/Extracurricular Activities	1,486,846	337,042	1,823,888
0041 General Administration	929,558	2,275	931,833
0051 Facilities Maintenance and Operations	2,876,866	--	2,876,866
0052 Security and Monitoring Services	78,503	--	78,503
0053 Data Processing Services	777,352	--	777,352
0061 Community Services	393	16,929	17,322
0071 Principal on Long-term Debt	--	1,505,000	1,505,000
0072 Interest on Long-term Debt	--	1,168,663	1,168,663
0073 Bond Issuance Costs and Fees	--	7,000	7,000
0081 Capital Outlay	--	246,727	246,727
0093 Payments to Shared Service Arrangements	38,018	26,833	64,851
0099 Other Intergovernmental Charges	493,148	--	493,148
6030 Total Expenditures	<u>27,229,663</u>	<u>6,825,156</u>	<u>34,054,819</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>1,631,490</u>	<u>(66,840)</u>	<u>1,564,650</u>
Other Financing Sources and (Uses):			
7912 Sale of Real or Personal Property	308,000	--	308,000
7080 Total Other Financing Sources and (Uses)	<u>308,000</u>	<u>--</u>	<u>308,000</u>
1200 Net Change in Fund Balances	1,939,490	(66,840)	1,872,650
0100 Fund Balances - Beginning	10,946,080	2,272,951	13,219,031
3000 Fund Balances - Ending	<u>\$ 12,885,570</u>	<u>\$ 2,206,111</u>	<u>\$ 15,091,681</u>

The accompanying notes are an integral part of this statement.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED AUGUST 31, 2015*

Net change in fund balances - total governmental funds	\$ 1,872,650
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	593,391
The depreciation of capital assets used in governmental activities is not reported in the funds.	(2,313,908)
The gain or loss on the sale of capital assets is not reported in the funds.	285,687
All proceeds from the sale of capital assets are reported in the funds but not in the SOA.	(308,000)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(71,884)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	1,505,000
Deferred loss on refunding is amortized in the SOA but not in the funds.	(132,852)
(Increase) decrease in accrued interest from beginning of period to end of period.	(23,721)
Bond premiums and discounts are amortized in the SOA but not in the funds.	209,798
Pension expense related to GASB 68 is recorded in the SOA but not in the funds.	(256,833)
Pension contributions made after the measurement date but in the current fiscal year were de-expended and reduced NPL.	464,352
	<u>464,352</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 1,823,680</u>

The accompanying notes are an integral part of this statement.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**AUGUST 31, 2015**

Data Control Codes	Private Purpose Trust Fund	Agency Funds
<b>ASSETS:</b>		
1110 <i>Cash and Cash Equivalents</i>	\$ 2,720	\$ 148,438
1260 <i>Due from Other Funds</i>	1,914	4,475
1290 <i>Other Receivables</i>	--	752
1800 <i>Restricted Assets</i>	18,086	--
1000 <b>Total Assets</b>	<u>22,720</u>	<u>153,665</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
2110 <i>Accounts Payable</i>	\$ --	\$ 3,383
2190 <i>Due to Student Groups</i>	--	125,318
2400 <i>Payable from Restricted Assets</i>	--	24,964
2000 <b>Total Liabilities</b>	<u>--</u>	<u>153,665</u>
<b>NET POSITION:</b>		
3800 <i>Held in Trust</i>	22,720	--
3000 <b>Total Net Position</b>	<u>\$ 22,720</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*STATEMENT OF CHANGES IN FIDUCIARY NET POSITION*  
*FIDUCIARY FUNDS*  
*FOR THE YEAR ENDED AUGUST 31, 2015*

	Private- Purpose Trust Fund
<b>Additions:</b>	
Local and Intermediate Sources	\$ --
Total Additions	<u>    --</u>
<b>Deductions:</b>	
Other Operating Costs	--
Total Deductions	<u>    --</u>
<b>Change in Net Position</b>	--
Net Position-Beginning of the Year	<u>22,720</u>
Net Position-End of the Year	<u>\$ 22,720</u>

The accompanying notes are an integral part of this statement.



**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED AUGUST 31, 2015*

A. Summary of Significant Accounting Policies

The basic financial statements of Stephenville Independent School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide ("Resource Guide"). The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The Board of School Trustees ("Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental reporting entity and there are no component units included within the District's reporting entity.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

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

In addition, the District reports the following fund types:

Private-Purpose Trust Funds: These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments not reported in other fiduciary fund types.

Agency Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED AUGUST 31, 2015*

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

3. Financial Statement Amounts

a. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

b. Inventories and Prepaid Items

The District records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory in accordance with the Resource Guide.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED AUGUST 31, 2015*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings & Improvements	10-30
Furniture & Equipment	3-30

d. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide Statement of Net Position and governmental funds balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

e. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

f. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

g. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED AUGUST 31, 2015*

h. Data Control Codes

Data Control Codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

i. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Trustees. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation. At August 31, 2015, the District had other committed fund balance of \$173,096 in a special revenue fund for campus activity.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself. The Board has delegated the authority to assign fund balance to the Superintendent.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

The District's financial goal is to have a sufficient balance in the operating fund with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The District shall strive to maintain a yearly fund balance in the general operating fund in which the total fund balance is 25% of the total operating expenditures and the unassigned fund balance is 18.25% of the total operating expenditures. The District was in compliance with this policy at August 31, 2015.

j. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED AUGUST 31, 2015*

k. Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

4. 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' 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.

At August 31, 2015 the District reported the following:

Net Pension Asset	\$	--
Net Pension Liability	\$	2,778,598

5. New Accounting Standards Adopted

In fiscal year 2015, the District adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

- Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68.*

- a. Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local government employers through pension plans that are administered through trusts or equivalent arrangements criteria detailed above in the description of Statement No. 67. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts or equivalent arrangements as described above, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pension plans, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED AUGUST 31, 2015*

The adoption of Statement No. 68 has no impact on the District's governmental fund financial statements, which continue to report expenditures in the contribution amount determined legislatively for the TRS plan. The calculation of pension contributions is unaffected by the change. However, the adoption has resulted in the restatement of the District's beginning net position for the fiscal year 2014 government-wide financial statements to reflect the reporting of net pension liability and deferred inflows of resources and deferred outflows of resources for its qualified pension plan and the recognition of pension expense in accordance with the provisions of the Statement.

- b. Statement No. 71 amends Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Since the measurement date of the pension plan was different than the District's fiscal year-end, the effects from the District's reported contributions to the plan subsequent to the respective measurement date of the plan cause an increase in deferred outflow of resources and a decrease in net position.

**B. Deposits and Investments**

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

**1. Cash Deposits:**

At August 31, 2015, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$8,591,622 and the bank balance was \$9,052,113. The District's cash deposits at August 31, 2015 and during the year ended August 31, 2015, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

**2. Investments:**

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED AUGUST 31, 2015*

The District's investments at August 31, 2015 are shown below.

<u>Investment or Investment Type</u>	<u>Wtd Average Maturity</u>	<u>Fair Value</u>
Texas Capital Bank CD	6 months	\$ 245,000
Interbank (Town & Country) CD	12 months	200,000
TexPool- General Operating	41 Days	1,066,851
TexasTERM- Texas DAILY	Daily	5,655,042
Southwest Securities	12 months	1,001,552
Total Investments		<u>\$ 8,168,445</u>

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

At August 31, 2015, the District's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as follows:

Texas Capital Bank CD	FDIC
Interbank (Town & County) CD	FDIC
TexPool-General Operating	AAA
TexasTERM-Texas Daily	AAAm
Southwest Securities	FDIC

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

At year end, the District was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED AUGUST 31, 2015*

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

Investment Accounting Policy

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

TexPool

The District invests in the Texas Local Government Investment Pool (TexPool), which is a local government investment pool that was established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts oversees TexPool. Federated Investors, Inc. is the administrator and investment manager of TexPool under a contract with the State Comptroller. In accordance with the Public Funds Investment Act, the State Comptroller has appointed the TexPool Investment Advisory Board to advise with respect to TexPool. The board is composed equally of participants in TexPool Portfolios and other persons who do not have a business relationship with TexPool Portfolios and are qualified to advise in respect to TexPool Portfolios. The Advisory Board members review the investment policy and management fee structure. TexPool is rated AAA by Standard & Poor's and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. All investments are stated at amortized cost, which usually approximates the market value of the securities. The stated objective of TexPool is to maintain a stable average \$1.00 per unit net asset value; however, the \$1.00 net asset value is not guaranteed or insured. The financial statements can be obtained from the Texas Trust Safekeeping Trust Company website at [www.ttstc.org](http://www.ttstc.org).

TexasTERM

The Texas Term Local Government Investment Pool (TexasTERM) is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. TexasTERM is administered by PFM Asset Management LLC, who also serves as the investment advisor. The reported value of the pool is the same as the fair value of the pool shares. TexasDAILY, a money market portfolio, is rated AAAM by Standard & Poor's.



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C. Capital Assets

Capital asset activity for the year ended August 31, 2015, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<i>Governmental activities:</i>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 574,936	\$ --	\$ 7,500	\$ 567,436
Construction in progress	23,564,954	--	23,564,954	--
Total capital assets not being depreciated	<u>24,139,890</u>	<u>--</u>	<u>23,572,454</u>	<u>567,436</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	38,965,728	23,920,128	31,193	62,854,663
Furniture and equipment	4,780,572	238,217	199,036	4,819,753
Total capital assets being depreciated	<u>43,746,300</u>	<u>24,158,345</u>	<u>230,229</u>	<u>67,674,416</u>
Less accumulated depreciation for:				
Buildings and improvements	(22,981,606)	(1,949,328)	(23,964)	(24,906,970)
Furniture and equipment	(3,321,878)	(364,580)	(191,452)	(3,495,006)
Total accumulated depreciation	<u>(26,303,484)</u>	<u>(2,313,908)</u>	<u>(215,416)</u>	<u>(28,401,976)</u>
Total capital assets being depreciated, net	<u>17,442,816</u>	<u>21,844,437</u>	<u>14,813</u>	<u>39,272,440</u>
Governmental activities capital assets, net	<u>\$ 41,582,706</u>	<u>\$ 21,844,437</u>	<u>\$ 23,587,267</u>	<u>\$ 39,839,876</u>

Depreciation was charged to functions as follows:

Instruction	\$ 1,319,030
Instructional Resources and Media Services	28,610
Curriculum and Staff Development	26,193
Instructional Leadership	33,406
School Leadership	105,053
Guidance, Counseling, & Evaluation Services	83,392
Health Services	23,531
Student Transportation	87,295
Food Services	114,954
Extracurricular Activities	138,056
General Administration	70,534
Plant Maintenance and Operations	217,760
Security and Monitoring Services	5,942
Data Processing Services	58,841
Community Services	1,311
	<u>\$ 2,313,908</u>

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D. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2015, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
Trust & Agency Funds	General Funds	1,914	Short-term loan
General Fund	Special Revenue Funds	188,035	For transfer of federal receipts
Special Revenue Funds	General Fund	2,380	For transfer of federal receipts
Trust & Agency Funds	Special Revenue Funds	4,475	Short-term loan
Debt Service Fund	General Fund	140	Short-term loan
	Total	<u>\$ 196,944</u>	

All amounts due are scheduled to be repaid within one year.

E. Long-Term Obligations

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2015, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
General obligation bonds	\$ 28,845,000	\$ --	\$ (1,505,000)	\$ 27,340,000	\$ 1,555,000
Discount on bonds	(37,281)	--	2,071	(35,210)	--
Premium on bonds	2,749,992	--	(211,869)	2,538,123	--
Deferred loss on refunding	(406,002)	--	132,852	(273,150)	--
Net Pension Liability *	3,411,888	--	(633,290)	2,778,598	--
Total governmental activities	<u>\$ 34,563,597</u>	<u>\$ --</u>	<u>\$ (2,215,236)</u>	<u>\$ 32,348,361</u>	<u>\$ 1,555,000</u>

\* Other long-term liabilities

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund			
Net Pension Liability	Governmental	General Fund			
General Obligation Bonds- Description	Interest Rate	Maturity	Issue	8/31/15	
2011 Unlimited Tax Refunding Bonds	3.00% to 4.00%	2/15/2018	\$ 7,325,000	\$ 4,830,000	
2012-A Unlimited Tax Qualified School Construction Bonds	3.65%	2/15/2032	\$ 6,575,000	\$ 6,575,000	
2012-B Unlimited Tax School Building Bonds	4.00% to 5.00%	2/15/2037	\$ 15,935,000	\$ 15,935,000	
				<u>\$ 27,340,000</u>	

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2. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2015, are as follows:

Year Ending August 31,	Governmental Activities		
	Principal	Interest	Total
2016	\$ 1,555,000	\$ 1,122,762	\$ 2,677,762
2017	1,605,000	1,067,337	2,672,337
2018	1,670,000	1,001,837	2,671,837
2019	460,000	959,237	1,419,237
2020	480,000	940,437	1,420,437
2021-2025	2,710,000	4,391,787	7,101,787
2026-2030	3,395,000	3,704,565	7,099,565
2031-2035	12,325,000	1,927,882	14,252,882
2036-2040	3,140,000	159,000	3,299,000
Totals	<u>\$ 27,340,000</u>	<u>\$ 15,274,844</u>	<u>\$ 42,614,844</u>

The District created a sinking fund by entering into a repurchase agreement to service the Bonds. The repurchase agreement calls for annual payments of \$470,000 starting in 2019 through 2031, with a final payment of \$465,000 in 2032 and will be invested at a yield that is not greater than the applicable discount rate published by the U.S. Treasury. Total payments from general operating funds will be \$6,575,000. The sinking fund balance as of August 31, 2015 was \$0.

Presented below is a summary of the sinking fund requirements:

Year Ended August 31	Annual Requirements
2019	\$ 470,000
2020	470,000
2021	470,000
2022	470,000
2023	470,000
2024-2028	2,350,000
2029-2032	1,875,000
	<u>\$ 6,575,000</u>

F. Commitments Under Noncapitalized Leases

Commitments under operating (noncapitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of August 31, 2015, as follows:

Year Ending August 31,	
2016	\$ 120,550
2017	34,800
2018	34,800
2019	31,900
Total Minimum Rentals	<u>\$ 222,050</u>
Rental Expenditures in 2015	<u>\$ 152,450</u>

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G. Risk Management

Property Casualty Program

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2015, the District participated in the Texas Association of School Boards Risk Management Fund (the Fund) with coverage in Auto Liability, Auto Physical Damage, General Liability, Property, and Legal Liability. The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating the Fund execute Interlocal Agreements that define the responsibilities of the parties. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three years.

The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for its Auto, Liability and Property programs. The terms and limits of the stop-loss program vary by line coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended August 31, 2015, the Fund anticipates Stephenville ISD has no additional liability beyond the contractual obligations for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2014 are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

Workers' Compensation

The District has established a partially self-funded workers' compensation plan by participating in the Texas Educational Insurance Association. The Association is a public entity risk pool currently operating as a common risk management and insurance program for member colleges and school districts. The main purpose of the Association is to partially self-insure certain workers compensation risks up to an agreed upon retention limit. The plan for worker's compensation benefits is authorized by Section 504.011 of the Labor Code. Claims are paid by a third party administrator acting on behalf of the District under the terms of a contractual agreement. Administrative fees are included within the provisions of that agreement. The liability of the workers' compensation self-insurance plan includes \$49,562 incurred but not reported claims. Costs are allocated to other funds and the retained earnings are fully reserved for self-funded insurance. Estimates of claims payable and of claims incurred, but not reported at August 31, 2015, are reflected as accounts and claims payable of the Fund. The plan is funded to discharge liabilities of the fund as they become due.

Changes in the balances of claim liabilities during the past year are as follows:

	Year Ended 8/31/15	Year Ended 8/31/14
Unpaid claims, beginning of year	\$ 104,551	\$ 82,312
Incurred claims	12,309	55,261
Claim payments	(33,410)	(33,022)
Unpaid claims, end of fiscal year	<u>\$ 83,450</u>	<u>\$ 104,551</u>

Unemployment Compensation

During the year ended August 31, 2015, the District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

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The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop loss coverage for the Unemployment Compensation pool. For the year ended August 31, 2015, the Fund anticipates that Stephenville ISD has no additional liability beyond the contractual obligation for payment of contribution.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2014, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

H. Pension Plan

1. Plan Description

The District participates in a cost-sharing multiple employer defined benefit pension plan that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS' defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. The TRS 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.

2. Pension Plan Fiduciary Net Position

Detailed information about the TRS' 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 [www.trs.state.tx.us/about/documents/cafr.pdf#CAFR](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.

3. 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 (1.) above.

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4. 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 through 2017. It also added a 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees effective Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015.

	<u>Contribution Rates</u>	
	<u>2014</u>	<u>2015</u>
Member	6.4%	6.7%
Non-Employer Contributing Entity (NECE - State)	6.8%	6.8%
Employers	6.8%	6.8%
District's 2014 Employer Contributions	\$ 263,727	
District's 2014 Member Contributions	\$ 1,154,074	
NECE 2014 On-Behalf Contributions to District	\$ 980,700	

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 TRS 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 TRS the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

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5. Actuarial Assumptions

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

Valuation Date	August 31, 2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	5 Year Market Value
Discount Rate	8%
Long-term Expected Rate of Return*	8%
Salary Increases*	4.25% to 7.25%
Weighted-Average at Valuation Date	5.55%
Payroll Growth Rate	3.5%

\* Includes inflation of 3%

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

6. 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 fiscal 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.

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The long-term expected rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2014 are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long-term Expected Portfolio Real Rate of Return *
<b>Global Equity</b>			
U.S.	18%	7.0%	1.4%
Non-U.S. Developed	13%	7.3%	1.1%
Emerging Markets	9%	8.1%	0.9%
Directional Hedge Funds	4%	5.4%	0.2%
Private Equity	13%	9.2%	1.4%
<b>Stable Value</b>			
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%
<b>Real Return</b>			
Global Inflat. Linked Bonds	3%	3.1%	0.0%
Real Assets	16%	7.3%	1.5%
Energy & Natural Resources	3%	8.8%	0.3%
Commodities	0%	3.4%	0.0%
<b>Risk Parity</b>			
Risk Parity	5%	8.9%	0.4%
Alpha			1.0%
<b>Total</b>	<u>100%</u>		<u>8.7%</u>

\* The expected contribution to returns incorporates the volatility drag resulting from the conversion between arithmetic and geometric mean returns.

7. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net pension liability if the discount rate used was 1 percentage point less and 1 percentage point greater than the discount rate that was used (8%) in measuring the 2014 net pension liability.

	1% Decrease 7%	Current Discount Rate 8%	1% Increase 9%
District's proportionate share of the net pension liability	\$ 4,965,186	\$ 2,778,598	\$ 1,143,437
Plan net pension liability (in millions from TRS CAFR)	\$ 47,737	\$ 26,717	\$ 10,998



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

At August 31, 2015, the District reported a liability of \$2,778,598 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	\$ 2,778,598
State's proportionate share of the net pension liability associated with the District	<u>10,354,574</u>
Total	<u>\$ 13,133,172</u>

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

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.

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's measurement date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective September 1, 2014. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

For the year ended August 31, 2015, the District recognized pension expense of \$957,261 and revenue of \$957,261 for support provided by the State.

At August 31, 2015, the District reported its proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual economic experience	\$ 42,972	\$ --
Changes in actuarial assumptions	180,612	--
Difference between projected and actual investment earnings	--	849,253
Changes in proportion and differences between the District's contributions and the proportionate share of contributions	--	728
District contributions paid to TRS subsequent to the measurement date	<u>464,352</u>	<u>          </u>
Total	<u>\$ 687,936</u>	<u>\$ 849,981</u>

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

Year Ended August 31		
2016	\$	(174,718)
2017	\$	(174,718)
2018	\$	(174,718)
2019	\$	(174,718)
2020	\$	37,596
Thereafter	\$	34,879

I. Retiree Health Care Plans

1. TRS-Care

a. Plan Description

The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas (TRS). TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS web site at [www.trs.state.tx.us](http://www.trs.state.tx.us) under the TRS Publications heading, by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling the TRS Communications Department at 1-800-223-8778.

b. 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. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. The State of Texas contribution rate was 1% for fiscal years 2015 and 2014, and 0.5% for fiscal year 2013. The active public school employee contributions rates were 0.65% of public school payroll, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2015, 2014 and 2013. For the years ended August 31, 2015, 2014, and 2013, the State's contributions to TRS-Care were \$186,042, \$180,325, and \$86,268, respectively, the active member contributions were \$120,927, \$117,211, and \$112,148, respectively, and the District's contributions were \$102,323, \$99,181, and \$94,909, respectively, which equaled the required contributions each year.

2. Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended August 31, 2015, 2014, and 2013, the subsidy payments received by TRS-Care on behalf of the District were \$58,289, \$50,636, and \$48,523, respectively.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED AUGUST 31, 2015*

J. Employee Health Care Coverage

During the year ended August 31, 2015, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$250 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third party administrator, acting on behalf of the licensed insurer. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

The contract between the District and the third party administrator is renewable annually, and terms of coverage and premium costs are included in the contractual provisions.

Latest financial statements for the Company are available for the year end and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

K. Commitments and Contingencies

1. Contingencies

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable 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 basic financial statements for such contingencies.

2. Litigation

No reportable litigation was pending against the District at August 31, 2015.

L. Shared Services Arrangements

Shared Services Arrangement - Membership

The District participates in a shared services arrangement ("SSA") for audiology services with the following school districts:

Member Districts

Central Texas SSA	Parker County Co-Op	Stephenville ISD
Greater Erath County SSA	Palo Pinto County Co-Op	Weatherford ISD
Hood-Somervell County Co-Op	Granbury ISD	

The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Peaster ISD, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the SSA.

M. Prior Period Adjustment

The District recorded a prior period adjustment in accordance with the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions- an Amendment of GASB Statement No. 27*, to recognize beginning net pension liability and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date- an amendment of GASB Statement No. 68*, to recognize a beginning deferred outflow of resources for pension contributions. This decreased beginning net position of the governmental activities by \$3,148,162.

### *Required Supplementary Information*

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED AUGUST 31, 2015**

**EXHIBIT G-1**  
Page 1 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 15,177,770	\$ 15,339,371	\$ 16,853,571	\$ 1,514,200
5800	State Program Revenues	11,914,809	11,118,686	11,320,825	202,139
5900	Federal Program Revenues	290,000	380,000	686,757	306,757
5020	Total Revenues	<u>27,382,579</u>	<u>26,838,057</u>	<u>28,861,153</u>	<u>2,023,096</u>
<b>EXPENDITURES:</b>					
Current:					
Instruction & Instructional Related Services:					
0011	Instruction	15,982,037	16,002,252	15,901,868	100,364
0012	Instructional Resources and Media Services	392,035	383,681	377,973	5,708
0013	Curriculum and Staff Development	143,549	131,607	117,584	14,023
	Total Instruction & Instr. Related Services	<u>16,517,621</u>	<u>16,517,540</u>	<u>16,397,445</u>	<u>120,095</u>
Instructional and School Leadership:					
0021	Instructional Leadership	513,647	479,302	421,725	57,577
0023	School Leadership	1,364,300	1,390,453	1,397,873	2,580
	Total Instructional & School Leadership	<u>1,877,947</u>	<u>1,869,755</u>	<u>1,809,598</u>	<u>60,157</u>
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	845,304	908,056	877,796	30,260
0033	Health Services	301,221	327,985	310,873	17,112
0034	Student (Pupil) Transportation	1,071,462	1,166,120	1,153,267	12,853
0036	Cocurricular/Extracurricular Activities	1,522,756	1,520,169	1,486,846	33,323
	Total Support Services - Student (Pupil)	<u>3,740,743</u>	<u>3,922,330</u>	<u>3,828,782</u>	<u>93,548</u>
Administrative Support Services:					
0041	General Administration	932,263	940,642	929,558	11,084
	Total Administrative Support Services	<u>932,263</u>	<u>940,642</u>	<u>929,558</u>	<u>11,084</u>
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	3,098,183	3,007,665	2,876,866	130,799
0052	Security and Monitoring Services	91,655	108,782	78,503	30,279
0053	Data Processing Services	787,648	794,820	777,352	17,468
	Total Support Services - Nonstudent Based	<u>3,977,486</u>	<u>3,911,267</u>	<u>3,732,721</u>	<u>178,546</u>
Ancillary Services:					
0061	Community Services	500	500	393	107
	Total Ancillary Services	<u>500</u>	<u>500</u>	<u>393</u>	<u>107</u>
Intergovernmental Charges:					
0093	Payments to Fiscal Agent/Member Dist.-SSA	40,000	38,018	38,018	--
0099	Other Intergovernmental Charges	495,000	493,200	493,148	52
	Total Intergovernmental Charges	<u>535,000</u>	<u>531,218</u>	<u>531,166</u>	<u>52</u>
6030	Total Expenditures	<u>27,581,560</u>	<u>27,693,252</u>	<u>27,229,663</u>	<u>463,589</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>(198,981)</u>	<u>(855,195)</u>	<u>1,631,490</u>	<u>2,486,685</u>

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**

GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED AUGUST 31, 2015

EXHIBIT G-1

Page 2 of 2

Data Control Codes	1	2	3	Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Other Financing Sources (Uses):				
7912	--	308,000	308,000	--
7080	--	308,000	308,000	--
1200	(198,981)	(547,195)	1,939,490	2,486,685
0100	10,946,080	10,946,080	10,946,080	--
3000	\$ 10,747,099	\$ 10,398,885	\$ 12,885,570	\$ 2,486,685

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
 SHARE OF THE NET PENSION LIABILITY  
 TEACHER RETIREMENT SYSTEM OF TEXAS  
 LAST TEN FISCAL YEARS \**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset)	0.010%	--	--	--	--	--	--	--	--	--
District's proportionate share of the net pension liability (asset)	\$ 2,778,598	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
State's proportionate share of the net pension liability (asset) associated with the District	10,354,574	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>\$ 13,133,172</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>
District's covered-employee payroll	\$ 18,032,412	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	15.41%	--	--	--	--	--	--	--	--	--
Plan fiduciary net position as a percentage of the total pension liability	83.25%	--	--	--	--	--	--	--	--	--

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*SCHEDULE OF DISTRICT CONTRIBUTIONS*  
*TEACHER RETIREMENT SYSTEM OF TEXAS*  
*LAST TEN FISCAL YEARS \**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$ 464,352	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Contributions in relation to the contractually required contribution	(464,352)	--	--	--	--	--	--	--	--	--
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered-employee payroll	\$ 18,604,207	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Contributions as a percentage of covered-employee payroll	2.50%	--	--	--	--	--	--	--	--	--

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.



## STEPHENVILLE INDEPENDENT SCHOOL DISTRICT

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED AUGUST 31, 2015

#### Budget

The official budget was prepared for adoption for all Governmental Fund Types legally required to adopt a budget (General Funds, Food Service Funds, and Debt Service Funds). The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

- a. Prior to August 20, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
- c. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board.

Once a budget is approved, it can be amended at function and fund level only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings.

Each amendment must have Board approval. 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 required by law.

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

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

#### Defined Benefit Pension Plan

##### *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 Statements and Budget Comparisons  
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**AUGUST 31, 2015**

Data Control Codes	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds (See Exhibit C-1)	
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ 812,233	\$ 722,994	\$ 515,274	\$ 2,050,501
1225	Taxes Receivable, Net	--	40,758	--	40,758
1240	Due from Other Governments	286,828	1,733	--	288,561
1260	Due from Other Funds	2,380	140	--	2,520
1290	Other Receivables	110	--	--	110
1410	Unrealized Expenditures	--	360,000	--	360,000
1000	Total Assets	1,101,551	1,125,625	515,274	2,742,450
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ 83,889	\$ --	\$ 14,820	\$ 98,709
2160	Accrued Wages Payable	76,266	--	--	76,266
2170	Due to Other Funds	192,510	--	--	192,510
2180	Due to Other Governments	738	12,701	--	13,439
2200	Accrued Expenditures	--	--	100,000	100,000
2300	Unearned Revenue	14,657	--	--	14,657
2000	Total Liabilities	368,060	12,701	114,820	495,581
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
	Deferred Revenue	--	40,758	--	40,758
2600	Total Deferred Inflows of Resources	--	40,758	--	40,758
<b>FUND BALANCES:</b>					
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	560,395	--	--	560,395
3470	Capital Acquisitions & Contractual Obligations	--	--	400,454	400,454
3480	Retirement of Long-Term Debt	--	1,072,166	--	1,072,166
Committed Fund Balances:					
3545	Other Committed Fund Balance	173,096	--	--	173,096
3000	Total Fund Balances	733,491	1,072,166	400,454	2,206,111
4000	Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 1,101,551	\$ 1,125,625	\$ 515,274	\$ 2,742,450

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds (See Exhibit C-2)
<b>REVENUES:</b>				
5700 <i>Local and Intermediate Sources</i>	\$ 755,429	\$ 2,813,027	\$ 15,807	\$ 3,584,263
5800 <i>State Program Revenues</i>	455,640	--	--	455,640
5900 <i>Federal Program Revenues</i>	2,495,945	222,468	--	2,718,413
5020 <b>Total Revenues</b>	<u>3,707,014</u>	<u>3,035,495</u>	<u>15,807</u>	<u>6,758,316</u>
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	1,524,044	--	--	1,524,044
0013 <i>Curriculum and Staff Development</i>	228,454	--	--	228,454
0021 <i>Instructional Leadership</i>	19,605	--	--	19,605
0031 <i>Guidance, Counseling, &amp; Evaluation Services</i>	223,911	--	--	223,911
0035 <i>Food Service</i>	1,518,673	--	--	1,518,673
0036 <i>Cocurricular/Extracurricular Activities</i>	337,042	--	--	337,042
0041 <i>General Administration</i>	2,275	--	--	2,275
0061 <i>Community Services</i>	16,929	--	--	16,929
0071 <i>Principal on Long-term Debt</i>	--	1,505,000	--	1,505,000
0072 <i>Interest on Long-term Debt</i>	--	1,168,663	--	1,168,663
0073 <i>Bond Issuance Costs and Fees</i>	--	7,000	--	7,000
0081 <i>Capital Outlay</i>	--	--	246,727	246,727
0093 <i>Payments to Shared Service Arrangements</i>	26,833	--	--	26,833
6030 <b>Total Expenditures</b>	<u>3,897,766</u>	<u>2,680,663</u>	<u>246,727</u>	<u>6,825,156</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	(190,752)	354,832	(230,920)	(66,840)
7080 Total Other Financing Sources and (Uses)	--	--	--	--
1200 Net Change in Fund Balances	<u>(190,752)</u>	<u>354,832</u>	<u>(230,920)</u>	<u>(66,840)</u>
0100 Fund Balances - Beginning	924,243	717,334	631,374	2,272,951
3000 Fund Balances - Ending	\$ <u>733,491</u>	\$ <u>1,072,166</u>	\$ <u>400,454</u>	\$ <u>2,206,111</u>

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2015

Data Control Codes	211 ESEA Title I Improving Basic Programs	224 IDEA-B Formula	225 IDEA-B Preschool Grant	240 National School Breakfast/Lunch Program	
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ 707,795
1240	Due from Other Governments	64,162	93,089	--	28,350
1260	Due from Other Funds	--	--	--	--
1290	Other Receivables	--	--	--	110
1000	Total Assets	64,162	93,089	--	736,255
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ 2,876	\$ 7,982	\$ --	\$ 66,252
2160	Accrued Wages Payable	20,282	30,074	--	25,910
2170	Due to Other Funds	40,266	55,033	--	87,631
2180	Due to Other Governments	738	--	--	--
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	64,162	93,089	--	179,793
<b>FUND BALANCES:</b>					
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	--	556,462
Committed Fund Balances:					
3545	Other Committed Fund Balance	--	--	--	--
3000	Total Fund Balances	--	--	--	556,462
4000	Total Liabilities and Fund Balances	\$ 64,162	\$ 93,089	\$ --	\$ 736,255

242 Summer Feeding Program	244 Career and Tech Basic Grant	255 ESEA Title II Training & Recruiting	263 English Language Acquisition and Enhancement	270 ESEA, Title VI Part B, Subpart 2 Rural School
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	2,756	--	--
--	--	--	--	--
--	--	--	--	--
-----				
		2,756		
-----				
\$ --	\$ --	\$ 537	\$ --	\$ --
--	--	--	--	--
--	--	2,219	--	--
--	--	--	--	--
--	--	--	--	--
-----				
		2,756		
-----				
--	--	--	--	--
--	--	--	--	--
-----				
		2,756		
-----				

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**AUGUST 31, 2015**

Data Control Codes	289 Summer School LEP	385 Supplemental Visually Impaired	397 Advanced Placement Incentives
<b>ASSETS:</b>			
1110	Cash and Cash Equivalents	\$ 9,837	\$ 3,933
1240	Due from Other Governments	--	--
1260	Due from Other Funds	--	--
1290	Other Receivables	--	--
1000	Total Assets	9,837	3,933
<b>LIABILITIES:</b>			
Current Liabilities:			
2110	Accounts Payable	\$ --	\$ --
2160	Accrued Wages Payable	--	--
2170	Due to Other Funds	--	--
2180	Due to Other Governments	--	--
2300	Unearned Revenue	9,837	--
2000	Total Liabilities	9,837	--
<b>FUND BALANCES:</b>			
Restricted Fund Balances:			
3450	Federal/State Funds Grant Restrictions	--	3,933
Committed Fund Balances:			
3545	Other Committed Fund Balance	--	--
3000	Total Fund Balances	--	3,933
4000	Total Liabilities and Fund Balances	\$ 9,837	\$ 3,933

410 State Textbook Fund	429 State Funded Special Revenue Fund	461 Campus Activity Funds	493 Dairy Max Grant	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
\$ (90,561)	\$ 147	\$ 180,709	\$ 373	\$ 812,233
92,171	6,300	--	--	286,828
2,380	--	--	--	2,380
--	--	--	--	110
<u>3,990</u>	<u>6,447</u>	<u>180,709</u>	<u>373</u>	<u>1,101,551</u>
\$ 3,591	\$ --	\$ 2,653	\$ --	\$ 83,891
--	--	--	--	76,266
--	2,399	4,960	--	192,508
--	--	--	--	738
399	4,048	--	373	14,657
<u>3,990</u>	<u>6,447</u>	<u>7,613</u>	<u>373</u>	<u>368,060</u>
--	--	--	--	560,395
--	--	173,096	--	173,096
--	--	<u>173,096</u>	--	<u>733,491</u>
<u>3,990</u>	<u>6,447</u>	<u>180,709</u>	<u>373</u>	<u>1,101,551</u>



**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2015**

Data Control Codes	211 ESEA Title I Improving Basic Programs	224 IDEA-B Formula	225 IDEA-B Preschool Grant	240 National School Breakfast/Lunch Program
<b>REVENUES:</b>				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ 389,323
5800 <i>State Program Revenues</i>	--	--	--	8,563
5900 <i>Federal Program Revenues</i>	616,534	718,068	11,060	911,570
5020 <i>Total Revenues</i>	<u>616,534</u>	<u>718,068</u>	<u>11,060</u>	<u>1,309,456</u>
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	457,140	463,015	11,060	--
0013 <i>Curriculum and Staff Development</i>	126,017	4,309	--	--
0021 <i>Instructional Leadership</i>	16,448	--	--	--
0031 <i>Guidance, Counseling, &amp; Evaluation Services</i>	--	223,911	--	--
0035 <i>Food Service</i>	--	--	--	1,518,673
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	--
0041 <i>General Administration</i>	--	--	--	--
0061 <i>Community Services</i>	16,929	--	--	--
0093 <i>Payments to Shared Service Arrangements</i>	--	26,833	--	--
6030 <i>Total Expenditures</i>	<u>616,534</u>	<u>718,068</u>	<u>11,060</u>	<u>1,518,673</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>				
1100 <i>Expenditures</i>	--	--	--	(209,217)
7080 <i>Total Other Financing Sources and (Uses)</i>	--	--	--	9,002
1200 <i>Net Change in Fund Balances</i>	--	--	--	(200,215)
0100 <i>Fund Balances - Beginning</i>	--	--	--	756,677
3000 <i>Fund Balances - Ending</i>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 556,462</u>

242 Summer Feeding Program	244 Career and Tech Basic Grant	255 ESEA Title II Training & Recruiting	263 English Language Acquisition and Enhancement	270 ESEA, Title VI Part B, Subpart 2 Rural School
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	42,369	93,756	31,030	71,558
<u>--</u>	<u>42,369</u>	<u>93,756</u>	<u>31,030</u>	<u>71,558</u>
--	41,569	5,240	19,061	71,558
--	800	85,359	11,969	--
--	--	3,157	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>42,369</u>	<u>93,756</u>	<u>31,030</u>	<u>71,558</u>
--	--	--	--	--
<u>(9,002)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>(9,002)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
9,002	--	--	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2015**

Data Control Codes	385 Supplemental Visually Impaired	397 Advanced Placement Incentives	410 State Textbook Fund
<b>REVENUES:</b>			
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	2,541	--	438,236
5900 <i>Federal Program Revenues</i>	--	--	--
5020 <b>Total Revenues</b>	<u>2,541</u>	<u>--</u>	<u>438,236</u>
<b>EXPENDITURES:</b>			
Current:			
0011 <i>Instruction</i>	2,541	--	438,236
0013 <i>Curriculum and Staff Development</i>	--	--	--
0021 <i>Instructional Leadership</i>	--	--	--
0031 <i>Guidance, Counseling, &amp; Evaluation Services</i>	--	--	--
0035 <i>Food Service</i>	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--
0041 <i>General Administration</i>	--	--	--
0061 <i>Community Services</i>	--	--	--
0093 <i>Payments to Shared Service Arrangements</i>	--	--	--
6030 <b>Total Expenditures</b>	<u>2,541</u>	<u>--</u>	<u>438,236</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	--	--	--
7080 Total Other Financing Sources and (Uses)	--	--	--
1200 Net Change in Fund Balances	--	--	--
0100 Fund Balances - Beginning	--	3,933	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ 3,933</u>	<u>\$ --</u>

429 State Funded Special Revenue Fund	461 Campus Activity Funds	493 Dairy Max Grant	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
\$ --	\$ 357,782	\$ 8,324	\$ 755,429
6,300	--	--	455,640
--	--	--	2,495,945
<u>6,300</u>	<u>357,782</u>	<u>8,324</u>	<u>3,707,014</u>
6,300	--	8,324	1,524,044
--	--	--	228,454
--	--	--	19,605
--	--	--	223,911
--	--	--	1,518,673
--	337,042	--	337,042
--	2,275	--	2,275
--	--	--	16,929
--	--	--	26,833
<u>6,300</u>	<u>339,317</u>	<u>8,324</u>	<u>3,897,766</u>
--	18,465	--	(190,752)
--	--	--	--
--	18,465	--	(190,752)
--	154,631	--	924,243
<u>\$ --</u>	<u>\$ 173,096</u>	<u>\$ --</u>	<u>\$ 733,491</u>

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 AUGUST 31, 2015

Data Control Codes	865 Student Activity	876 Hospitality Accounts	Total Agency Funds (See Exhibit E-1)
<b>ASSETS:</b>			
1110 <i>Cash and Cash Equivalents</i>	\$ 122,486	\$ 25,952	\$ 148,438
1260 <i>Due from Other Funds</i>	4,475	--	4,475
1290 <i>Other Receivables</i>	752	--	752
1000 <b>Total Assets</b>	<u>127,713</u>	<u>25,952</u>	<u>153,665</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
2110 <i>Accounts Payable</i>	\$ 2,395	\$ 988	\$ 3,383
2190 <i>Due to Student Groups</i>	125,318	--	125,318
2400 <i>Payable from Restricted Assets</i>	--	24,964	24,964
2000 <b>Total Liabilities</b>	<u>127,713</u>	<u>25,952</u>	<u>153,665</u>
<b>NET POSITION:</b>			
3000 <b>Total Net Position</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED AUGUST 31, 2015

EXHIBIT H-6

Data Control Codes	97 Balance September 1, 2014	5030 Additions	6050 Deductions	98 Balance August 31, 2015
<b>STUDENT ACTIVITIES:</b>				
<b>ASSETS</b>				
	\$ 129,072	\$ 451,254	\$ 431,888	\$ 148,438
<i>Cash &amp; Temporary Investments</i>				
<i>Due from Other Funds</i>	4,475	--	--	4,475
<i>Other Receivables</i>	1,983	--	1,231	752
<b>Total Assets</b>	<b>\$ 135,530</b>	<b>\$ 451,254</b>	<b>\$ 433,119</b>	<b>\$ 153,665</b>
<b>LIABILITIES</b>				
	\$ 18,669	\$ --	\$ 15,286	\$ 3,383
<i>Accounts Payable</i>				
<i>Due to Local Groups</i>	18,873	6,091	--	24,964
<i>Due to Student Groups</i>	97,988	27,330	--	125,318
<b>Total Liabilities</b>	<b>\$ 135,530</b>	<b>\$ 33,421</b>	<b>\$ 15,286</b>	<b>\$ 153,665</b>
<b>TOTAL AGENCY FUNDS:</b>				
<b>ASSETS</b>				
1110	\$ 129,072	\$ 451,254	\$ 431,888	\$ 148,438
1260	4,475	--	--	4,475
1290	1,983	--	1,231	752
1000	<b>\$ 135,530</b>	<b>\$ 451,254</b>	<b>\$ 433,119</b>	<b>\$ 153,665</b>
<b>LIABILITIES</b>				
2110	\$ 18,669	\$ --	\$ 15,286	\$ 3,383
2170	18,873	6,091	--	24,964
2190	97,988	27,330	--	125,318
2000	<b>\$ 135,530</b>	<b>\$ 33,421</b>	<b>\$ 15,286</b>	<b>\$ 153,665</b>

### *Other Supplementary Information*

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**

*SCHEDULE OF DELINQUENT TAXES RECEIVABLE*

*FOR THE YEAR ENDED AUGUST 31, 2015*

Year Ended August 31	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2006 and Prior Years	\$	Various	\$	Various	\$	Various
2007		1.50		.1600		1,051,961,093
2008		1.37		.1499		1,077,920,423
2009		1.04		.1520		1,285,572,468
2010		1.04		.1070		1,297,471,321
2011		1.04		.1070		1,292,673,785
2012		1.04		.1300		1,305,322,752
2013		1.04		.1540		1,364,613,820
2014		1.04		.1770		1,298,513,033
2015 (School Year Under Audit)		1.04		.1949		1,427,874,970

1000 Totals

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

Column 20, the current year's levy is the ending levy due provided by Erath County Tax Office.

Column 3, Assessed/Appraised Value for School Tax Purposes is calculated based on current year total levy divided by current year total tax rate. This amount includes adjustments for frozen values.



10 Beginning Balance 9/1/14	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/15
\$ 70,349	\$ --	\$ 3,873	\$ 381	\$ (11,263)	\$ 54,832
13,023	--	1,697	186	(539)	10,601
14,801	--	1,394	204	(461)	12,742
16,452	--	2,529	260	(444)	13,219
48,274	--	5,559	572	(444)	41,699
44,458	--	6,259	644	(535)	37,020
34,036	--	12,203	1,525	(547)	19,761
55,213	--	24,686	3,655	(20)	26,852
192,773	--	100,179	17,050	(18,590)	56,954
--	17,632,828	14,704,016	2,755,599	--	173,213
<u>\$ 489,379</u>	<u>\$ 17,632,828</u>	<u>\$ 14,862,395</u>	<u>\$ 2,780,076</u>	<u>\$ (32,843)</u>	<u>\$ 446,893</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET (UNAUDITED)*  
**GENERAL FUND**  
*AS OF AUGUST 31, 2015*

**EXHIBIT J-2**

Data Control Codes	Explanation	Amount
1	Total General Fund Fund Balance as of August 31, 2015 (Exhibit C-1 object 3000 for the General Fund only)	\$ <u>12,885,570</u>
2	Total General Fund Nonspendable Fund Balance (from Exhibit C-1 - total of object 341X-344X for the General Fund only)	<u>--</u>
3	Total General Fund Restricted Fund Balance (from Exhibit C-1 - total of object 345X-349X for the General Fund only)	<u>--</u>
4	Total General Fund Committed Fund Balance (from Exhibit C-1 - total of object 351X-354X for the General Fund only)	<u>3,789,275</u>
5	Total General Fund Assigned Fund Balance (from Exhibit C-1 - total of object 355X-359X for the General Fund only)	<u>--</u>
6	Estimated amount needed to cover fall cash flow deficits in the General Fund (net of borrowed funds and funds representing deferred revenues)	<u>2,269,139</u>
7	Estimate of two months' average cash disbursements during the fiscal year	<u>4,538,278</u>
8	Estimate of delayed payments from state sources (58XX)	<u>--</u>
9	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount	<u>--</u>
10	Estimate of delayed payments from federal sources (59XX)	<u>--</u>
11	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	<u>--</u>
12	General Fund Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9+10+11)	<u>10,596,692</u>
13	Excess (Deficit) Unassigned General Fund Fund Balance (1-12)	<u>\$ <u>2,288,878</u></u>

The excess fund balance will be used for roof repairs from the insurance recovery received during the summer of 2015, as well as for an additional debt payment based on need from tax rate changes.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
**NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED AUGUST 31, 2015**

**EXHIBIT J-3**

Data Control Codes		1	2	3
		Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>				
5700	Local and Intermediate Sources	\$ 425,000	\$ 389,323	\$ (35,677)
5800	State Program Revenues	8,500	8,563	63
5900	Federal Program Revenues	1,064,872	911,570	(153,302)
5020	Total Revenues	<u>1,498,372</u>	<u>1,309,456</u>	<u>(188,916)</u>
<b>EXPENDITURES:</b>				
Current:				
Support Services - Student (Pupil):				
0035	Food Services	1,625,222	1,518,673	106,549
	Total Support Services - Student (Pupil)	<u>1,625,222</u>	<u>1,518,673</u>	<u>106,549</u>
6030	Total Expenditures	<u>1,625,222</u>	<u>1,518,673</u>	<u>106,549</u>
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	<u>(126,850)</u>	<u>(209,217)</u>	<u>(82,367)</u>
Other Financing Sources (Uses):				
8911	Transfers Out	--	9,002	9,002
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>9,002</u>	<u>9,002</u>
1200	Net Change in Fund Balance	<u>(126,850)</u>	<u>(200,215)</u>	<u>(73,365)</u>
0100	Fund Balance - Beginning	756,677	756,677	--
3000	Fund Balance - Ending	<u>\$ 629,827</u>	<u>\$ 556,462</u>	<u>\$ (73,365)</u>

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**

EXHIBIT J-4

DEBT SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	1	2	3
	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
5700 <i>Local and Intermediate Sources</i>	\$ 2,820,352	\$ 2,813,027	\$ (7,325)
5900 <i>Federal Program Revenues</i>	222,708	222,468	(240)
5020 <b>Total Revenues</b>	<u>3,043,060</u>	<u>3,035,495</u>	<u>(7,565)</u>
<b>EXPENDITURES:</b>			
Debt Service:			
0071 <i>Principal on Long-Term Debt</i>	1,865,000	1,505,000	360,000
0072 <i>Interest on Long-Term Debt</i>	1,168,663	1,168,663	--
0073 <i>Bond Issuance Costs and Fees</i>	7,000	7,000	--
<b>Total Debt Service</b>	<u>3,040,663</u>	<u>2,680,663</u>	<u>360,000</u>
6030 <b>Total Expenditures</b>	<u>3,040,663</u>	<u>2,680,663</u>	<u>360,000</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>			
1100 <b>Expenditures</b>	2,397	354,832	352,435
1200 <b>Net Change in Fund Balance</b>	<u>2,397</u>	<u>354,832</u>	<u>352,435</u>
0100 <b>Fund Balance - Beginning</b>	717,334	717,334	--
3000 <b>Fund Balance - Ending</b>	<u>\$ 719,731</u>	<u>\$ 1,072,166</u>	<u>\$ 352,435</u>



**SNOW GARRETT WILLIAMS**  
CERTIFIED PUBLIC ACCOUNTANTS

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  
Stephenville Independent School District  
2655 W. Overhill Drive  
Stephenville, Texas 76401

Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Stephenville Independent School District, as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise Stephenville Independent School District's basic financial statements, and have issued our report thereon dated December 8, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Stephenville Independent School 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 Stephenville Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Stephenville Independent School District's internal control.

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

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

## Compliance and Other Matters

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

We noted certain matters that we reported to management of Stephenville Independent School District in a separate letter dated December 8, 2015.

## Purpose of this Report

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

Respectfully submitted,



Snow Garrett Williams  
December 8, 2015



**SNOW GARRETT WILLIAMS**  
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Compliance for Each Major Program and  
on Internal Control Over Compliance Required by OMB Circular A-133

Board of Trustees  
Stephenville Independent School District  
2655 W. Overhill Drive  
Stephenville, Texas 76401

Members of the Board of Trustees:

**Report on Compliance for Each Major Federal Program**

We have audited the Stephenville Independent School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on Stephenville Independent School District's major federal program for the year ended August 31, 2015. Stephenville Independent School District's major federal program is 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 Stephenville Independent School 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 Stephenville Independent School 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 Stephenville Independent School District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Stephenville Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended August 31, 2015.

## Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2015-001. Our opinion on each major federal program is not modified with respect to these matters.

## Report on Internal Control Over Compliance

Management of the Stephenville Independent School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Stephenville Independent School 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 Stephenville Independent School District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2015-001 to be a significant deficiency.

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.

Respectfully submitted,

  
Snow Garrett Williams  
December 8, 2015



**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*SCHEDULE OF FINDINGS AND QUESTIONED COSTS*  
*FOR THE YEAR ENDED AUGUST 31, 2015*

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified?        Yes   X   No

One or more significant deficiencies identified that are not considered to be material weaknesses?        Yes   X   None Reported

Noncompliance material to financial statements noted?        Yes   X   No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified?        Yes   X   No

One or more significant deficiencies identified that are not considered to be material weaknesses?   x   Yes       

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?   X   Yes        No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?   X   Yes        No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

C. Federal Award Findings and Questioned Costs

2015-001 Verification of Free and Reduced Price Lunch Applications

Child Nutrition Cluster (CFDA #10.553 and 10.555)

*Special Tests and Provisions- Significant Deficiency in Controls- Noncompliance with Grant Requirements*

Criteria: By November 15th of each school year, the District must verify eligibility of households from a sample selected of approved applications for free and reduced price meals. The verification sample size is based on the total number of approved applications on file on October 31st. Change in a child's eligibility status based on documentation and other information obtained through the verification process must be reflected in the system.

Condition: The District did not design and implement control procedures to ensure compliance with the special tests and provisions requirement. Districts are required to have a confirming official review and sign each application selected for verification. The District implemented an online application system during school year 2014-2015 and was not aware that the confirming official's signature was required for the online applications selected for verification. Therefore, this step was not included in the District's procedures and was not evident on the online applications verified.

Questioned Costs: N/A

Cause: Procedures were not in place to ensure the District was in compliance with the special tests and provisions requirement.

Effect: The District did not comply with the verification process grant requirements included in special tests and provisions.

Auditor's Recommendation: The District should design and implement procedures to ensure the verification process is in compliance with special tests and provisions requirements.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS*  
*FOR THE YEAR ENDED AUGUST 31, 2015*

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
The District did not have any prior audit findings.		

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**

*CORRECTIVE ACTION PLAN*

*FOR THE YEAR ENDED AUGUST 31, 2015*

2015-001 Special Tests and Provisions

Responsible Party: Mona Little

Correction Action: The District has implemented procedures requiring signatures for both the reviewing official and confirming official on all online applications selected for verification.

Completion Date: November 2015

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2015**

EXHIBIT K-1

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION			
Passed Through State Department of Education:			
<i>ESEA Title I Part A - Improving Basic Programs *</i>	84.010	15610101072903	\$ 616,534
<i>IDEA-B Formula *</i>	84.027	156600010729036600	663,213
<i>IDEA-B Formula *</i>	84.027	166600010729036600	54,855
Total CFDA Number 84.027			<u>718,068</u>
<i>Career and Technical - Basic Grant</i>	84.048	15420006072903	42,369
<i>IDEA-B Preschool *</i>	84.173	156610010729036610	11,060
<i>ESEA, Title VI, Part B, Subpart 2 - Rural and Low Income School</i>	84.358	15696001072903	71,558
<i>Title III Part A English Language Acquisition and Language Enhancement</i>	84.365	15671001072903	31,030
<i>ESEA Title II Part A - Teacher &amp; Principal Training &amp; Recruiting</i>	84.367	15694501072903	93,756
Total Passed Through State Department of Education			<u>1,584,375</u>
Total U. S. Department of Education			<u>1,584,375</u>
U. S. DEPARTMENT OF AGRICULTURE			
Passed Through Texas Department of Agriculture:			
National School Lunch Program (Non-cash) *	10.555	072-903	92,070
Passed Through State Department of Education:			
School Breakfast Program *	10.553	71401501	200,099
National School Lunch Program *	10.555	71301501	700,860
Total Passed Through State Department of Education			<u>900,959</u>
Total U. S. Department of Agriculture			<u>993,029</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 2,577,404</u>

\* Indicates clustered program under OMB Circular A-133 Compliance Supplement

The accompanying notes are an integral part of this schedule.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS*  
*FOR THE YEAR ENDED AUGUST 31, 2015*

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Stephenville Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
AS OF AUGUST 31, 2015

<u>Data Control Codes</u>	<u>Responses</u>	
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4	Was there an unmodified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts and laws related to local, state or federal funds?	No
SF7	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other governmental agencies?	Yes
SF8	Did the school district <u>not</u> receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	What was the total accumulated accretion on capital appreciation bonds (CABs) included in government-wide financial statements at fiscal year-end?	\$ --
SF11	Net Pension Assets (object 1920) at fiscal year-end.	\$ --
SF12	Net Pension Liabilities (object 2540) at fiscal year-end.	\$ 2,778,598
SF13	Pension Expense (object 6147) at fiscal year-end.	\$ 749,742

# STATISTICAL SECTION

This part of the Stephenville Independent School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

## Contents

### 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.*

### Revenue Capacity

*These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property and sales taxes.*

### Debt Capacity

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

### Demographic and Economic Information

*These schedules offer demographic and economic indicators to help the reader understand how the District's financial activities take place and to help make comparisons over time and with other governments.*

### Operating Information

*These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.*

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



**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**

NET POSITION BY COMPONENT  
 LAST TEN FISCAL YEARS  
 (ACCRUAL BASIS OF ACCOUNTING)  
 (UNAUDITED)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Invested in Capital Assets,										
Net of Related Debt	\$ 5,656,390	\$ 7,002,574	\$ 11,198,909	\$ 13,640,218	\$ 13,306,946	\$ 12,901,092	\$ 11,444,009	\$ 11,669,722	\$ 11,062,368	\$ 10,270,113
Restricted for Federal and State Programs	380,391	544,409	829,664	776,005	900,142	560,376	669,063	772,566	769,613	560,395
Restricted for Debt Services	1,094,509	1,403,629	1,619,813	1,178,544	719,992	330,500	993,720	574,164	717,336	1,112,924
Restricted for Capital Projects	--	--	--	--	--	--	--	--	--	400,454
Unrestricted	8,962,145	1,117,226	7,721,145	5,551,460	7,040,952	9,564,538	10,718,001	10,436,868	11,438,869	10,319,818
Total Governmental Activities Net Position	\$ 16,093,435	\$ 10,067,838	\$ 21,369,531	\$ 21,146,227	\$ 21,968,032	\$ 23,356,506	\$ 23,824,793	\$ 23,453,320	\$ 23,988,186	\$ 22,663,704

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Instruction	\$ 13,758,738	\$ 14,431,417	\$ 15,351,492	\$ 16,064,309	\$ 16,457,925	\$ 16,672,578	\$ 16,928,018	\$ 17,310,183	\$ 18,038,363	\$ 19,226,260
Instructional Resources & Media Services	417,992	432,097	448,355	468,009	481,955	443,444	414,102	419,556	408,882	419,377
Curriculum & Staff Development	163,754	130,137	185,992	216,819	378,689	327,222	352,640	317,112	306,820	373,775
Instructional Leadership	322,509	325,925	360,882	375,354	295,711	464,281	341,610	345,226	445,650	490,673
School Leadership	973,427	994,664	1,082,820	1,144,976	1,231,776	1,176,799	1,228,221	1,268,205	1,393,141	1,543,331
Guidance, Counseling & Evaluation Svcs	703,651	816,233	879,842	919,379	940,814	901,239	911,711	995,767	1,002,847	1,207,352
Social Work Services	--	--	--	--	--	--	--	--	--	--
Health Services	276,078	312,851	338,960	332,233	303,552	277,045	245,720	253,790	275,369	346,620
Student Transportation	618,381	644,523	793,554	750,610	817,549	954,651	1,010,286	1,119,398	1,172,545	1,175,140
Food Service	1,259,089	1,239,480	1,415,255	1,414,711	1,508,135	1,632,730	1,470,463	1,529,700	1,638,233	1,568,332
Cocurricular/Extracurricular Activities	1,320,806	1,436,394	1,520,714	1,598,827	1,543,795	1,589,968	1,502,160	1,653,898	1,748,869	1,972,319
General Administration	982,090	1,009,907	703,449	749,562	724,480	742,793	855,309	858,408	944,884	1,027,773
Plant Maintenance & Operations	2,405,545	2,757,637	3,113,166	3,166,340	3,233,794	3,251,178	2,949,117	2,831,123	3,224,356	2,973,140
Security & Monitoring Services	20,321	81,363	96,639	91,845	72,985	76,599	72,054	466,802	110,958	84,445
Data Processing Services	471,563	451,926	507,716	514,588	542,232	539,201	867,240	697,591	763,991	859,542
Community Services	24,364	25,321	24,821	31,440	32,113	36,814	37,957	41,983	45,429	18,337
School Dist. Admin. Support Services	--	--	--	--	--	--	--	--	--	--
Interest on Long-Term Debt	814,334	751,289	736,940	673,787	609,570	535,826	176,887	1,126,161	1,106,351	982,586
Bond Issuance Costs & Fees	--	--	--	--	--	--	--	--	--	139,852
Capital Outlay	47,524	7,465	115,963	130,086	--	--	--	--	715,294	--
Contracted Instruc. Svcs between Schools	--	--	--	--	--	--	--	--	--	--
Incremental Costs Related to WADA	--	--	--	--	--	--	--	--	--	--
Payments Related to SSA's	--	--	--	--	--	40,607	42,783	72,617	89,464	64,851
Pmts to Other Dists Under Pub Ed Grant	--	--	--	--	--	--	--	--	--	--
Pmts to Juvenile Justice Alt Ed Program	--	--	--	--	--	--	--	--	--	--
Payments to Charter Schools	--	--	--	--	--	--	--	--	--	--
Payments to Tax Increment Fund	--	--	--	--	--	--	--	--	--	--
Other Intergovernmental Charges	--	--	406,597	406,329	401,314	392,873	383,532	418,876	467,652	493,148
<b>Total Governmental Activities Expenses</b>	<b>24,580,166</b>	<b>25,848,629</b>	<b>28,083,157</b>	<b>29,049,204</b>	<b>29,576,389</b>	<b>30,055,848</b>	<b>29,789,810</b>	<b>31,726,396</b>	<b>33,899,098</b>	<b>34,966,853</b>
<b>Business-type Activities</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>
<b>Total Primary Government Expenses</b>	<b>\$ 24,580,166</b>	<b>\$ 25,848,629</b>	<b>\$ 28,083,157</b>	<b>\$ 29,049,204</b>	<b>\$ 29,576,389</b>	<b>\$ 30,055,848</b>	<b>\$ 29,789,810</b>	<b>\$ 31,726,396</b>	<b>\$ 33,899,098</b>	<b>\$ 34,966,853</b>

TABLE L-2  
Page 2 of 2

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services:										
Instructional	\$ 66,947	\$ 44,988	\$ 36,840	\$ 125,770	\$ 116,118	\$ 194,765	\$ 436,375	\$ 398,075	\$ 425,008	\$ 37,682
Food Services	531,285	536,132	588,646	573,972	541,954	530,169	502,501	469,134	423,472	389,323
Extracurricular Activities	181,089	148,419	158,822	172,228	207,288	184,256	206,045	192,518	386,408	1,077
Data Processing Services	--	--	--	11,300	--	--	--	--	--	--
Other Activities	--	--	--	--	--	--	--	--	--	20,401
Operating Grants and Contributions	3,512,673	4,113,081	3,793,677	3,666,502	4,931,704	4,747,496	4,059,722	4,281,908	4,630,403	5,078,408
<b>Total Governmental Activities Program Rev.</b>	<b>4,291,994</b>	<b>4,842,620</b>	<b>4,577,985</b>	<b>4,549,772</b>	<b>5,797,064</b>	<b>5,656,686</b>	<b>5,204,643</b>	<b>5,341,635</b>	<b>5,865,291</b>	<b>5,526,891</b>
<b>Business-type Activities:</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>
<b>Total Primary Government Program Rev.</b>	<b>4,291,994</b>	<b>4,842,620</b>	<b>4,577,985</b>	<b>4,549,772</b>	<b>5,797,064</b>	<b>5,656,686</b>	<b>5,204,643</b>	<b>5,341,635</b>	<b>5,865,291</b>	<b>5,526,891</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (20,288,172)	\$ (21,006,009)	\$ (23,505,172)	\$ (24,499,432)	\$ (23,779,325)	\$ (24,399,162)	\$ (24,585,167)	\$ (26,384,761)	\$ (28,033,807)	\$ (29,439,962)
Business-type Activities	--	--	--	--	--	--	--	--	--	--
<b>Total Primary Government Net Expense</b>	<b>\$ (20,288,172)</b>	<b>\$ (21,006,009)</b>	<b>\$ (23,505,172)</b>	<b>\$ (24,499,432)</b>	<b>\$ (23,779,325)</b>	<b>\$ (24,399,162)</b>	<b>\$ (24,585,167)</b>	<b>\$ (26,384,761)</b>	<b>\$ (28,033,807)</b>	<b>\$ (29,439,962)</b>

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**

GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(UNAUDITED)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (20,288,172)	\$ (21,006,009)	\$ (23,505,172)	\$ (24,499,432)	\$ (23,779,325)	\$ (24,399,162)	\$ (24,585,167)	\$ (26,384,761)	\$ (28,033,807)	\$ (29,439,962)
Business-type Activities	--	--	--	--	--	--	--	--	--	--
<b>Total Primary Government Net Expense</b>	<u>(20,288,172)</u>	<u>(21,006,009)</u>	<u>(23,505,172)</u>	<u>(24,499,432)</u>	<u>(23,779,325)</u>	<u>(24,399,162)</u>	<u>(24,585,167)</u>	<u>(26,384,761)</u>	<u>(28,033,807)</u>	<u>(29,439,962)</u>
<b>General Revenues &amp; Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes:										
Levied for General Purposes	13,245,237	13,698,699	11,674,267	12,785,838	12,883,719	13,034,749	13,101,147	13,657,812	14,457,064	14,960,625
Levied for Debt Service	1,410,215	1,507,951	1,721,288	1,328,366	1,327,317	1,336,346	1,635,014	1,984,877	2,458,097	2,800,038
State Aid - Formula Grants	7,656,514	8,472,534	10,408,945	9,622,401	9,783,293	10,540,818	9,696,456	9,999,108	10,870,809	--
Grants and Contributions Not Restricted	--	--	--	--	136,197	371,806	335,974	320,251	9,999	10,103,225
Miscellaneous	249,499	363,191	454,007	348,745	388,765	479,813	255,311	378,827	749,864	3,373,755
Investment Earnings	582,099	845,866	626,541	188,893	81,839	24,105	29,552	52,204	22,840	25,999
Special Item	28,765	--	--	--	--	--	--	--	--	--
<b>Total Governmental Activities</b>	<u>23,172,329</u>	<u>24,888,241</u>	<u>24,885,048</u>	<u>24,274,243</u>	<u>24,601,130</u>	<u>25,787,637</u>	<u>25,053,454</u>	<u>26,393,079</u>	<u>28,568,673</u>	<u>31,263,642</u>
Business-type Activities:	--	--	--	--	--	--	--	--	--	--
<b>Total Primary Government</b>	<u>23,172,329</u>	<u>24,888,241</u>	<u>24,885,048</u>	<u>24,274,243</u>	<u>24,601,130</u>	<u>25,787,637</u>	<u>25,053,454</u>	<u>26,393,079</u>	<u>28,568,673</u>	<u>31,263,642</u>
<b>Change in Net Position</b>										
Governmental Activities	2,884,157	3,882,232	1,379,876	(225,189)	821,805	1,388,475	468,287	8,318	534,866	1,823,680
Business-type Activities	--	--	--	--	--	--	--	--	--	--
<b>Total Primary Government</b>	<u>\$ 2,884,157</u>	<u>\$ 3,882,232</u>	<u>\$ 1,379,876</u>	<u>\$ (225,189)</u>	<u>\$ 821,805</u>	<u>\$ 1,388,475</u>	<u>\$ 468,287</u>	<u>\$ 8,318</u>	<u>\$ 534,866</u>	<u>\$ 1,823,680</u>

TABLE L-4

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(UNAUDITED)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Committed	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 3,789,275
Assigned	4,000,000	4,750,000	4,400,000	4,400,000	4,400,000	4,400,000	4,400,000	3,789,275	3,789,275	--
Unassigned	4,362,312	5,796,815	6,082,528	3,629,111	4,621,004	6,500,180	6,668,150	6,668,150	7,156,805	9,096,295
<b>Total General Fund</b>	<b>\$ 8,362,312</b>	<b>\$ 10,546,815</b>	<b>\$ 10,482,528</b>	<b>\$ 8,029,111</b>	<b>\$ 9,021,004</b>	<b>\$ 10,900,180</b>	<b>\$ 11,068,150</b>	<b>\$ 10,457,425</b>	<b>\$ 10,946,080</b>	<b>\$ 12,885,570</b>
All Other Governmental Funds										
Reserved	\$ 1,474,900	\$ 1,948,038	\$ 2,449,477	\$ 1,954,549	--	\$ --	\$ --	\$ --	\$ --	\$ --
Debt Service Funds	--	--	--	--	719,992	--	--	--	--	1,072,166
Federal or State Funds Grants	--	--	--	--	515,686	--	--	--	--	560,395
Capital Projects Funds	--	--	--	--	384,456	--	--	--	--	400,454
Unreserved	--	--	--	--	--	--	--	--	--	--
Non-spendable	--	--	--	--	--	--	--	--	--	--
Restricted, Reported In:										
Federal or State Funds Grants	--	--	--	--	--	560,376	669,063	772,566	769,613	--
Capital Projects Funds	--	--	--	--	--	--	22,954,702	10,095,994	631,371	--
Debt Service Funds	--	--	--	--	--	330,500	993,720	574,164	717,336	--
Committed	--	--	--	--	--	--	--	--	--	--
Special Revenue Funds	--	--	--	--	--	--	--	--	--	173,096
Assigned	--	--	--	--	--	117,854	128,704	144,708	154,631	--
Unassigned	--	--	--	--	--	--	--	--	--	--
<b>Total All Other Governmental Funds</b>	<b>\$ 1,474,900</b>	<b>\$ 1,948,038</b>	<b>\$ 2,449,477</b>	<b>\$ 1,954,549</b>	<b>\$ 1,620,134</b>	<b>\$ 1,008,730</b>	<b>\$ 24,746,189</b>	<b>\$ 11,587,432</b>	<b>\$ 2,272,951</b>	<b>\$ 2,206,111</b>

Note: GASB 54 was implemented in FY 2011.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT***CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**LAST TEN FISCAL YEARS**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**(UNAUDITED)*

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Local & Intermediate Sources	\$ 16,383,171	\$ 17,282,599	\$ 15,516,604	\$ 15,694,132	\$ 15,479,216	\$ 15,851,690	\$ 16,181,369	\$ 17,213,102	\$ 18,614,158	\$ 20,437,834
State Program Revenues	8,878,757	10,259,543	12,132,169	10,833,618	10,951,668	11,780,131	10,899,204	11,435,184	12,550,305	11,776,465
Federal Program Revenues	2,094,559	2,159,595	1,971,397	2,331,039	3,899,527	3,879,906	3,187,073	3,157,807	3,258,204	3,405,170
Total Revenues	27,356,487	29,701,737	29,620,170	28,858,789	30,330,411	31,511,727	30,267,646	31,806,093	34,422,667	35,619,469
<b>Expenditures</b>										
Instruction	12,919,174	13,705,714	14,428,982	15,226,463	15,745,486	15,720,661	16,021,756	16,365,888	16,851,731	17,425,932
Instructional Resources & Media Services	379,657	392,464	407,424	427,078	443,620	405,109	375,767	381,221	373,577	377,973
Curriculum & Staff Development	163,754	130,137	185,992	216,819	378,689	327,222	352,640	317,112	306,820	346,038
Instructional Leadership	322,509	325,925	360,882	375,354	295,711	464,281	341,610	345,226	445,650	441,330
School Leadership	954,723	975,960	1,064,116	1,126,272	1,213,072	1,169,135	1,206,205	1,246,189	1,372,342	1,387,873
Guidance, Counseling & Evaluation Svcs	702,005	814,587	878,196	917,733	939,168	899,593	910,065	994,121	1,001,201	1,101,707
Social Work Services	--	--	--	--	--	--	--	--	--	--
Health Services	273,643	310,416	336,525	329,798	301,117	274,610	243,285	251,355	273,128	310,873
Student Transportation	722,624	721,441	840,453	796,117	846,424	1,163,973	912,420	1,206,585	1,227,946	1,153,267
Food Service	1,131,641	1,133,662	1,320,015	1,273,438	1,375,643	1,576,652	1,334,647	1,409,209	1,502,542	1,518,673
Cocurricular/Extracurricular Activities	1,313,357	1,536,339	1,453,727	1,530,527	1,455,410	1,511,387	1,423,577	1,580,111	1,701,833	1,823,888
General Administration	971,998	999,815	693,357	739,470	714,388	732,701	845,217	848,316	944,884	931,833
Plant Maintenance & Operations	2,547,376	2,824,860	3,252,897	3,397,437	3,125,734	3,095,446	2,905,752	3,064,162	3,295,900	2,876,866
Security & Monitoring Services	20,321	81,363	96,639	91,845	72,985	76,599	72,054	814,853	455,085	78,503
Data Processing Services	470,524	736,055	530,317	498,709	526,353	545,813	917,926	675,678	738,812	777,352
Community Services	24,364	25,321	24,821	31,440	32,113	36,814	37,957	41,983	45,429	17,322
School Dist. Admin. Support Services	--	--	--	--	--	--	--	--	--	--
Principal on Long-Term Debt	993,119	1,094,128	895,053	854,082	806,443	769,755	848,873	625,452	945,000	1,505,000
Interest on Long-Term Debt	810,656	861,526	910,182	949,171	994,746	1,039,205	973,134	2,016,764	1,729,986	1,168,663
Bond Issuance Costs & Fees	47,575	6,469	4,519	3,019	4,517	1,519	393,783	13,244	8,140	7,000
Capital Outlay	192,332	518,631	1,049,856	2,617,918	--	--	937,263	12,886,613	9,471,371	246,727
Contracted Instruc. Svcs between Schools	--	--	--	--	--	--	--	--	--	--
Incremental Costs Related to WADA	--	--	--	--	--	--	--	--	--	--
Payments Related to SSA's	--	--	--	--	--	40,607	42,783	72,617	89,464	64,851
Pmts to Other Dist. Under Pub Ed Grant	--	--	--	--	--	--	--	--	--	--
Pmts to Juvenile Justice Alt Ed Program	--	--	--	--	--	--	--	--	--	--
Payments to Charter Schools	--	--	--	--	--	--	--	--	--	--
Payments to Tax Increment Fund	--	--	--	--	--	--	--	--	--	--
Other Intergovernmental Charges	--	--	406,597	406,329	401,314	392,873	383,532	418,876	467,652	493,148
Total Expenditures	24,961,352	27,194,813	29,140,550	31,809,019	29,672,933	30,243,955	31,480,246	45,575,575	43,248,493	34,054,819
Excess of Revenues										
Over (Under) Expenditures	2,395,135	2,506,924	479,620	(2,950,230)	657,478	1,267,772	(1,212,600)	(13,769,482)	(8,825,826)	1,564,650

TABLE L-5  
Page 2 of 2

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Other Financing Sources (Uses)</b>										
Refunding Bonds Issued	--	--	--	--	--	--	29,835,000	--	--	--
Capital-Related Debt Issued (Regular Bonds)	--	--	--	--	--	--	--	--	--	--
Sale of Real or Personal Property	--	--	--	--	--	--	--	--	--	308,000
Proceeds from Capital Leases	--	--	--	--	--	--	--	--	--	--
Insurance Recovery	28,765	3,546	--	--	--	--	--	--	--	--
Transfers In	--	--	--	--	--	--	23,891,013	--	--	--
Premium or Discount On Issuance of Bonds	--	--	--	--	--	--	3,143,000	--	--	--
Prepaid Interest	--	--	--	--	--	--	20,216	--	--	--
Other Resources	--	--	--	--	--	--	--	--	--	--
Transfers Out	--	--	--	--	--	--	(23,891,013)	--	--	--
Payment to Bond Refunding Escrow Agent	--	--	--	--	--	--	(7,880,187)	--	--	--
Other Uses	--	--	--	--	--	--	--	--	--	--
<b>Total Other Financing   Sources (Uses)</b>	<b>28,765</b>	<b>3,546</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>25,118,029</b>	<b>--</b>	<b>--</b>	<b>308,000</b>
<b>Net Change in Fund Balances</b>	<b>\$ 2,423,900</b>	<b>\$ 2,510,470</b>	<b>\$ 479,620</b>	<b>\$ (2,950,230)</b>	<b>\$ 657,478</b>	<b>\$ 1,267,772</b>	<b>\$ 23,905,429</b>	<b>\$ (13,769,482)</b>	<b>\$ (8,825,826)</b>	<b>\$ 1,872,650</b>
<b>Debt Service As A Percentage   Of Noncapital Expenditures</b>	<b>7.3%</b>	<b>7.3%</b>	<b>6.4%</b>	<b>6.2%</b>	<b>6.1%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>8.1%</b>	<b>7.9%</b>	<b>7.9%</b>

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT***GOVERNMENTAL FUNDS REVENUES**LAST TEN FISCAL YEARS**(UNAUDITED)*

	2006	2007	2008	2009
Local Sources				
Local maintenance and debt service tax	\$ 14,756,169	\$ 15,381,235	\$ 13,741,685	\$ 14,317,706
Tuition from patrons	35,094	23,130	36,840	29,750
Other revenue from local sources	1,410,819	1,728,296	1,582,262	1,177,083
Co-curricular revenues	181,089	149,938	155,817	169,593
Total Local Sources	16,383,171	17,282,599	15,516,604	15,694,132
State Sources:				
Per capita and foundation	7,659,258	9,218,993	10,936,255	9,622,401
Other state program revenues	1,219,499	1,040,550	1,195,914	1,211,217
Total State Sources	8,878,757	10,259,543	12,132,169	10,833,618
Federal Sources				
Federal Grants	2,094,559	2,159,595	1,971,397	2,331,039
Total Revenues	\$ 27,356,487	\$ 29,701,737	\$ 29,620,170	\$ 28,858,789

Note: General Governmental Funds Revenues include those received by the following funds: General, Debt Service, Capital Projects, and Special Revenue Funds.



2010	2011	2012	2013	2014	2015
\$14,284,956	14,581,415	14,876,872	15,818,981	17,135,637	17,830,811
33,800	42,475	28,800	16,575	16,825	35,870
959,804	1,045,272	1,072,170	1,188,313	1,344,730	2,388,599
200,656	182,528	203,527	189,233	116,966	182,554
15,479,216	15,851,690	16,181,369	17,213,102	18,614,158	20,437,834
9,775,036	10,540,818	9,696,456	9,999,108	10,870,810	10,103,225
1,176,632	1,239,313	1,202,748	1,436,076	1,679,495	1,673,240
10,951,668	11,780,131	10,899,204	11,435,184	12,550,305	11,776,465
3,899,527	3,879,906	3,187,073	3,157,807	3,258,204	3,405,170
\$30,330,411	31,511,727	30,267,646	31,806,093	34,422,667	35,619,469

TABLE L-7

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY*  
*LAST TEN FISCAL YEARS*  
*(UNAUDITED)*

Fiscal Year	Real Property	Personal Property	Mobile Homes Minerals and Other Property	Total Taxable Assessed Value	Total Direct Tax Rate	Less Exemptions	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2006	\$ 1,251,821,205	\$ 257,892,940	\$ 5,447,030	\$ 1,515,161,175	\$ 1.6600	\$ 584,615,306	\$ 930,545,869	162.825%
2007	1,438,901,882	293,628,060	10,882,880	1,743,412,822	1.6600	691,451,729	1,051,961,093	165.730%
2008	1,616,498,562	314,211,980	13,603,280	1,944,313,822	1.5199	751,655,007	1,192,658,815	163.023%
2009	1,697,794,119	327,417,630	23,662,320	2,048,874,069	1.1920	765,026,612	1,283,847,457	159.589%
2010	1,728,223,615	342,790,180	20,084,790	2,091,098,585	1.1470	793,590,829	1,297,507,756	161.163%
2011	1,759,474,909	314,492,950	13,458,610	2,087,426,469	1.1470	794,542,125	1,292,884,344	161.455%
2012	1,778,102,654	331,309,620	11,695,340	2,121,107,614	1.1700	815,714,548	1,305,393,066	162.488%
2013	1,840,143,146	404,625,430	12,542,750	2,257,311,326	1.1940	892,639,840	1,364,671,486	165.411%
2014	1,872,668,544	499,602,840	11,953,430	2,384,224,814	1.2170	939,494,957	1,444,729,857	165.029%
2015	2,111,981,627	447,180,370	11,468,810	2,570,630,807	1.2349	1,088,212,777	1,482,418,030	173.408%

Source: Erath County Appraisal District & Erath County Tax Assessor-Collector's Office.

TABLE L-8

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

Fiscal Year	District Direct Rates			Overlapping Rates			Total Direct and Overlapping Rates
	General Purposes	Capital Purposes	Total	City of Stephenville	Middle Trinity Water District	Erath County	
2006	\$ 1.5000	\$ 0.1600	\$ 1.6600	\$ 0.4750	\$ 0.0150	\$ 0.4352	\$ 2.5852
2007	1.5000	0.1600	1.6600	0.4650	0.0150	0.4187	2.5587
2008	1.3700	0.1499	1.5199	0.4450	0.0150	0.3900	2.3699
2009	1.0400	0.1520	1.1920	0.4350	0.0150	0.3900	2.0320
2010	1.0400	0.1070	1.1470	0.4435	0.0150	0.4500	2.0555
2011	1.0400	0.1070	1.1470	0.4600	0.0150	0.4700	2.0920
2012	1.0400	0.1300	1.1700	0.4850	0.0150	0.4700	2.1400
2013	1.0400	0.1540	1.1940	0.4850	0.0145	0.4700	2.1635
2014	1.0400	0.1770	1.2170	0.4950	0.0125	0.4700	2.1945
2015	1.0400	0.1949	1.2349	0.4900	0.0120	0.4700	2.2069

Source: Erath County Appraisal District & Erath County Tax Assessor-Collector's Office

Note: Since 2008 the District's basic tax rate may not be increased without approval by use of a TRE (Tax Ratification Election).

Overlapping rates are of other local and county governmental units are rate totals inclusive of operating and debt obligation levies.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*PROPERTY TAX LEVIES AND COLLECTIONS*  
*LAST TEN FISCAL YEARS*  
*(UNAUDITED)*

Fiscal Year	Taxes Levied for the Fiscal Year	Subsequent Adjustments To Levy	Final Adjusted Levy	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 14,667,198	\$ (45,571)	\$ 14,621,627	\$ 14,358,919	98.20%	\$ 250,599	\$ 14,609,518	99.92%
2007	15,289,687	(36,641)	15,253,046	14,908,416	97.74%	331,607	15,240,023	99.91%
2008	13,568,803	(73,841)	13,494,962	13,289,316	98.48%	190,845	13,480,161	99.89%
2009	14,096,421	(94,091)	14,002,330	13,756,462	98.24%	229,414	13,985,876	99.88%
2010	14,297,383	(60,361)	14,237,022	13,885,285	97.53%	303,463	14,188,748	99.66%
2011	14,259,263	(21,213)	14,238,050	13,874,318	97.45%	219,273	14,093,591	98.99%
2012	14,707,288	(48,161)	14,659,127	14,484,263	98.81%	140,830	14,625,093	99.77%
2013	15,726,575	(24,731)	15,701,844	15,540,617	98.97%	106,014	15,646,631	99.65%
2014	17,020,470	(27,275)	16,993,195	16,800,423	98.87%	121,382	16,921,805	99.58%
2015	17,799,215	(166,387)	17,632,828	17,459,615	99.02%	--	17,459,615	99.02%

Source: Erath County Appraisal District & Erath County Tax Assessor-Collector's Office

TABLE L-11

## STEPHENVILLE INDEPENDENT SCHOOL DISTRICT

## RATIOS OF OUTSTANDING DEBT BY TYPE

## LAST TEN FISCAL YEARS

## (UNAUDITED)

General Bonded Debt						
Fiscal Year	School Building Bonds	Refunding Bond	Contractual Obligations	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2006	\$ 8,272,041	\$ 8,346,125	\$ --	\$ 19,732,497	2.49%	\$ 984
2007	7,285,727	8,262,632	--	18,544,589	2.08%	912
2008	6,653,938	8,175,324	--	17,727,852	1.89%	860
2009	5,567,357	8,089,318	--	16,270,046	1.69%	761
2010	4,415,792	8,004,645	--	9,715,589	1.54%	725
2011	3,188,820	7,916,862	--	12,810,292	1.28%	635
2012	24,397,681	7,300,204	--	35,761,879	5.73%	1733
2013	22,510,000	7,210,000	--	32,754,593	*	1538
2014	22,510,000	6,335,000	--	30,751,709	*	1345
2015	22,510,000	4,830,000	--	29,569,763	*	1269

Other Governmental Activities Debt			
Fiscal Year	Accumulated Accretion on CAB's	Deferred Loss on Refunding	Net Premium/ (Discount) on Bonds
2006	\$ 3,182,953	\$ (335,240)	\$ 268,618
2007	3,053,700	(303,703)	246,233
2008	3,229,657	(279,366)	(51,701)
2009	2,911,151	(251,429)	(46,351)
2010	2,481,356	(223,492)	(41,361)
2011	1,936,356	(195,555)	(36,191)
2012	1,282,432	(350,745)	3,132,307
2013	518,235	(476,151)	2,922,509
2014	-	(406,002)	2,712,711
2015	-	(273,150)	2,502,913

(1) See Table L-15 for personal income and population data

Details of the District's outstanding debt can be found in the notes to the financial statements.

Personal Income used for percentage was the average of the city only personal income and the percentage of county personal income times the ratio of tax value for county compared to the SISD.

\*Information not available at publication date.

TABLE L-8

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

Fiscal Year	District Direct Rates			Overlapping Rates			Total Direct and Overlapping Rates
	General Purposes	Capital Purposes	Total	City of Stephenville	Middle Trinity Water District	Erath County	
2006	\$ 1.5000	\$ 0.1600	\$ 1.6600	\$ 0.4750	\$ 0.0150	\$ 0.4352	\$ 2.5852
2007	1.5000	0.1600	1.6600	0.4650	0.0150	0.4187	2.5587
2008	1.3700	0.1499	1.5199	0.4450	0.0150	0.3900	2.3699
2009	1.0400	0.1520	1.1920	0.4350	0.0150	0.3900	2.0320
2010	1.0400	0.1070	1.1470	0.4435	0.0150	0.4500	2.0555
2011	1.0400	0.1070	1.1470	0.4600	0.0150	0.4700	2.0920
2012	1.0400	0.1300	1.1700	0.4850	0.0150	0.4700	2.1400
2013	1.0400	0.1540	1.1940	0.4850	0.0145	0.4700	2.1635
2014	1.0400	0.1770	1.2170	0.4950	0.0125	0.4700	2.1945
2015	1.0400	0.1949	1.2349	0.4900	0.0120	0.4700	2.2069

Source: Erath County Appraisal District & Erath County Tax Assessor-Collector's Office

Note: Since 2008 the District's basic tax rate may not be increased without approval by use of a TRE (Tax Ratification Election).

Overlapping rates are of other local and county governmental units are rate totals inclusive of operating and debt obligation levies.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**

PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

Taxpayer	2015			2006		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
FMC Technologies	\$ 81,003,474	1	34.2521%	\$ 20,239,816	2	13.9111%
Schreiber Foods, Inc	38,740,010	2	16.3811%	53,633,861	1	36.8632%
FMC Technologies, Inc.	19,730,450	3	8.3430%	--	--	-
Tejas Tubular Products	19,374,368	4	8.1924%	--	--	-
Mustang Ranch	17,575,190	5	7.4316%	--	--	-
Saint Gobain Abrasives	14,151,257	6	5.9838%	18,728,812	3	12.8725%
Lone Star Transmission	14,026,870	7	5.9312%	--	--	-
Oncor Electric Delivery	11,372,380	8	4.8088%	11,072,080	4	7.6100%
DB Bosque, LLC	11,057,310	9	4.6755%	7,239,420	7	4.9757%
Stephenville Campus Crest	9,460,960	10	4.0005%	--	--	-
United Telephone Company (Century Link)	--	--	--	9,734,230	5	6.6905%
Wal-Mart Stores, Inc. #1	--	--	--	7,897,470	6	5.4280%
Wilmington Trust (Wal-Mart #2)	--	--	--	6,249,360	8	4.2953%
Bosque River Associates	--	--	--	5,764,800	9	3.9622%
Bachus James O Family Trust	--	--	--	4,934,410	10	3.3915%
<b>Total</b>	<b>\$ 236,492,269</b>		<b>100.0000%</b>	<b>\$ 145,494,259</b>		<b>100.0000%</b>

Source: Erath County Appraisal District & Erath County Tax Assessor-Collector's Office.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*PROPERTY TAX LEVIES AND COLLECTIONS*  
*LAST TEN FISCAL YEARS*  
*(UNAUDITED)*

Fiscal Year	Taxes Levied for the Fiscal Year	Subsequent Adjustments To Levy	Final Adjusted Levy	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 14,667,198	\$ (45,571)	\$ 14,621,627	\$ 14,358,919	98.20%	\$ 250,599	\$ 14,609,518	99.92%
2007	15,289,687	(36,641)	15,253,046	14,908,416	97.74%	331,607	15,240,023	99.91%
2008	13,568,803	(73,841)	13,494,962	13,289,316	98.48%	190,845	13,480,161	99.89%
2009	14,096,421	(94,091)	14,002,330	13,756,462	98.24%	229,414	13,985,876	99.88%
2010	14,297,383	(60,361)	14,237,022	13,885,285	97.53%	303,463	14,188,748	99.66%
2011	14,259,263	(21,213)	14,238,050	13,874,318	97.45%	219,273	14,093,591	98.99%
2012	14,707,288	(48,161)	14,659,127	14,484,263	98.81%	140,830	14,625,093	99.77%
2013	15,726,575	(24,731)	15,701,844	15,540,617	98.97%	106,014	15,646,631	99.65%
2014	17,020,470	(27,275)	16,993,195	16,800,423	98.87%	121,382	16,921,805	99.58%
2015	17,799,215	(166,387)	17,632,828	17,459,615	99.02%	--	17,459,615	99.02%

Source: Erath County Appraisal District & Erath County Tax Assessor-Collector's Office



TABLE L-7

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY*  
*LAST TEN FISCAL YEARS*  
*(UNAUDITED)*

Fiscal Year	Real Property	Personal Property	Mobile Homes Minerals and Other Property	Total Taxable Assessed Value	Total Direct Tax Rate	Less Exemptions	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2006	\$ 1,251,821,205	\$ 257,892,940	\$ 5,447,030	\$ 1,515,161,175	\$ 1.6600	\$ 584,615,306	\$ 930,545,869	162.825%
2007	1,438,901,882	293,628,060	10,882,880	1,743,412,822	1.6600	691,451,729	1,051,961,093	165.730%
2008	1,616,498,562	314,211,980	13,603,280	1,944,313,822	1.5199	751,655,007	1,192,658,815	163.023%
2009	1,697,794,119	327,417,630	23,662,320	2,048,874,069	1.1920	765,026,612	1,283,847,457	159.589%
2010	1,728,223,615	342,790,180	20,084,790	2,091,098,585	1.1470	793,590,829	1,297,507,756	161.163%
2011	1,759,474,909	314,492,950	13,458,610	2,087,426,469	1.1470	794,542,125	1,292,884,344	161.455%
2012	1,778,102,654	331,309,620	11,695,340	2,121,107,614	1.1700	815,714,548	1,305,393,066	162.488%
2013	1,840,143,146	404,625,430	12,542,750	2,257,311,326	1.1940	892,639,840	1,364,671,486	165.411%
2014	1,872,668,544	499,602,840	11,953,430	2,384,224,814	1.2170	939,494,957	1,444,729,857	165.029%
2015	2,111,981,627	447,180,370	11,468,810	2,570,630,807	1.2349	1,088,212,777	1,482,418,030	173.408%

Source: Erath County Appraisal District & Erath County Tax Assessor-Collector's Office.

TABLE L-8

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

Fiscal Year	District Direct Rates			Overlapping Rates			Total Direct and Overlapping Rates
	General Purposes	Capital Purposes	Total	City of Stephenville	Middle Trinity Water District	Erath County	
2006	\$ 1.5000	\$ 0.1600	\$ 1.6600	\$ 0.4750	\$ 0.0150	\$ 0.4352	\$ 2.5852
2007	1.5000	0.1600	1.6600	0.4650	0.0150	0.4187	2.5587
2008	1.3700	0.1499	1.5199	0.4450	0.0150	0.3900	2.3699
2009	1.0400	0.1520	1.1920	0.4350	0.0150	0.3900	2.0320
2010	1.0400	0.1070	1.1470	0.4435	0.0150	0.4500	2.0555
2011	1.0400	0.1070	1.1470	0.4600	0.0150	0.4700	2.0920
2012	1.0400	0.1300	1.1700	0.4850	0.0150	0.4700	2.1400
2013	1.0400	0.1540	1.1940	0.4850	0.0145	0.4700	2.1635
2014	1.0400	0.1770	1.2170	0.4950	0.0125	0.4700	2.1945
2015	1.0400	0.1949	1.2349	0.4900	0.0120	0.4700	2.2069

Source: Erath County Appraisal District & Erath County Tax Assessor-Collector's Office

Note: Since 2008 the District's basic tax rate may not be increased without approval by use of a TRE (Tax Ratification Election).

Overlapping rates are of other local and county governmental units are rate totals inclusive of operating and debt obligation levies.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*PROPERTY TAX LEVIES AND COLLECTIONS*  
*LAST TEN FISCAL YEARS*  
*(UNAUDITED)*

Fiscal Year	Taxes Levied for the Fiscal Year	Subsequent Adjustments To Levy	Final Adjusted Levy	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 14,667,198	\$ (45,571)	\$ 14,621,627	\$ 14,358,919	98.20%	\$ 250,599	\$ 14,609,518	99.92%
2007	15,289,687	(36,641)	15,253,046	14,908,416	97.74%	331,607	15,240,023	99.91%
2008	13,568,803	(73,841)	13,494,962	13,289,316	98.48%	190,845	13,480,161	99.89%
2009	14,096,421	(94,091)	14,002,330	13,756,462	98.24%	229,414	13,985,876	99.88%
2010	14,297,383	(60,361)	14,237,022	13,885,285	97.53%	303,463	14,188,748	99.66%
2011	14,259,263	(21,213)	14,238,050	13,874,318	97.45%	219,273	14,093,591	98.99%
2012	14,707,288	(48,161)	14,659,127	14,484,263	98.81%	140,830	14,625,093	99.77%
2013	15,726,575	(24,731)	15,701,844	15,540,617	98.97%	106,014	15,646,631	99.65%
2014	17,020,470	(27,275)	16,993,195	16,800,423	98.87%	121,382	16,921,805	99.58%
2015	17,799,215	(166,387)	17,632,828	17,459,615	99.02%	--	17,459,615	99.02%

Source: Erath County Appraisal District & Erath County Tax Assessor-Collector's Office

TABLE L-11

## STEPHENVILLE INDEPENDENT SCHOOL DISTRICT

## RATIOS OF OUTSTANDING DEBT BY TYPE

## LAST TEN FISCAL YEARS

## (UNAUDITED)

General Bonded Debt						
Fiscal Year	School Building Bonds	Refunding Bond	Contractual Obligations	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2006	\$ 8,272,041	\$ 8,346,125	\$ --	\$ 19,732,497	2.49%	\$ 984
2007	7,285,727	8,262,632	--	18,544,589	2.08%	912
2008	6,653,938	8,175,324	--	17,727,852	1.89%	860
2009	5,567,357	8,089,318	--	16,270,046	1.69%	761
2010	4,415,792	8,004,645	--	9,715,589	1.54%	725
2011	3,188,820	7,916,862	--	12,810,292	1.28%	635
2012	24,397,681	7,300,204	--	35,761,879	5.73%	1733
2013	22,510,000	7,210,000	--	32,754,593	*	1538
2014	22,510,000	6,335,000	--	30,751,709	*	1345
2015	22,510,000	4,830,000	--	29,569,763	*	1269
Other Governmental Activities Debt						
Fiscal Year	Accumulated Accretion on CAB's	Deferred Loss on Refunding	Net Premium/ (Discount) on Bonds			
2006	\$ 3,182,953	\$ (335,240)	\$ 268,618			
2007	3,053,700	(303,703)	246,233			
2008	3,229,657	(279,366)	(51,701)			
2009	2,911,151	(251,429)	(46,351)			
2010	2,481,356	(223,492)	(41,361)			
2011	1,936,356	(195,555)	(36,191)			
2012	1,282,432	(350,745)	3,132,307			
2013	518,235	(476,151)	2,922,509			
2014	-	(406,002)	2,712,711			
2015	-	(273,150)	2,502,913			

(1) See Table L-15 for personal income and population data

Details of the District's outstanding debt can be found in the notes to the financial statements.

Personal Income used for percentage was the average of the city only personal income and the percentage of county personal income times the ratio of tax value for county compared to the SISD.

\*Information not available at publication date.

TABLE L-8

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

Fiscal Year	District Direct Rates			Overlapping Rates			Total Direct and Overlapping Rates
	General Purposes	Capital Purposes	Total	City of Stephenville	Middle Trinity Water District	Erath County	
2006	\$ 1.5000	\$ 0.1600	\$ 1.6600	\$ 0.4750	\$ 0.0150	\$ 0.4352	\$ 2.5852
2007	1.5000	0.1600	1.6600	0.4650	0.0150	0.4187	2.5587
2008	1.3700	0.1499	1.5199	0.4450	0.0150	0.3900	2.3699
2009	1.0400	0.1520	1.1920	0.4350	0.0150	0.3900	2.0320
2010	1.0400	0.1070	1.1470	0.4435	0.0150	0.4500	2.0555
2011	1.0400	0.1070	1.1470	0.4600	0.0150	0.4700	2.0920
2012	1.0400	0.1300	1.1700	0.4850	0.0150	0.4700	2.1400
2013	1.0400	0.1540	1.1940	0.4850	0.0145	0.4700	2.1635
2014	1.0400	0.1770	1.2170	0.4950	0.0125	0.4700	2.1945
2015	1.0400	0.1949	1.2349	0.4900	0.0120	0.4700	2.2069

Source: Erath County Appraisal District & Erath County Tax Assessor-Collector's Office

Note: Since 2008 the District's basic tax rate may not be increased without approval by use of a TRE (Tax Ratification Election).

Overlapping rates are of other local and county governmental units are rate totals inclusive of operating and debt obligation levies.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*PROPERTY TAX LEVIES AND COLLECTIONS*  
*LAST TEN FISCAL YEARS*  
*(UNAUDITED)*

Fiscal Year	Taxes Levied for the Fiscal Year	Subsequent Adjustments To Levy	Final Adjusted Levy	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 14,667,198	\$ (45,571)	\$ 14,621,627	\$ 14,358,919	98.20%	\$ 250,599	\$ 14,609,518	99.92%
2007	15,289,687	(36,641)	15,253,046	14,908,416	97.74%	331,607	15,240,023	99.91%
2008	13,568,803	(73,841)	13,494,962	13,289,316	98.48%	190,845	13,480,161	99.89%
2009	14,096,421	(94,091)	14,002,330	13,756,462	98.24%	229,414	13,985,876	99.88%
2010	14,297,383	(60,361)	14,237,022	13,885,285	97.53%	303,463	14,188,748	99.66%
2011	14,259,263	(21,213)	14,238,050	13,874,318	97.45%	219,273	14,093,591	98.99%
2012	14,707,288	(48,161)	14,659,127	14,484,263	98.81%	140,830	14,625,093	99.77%
2013	15,726,575	(24,731)	15,701,844	15,540,617	98.97%	106,014	15,646,631	99.65%
2014	17,020,470	(27,275)	16,993,195	16,800,423	98.87%	121,382	16,921,805	99.58%
2015	17,799,215	(166,387)	17,632,828	17,459,615	99.02%	--	17,459,615	99.02%

Source: Erath County Appraisal District & Erath County Tax Assessor-Collector's Office

TABLE L-11

## STEPHENVILLE INDEPENDENT SCHOOL DISTRICT

## RATIOS OF OUTSTANDING DEBT BY TYPE

## LAST TEN FISCAL YEARS

## (UNAUDITED)

General Bonded Debt						
Fiscal Year	School Building Bonds	Refunding Bond	Contractual Obligations	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2006	\$ 8,272,041	\$ 8,346,125	\$ --	\$ 19,732,497	2.49%	\$ 984
2007	7,285,727	8,262,632	--	18,544,589	2.08%	912
2008	6,653,938	8,175,324	--	17,727,852	1.89%	860
2009	5,567,357	8,089,318	--	16,270,046	1.69%	761
2010	4,415,792	8,004,645	--	9,715,589	1.54%	725
2011	3,188,820	7,916,862	--	12,810,292	1.28%	635
2012	24,397,681	7,300,204	--	35,761,879	5.73%	1733
2013	22,510,000	7,210,000	--	32,754,593	*	1538
2014	22,510,000	6,335,000	--	30,751,709	*	1345
2015	22,510,000	4,830,000	--	29,569,763	*	1269
Other Governmental Activities Debt						
Fiscal Year	Accumulated Accretion on CAB's	Deferred Loss on Refunding	Net Premium/ (Discount) on Bonds			
2006	\$ 3,182,953	\$ (335,240)	\$ 268,618			
2007	3,053,700	(303,703)	246,233			
2008	3,229,657	(279,366)	(51,701)			
2009	2,911,151	(251,429)	(46,351)			
2010	2,481,356	(223,492)	(41,361)			
2011	1,936,356	(195,555)	(36,191)			
2012	1,282,432	(350,745)	3,132,307			
2013	518,235	(476,151)	2,922,509			
2014	-	(406,002)	2,712,711			
2015	-	(273,150)	2,502,913			

(1) See Table L-15 for personal income and population data

Details of the District's outstanding debt can be found in the notes to the financial statements.

Personal Income used for percentage was the average of the city only personal income and the percentage of county personal income times the ratio of tax value for county compared to the SISD.

\*Information not available at publication date.

TABLE L-11

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT***RATIOS OF OUTSTANDING DEBT BY TYPE**LAST TEN FISCAL YEARS**(UNAUDITED)*

General Bonded Debt						
Fiscal Year	School Building Bonds	Refunding Bond	Contractual Obligations	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2006	\$ 8,272,041	\$ 8,346,125	\$ --	\$ 19,732,497	2.49%	\$ 984
2007	7,285,727	8,262,632	--	18,544,589	2.08%	912
2008	6,653,938	8,175,324	--	17,727,852	1.89%	860
2009	5,567,357	8,089,318	--	16,270,046	1.69%	761
2010	4,415,792	8,004,645	--	9,715,589	1.54%	725
2011	3,188,820	7,916,862	--	12,810,292	1.28%	635
2012	24,397,681	7,300,204	--	35,761,879	5.73%	1733
2013	22,510,000	7,210,000	--	32,754,593	*	1538
2014	22,510,000	6,335,000	--	30,751,709	*	1345
2015	22,510,000	4,830,000	--	29,569,763	*	1269

Other Governmental Activities Debt			
Fiscal Year	Accumulated Accretion on CAB's	Deferred Loss on Refunding	Net Premium/ (Discount) on Bonds
2006	\$ 3,182,953	\$ (335,240)	\$ 268,618
2007	3,053,700	(303,703)	246,233
2008	3,229,657	(279,366)	(51,701)
2009	2,911,151	(251,429)	(46,351)
2010	2,481,356	(223,492)	(41,361)
2011	1,936,356	(195,555)	(36,191)
2012	1,282,432	(350,745)	3,132,307
2013	518,235	(476,151)	2,922,509
2014	-	(406,002)	2,712,711
2015	-	(273,150)	2,502,913

(1) See Table L-15 for personal income and population data

Details of the District's outstanding debt can be found in the notes to the financial statements.

Personal Income used for percentage was the average of the city only personal income and the percentage of county personal income times the ratio of tax value for county compared to the SISD.

\*Information not available at publication date.



**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*RATIOS OF GENERAL BONDED DEBT OUTSTANDING*  
*LAST TEN FISCAL YEARS*  
*(UNAUDITED)*

Fiscal Year	General Bonded Debt Outstanding				Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Accumulated Accretion on CAB's	Net Premium/ (Discount) on Bonds	Total		
2006	\$ 16,618,166	\$ 3,182,953	\$ 268,618	\$ 20,067,737	2.16%	\$ 568
2007	15,548,359	3,053,700	246,233	18,848,292	1.79%	514
2008	14,829,262	3,229,657	(51,701)	18,007,218	1.51%	485
2009	13,656,675	2,911,151	(46,351)	16,521,475	1.29%	439
2010	12,420,437	2,481,356	(41,361)	9,939,081	1.15%	392
2011	11,105,682	1,936,356	(36,191)	13,005,847	1.01%	340
2012	31,697,885	1,282,432	3,132,307	36,112,624	2.77%	913
2013	29,720,000	518,235	2,922,509	33,160,744	2.43%	836
2014	28,445,000	--	2,712,711	31,157,711	2.16%	786
2015	27,340,000	--	2,502,913	29,842,913	2.01%	681

Source: Information obtained from Erath County Appraisal District and Erath County Tax-Assessor/Collector's Office.

(1) See Tab L-7 for actual taxable value.

(2) See Table L-15 for population data.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 (UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Stephenville	\$ 18,622,865	100.000%	\$ 18,622,865
Erath County	<u>4,665,000</u>	58.190%	<u>2,714,564</u>
Subtotal, Overlapping Debt	23,287,865		21,337,429
Stephenville ISD	29,842,913	100.000%	<u>29,842,913</u>
Total Direct and Overlapping Debt			<u>\$ 51,180,342</u>
Ratio of Total Direct and Overlapping Net Debt to 2015 Taxable Assessed Valuation		\$1,482,418,030	<u>3.45%</u>

Source: The Municipal Advisory of Texas (Texas MAC)

Note: 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. This process recognizes that, when considering the district's ability to issue and repay long-term debt, that the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

\* The percentage of overlapping debt applicable is estimated based on a ratio of taxable value between the governmental units.

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*LEGAL DEBT MARGIN INFORMATION*  
*LAST TEN FISCAL YEARS*  
*(UNAUDITED)*

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 93,226,719	\$ 105,335,689	\$ 119,742,978	\$ 128,609,967	\$ 130,101,535	\$ 129,485,899	\$ 130,780,035	\$ 136,684,596	\$ 129,851,303	\$ 148,241,803
Total Net Debt Applicable to Limit	15,523,656	14,144,729	13,209,448	12,478,130	11,700,446	10,775,182	30,704,166	29,215,838	28,127,666	26,262,666
Legal Debt Margin	\$ 77,707,064	\$ 91,190,960	\$ 106,533,530	\$ 116,131,836	\$ 118,401,089	\$ 118,710,717	\$ 100,075,869	\$ 107,468,758	\$ 101,723,637	\$ 121,979,137
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	16.65%	13.43%	11.03%	9.70%	8.99%	8.32%	23.48%	21.37%	21.66%	17.72%

**Legal Debt Margin Calculation for the Current Fiscal Year**

Assessed Value	\$ 1,482,418,030
Debt Limit (10% of Assessed Value)	148,241,803
Debt Applicable to Limit	26,262,666
Legal Debt Margin	\$ 121,979,137

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN CALENDAR YEARS  
 (UNAUDITED)

Calendar Year	Erath County			
	Estimated Population	Personal Income ( <i>thousands of dollars</i> )	Per Capita Personal Income	Unemployment Rate
2006	35,319	\$ 901,769,000	\$ 25,532	4.00%
2007	36,678	1,004,187,000	28,301	3.60%
2008	37,137	1,095,025,000	29,486	3.80%
2009	37,594	1,047,131,000	27,854	6.20%
2010	37,950	1,128,762,000	29,743	6.60%
2011	38,226	1,206,612,000	31,532	6.20%
2012	39,554	1,229,432,000	31,267	4.25%
2013	39,658	1,300,798,000	32,800	4.90%
2014	40,147	*	*	4.70%
2015	*	*	*	4.20%

\* Information not available at this time.

Source: Population, personal income, per capita provided by the Texas Department of Commerce and Labor ([www.tracer2.com](http://www.tracer2.com))

Note: Unemployment rate information is an adjusted yearly average.

City of Stephenville

Estimated Population	Personal Income ( <i>thousands of dollars</i> )	Per Capita Personal Income	Unemployment Rate
16,882	\$ 430,929,932	\$ 25,526	3.90%
17,050	483,043,550	28,331	3.80%
17,250	498,231,750	28,883	4.00%
17,950	535,488,500	29,830	7.10%
17,123	511,549,625	29,875	7.00%
17,480	551,179,360	31,532	6.50%
18,290	553,244,400	39,321	5.20%
19,320	*	*	5.50%
19,410	*	*	5.30%
*	*	*	4.80%

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT***PRINCIPAL EMPLOYERS**CURRENT YEAR AND ONE YEAR AGO**(UNAUDITED)*

Employer	2015			2014		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Tarleton State University	1,090	1	5.97%	1,236	1	6.79%
FMC Company	610	2	4.82%	769	2	4.22%
Saint Gobain Abrasives	490	3	3.87%	477	3	2.62%
Stephenville Independent School District	450	4	3.55%	449	4	2.46%
Scheiber Foods	400	5	3.16%	375	6	2.06%
Wal-Mart Stores, Inc.	300	6	2.37%	451	5	2.48%
Tejas Tubular (Chaporal Forging)	220	7	1.74%	263	8	1.44%
Western Dairy Transport	210	8	1.66%	175	11	0.96%
Texas Health--Harris Methodist Stephenville	200	9	1.58%	263	7	1.44%
City of Stephenville	150	10	1.18%	147	13	0.81%
Fibergrate Composite Structures	145	11	1.15%	182	9	1.00%
PalCon	140	12	1.11%	100	18	0.55%
Emerson Electric Company	130	13	1.03%	155	12	0.85%
Outlaw Conversions	130	14	1.03%	115	17	0.63%
Earth County	110	15	0.87%	115	15	0.63%
ABF Packing, Inc.	110	16	0.87%	--	--	--
Bruner Motors	105	17	0.83%	115	16	0.63%
HEB	100	18	0.79%	180	10	0.99%
Stephenville Medical & Surgical Clinic	100	19	0.79%	120	14	0.66%
Senior Care	90	20	0.71%	--	--	--
Prime Buildings	85	21	0.67%	60	19	0.33%
Mulberry Manor	80	22	0.63%	--	--	--
United Cooperative Services	50	23	0.39%	41	20	0.23%
Wolf Nursery Direct	50	24	0.39%	--	--	--
Square One Machine	40	25	0.32%	35	21	0.19%
Subtotal	5,585			5,766		31.65%
Remaining Employers	12,661		69.50%	12,450		68.35%
Total	18,246		100.00%	18,216		100.00%

Source: City Community Development Division. Total employee data is provided by the State Department of Commerce and Labor.

Note: The District did not begin reporting statistical tables until fiscal year 2013. The District will present current year information and information from one year ago until the District has 10 years of data.

TABLE L-17

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
 FULL-TIME-EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

	Full-Time-Equivalent Employees as of Year End										Percentage Change 2015-2006%
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Professional Staff											
Teachers	225.7	230.3	230.4	232.5	232.9	232.1	233.3	237.2	240.5	248.8	10.23%
By Degree											
No Degree	2.7	--	--	--	--	--	--	--	1.0	--	-100.00%
with Bachelors	140.2	154.9	155.4	161.6	160.8	166.2	175.7	180.8	183.8	185.2	32.10%
with Masters	81.8	74.3	73.0	69.9	71.1	64.9	55.6	55.4	53.7	61.6	-24.69%
With Doctorate	1.0	1.0	2.0	1.0	1.0	1.0	2.0	1.0	2.0	2.0	100.00%
By Ethnicity											
African American	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	--	-100.00%
Hispanic	8.7	9.6	10.6	13.0	14.0	16.0	16.0	16.0	15.0	18.9	117.24%
White	216.0	219.7	218.8	218.5	217.9	213.1	213.3	216.2	219.5	224.8	4.07%
Native American	--	--	--	--	--	--	--	--	--	1.0	100.00%
Asian/Pacific Islander	--	--	--	--	--	--	--	1.0	1.0	1.0	100.00%
Two or more races	n/a	n/a	n/a	n/a	n/a	2.0	3.0	4.0	4.0	1.2	-40.00%
By Gender											
Males	41.1	39.0	36.5	41.9	43.4	45.0	46.2	43.3	43.3	48.3	17.52%
Females	184.5	191.3	193.9	190.6	189.4	187.1	187.1	193.9	194.2	200.8	8.83%
By Experience Levels											
Beginning	8.7	2.6	8.6	8.0	5.9	5.0	9.5	8.0	8.0	4.0	54.02%
1-5 years of experience	38.3	48.2	49.4	50.8	49.0	44.3	51.4	54.8	54.8	55.6	45.17%
6-10 years of experience	42.0	45.0	40.0	46.4	45.8	53.8	48.0	43.0	43.0	46.0	9.52%
11-20 years of experience	75.8	73.4	77.5	81.5	83.3	80.0	81.2	85.6	85.6	83.3	9.89%
Over 20 years of experience	60.9	61.1	55.0	45.9	48.9	49.0	43.2	49.1	49.1	59.9	-1.64%
Professional Support	35.3	41.8	42.8	39.8	38.0	35.0	34.4	37.1	39.1	40.4	14.45%
Campus Leadership	9.0	9.0	9.0	9.0	10.0	10.0	10.0	10.0	11.7	10.2	13.33%
Central Administration	9.0	9.0	9.0	9.0	9.0	9.0	10.8	8.7	10.3	9.9	10.00%
Educational Aides	56.5	54.7	51.0	52.7	49.9	52.5	52.6	50.9	49.8	47.8	-15.40%
Auxiliary Staff	105.2	110.3	88.6	85.0	84.4	91.2	94.1	90.8	98.0	90.9	-13.59%
<b>Total Staff</b>	<b>440.7</b>	<b>455.1</b>	<b>430.8</b>	<b>428.0</b>	<b>424.1</b>	<b>429.8</b>	<b>435.2</b>	<b>434.7</b>	<b>449.4</b>	<b>448.0</b>	<b>1.63%</b>
<b>Total Minority Staff</b>	<b>49.6</b>	<b>50.6</b>	<b>30.4</b>	<b>36.7</b>	<b>37.7</b>	<b>42.1</b>	<b>41.0</b>	<b>43.0</b>	<b>38.2</b>	<b>43.1</b>	<b>-13.10%</b>

Source: PEIMS data collected at district for current year and Texas Agency AEIS/TAPR/PEIMS reports.

Note: in Fiscal Year 2008 the District began contracting our custodial staff.

Note: Full-time instructional employees (teachers, aide, and some auxiliary works) of the district are employed for all 187 day scheduled as school days. All other employees scheduled work days ranging from 200 to 250 days per year.

TABLE L-18

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**

OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year	Student Enrollment	Percentage Change	Average Daily Attendance Percentage	Percentage Change	Operating Expenditures	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Teaching Staff
2006	3,509	2.90%	95.90%	0.31%	\$ 22,537,761	\$ 6,423	-1.42%	\$ 24,961,352	\$ 7,114	226
2007	3,525	0.46%	95.80%	-0.10%	23,846,001	6,765	5.32%	27,194,813	7,715	230
2008	3,520	-0.14%	95.60%	-0.21%	26,037,872	7,397	9.35%	29,140,550	8,279	230
2009	3,493	-0.77%	95.70%	0.10%	27,175,527	7,780	5.18%	31,809,019	9,107	233
2010	3,544	1.46%	95.60%	-0.10%	27,335,375	7,713	-0.86%	29,672,933	8,373	233
2011	3,623	2.23%	96.00%	0.42%	27,790,631	7,671	-0.55%	30,243,955	8,348	232
2012	3,580	-1.19%	96.14%	0.15%	27,922,681	7,800	1.68%	31,480,246	8,793	233
2013	3,693	3.16%	95.64%	-0.52%	28,962,403	7,843	0.55%	45,575,575	12,341	239
2014	3,711	0.49%	95.76%	0.13%	27,127,405	7,310	-6.79%	33,899,098	9,135	241
2015	3,614	-2.68%	95.69%	-0.07%	27,229,663	7,534	3.07%	34,966,853	9,675	249

Source: Nonfinancial information from district records.

Note: Operating expenditures are total all funds expenditures less debt service and capital outlays.



Pupil-Teacher Ratio	Percentage of Economically Disadvantaged Students	Percentage of Limited English Proficiency
15.5	39.6%	5.4%
15.3	40.6%	6.3%
15.3	41.3%	6.4%
15.0	43.4%	6.9%
15.2	48.5%	8.0%
15.6	50.6%	8.7%
15.3	50.8%	8.9%
15.5	50.8%	9.6%
15.4	48.7%	9.5%
14.5	46.2%	9.7%

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT***TEACHER BASE SALARIES**LAST TEN FISCAL YEARS**(UNAUDITED)*

<u>Fiscal Year</u>	<u>District Minimum Salary</u>	<u>District Maximum Salary</u>	<u>District Average Salary</u>	<u>Regional Average Salary</u>	<u>Statewide Average Salary</u>
2006	\$ 27,040	\$ 44,700	\$ 38,359	\$ 43,240	\$ 41,744
2007	30,120	48,170	41,502	44,875	44,897
2008	30,620	49,670	41,739	48,394	46,179
2009	32,620	52,670	43,406	49,584	47,159
2010	33,554	53,604	44,862	50,642	48,263
2011	33,554	53,604	44,708	50,986	48,638
2012	33,554	54,704	44,372	50,386	48,375
2013	38,000	56,104	46,080	*	49,692
2014	39,000	57,522	47,134	*	49,692
2015	39,500	58,522	48,065	*	50,715

\* Information not available at this time.

Source: PEIMS data collected at district for current year and Texas Education Agency Academic Performance Report  
 HR Department of Educational Service Center Region XI

TABLE L-20

**STEPHENVILLE INDEPENDENT SCHOOL DISTRICT**  
*SCHOOL BUILDING INFORMATION*  
*LAST TEN FISCAL YEARS*  
*(UNAUDITED)*

School	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>School</b>										
<b>Central Elementary</b>										
Number of Buildings	--	--	--	--	4	4	4	4	1	1
Square Feet	--	--	--	--	54,829	54,829	54,829	54,829	61,203	61,203
Capacity	--	--	--	--	316	316	316	316	528	528
Enrollment	--	--	--	--	441	428	439	430	394	404
<b>Chamberlin Elementary</b>										
Number of Buildings	--	--	--	--	3	3	3	3	1	1
Square Feet	--	--	--	--	68,806	68,806	68,806	68,806	96,373	96,373
Capacity	--	--	--	--	470	470	470	470	660	660
Enrollment	--	--	--	--	562	561	597	603	579	558
<b>Hook Elementary</b>										
Number of Buildings	--	--	--	--	2	2	2	2	2	2
Square Feet	--	--	--	--	89,893	89,893	89,893	89,893	89,893	89,893
Capacity	--	--	--	--	550	550	550	550	550	550
Enrollment	--	--	--	--	521	553	541	556	571	604
<b>Gilbert Intermediate</b>										
Number of Buildings	--	--	--	--	3	3	3	3	3	3
Square Feet	--	--	--	--	70,614	70,614	70,614	70,614	70,614	70,614
Capacity	--	--	--	--	700	700	700	700	700	700
Enrollment	--	--	--	--	527	515	546	562	540	538
<b>Henderson Junior High</b>										
Number of Buildings	--	--	--	--	1	1	1	1	1	1
Square Feet	--	--	--	--	126,914	126,914	126,914	126,914	126,914	126,914
Capacity	--	--	--	--	750	750	750	750	750	750
Enrollment	--	--	--	--	480	534	550	572	553	559
<b>Stephenville High School</b>										
Number of Buildings	--	--	--	--	3	3	3	3	3	3
Square Feet	--	--	--	--	212,040	212,040	212,040	212,040	212,040	212,040
Capacity	--	--	--	--	1,050	1,050	1,050	1,050	1,050	1,050
Enrollment	--	--	--	--	1,084	996	1,020	996	969	1,040

Administration										
Number of Buildings	--	--	--	--	1	1	1	1	1	1
Square Feet	--	--	--	--	23,716	23,716	23,716	23,716	23,716	23,716
Maintenance										
Number of Buildings	--	--	--	--	2	2	2	2	2	3
Square Feet	--	--	--	--	7,800	7,800	7,800	7,800	7,800	9,915
Transporation										
Number of Buildings	--	--	--	--	2	2	2	2	2	2
Square Feet	--	--	--	--	4,000	4,000	4,000	4,000	4,000	4,000
Portable Buildings										
Number of Buildings	--	--	--	--	2	2	2	2	2	2
Square Feet	--	--	--	--	3,120	3,120	3,120	3,120	3,120	3,120
Athletics										
Football fields	--	--	--	--	5	5	5	5	5	5
Baseball fields	--	--	--	--	1	1	1	1	1	1
Running tracks	--	--	--	--	2	2	2	2	2	2
Playgrounds	--	--	--	--	5	5	5	5	5	5
Concession stands	--	--	--	--	2	2	2	2	2	2
Training Rooms	--	--	--	--	1	1	1	1	1	1

SISD Maintenance Records

Records started in 2010, prior records inconsistent for presentation.

