



GRANBURY ISD

Annual Report of Certain Financial and Local Debt Information

Fiscal Year Ended August 31, 2016

Denotes Required Information Pursuant to Local Government Code, Section 140.008

This report was posted on the District's website on March 6, 2017.



☑ Overview of Certain Financial/Bond Ratings

- ☐ **Overview:** Granbury Independent School District (the “District”) has been assigned the following independent financial/bond ratings that indicate the relative strength of the District’s financial and debt management:
 - **School Financial Integrity Rating System of Texas (“FIRST”):** Pursuant to Subchapter D, Chapter 39 of the Texas Education Code, the State annually deploys a financial accountability rating system to distinguish the level of a school district’s financial performance based upon certain uniform criteria.
 - ✓ Based on data for year 2014/15, the District was assigned a 2015/16 FIRST Rating of “Superior” and the District’s score was 94 out of a possible 100 points.
 - **Credit Ratings:** The District also maintains independent ratings from certain nationally recognized credit rating agencies, such as Moody’s Investors Service and S&P Global Ratings, that evaluate the District’s financial strength and its ability to pay its existing bonds.
 - ✓ **Moody’s Investors Service:** Assigns a “Aa3” credit rating to the District, defined as “Judged to be of high quality and are subject to very low credit risk.”
 - ✓ **S&P Global Ratings:** Assigns a “A+” credit rating to the District, defined as “Having a strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.”

For comparison purposes, S&P Global Ratings assigns a credit rating of “AA” to the United States of America.

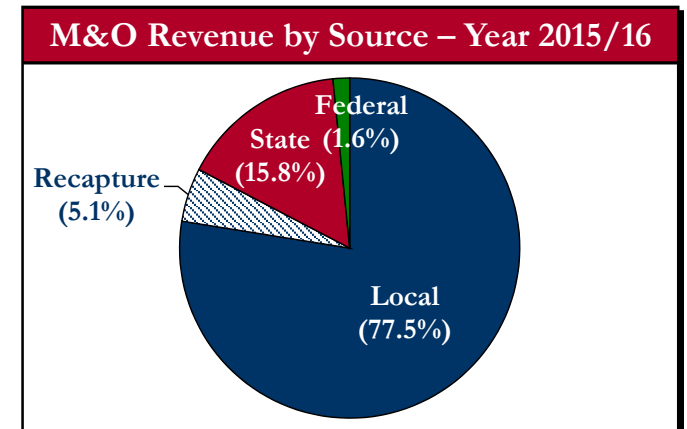


Overview of State Funding System

❑ **State Funding System – Where Do the District’s Revenues Come From:** Granbury ISD is legally required to operate pursuant to the requirements of the Texas Education Code. In particular, the Texas Education Code determines the District’s ability to generate local tax revenues for maintenance & operation purposes and for the repayment of voter-approved bonds. In this regard, the District annually sets two (2) separate tax rates that are levied upon its certified taxable value that is independently determined by the Hood County Appraisal District, Central Appraisal District of Johnson County, Parker County Appraisal District and Somervell Central Appraisal District:

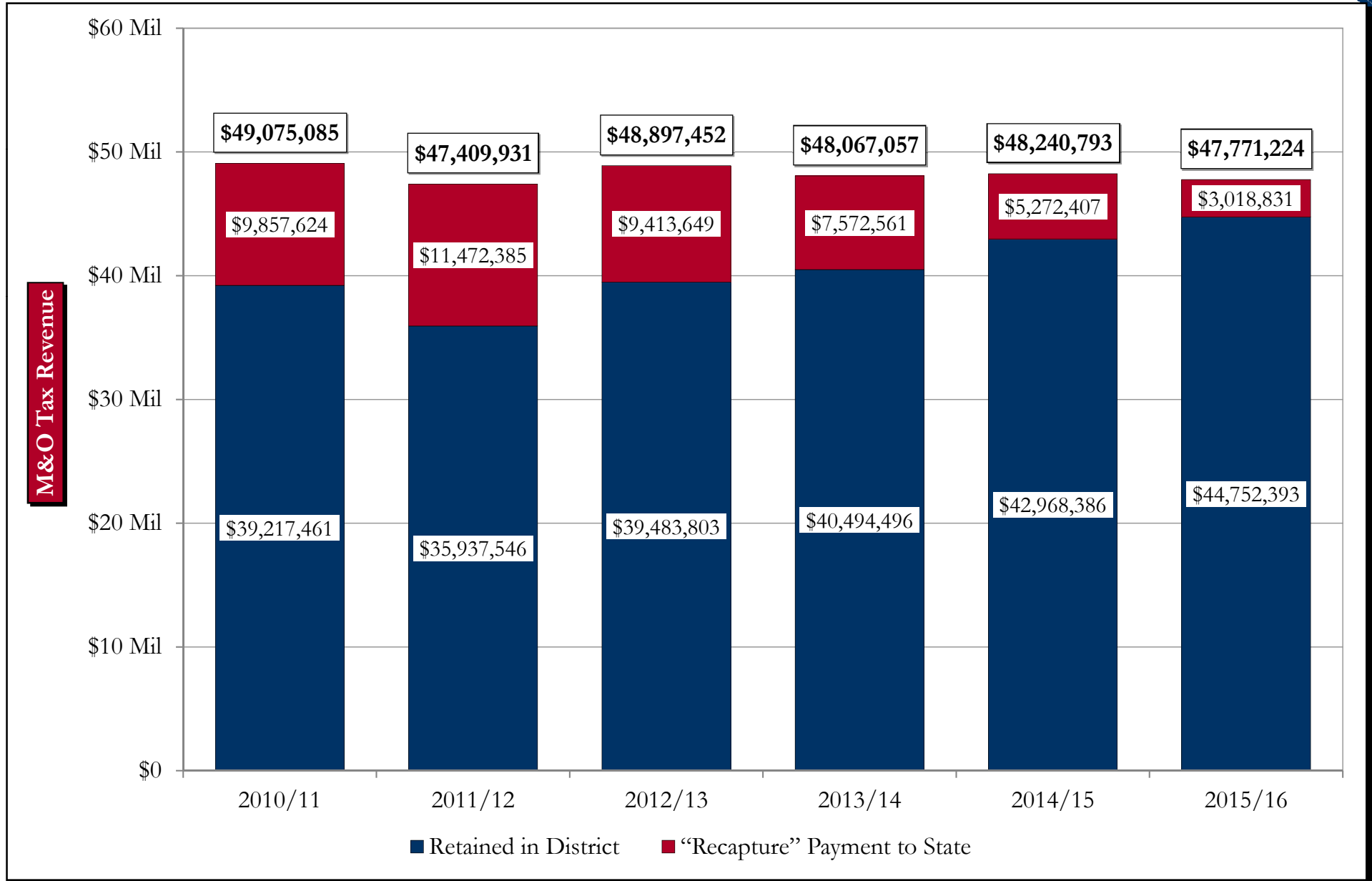
■ **Maintenance & Operations (“M&O”) Tax Rate:** To provide funds for the “day to day” operational expenses of the District, including instructional programs, teacher salaries, instructional supplies, security, student transportation, extracurricular activities, utilities, facility infrastructure/maintenance, etc.

✓ As a Chapter 41 or “Robin Hood” school district, the District’s annual funds for maintenance & operation purposes primarily consist of local M&O taxes, as summarized to the right for year 2015/16. In general, the dollar amount of local M&O revenues retained in the District is determined by the District’s “Equalized Wealth per Student” (i.e. taxable value / weighted average daily attendance) as set by the State. We note that the local sources include tax collections of \$3,018,831 or 5.1% of total operating funds that are paid to the State as a “recapture” payment.



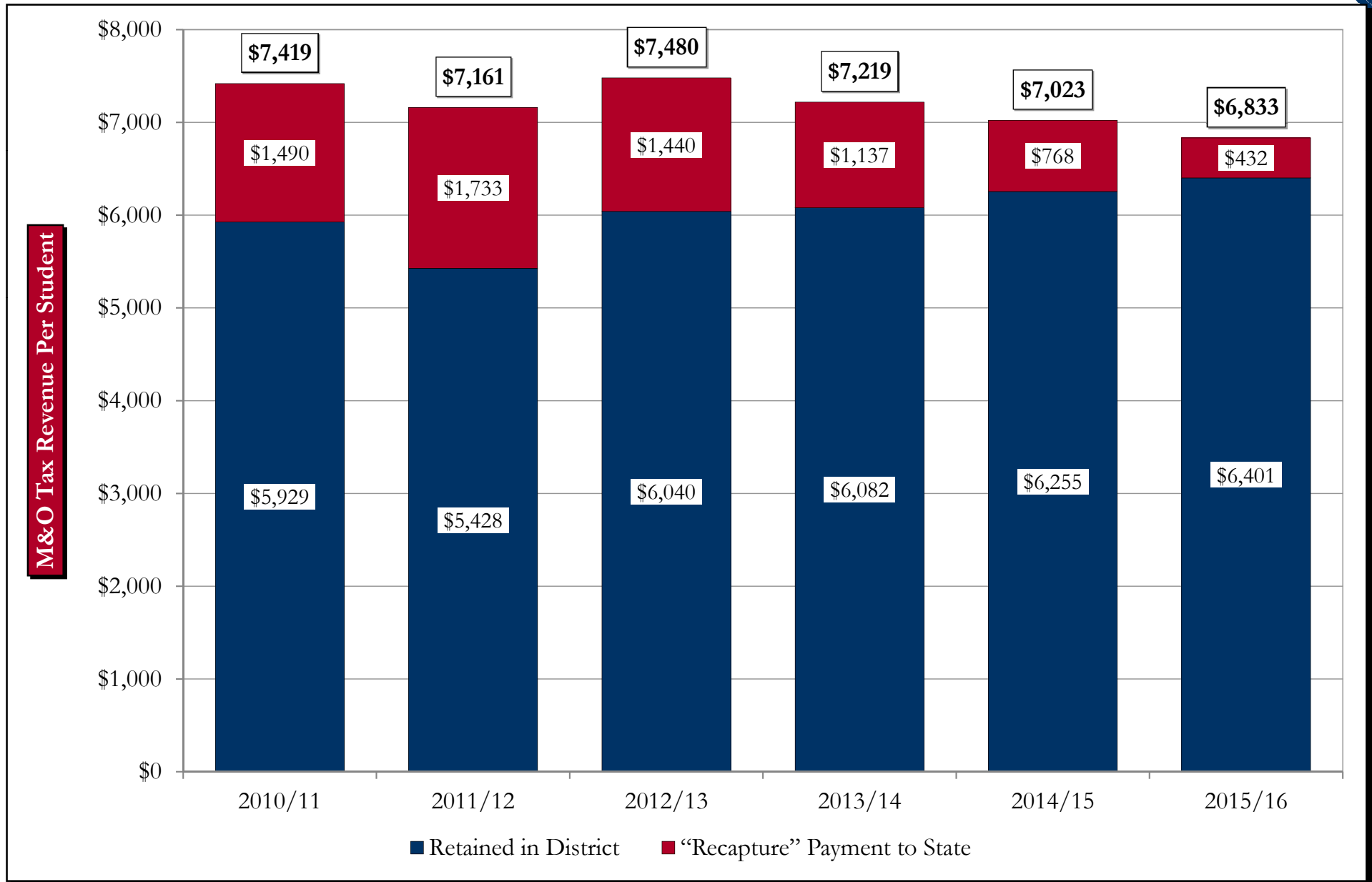


Historical M&O Tax Revenue





Historical M&O Tax Revenue Per Student





☑ Overview of State Funding System

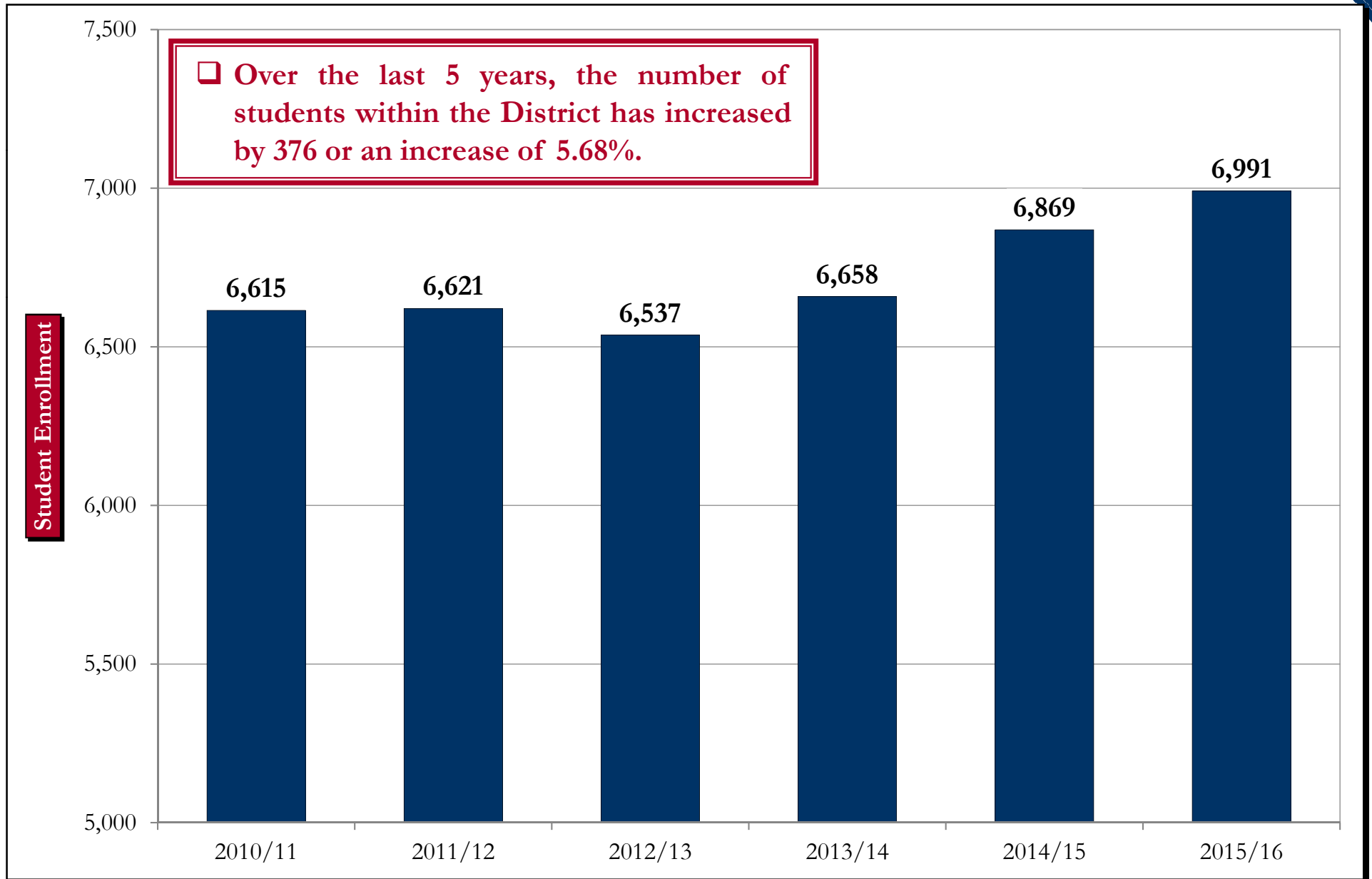
- **Interest & Sinking Fund (“I&S”) Tax Rate:** To provide funds to pay the principal and interest on bonds approved by a majority of voters for capital improvements. The District does not receive any facilities funding from the State for the payment of bonds. The following summarizes the District’s bond programs approved by voters over the last 15 years:

District’s Historical Bond Elections Approved By Voters			
Election Date	Purpose	Election Amount	Dollar Amount Of Bonds Remaining To Be Issued
November 5, 2013	School Building, Renovations & Refunding	\$84,975,000	\$0
Total Dollar Amount Of Authorized But Unissued Bonds - As of August 31, 2016:			\$0

- ✓ As of fiscal year ended August 31, 2016, the District had \$14,340,509 within its Capital Projects Fund for projects currently in progress.

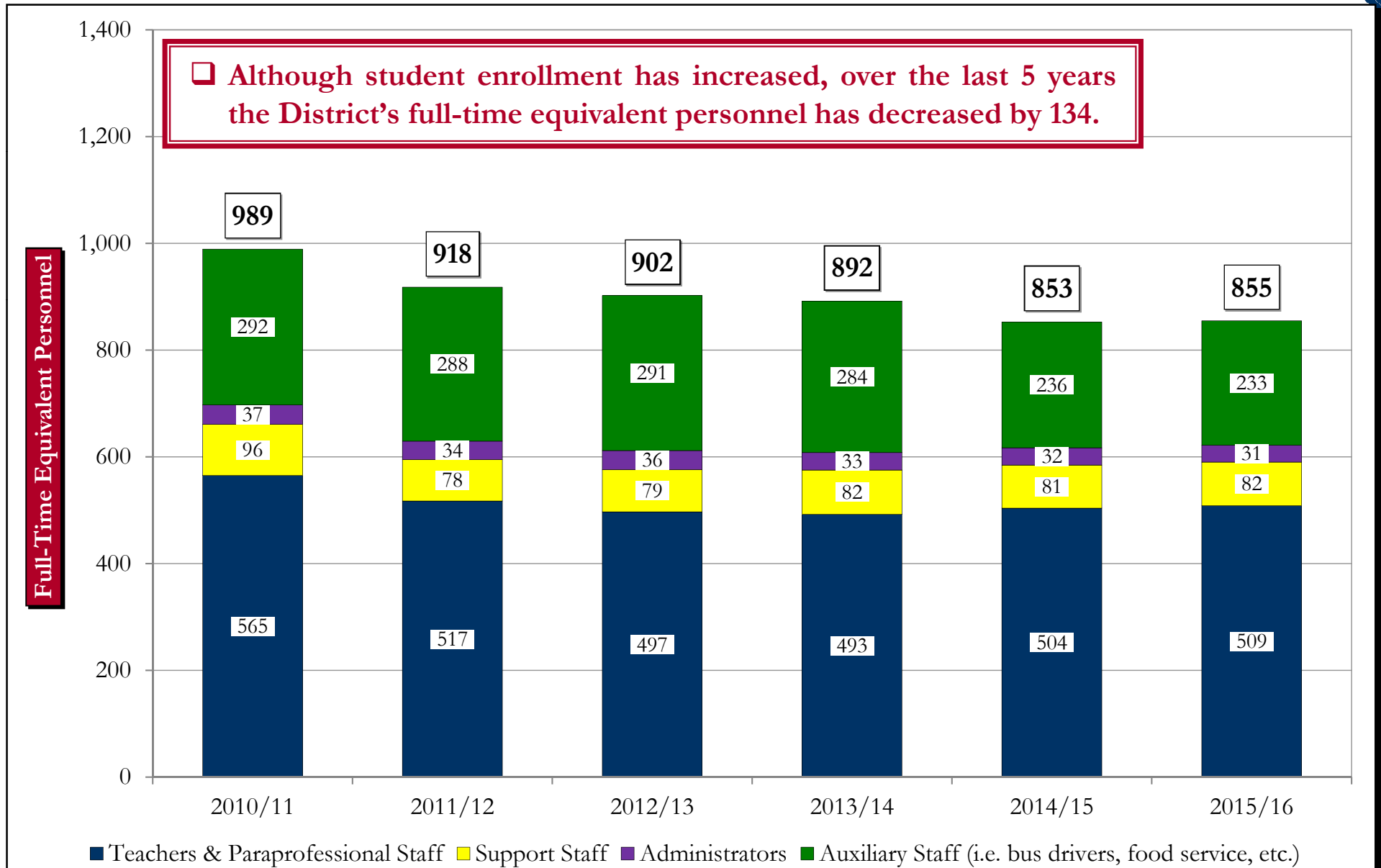


Historical Student Enrollment



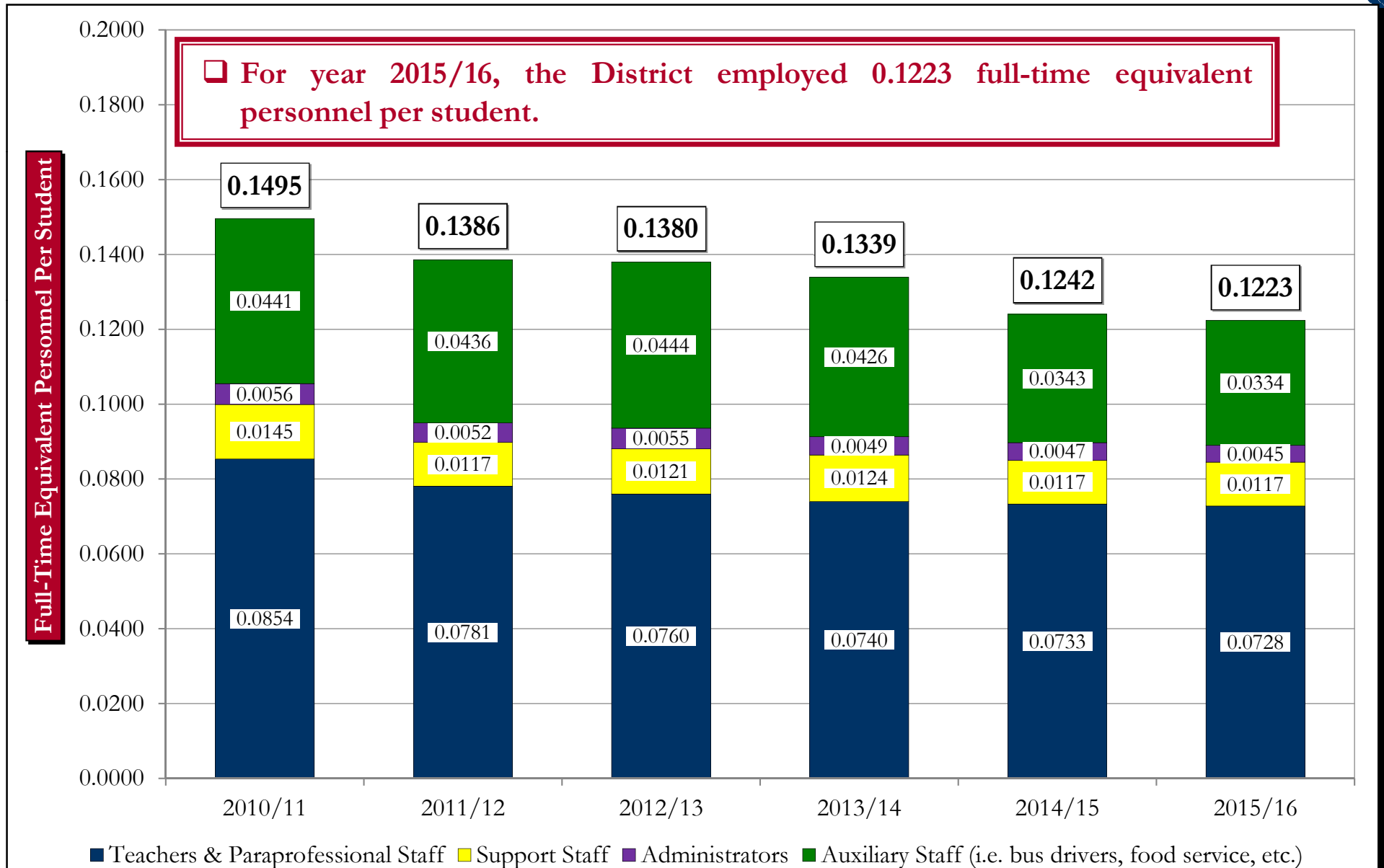


Full-Time Equivalent Personnel



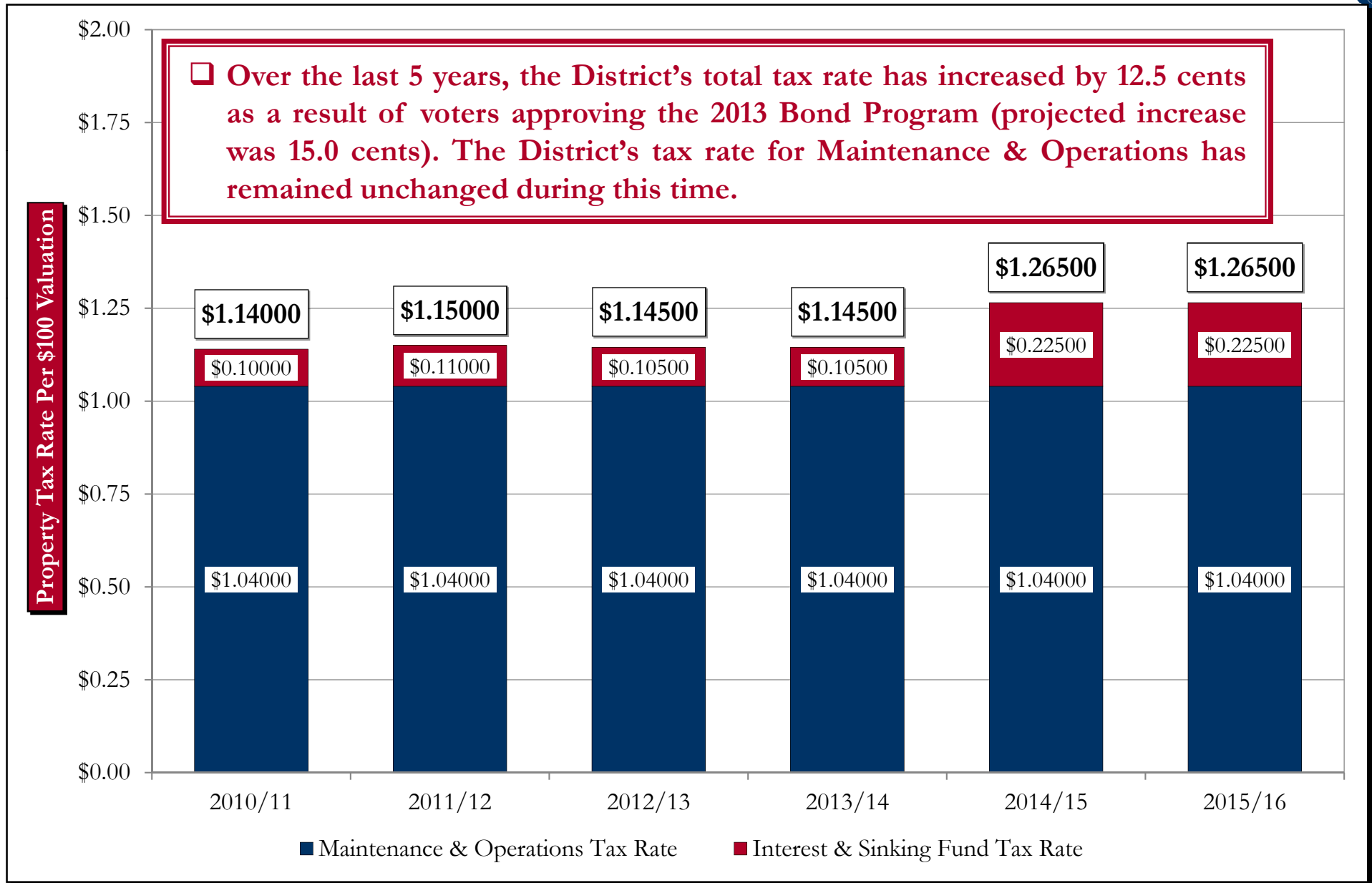


Full-Time Equivalent Personnel Per Student



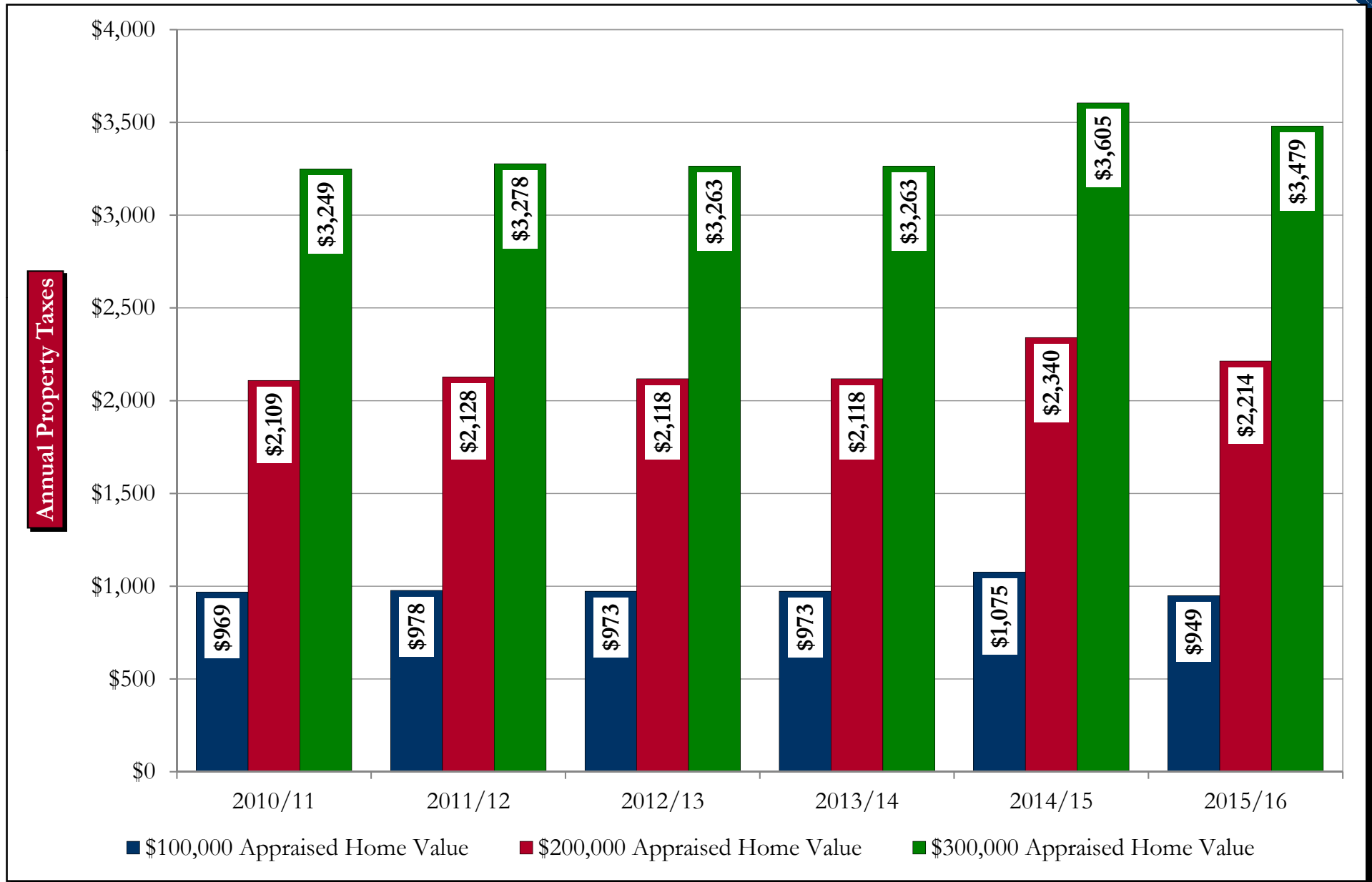


Historical Tax Rates





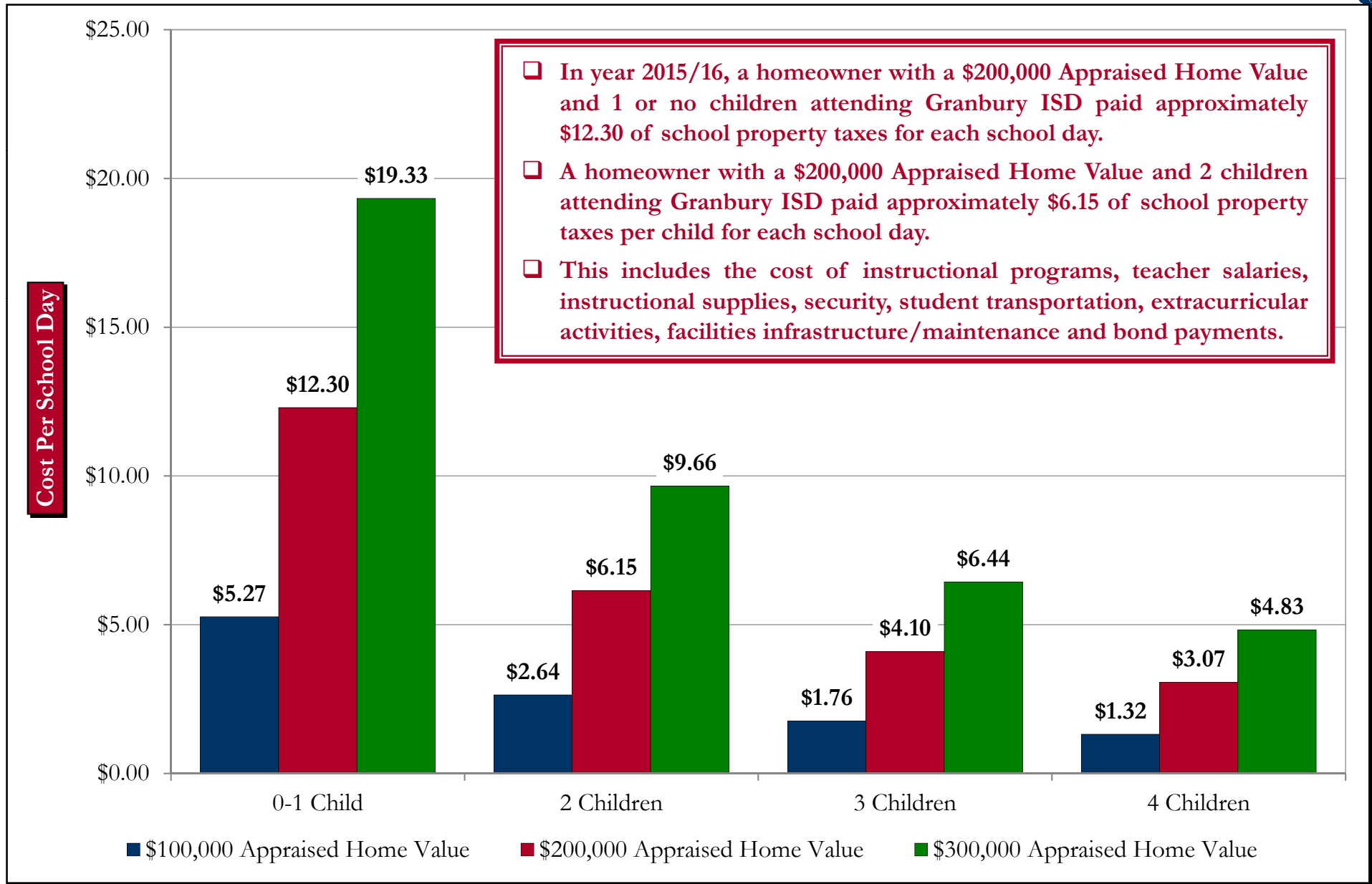
Historical Total Property Taxes For Maintenance and Operations and Voter-Approved Bonds – For Various Appraised Home Values



Note: Taxes are net of the State-mandated residential homestead exemption.



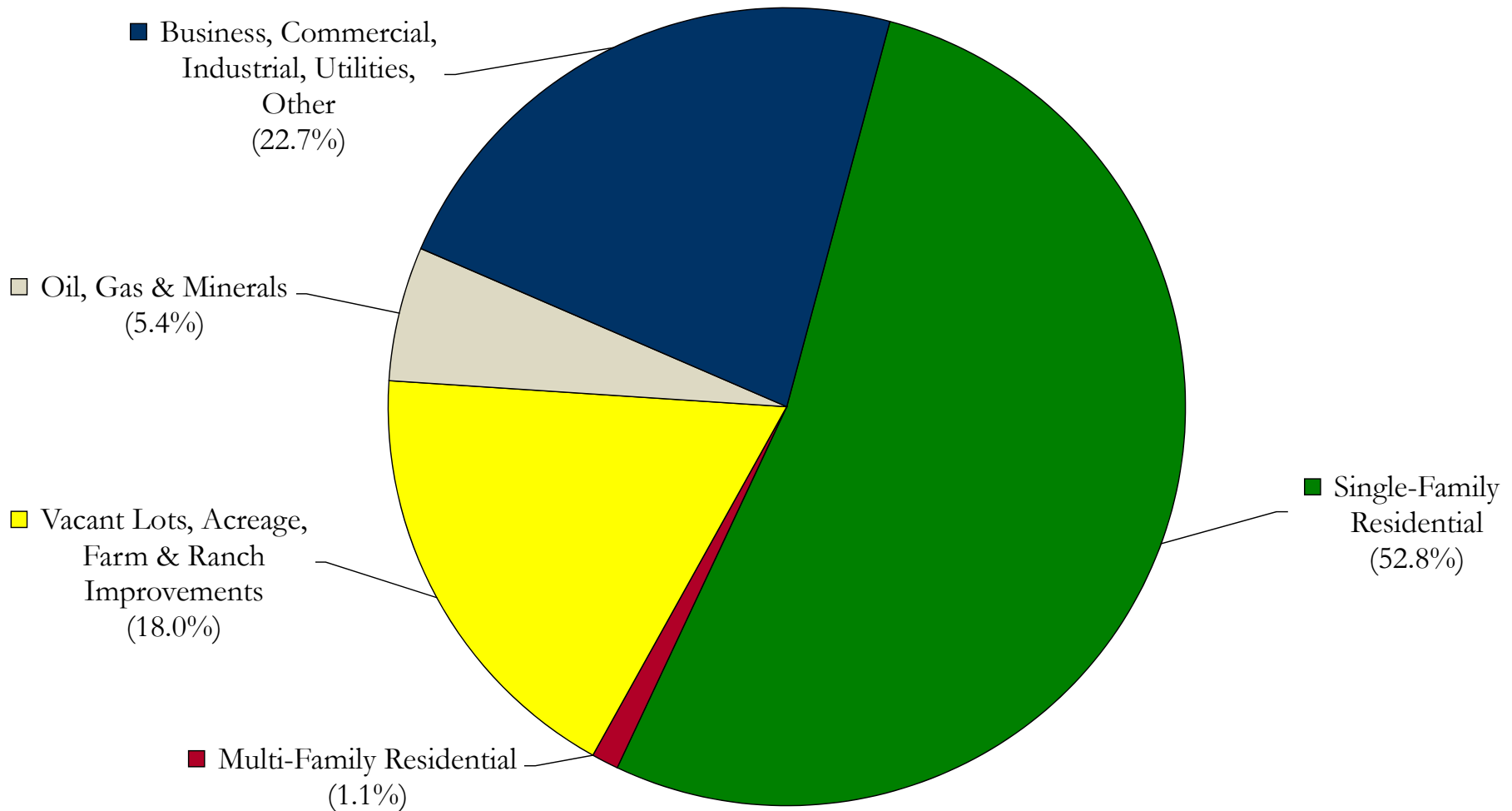
Summary of Property Tax Cost Per School Day – For Various Appraised Home Values – Year 2015/16





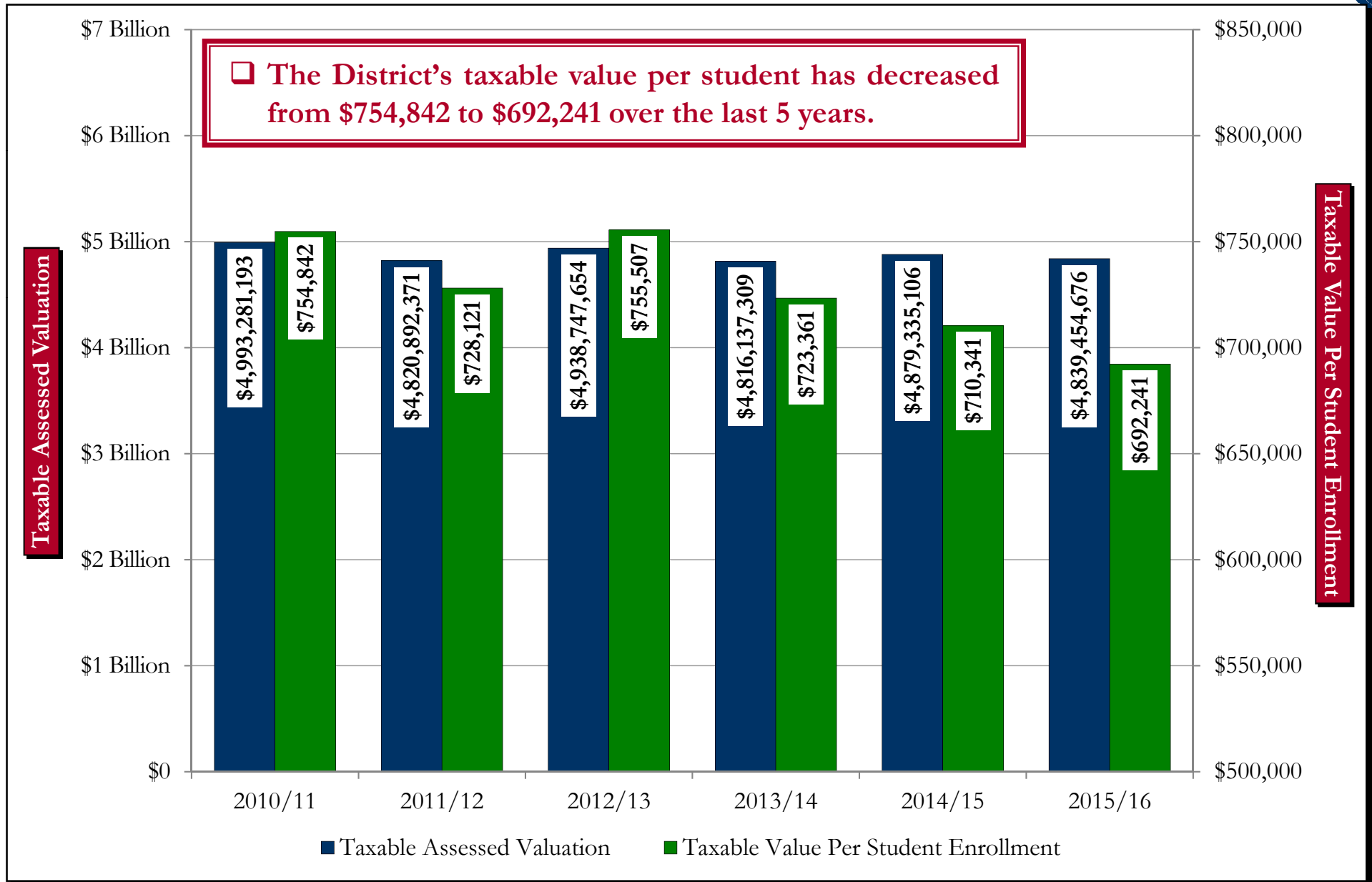
Composition of Total Assessed Valuation – Year 2015/16

For year 2015/16, Single-Family Residential properties comprised 52.8% of the District's total assessed valuation and other property categories comprised 47.2%.





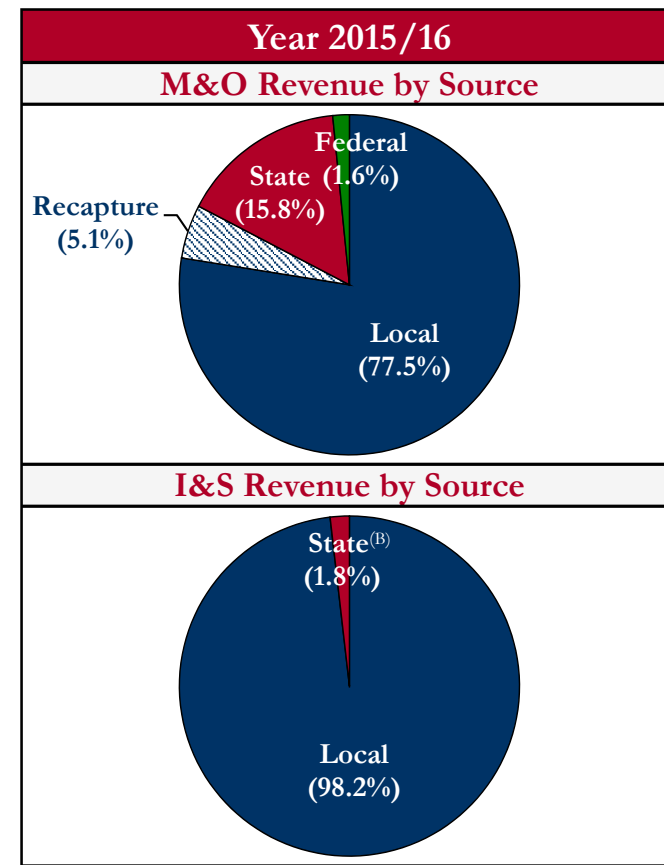
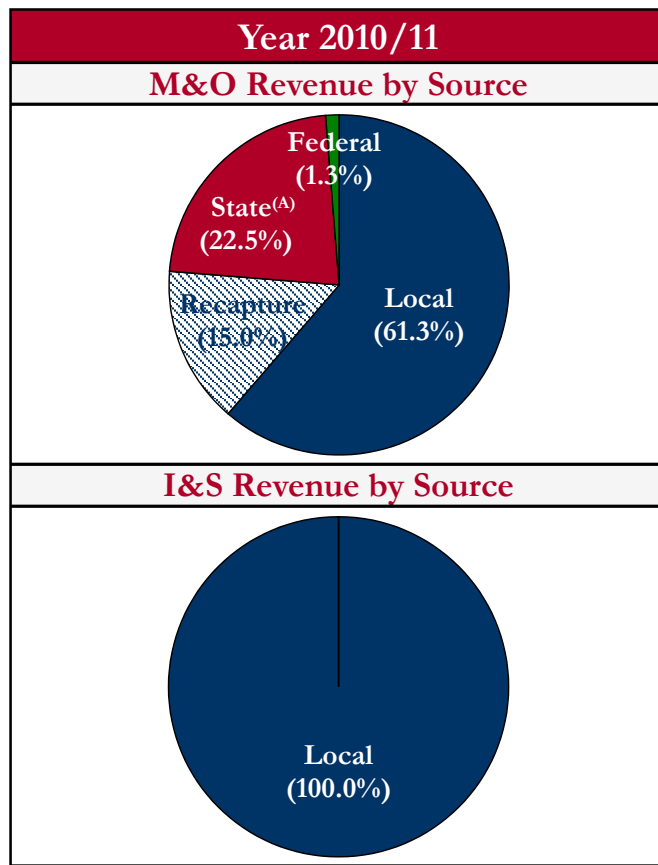
Historical Taxable Assessed Valuation and Taxable Value Per Student Enrollment





General Fund and Debt Service Fund – Revenue By Source

- ❑ The State funding system is structured to provide the District with an “equalized” dollar amount per student. The revenue sources for maintenance and operations and repayment of bonds is summarized below.
- ❑ The District does not receive any facilities funding from the State for the payment of voter-approved bonds.

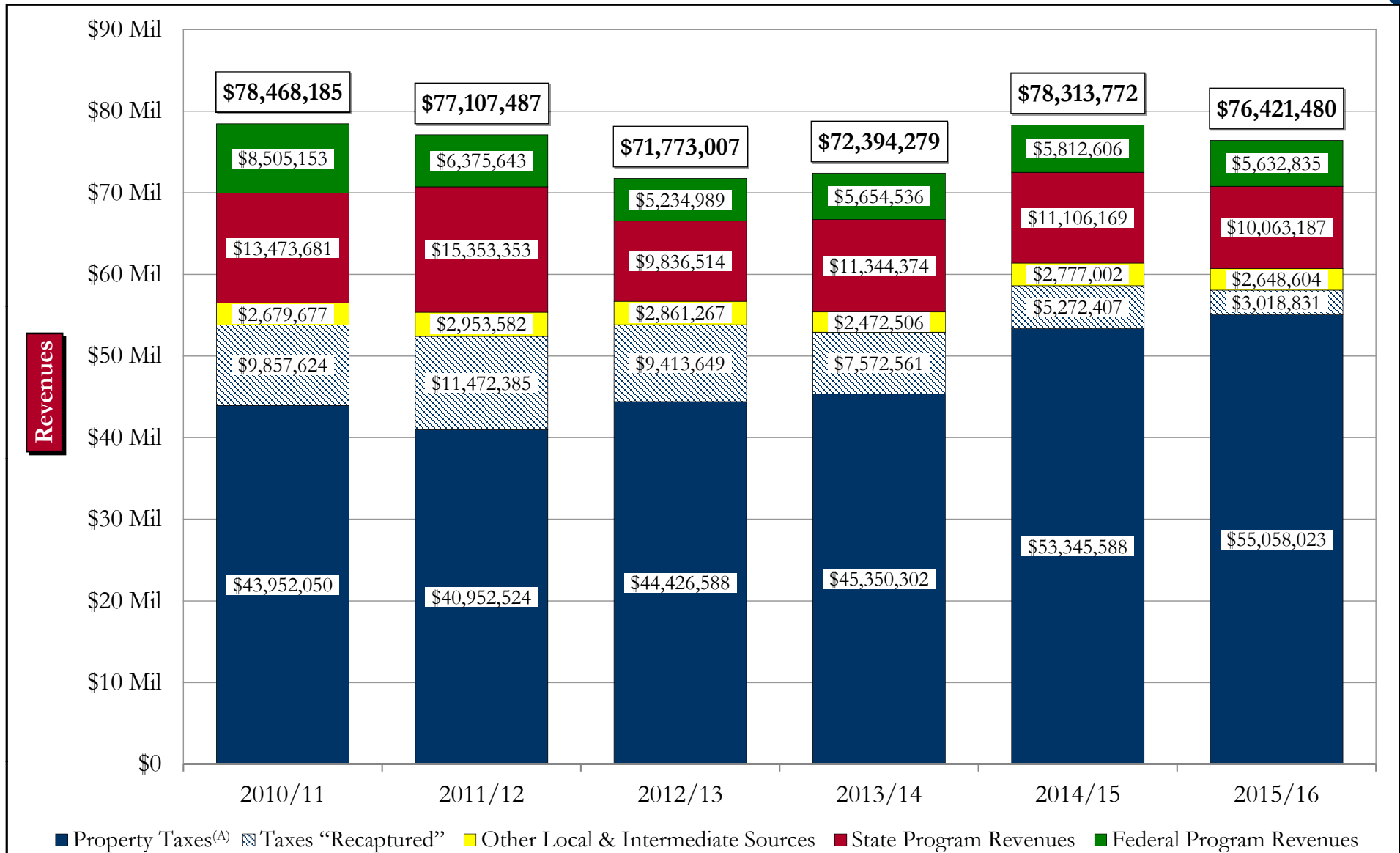


^(A) Includes \$1,768,523 from the State Fiscal Stabilization Fund, distributed under the Federal American Recovery and Reinvestment Act.

^(B) Represents payment from State received for lost tax revenues resulting from increase of residential homestead exemption in year 2015/16.



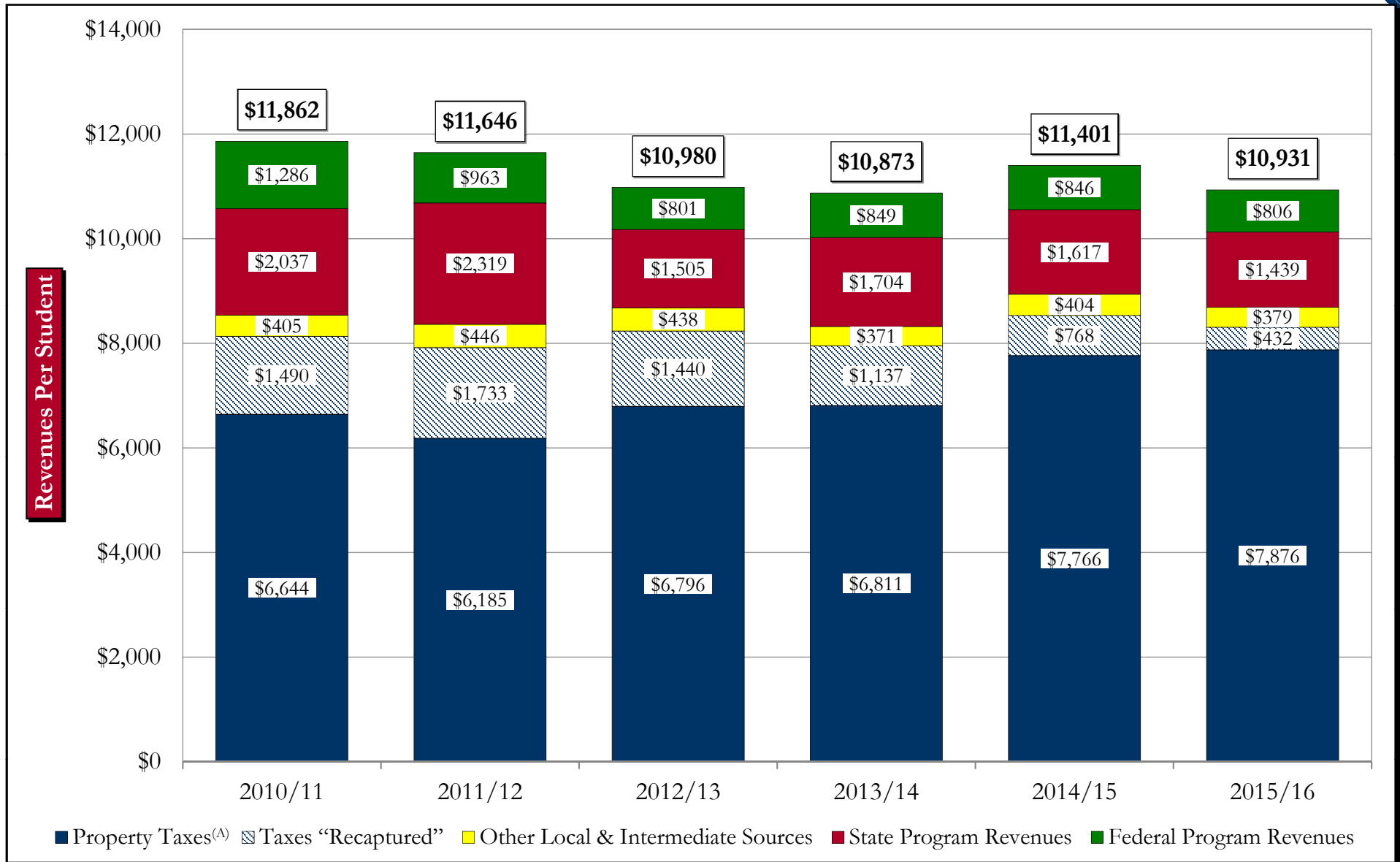
Total Revenues (All Governmental Funds*) By Source



^(A) Includes maintenance and operation expenses and bond payments of voter-approved bonds.



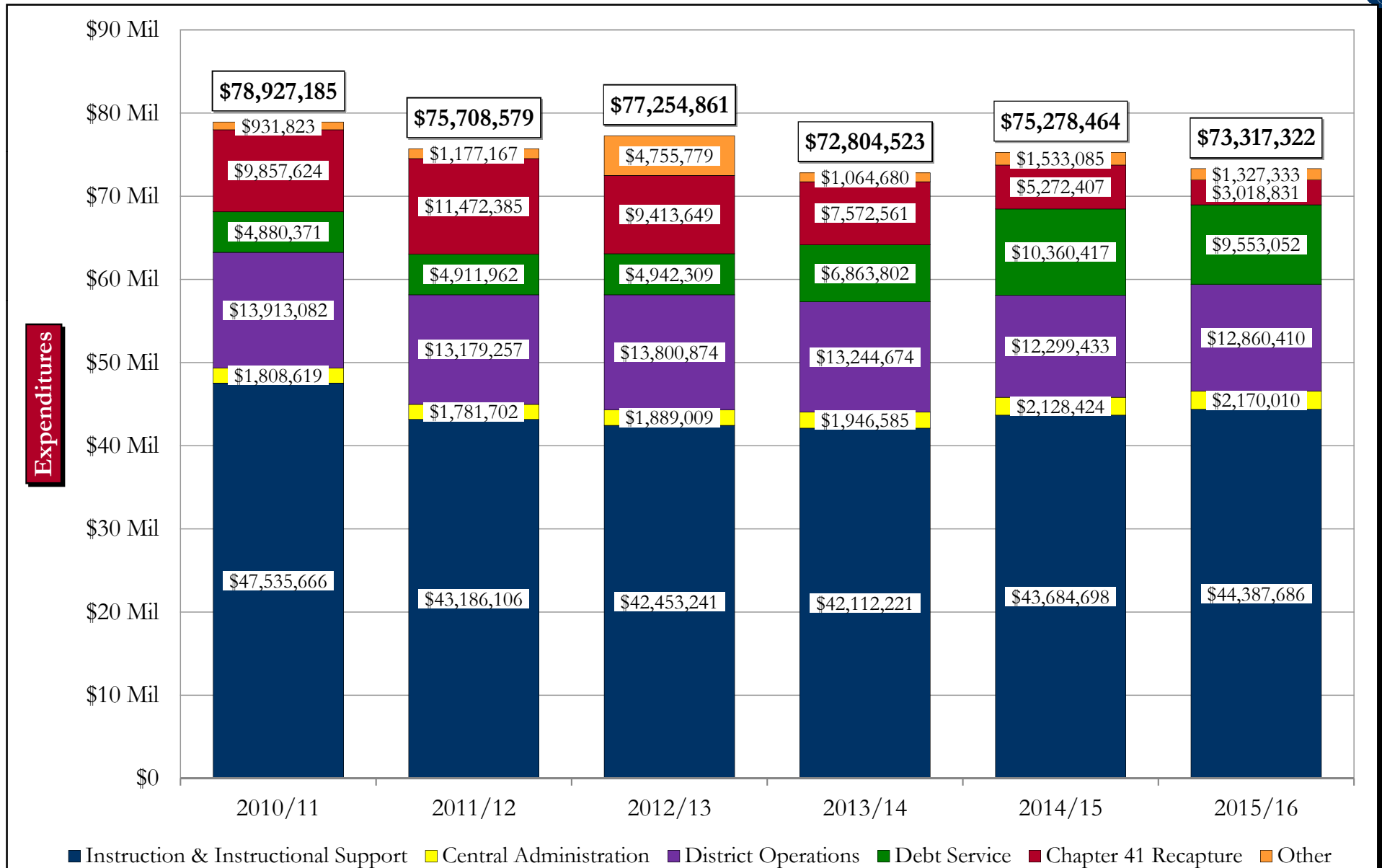
Total Revenues (All Governmental Funds*) Per Student



^(A) Includes maintenance and operation expenses and bond payments of voter-approved bonds.



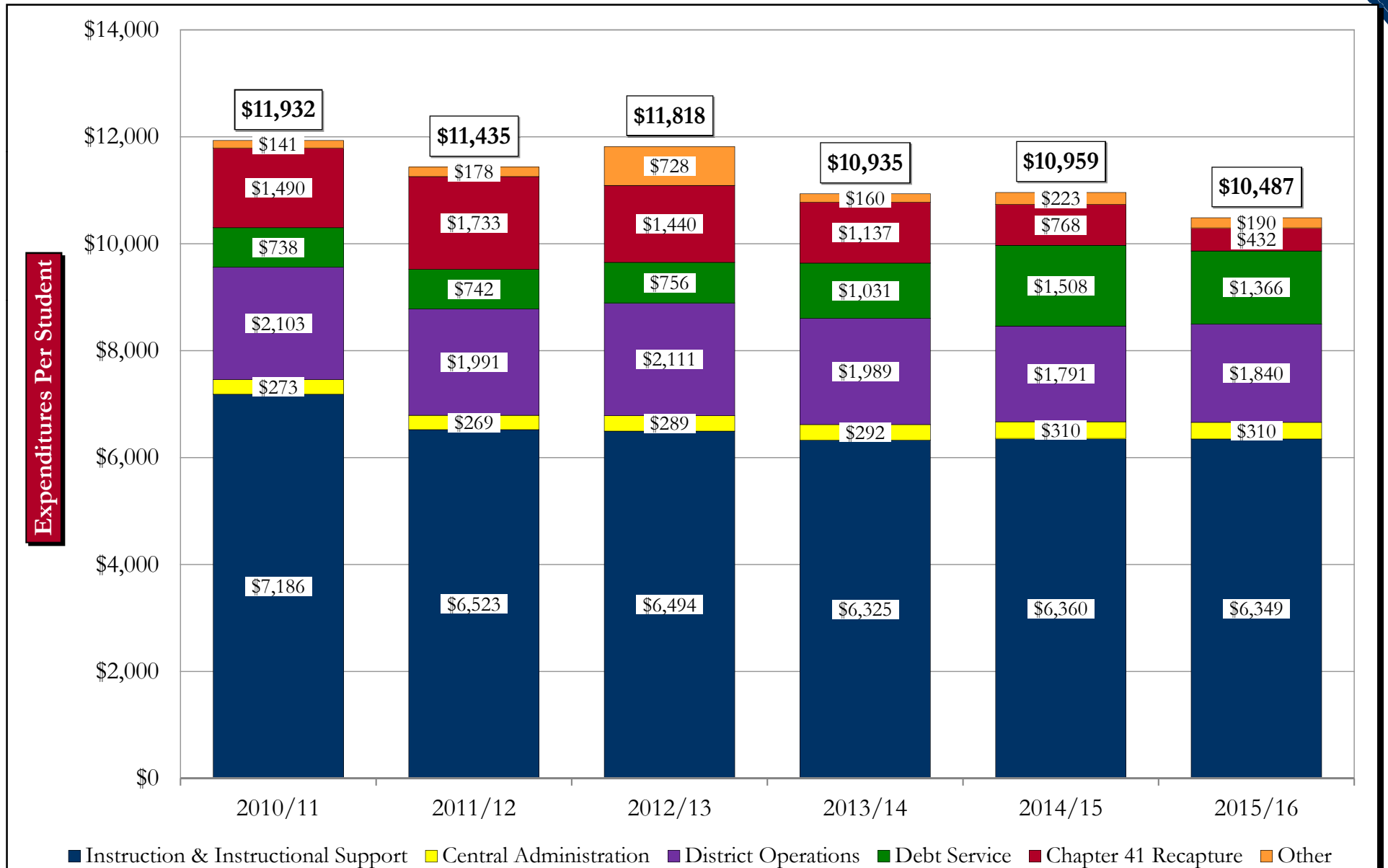
Total Expenditures (All Governmental Funds*) By Source



*Excludes Capital Projects Fund. Source: District's Audited Financial Statements and District records.



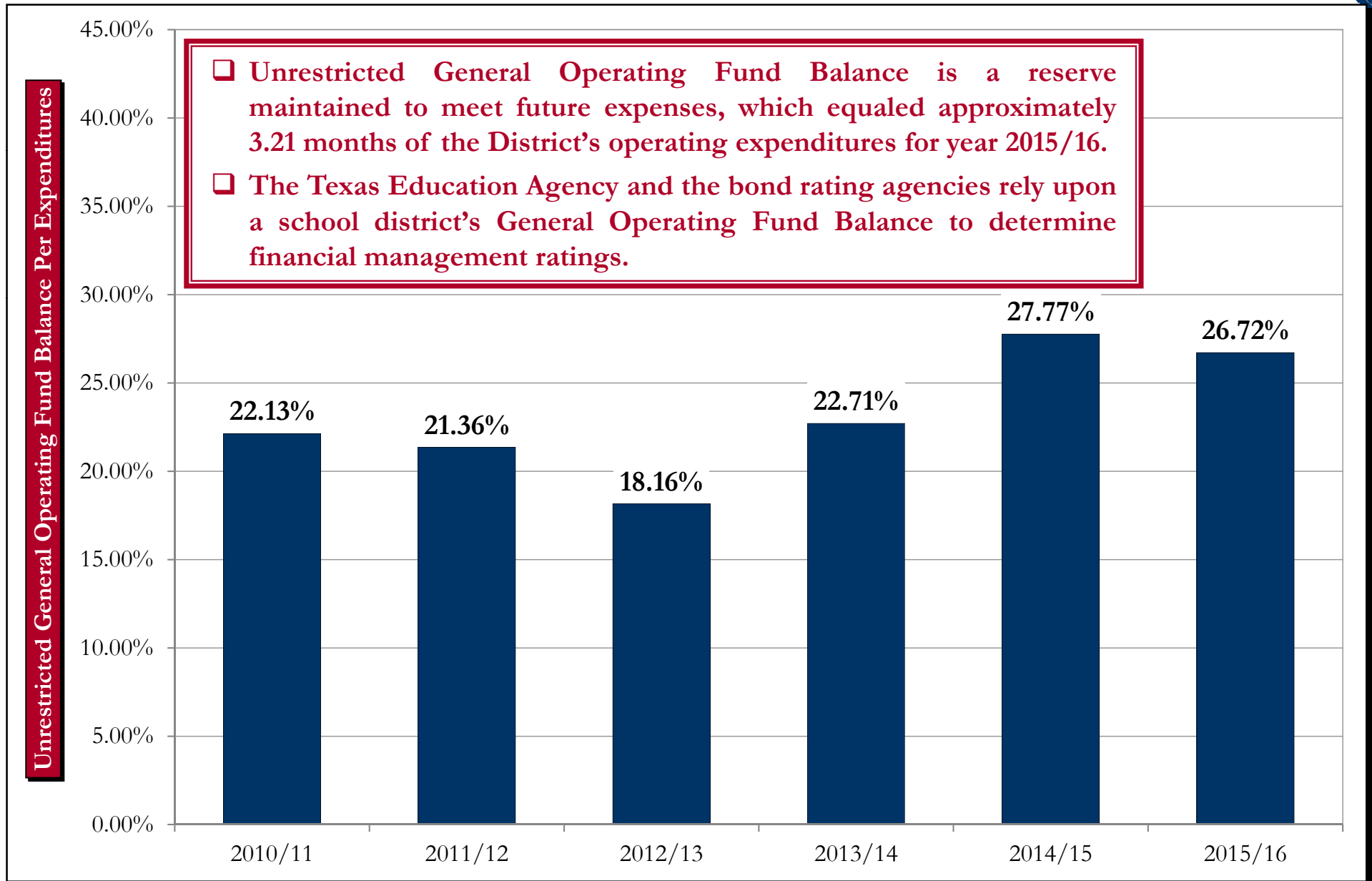
Total Expenditures (All Governmental Funds*) Per Student



*Excludes Capital Projects Fund. Source: District's Audited Financial Statements, Texas Education Agency - PEIMS and District records.



Unrestricted General Operating Fund Balance as a Percentage of General Operating Expenditures





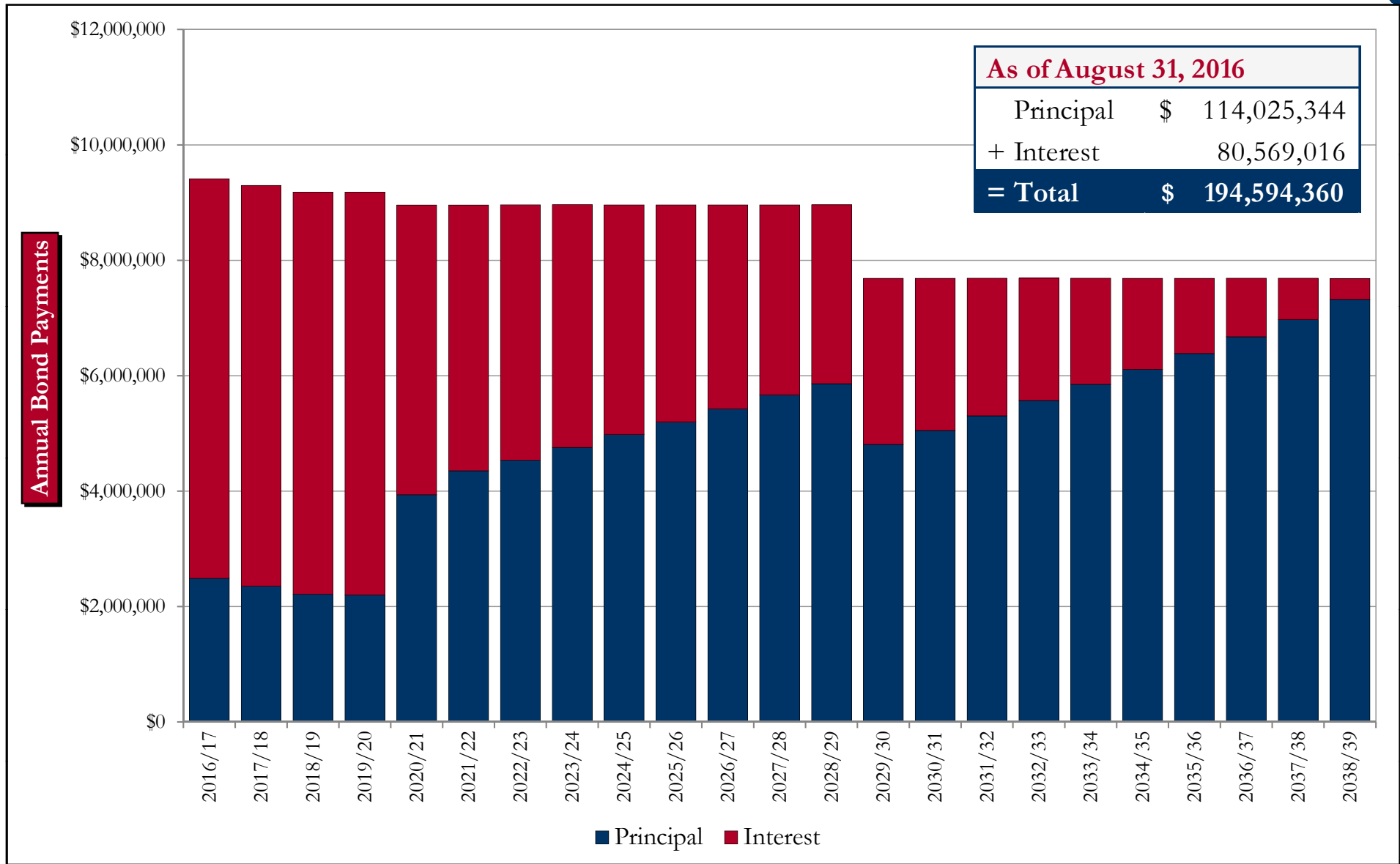
✓ Unlimited Tax Debt Service By Series – Existing Bonds Approved By Voters



Note: Debt service payments reflect payments from September 1 through August 31.



Unlimited Tax Debt Service By Principal and Interest – Existing Bonds Approved By Voters



Note: Debt service payments reflect payments from September 1 through August 31.



Savings from District's Recent Bond Refunding Programs to Lower Interest Costs

- Granbury ISD has implemented 3 bond refunding programs to reduce the cost of voter-approved bonds – Which have generated more than \$9.9 million of savings for District taxpayers in recent years.

Summary of Interest Cost Savings – Bond Refunding Programs

Issue	Series Refunded	Principal Amount Refunded	Total Savings
Unlimited Tax Refunding Bonds, Series 2005	1999	\$ 32,170,000	\$ 2,548,169
Unlimited Tax Refunding Bonds, Series 2010	1999	2,760,000	523,300
Unlimited Tax Refunding Bonds, Series 2015	2005	31,240,000	6,919,778
Totals	---	\$ 66,170,000	\$ 9,991,247

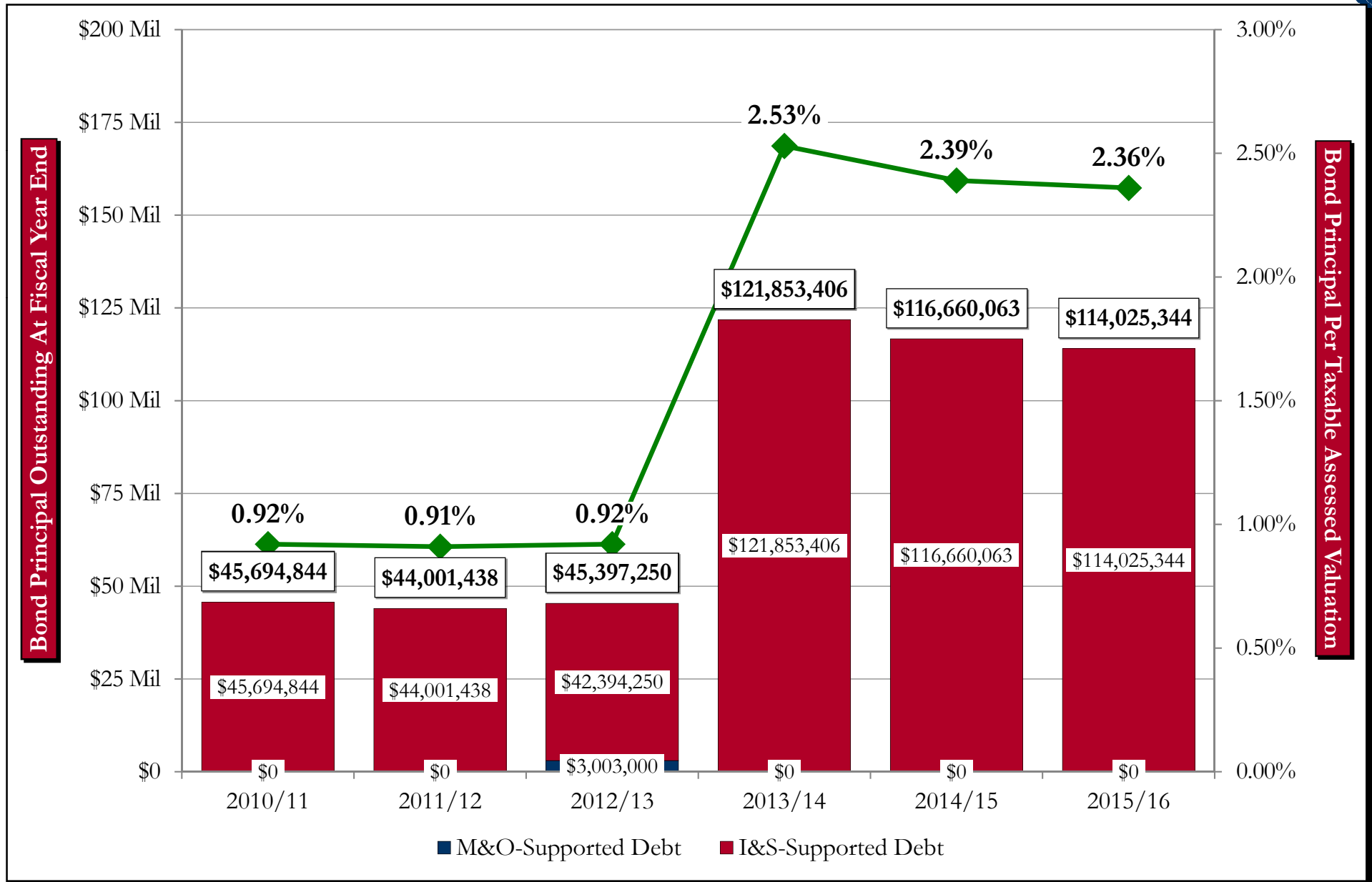


☑ Summary of Unlimited Tax Debt Outstanding By Series – As of Fiscal Year Ended August 31, 2016

No.	Issue Description	Purpose	Original Principal Amount	Outstanding Principal	Total Outstanding Debt Service	Outstanding Principal Per Capita	Outstanding Debt Service Per Capita	Final Maturity Date	Total Proceeds Received	Spent Proceeds	Unspent Proceeds
1	Unlimited Tax School Building & Refunding Bonds, Series 1999	Capital Improvements & Refunding at a lower interest rate, etc.	\$57,241,973.56	\$4,311,343.75	\$12,500,000.00	\$85.01	\$246.46	08/01/2020	\$57,623,874.12	\$57,623,874.12	\$0.00
2	Unlimited Tax Refunding Bonds, Series 2010	Refunding at a lower interest rate, etc.	\$2,760,000.00	\$2,605,000.00	\$3,801,000.00	\$51.36	\$74.94	08/01/2029	\$2,853,612.58	\$2,853,612.58	\$0.00
3	Unlimited Tax Refunding Bonds, Series 2013	Refunding at a lower interest rate, etc.	\$3,003,000.00	\$2,484,000.00	\$3,039,197.50	\$48.98	\$59.92	08/01/2028	\$3,003,000.00	\$3,003,000.00	\$0.00
4	Unlimited Tax School Building Bonds, Series 2014	Capital Improvements	\$78,170,000.00	\$75,675,000.00	\$134,684,325.10	\$1,492.07	\$2,655.55	08/01/2039	\$84,087,508.36	\$65,853,934.66	\$18,233,573.70
5	Unlimited Tax Refunding Bonds, Series 2015	Refunding at a lower interest rate, etc.	\$28,950,000.00	\$28,950,000.00	\$40,569,837.50	\$570.80	\$799.91	08/01/2029	\$32,534,212.92	\$32,534,212.92	\$0.00

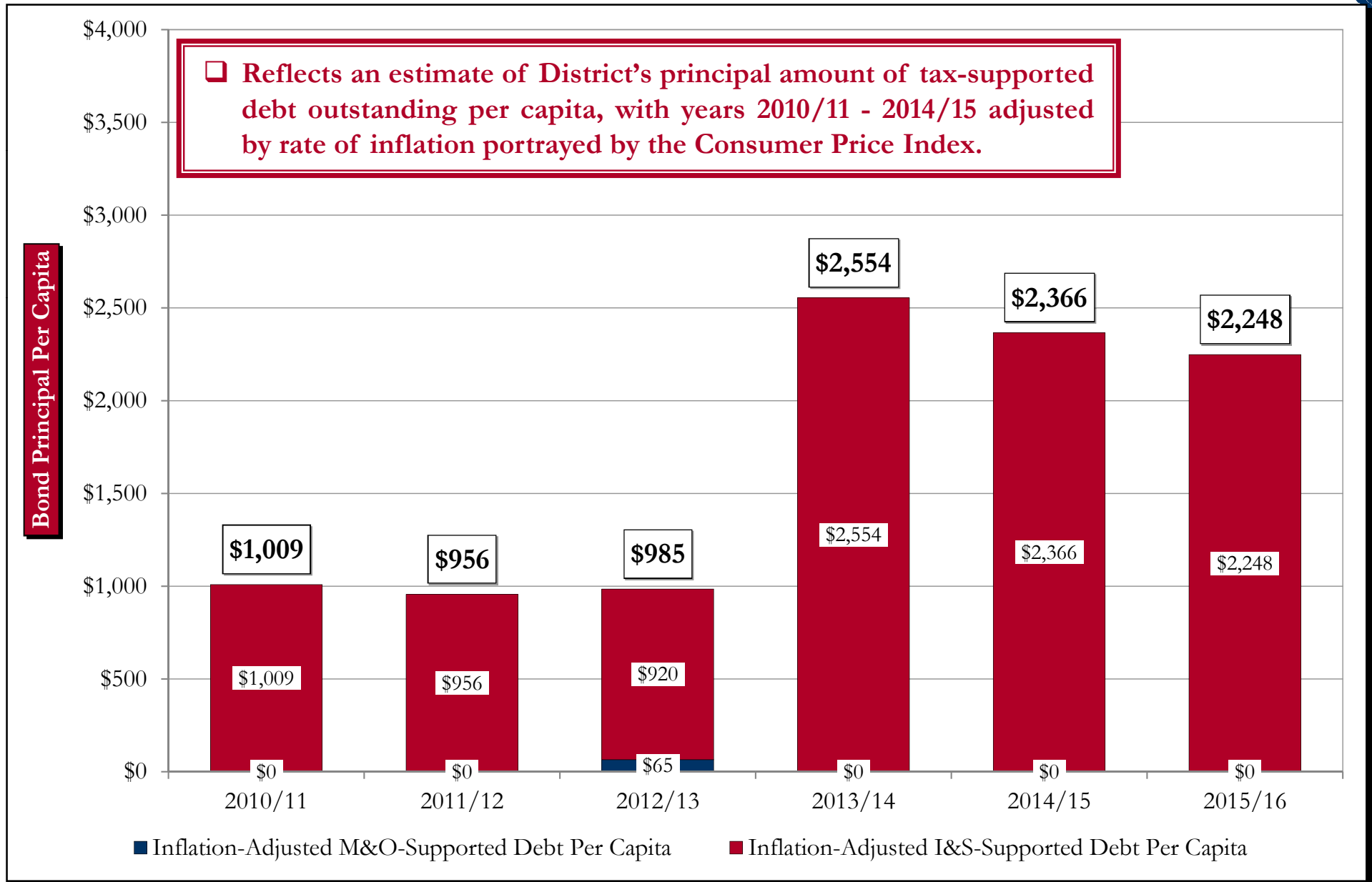


Tax-Supported Debt Obligations At Fiscal Year End and As a Percentage of Taxable Assessed Valuation



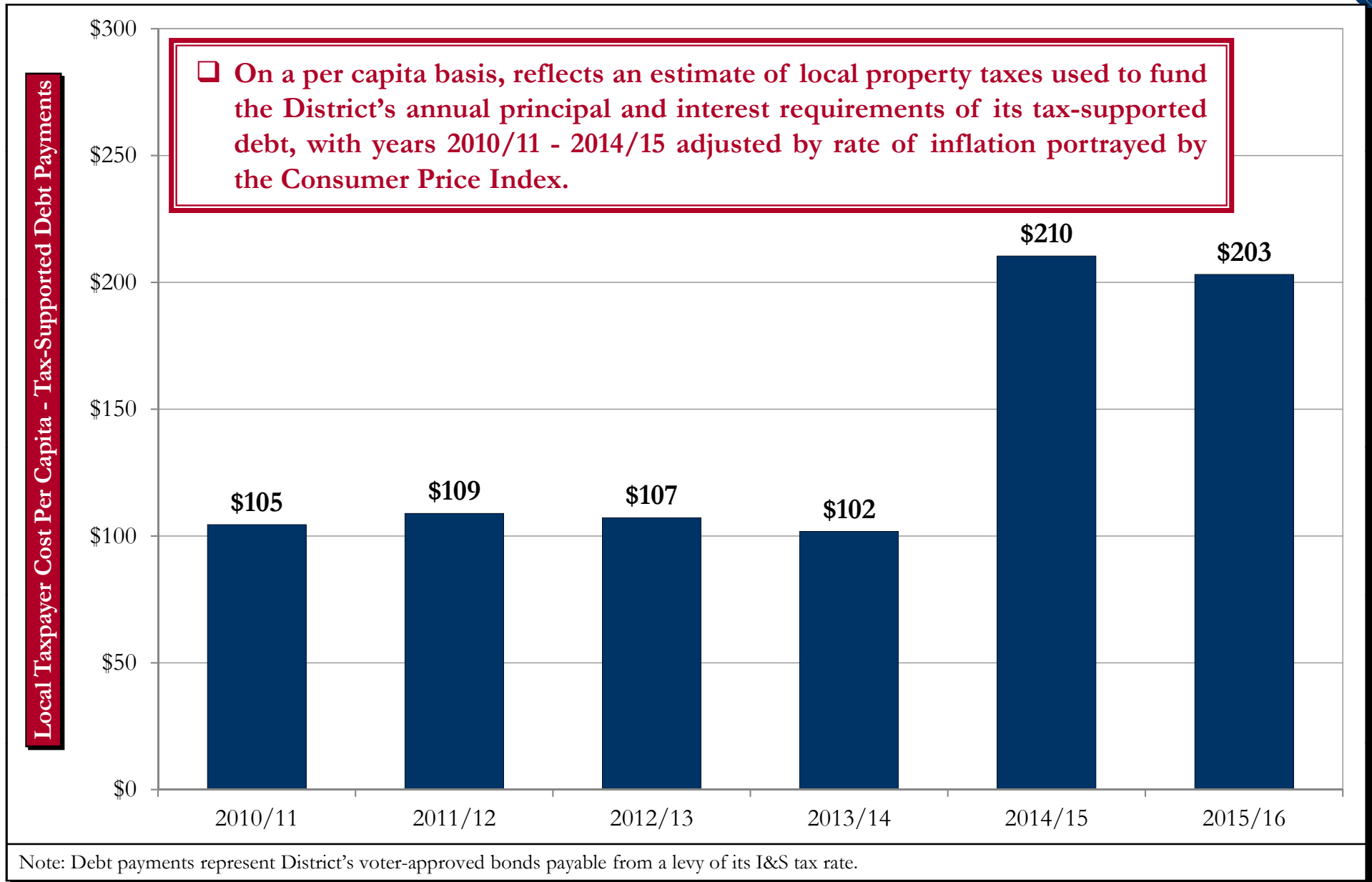


Inflation-Adjusted Tax-Supported Debt Per Capita





Inflation-Adjusted Tax-Supported Debt Cost Per Capita – Principal and Interest In Each of the Last 5 Years





Contact Information and Links to Additional Resources

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Links to Additional Resources:

<https://www.comptroller.texas.gov/transparency/local/debt/isds.php>

http://www.brb.state.tx.us/local_debt_search.aspx