



# **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 24, 2017.



## ☑ Overview of Certain Financial/Bond Ratings

- ☐ **Overview:** Giddings 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 90 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 that evaluate the District’s financial strength and its ability to pay its existing bonds.
    - ✓ **Moody’s Investors Service:** Assigns a “A1” credit rating to the District, defined as “Judged to be of upper-medium grade and are subject to low credit risk.”

For comparison purposes, S&P Global Ratings assigns a credit rating of “AA” to the United States of America and a “BBB+” rating to Citigroup, Bank of America and Goldman Sachs – which is 2 rating categories below the District.

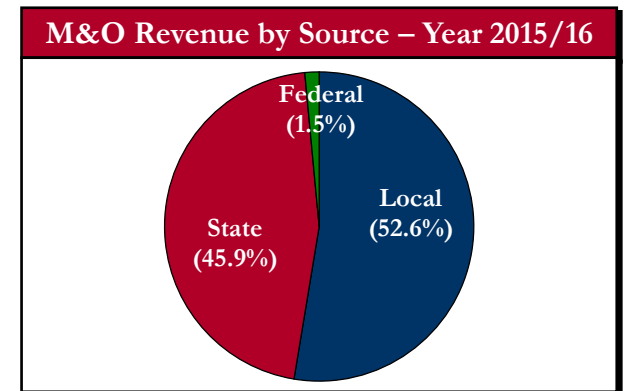


# Overview of State Funding System

❑ **State Funding System – Where Do the District’s Revenues Come From:** Giddings 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 Lee Central Appraisal District and the Fayette and Washington County Appraisal Districts:

■ **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.

✓ The District’s annual funds for maintenance & operation purposes primarily consist of a combination of State funding and local M&O taxes. In general, the dollar amount of each component is determined by the District’s “Equalized Wealth per Student” (i.e. taxable value / weighted average daily attendance) as set by the State. For year 2015/16, the District’s sources for M&O revenues are summarized below.



✓ On July 9, 2015, voters approved a tax ratification election to increase the District’s M&O tax rate to \$1.10. Prior to such ratification, the District was limited to a \$1.04 tax rate for maintenance and operations.



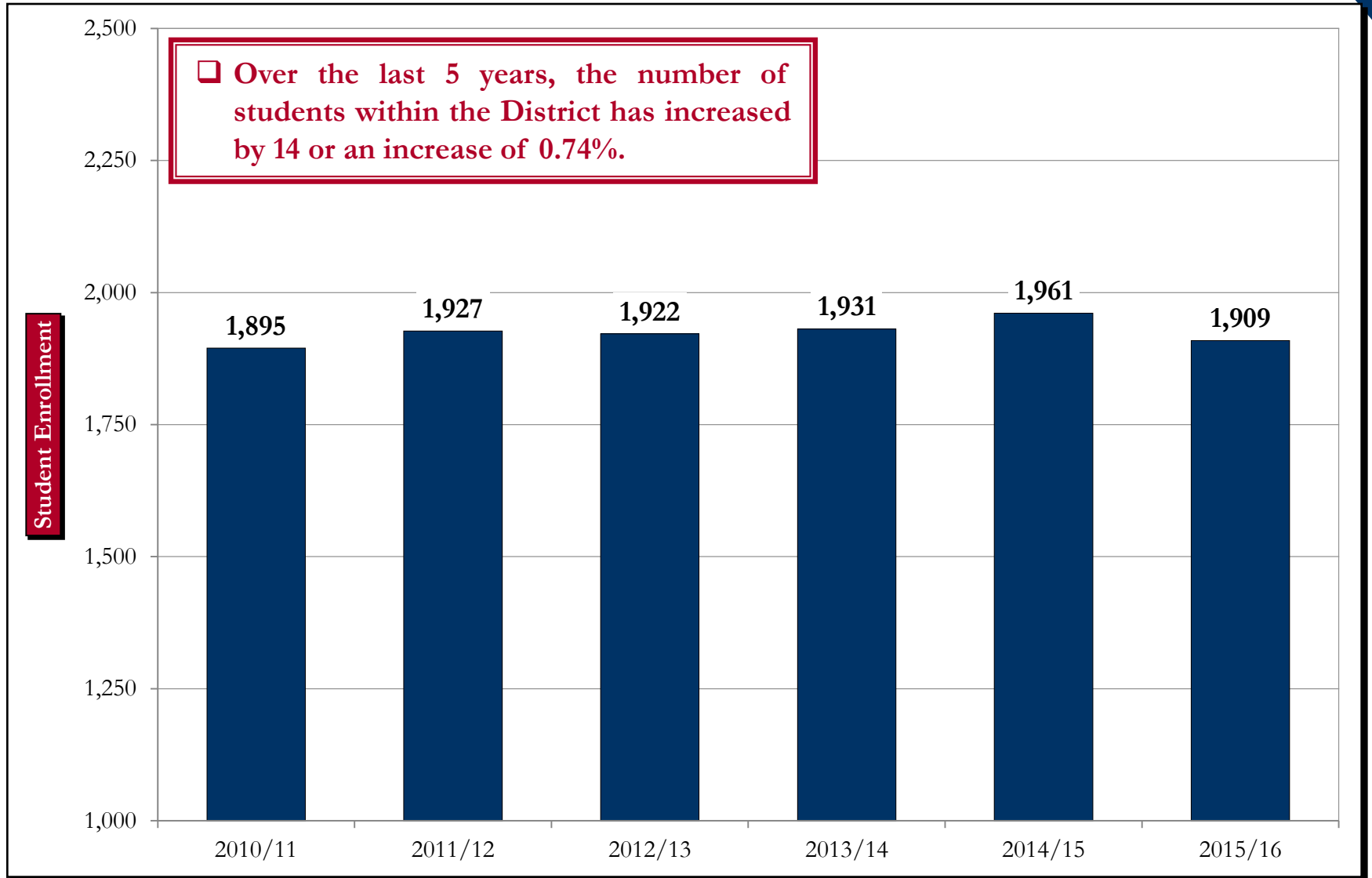
## ☑ Overview of State Funding System

- **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 following summarizes the District’s bond programs approved by voters over the last 17 years:

<b>District’s Historical Bond Elections Approved By Voters</b>				
<b>Election Date</b>	<b>Purpose</b>	<b>Student Enrollment</b>	<b>Election Amount</b>	<b>Dollar Amount Remaining To Be Issued</b>
February 2, 2002	School Building	1,760	\$1,200,000	\$0
May 12, 2007	School Building	1,886	\$36,900,000	\$130,000
May 12, 2007	Cafetorium	1,886	\$1,100,000	\$0
<b>Total Dollar Amount Of Authorized But Unissued Bonds - As of August 31, 2016:</b>				<b>\$130,000</b>

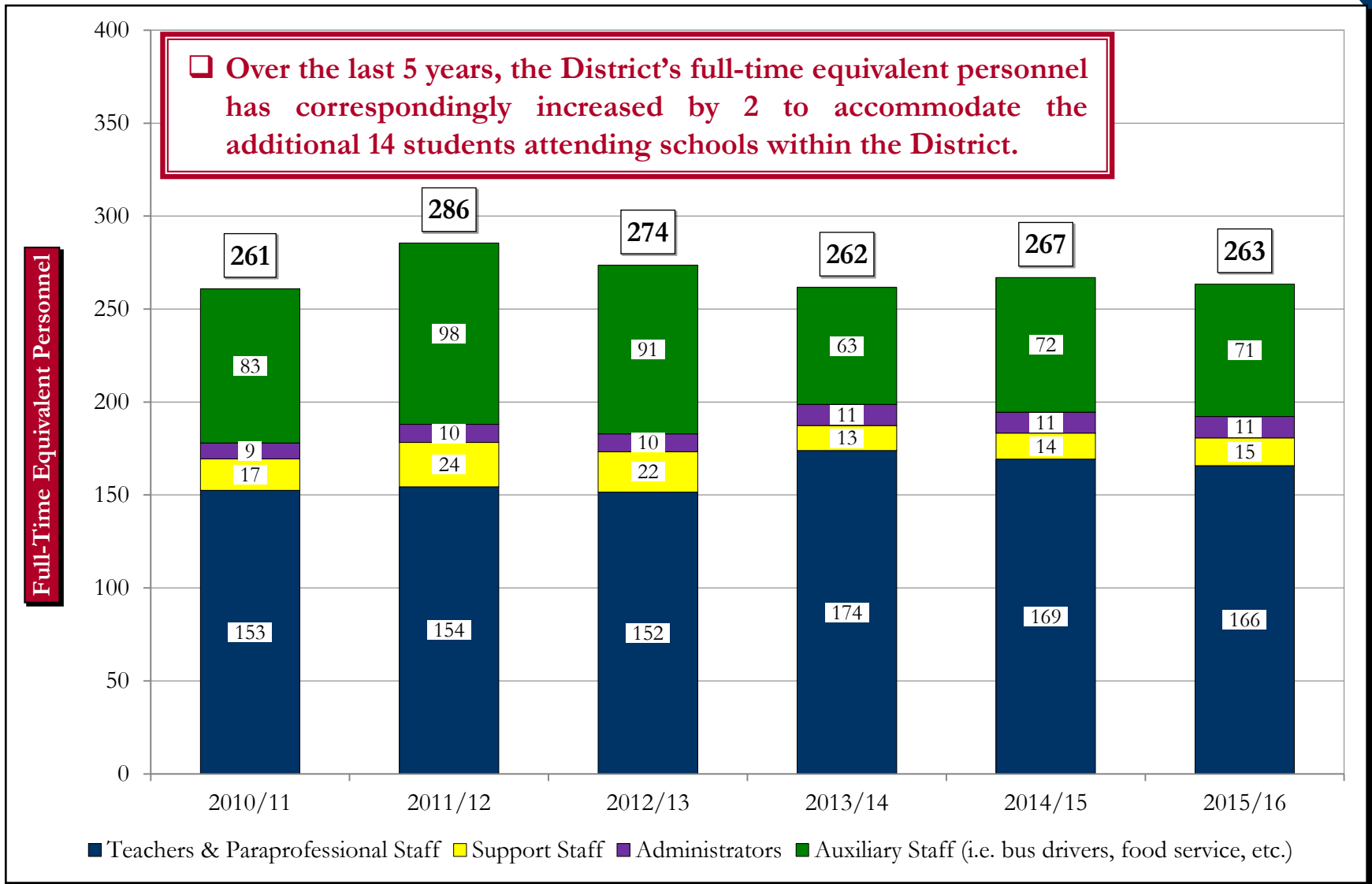


# Historical Student Enrollment



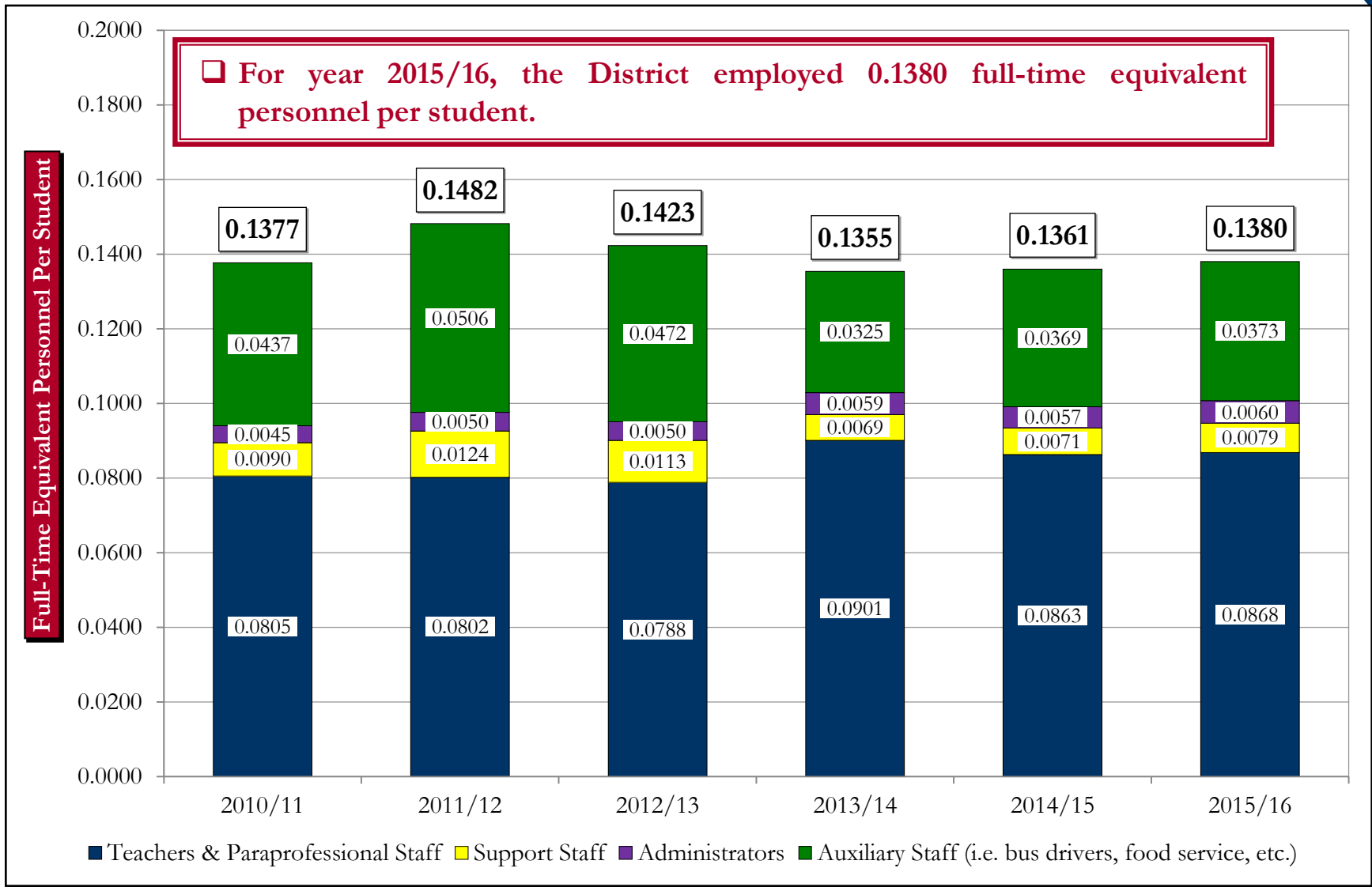


# Full-Time Equivalent Personnel



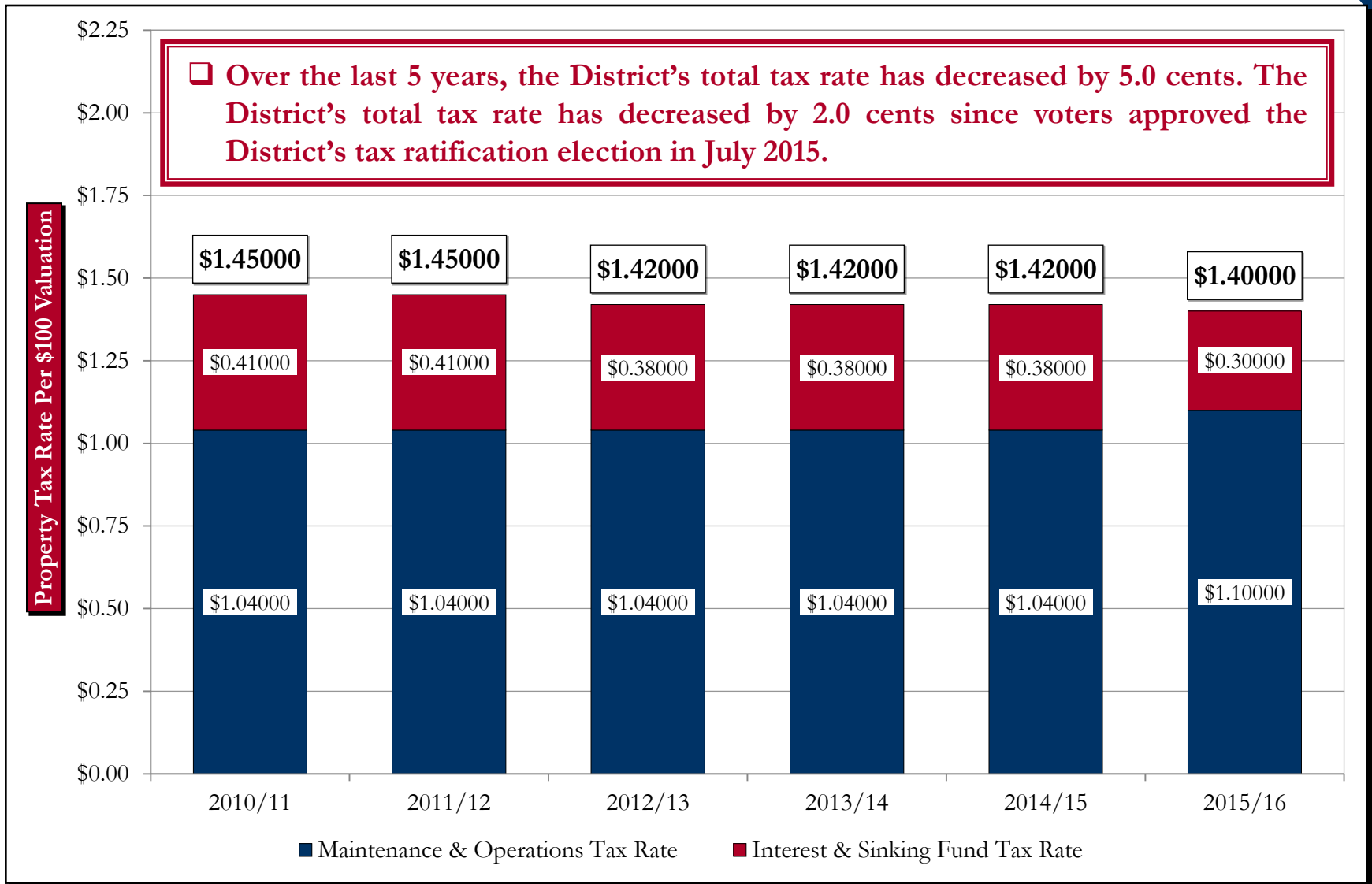


# Full-Time Equivalent Personnel Per Student





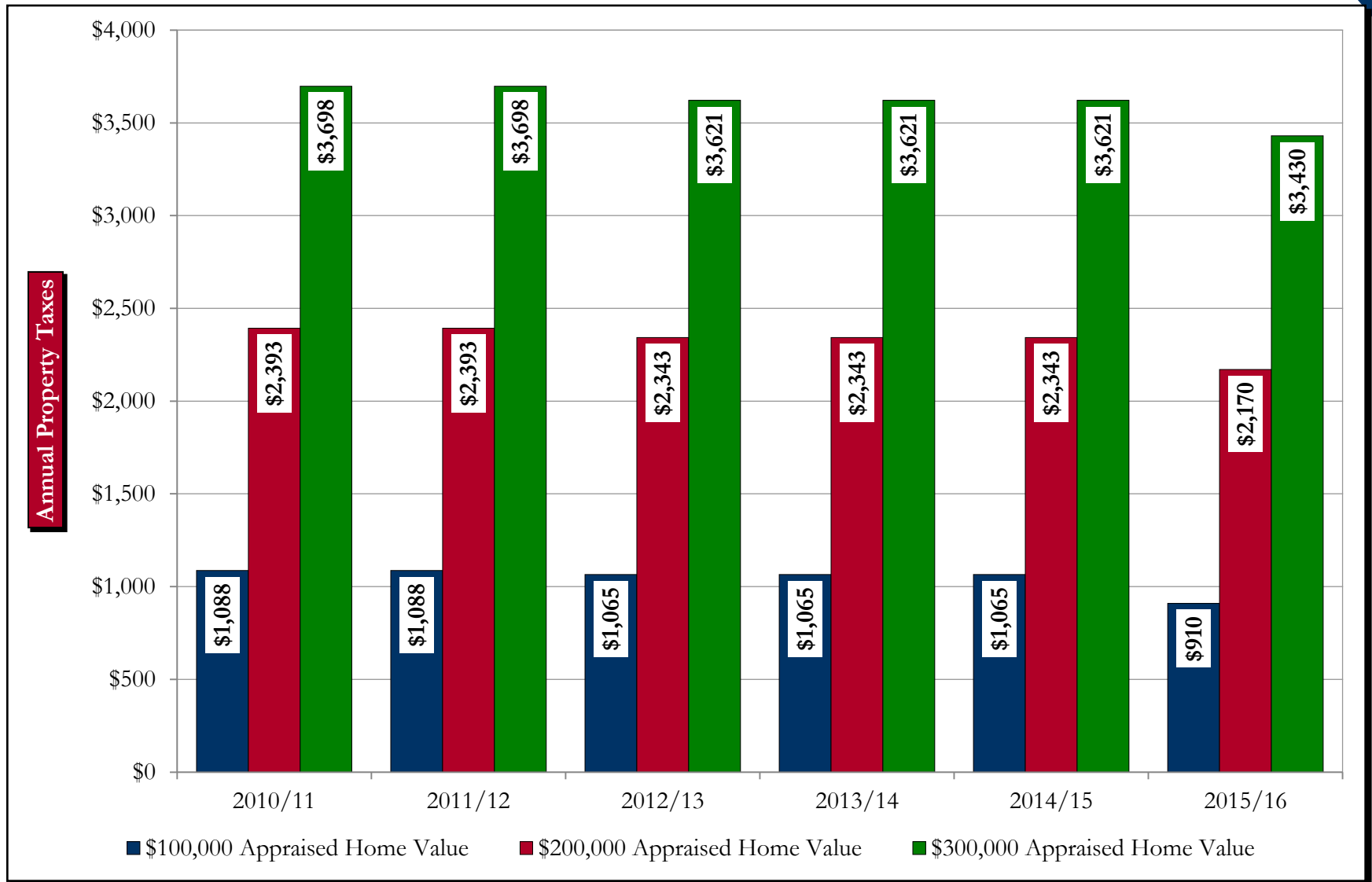
# Historical Tax Rates







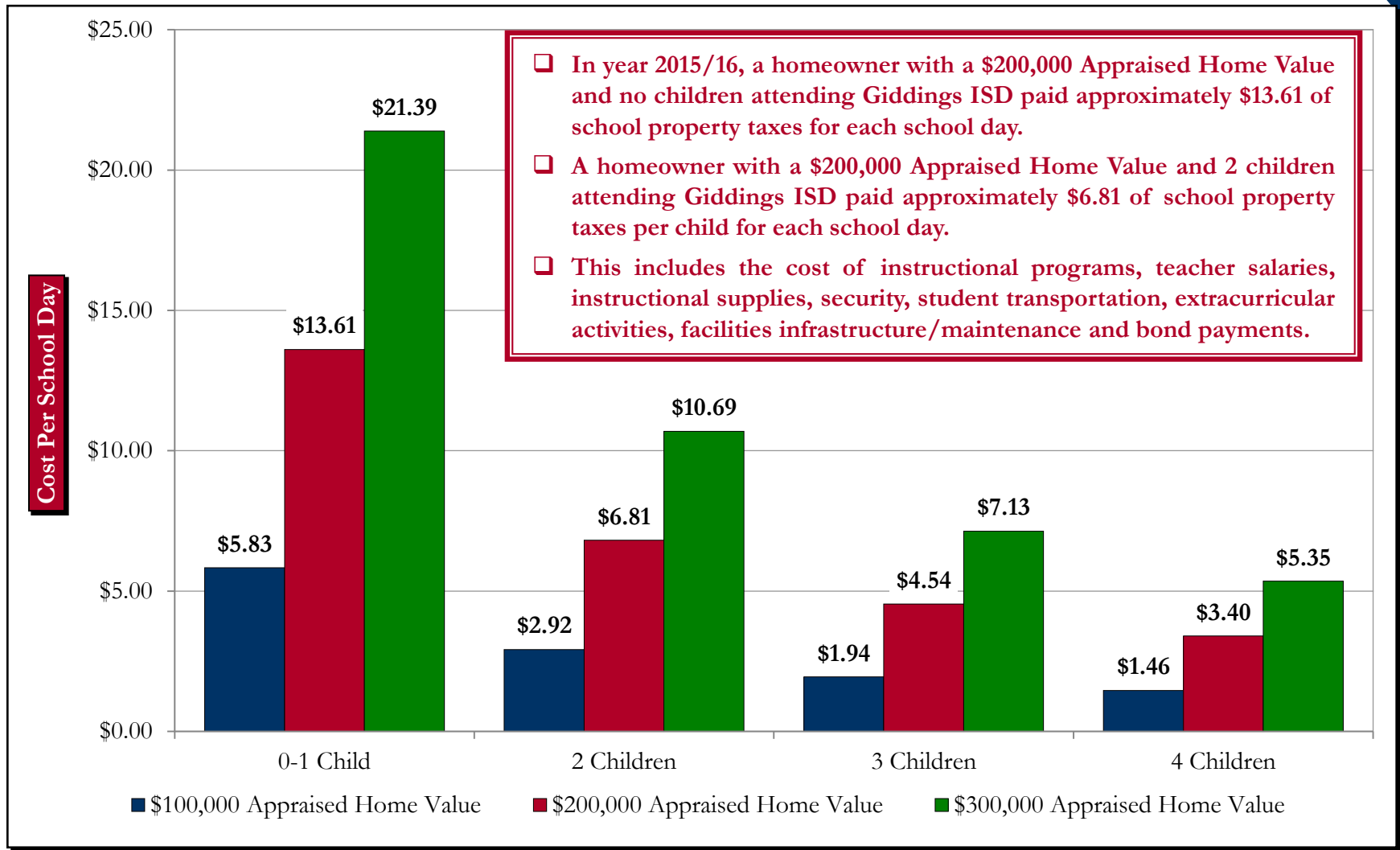
# Historical Total Property Taxes For Maintenance and Operations and Voter-Approved Bonds – For Various Appraised Home Values



Note: Taxes are net of the State-mandated residential homestead exemption and a 10% local option, additional homestead exemption.



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

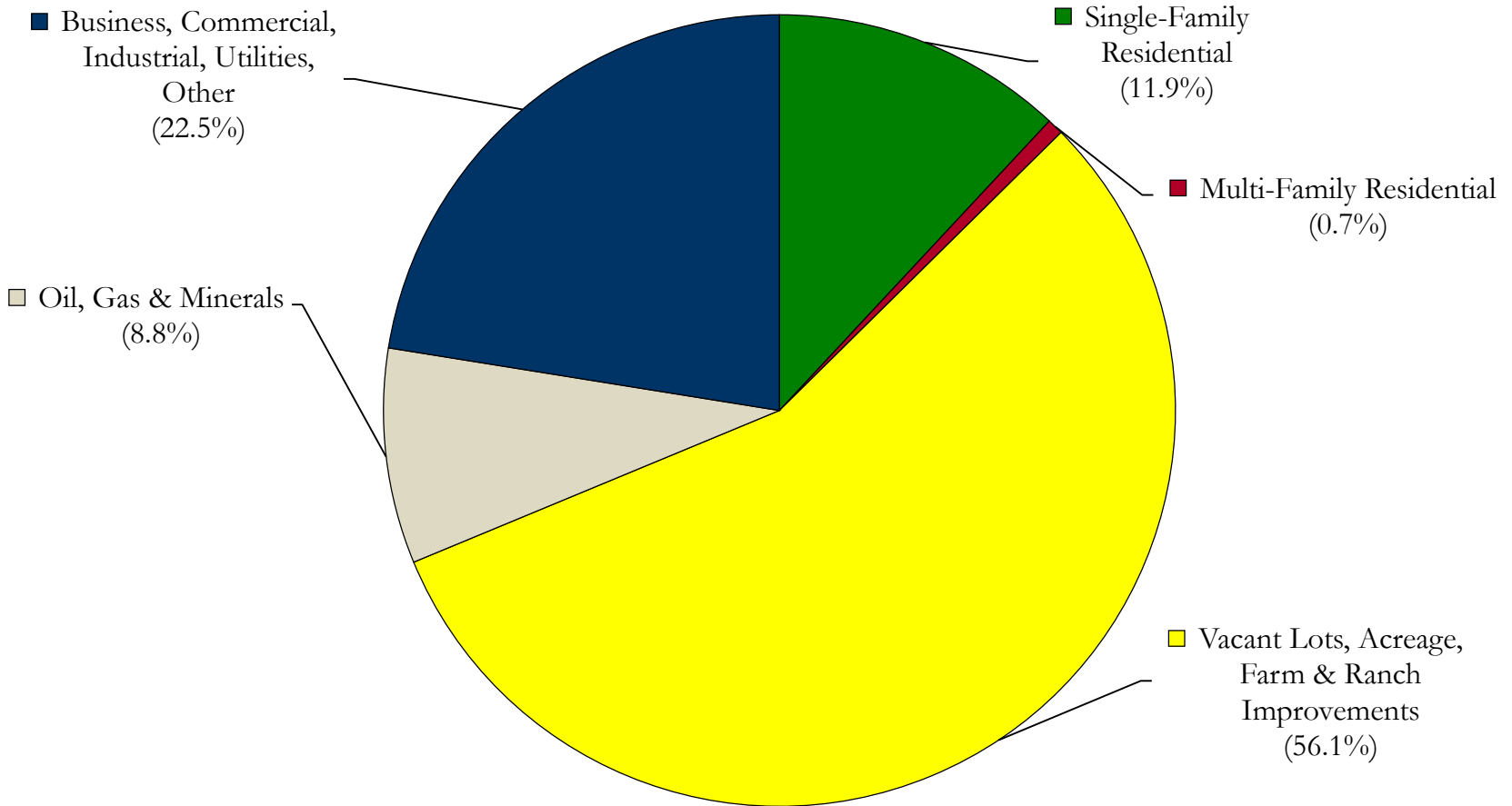


Note: Taxes are net of the \$25,000 State-mandated residential homestead exemption and a 10% local option, additional homestead exemption.. Assumes a 180 school day year.



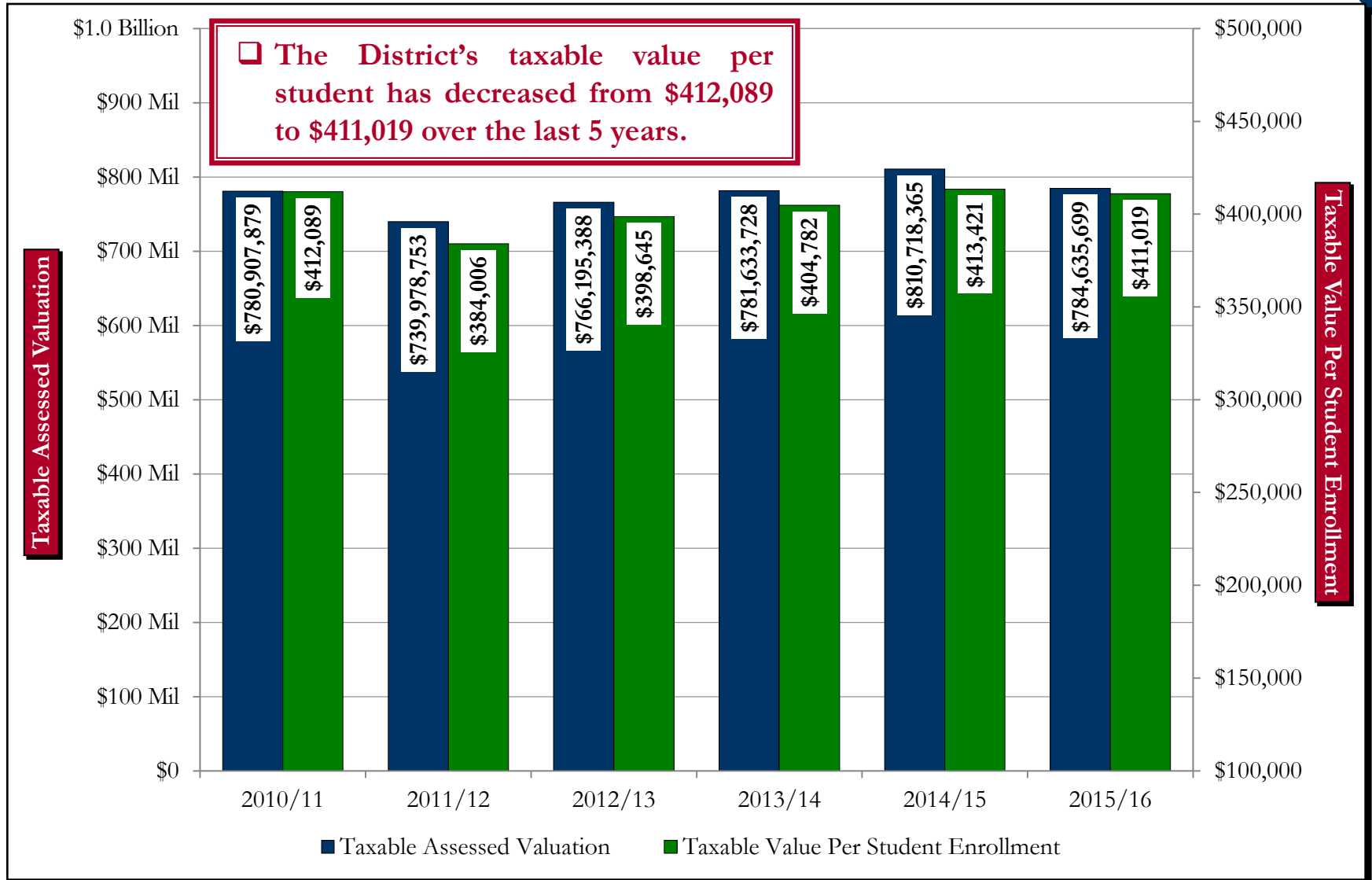
# Composition of Total Assessed Valuation – Year 2015/16

For year 2015/16, Single-Family Residential properties comprised 11.9% of the District's total assessed valuation and other property categories comprised 88.1%.





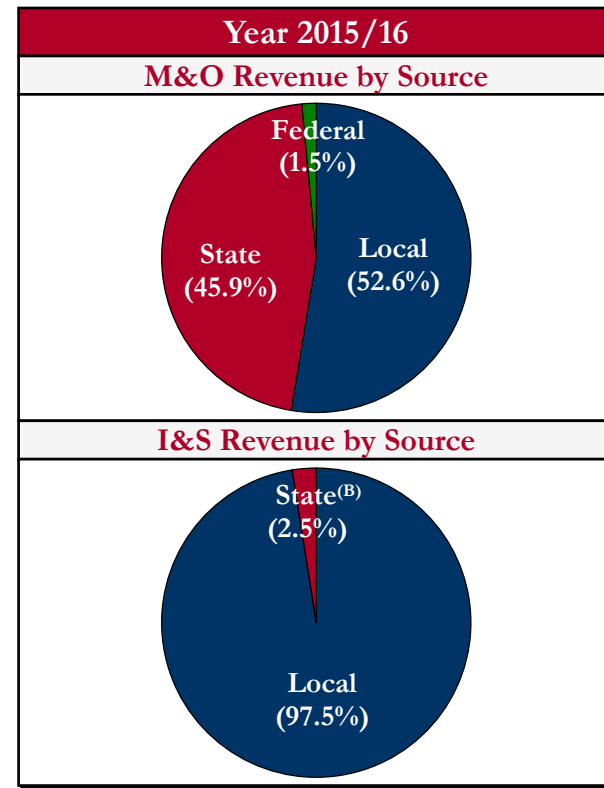
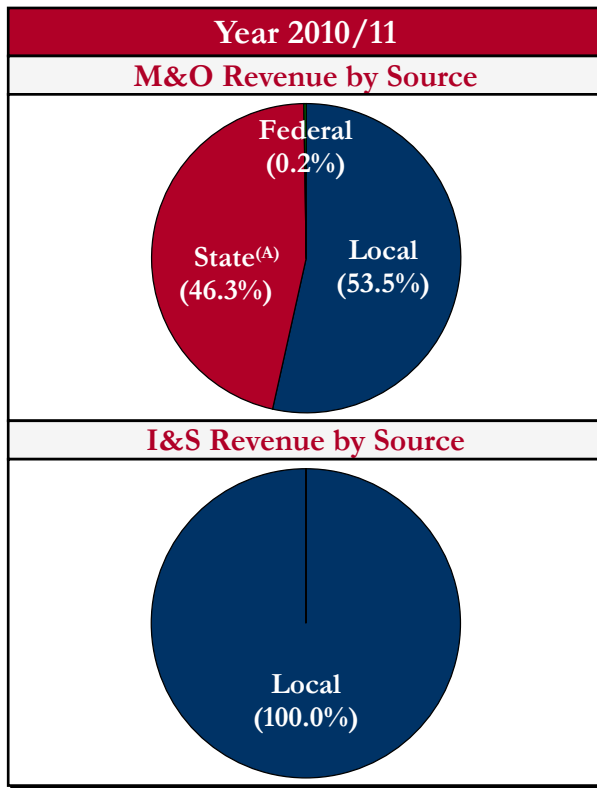
# Historical Taxable Assessed Valuation and Taxable Value Per Student Enrollment





# General Fund and Debt Service Fund – Revenue By Source

- Given the State funding system is structured to provide the District with an “equalized” dollar amount per student, the decrease of the District’s taxable value per student has increase the percentage of M&O revenues received from the State from 42.9% (not including the State Fiscal Stabilization Fund payment) to 45.9% over the last 5 years.

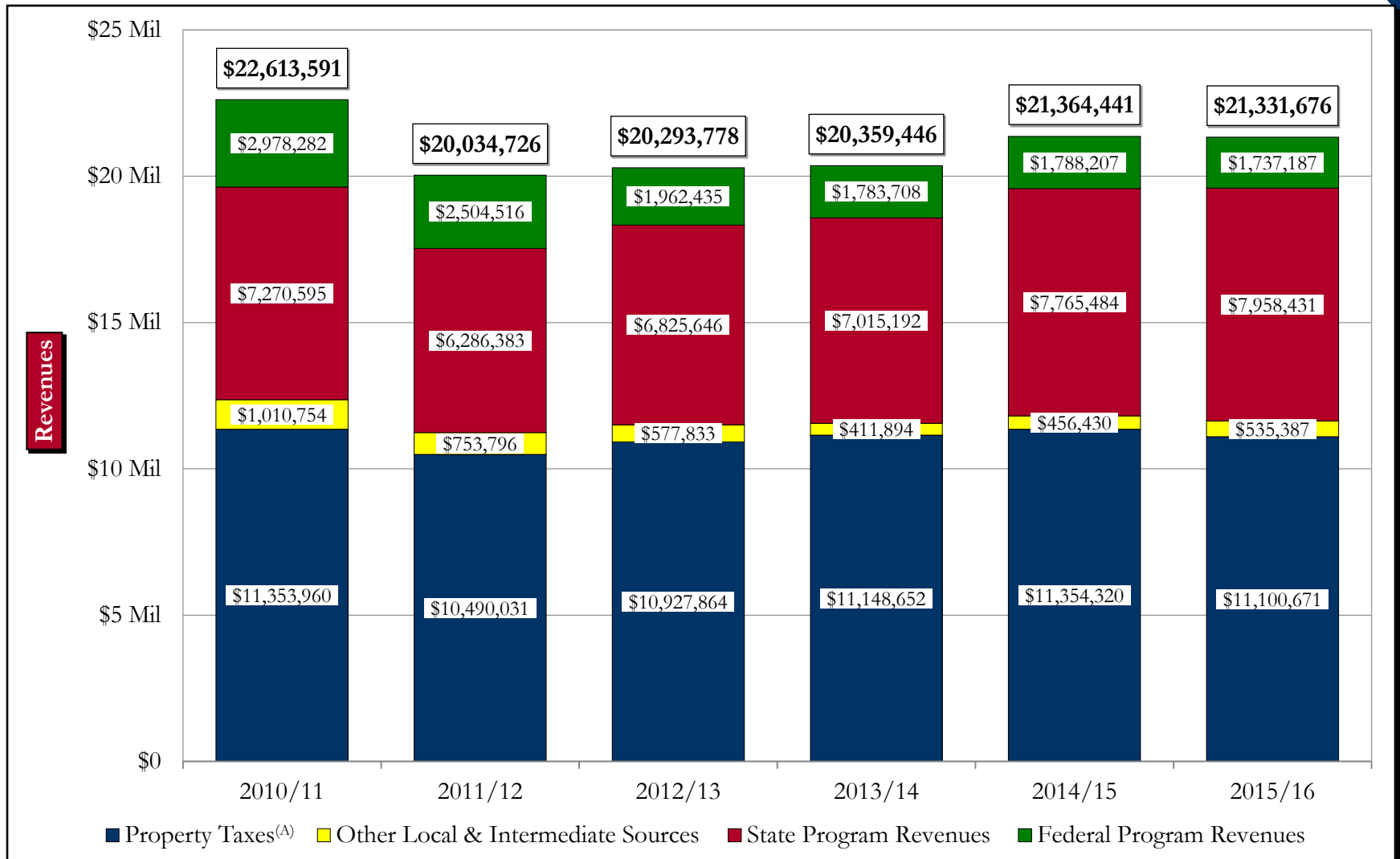


<sup>(A)</sup> Includes \$534,583 from the State Fiscal Stabilization Fund, distributed under the Federal American Recovery and Reinvestment Act.

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



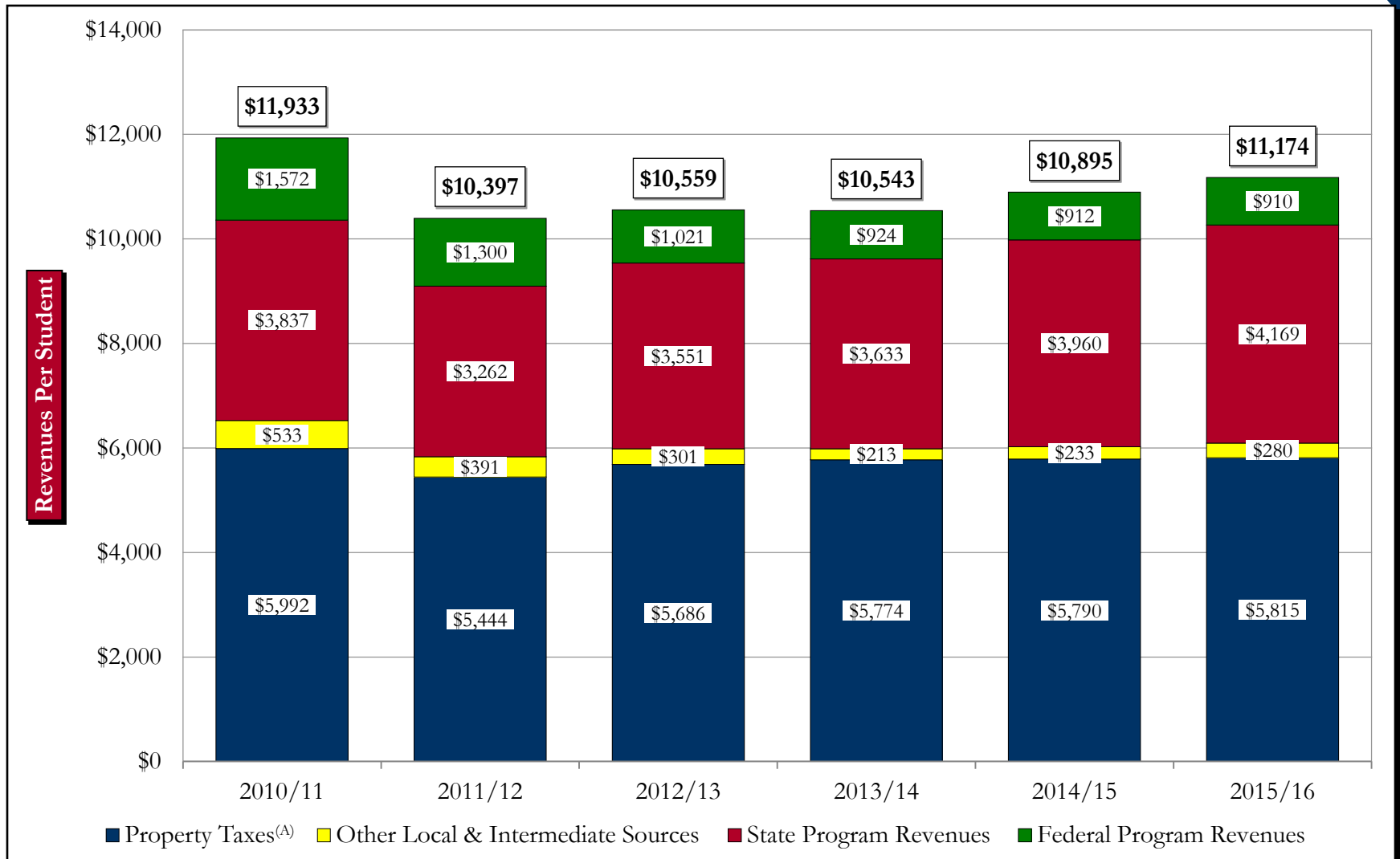
# Total Revenues (All Governmental Funds\*) By Source



<sup>(A)</sup> Includes maintenance and operation expenses and bond payments of voter-approved bonds.



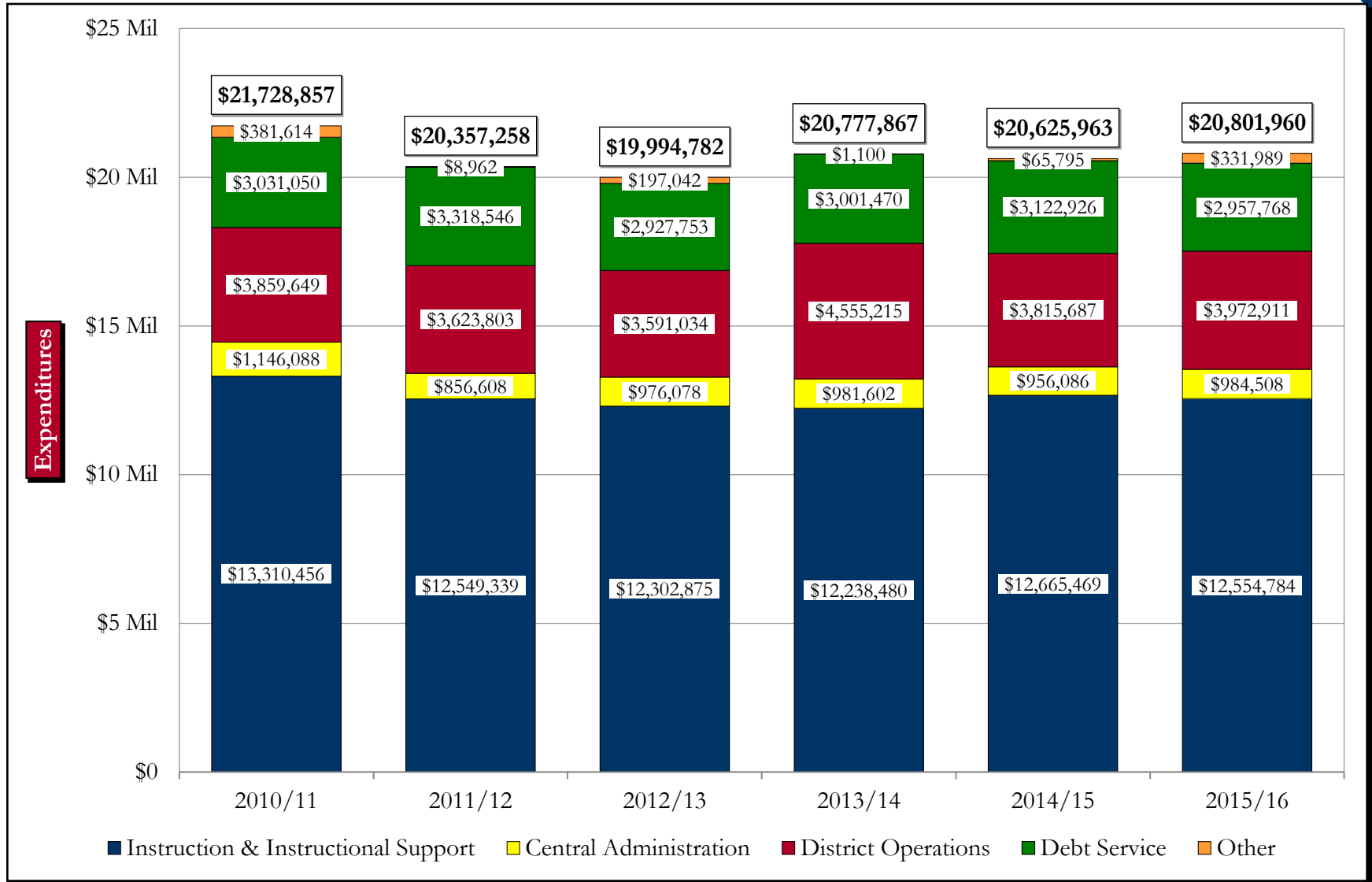
# Total Revenues (All Governmental Funds\*) Per Student



<sup>(A)</sup> Includes maintenance and operation expenses and bond payments of voter-approved bonds.



# Total Expenditures (All Governmental Funds\*) By Source

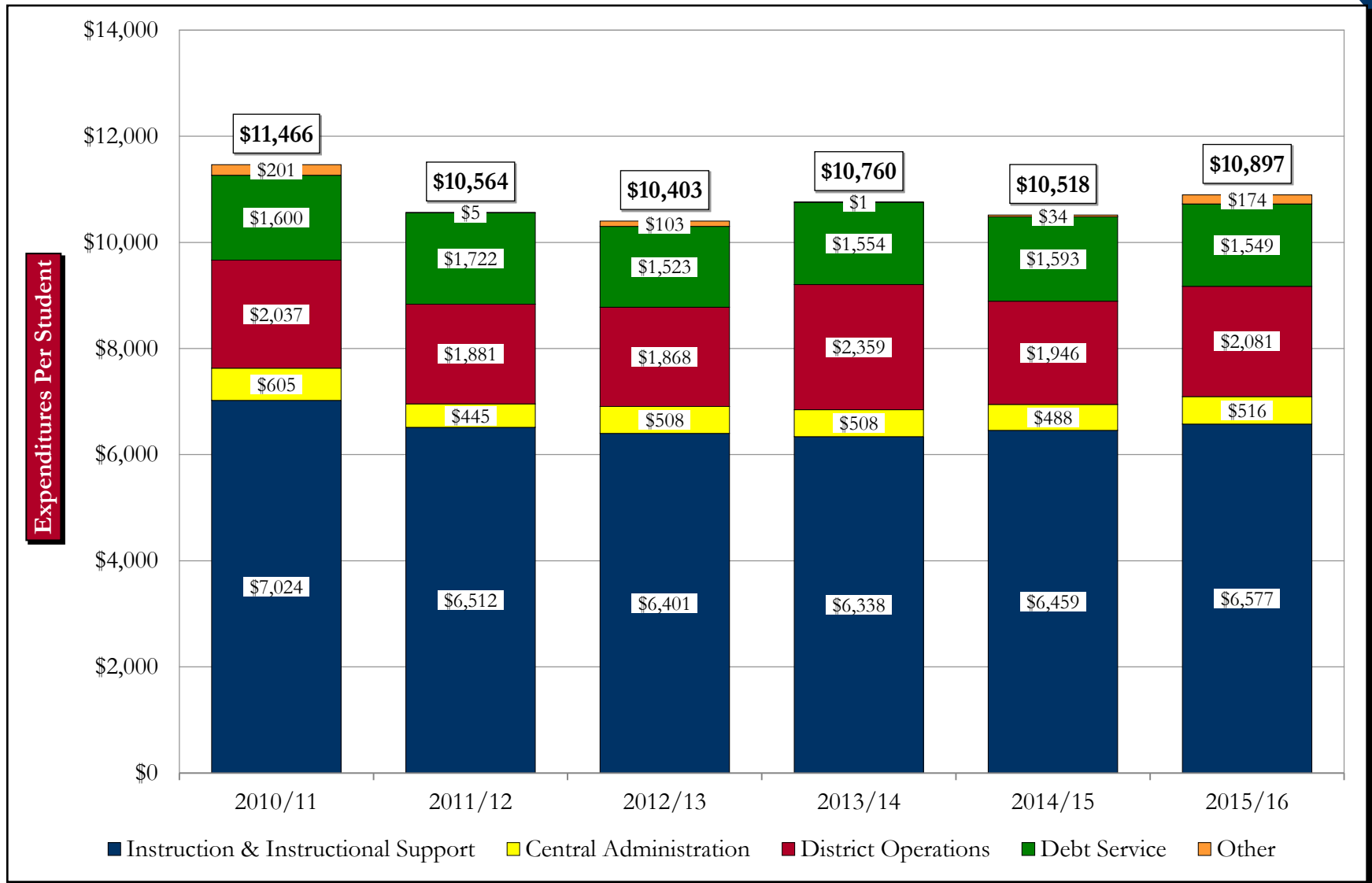


\*Excludes Capital Projects Fund. Source: District's Audited Financial Statements and District records.





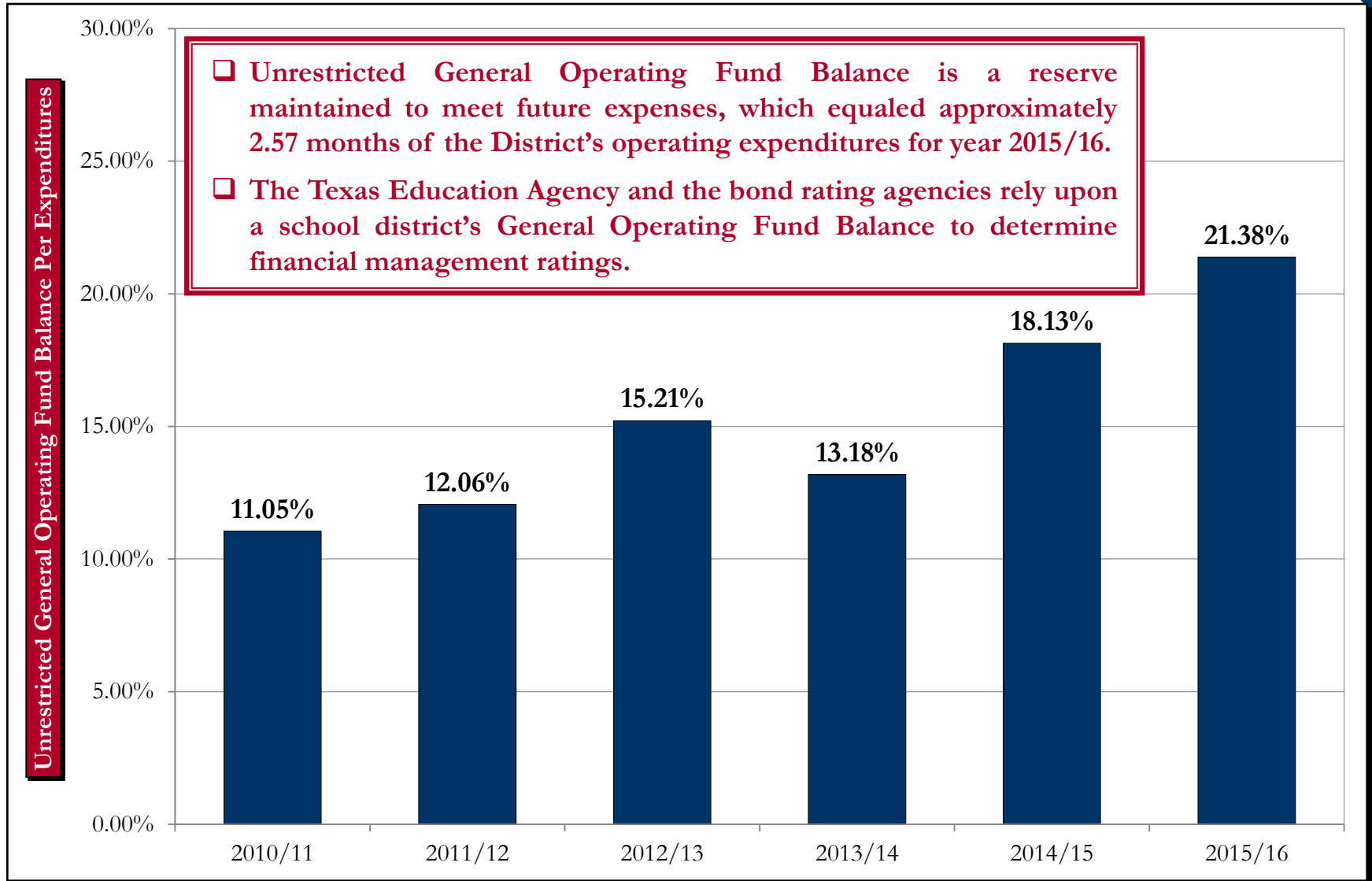
# Total Expenditures (All Governmental Funds\*) Per Student



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

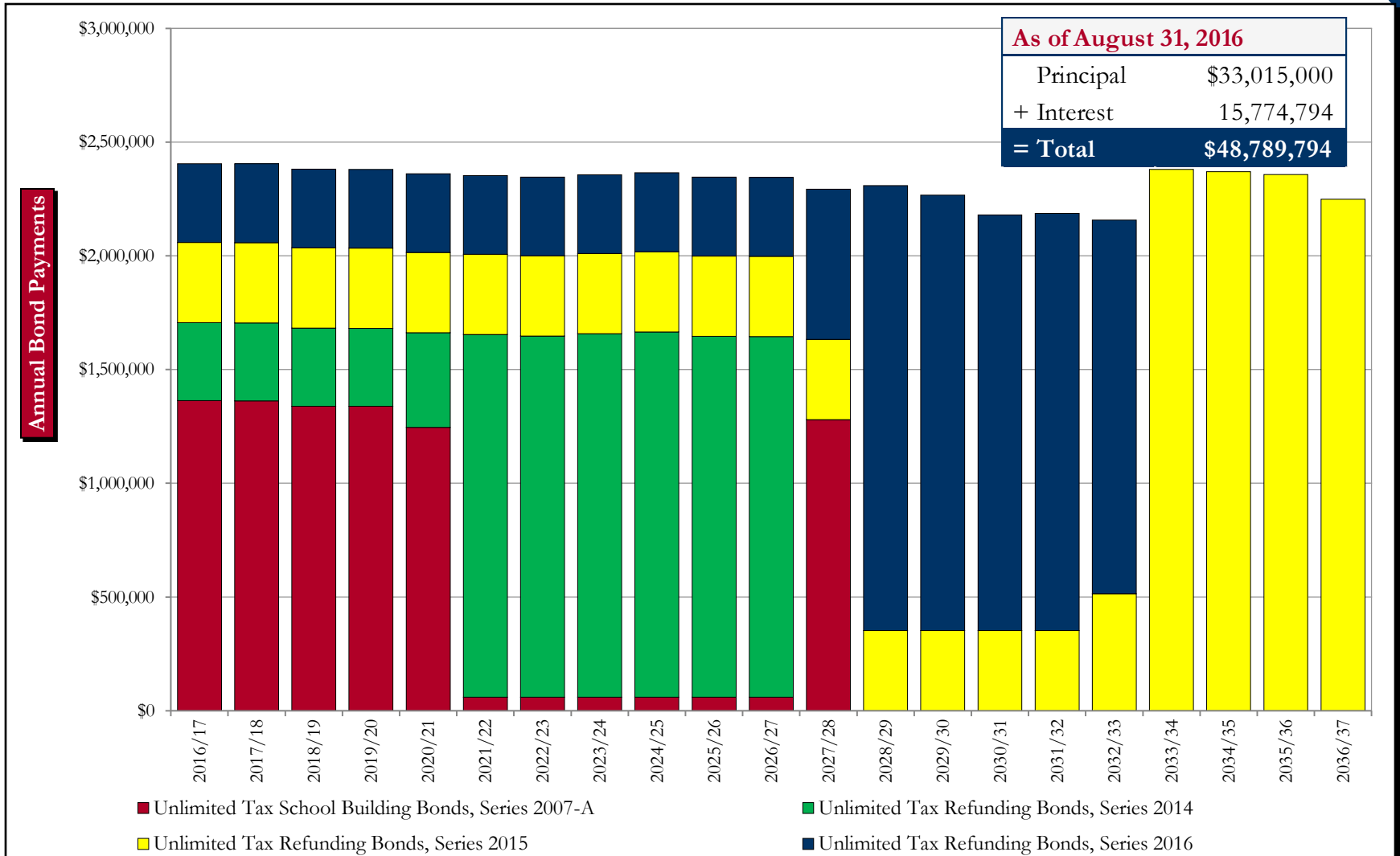


# Unrestricted General Operating Fund Balance as a Percentage of General Operating Expenditures





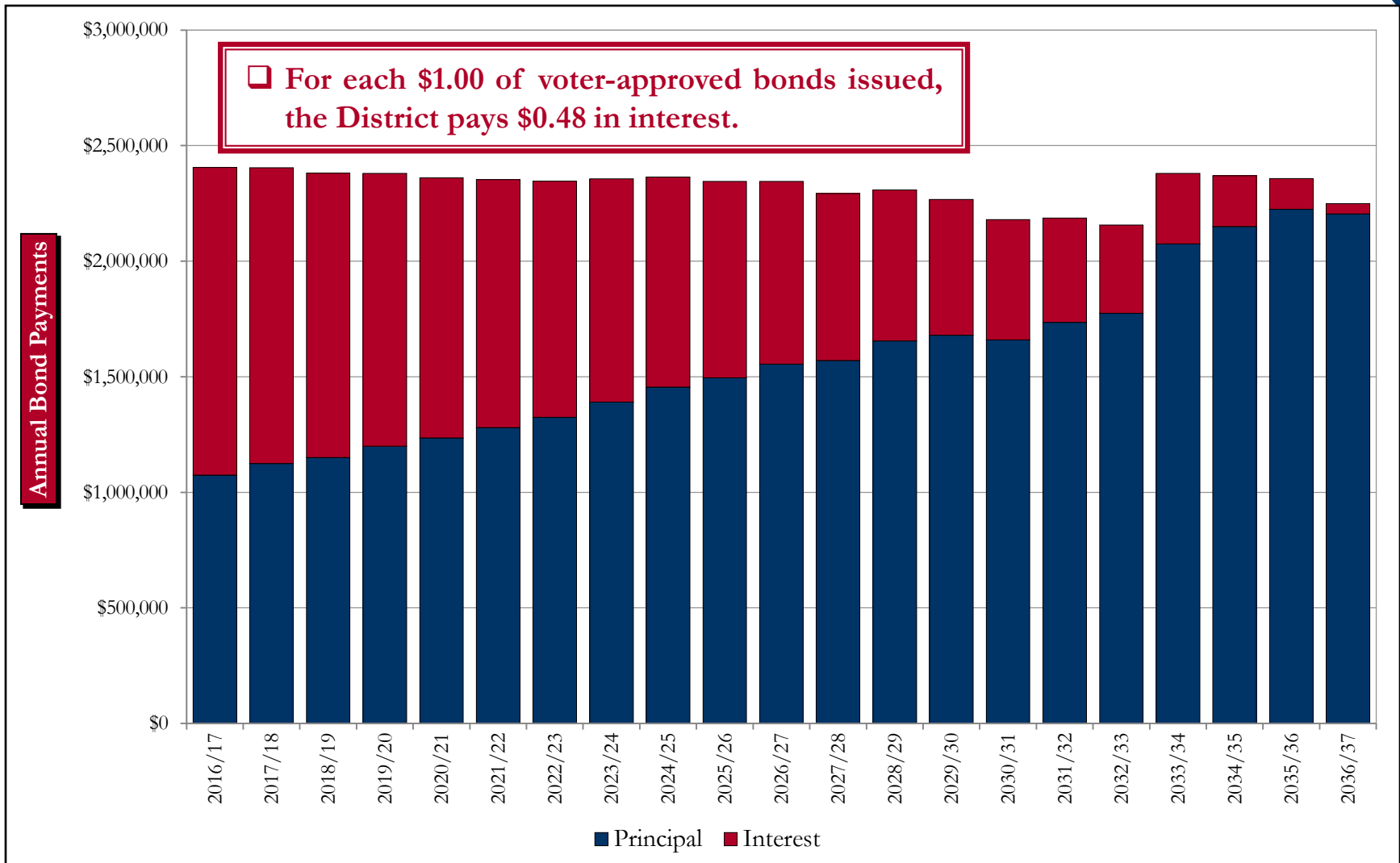
# ☑ Unlimited Tax Debt Service By Series – Existing Bonds Approved By Voters



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

- Giddings ISD has implemented 3 bond refunding programs to reduce the cost of voter-approved bonds – Which have generated more than \$5.7 million of savings for District taxpayers in recent years.

## Summary of Interest Cost Savings – Bond Refunding Programs

<b>Issue</b>	<b>Series Refunded</b>	<b>Principal Amount Refunded</b>	<b>Total Savings</b>
Unlimited Tax Refunding Bonds, Series 2014	2007-A	\$ 8,840,000	\$ 891,330
Unlimited Tax Refunding Bonds, Series 2015	2007-A	9,080,000	2,287,200
Unlimited Tax Refunding Bonds, Series 2016	2007-A	9,450,000	2,596,750
<b>Totals</b>	<b>---</b>	<b>\$ 27,370,000</b>	<b>\$ 5,775,280</b>

- ✓ Additionally, on January 5, 2017, the District refunded \$5,885,000 in principal amount of portions of the outstanding Series 2007-A Unlimited Tax School Building Bonds and, as a result, generated \$521,506.25 in savings.



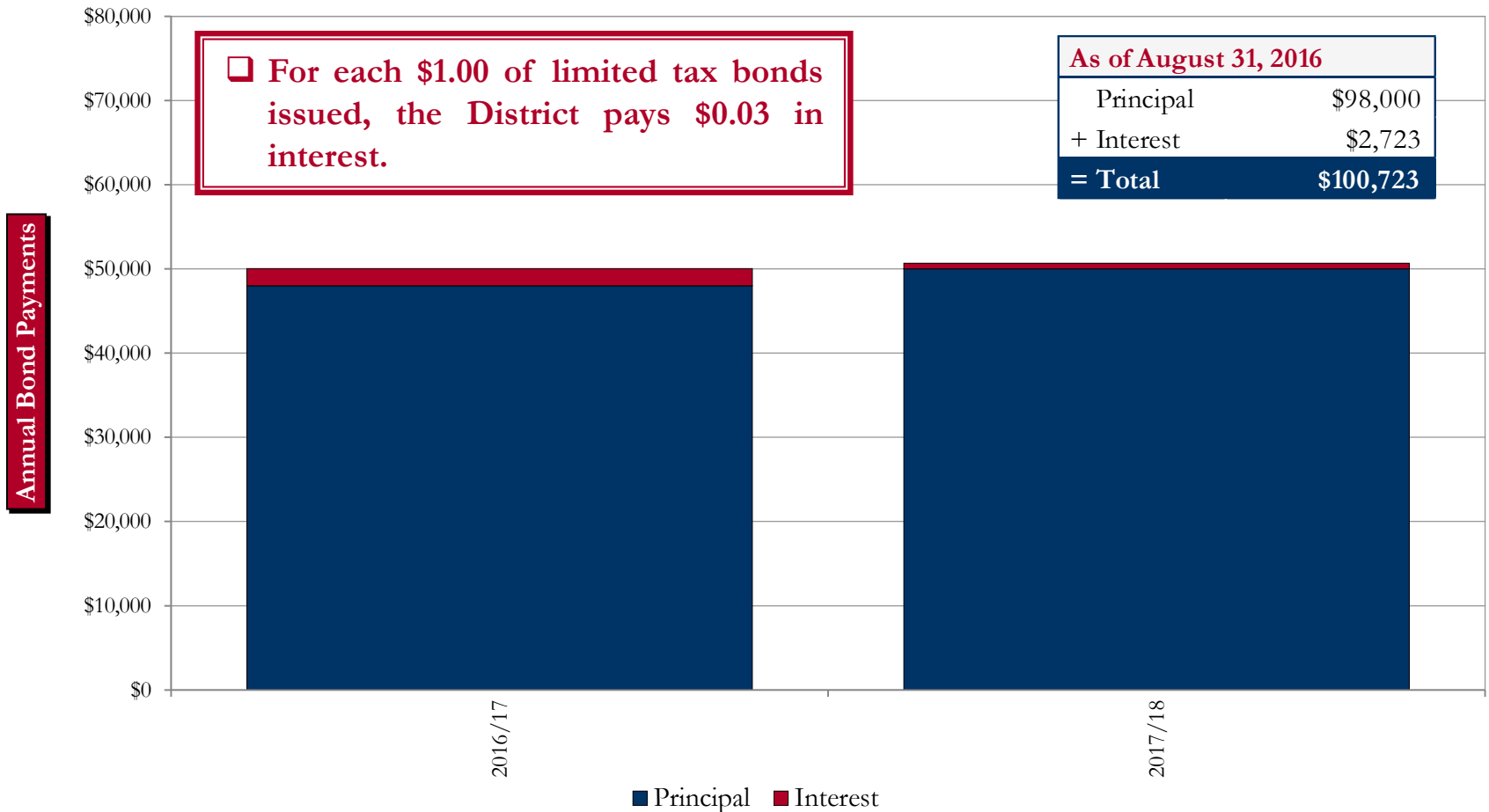
# ☑ Summary of Unlimited Tax Debt Outstanding By Series – As of Fiscal Year Ended August 31, 2016

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 Bonds, Series 2007-A	Capital Improvements	\$36,815,000.00	\$6,960,000.00	\$8,283,293.75	\$685.65	\$816.01	02/15/2028	\$37,151,679.27	\$37,151,679.27	\$0.00
2	Unlimited Tax Refunding Bonds, Series 2014	Refunding at a lower interest rate, etc.	\$8,575,000.00	\$8,575,000.00	\$11,347,500.00	\$844.74	\$1,117.87	02/15/2027	\$9,748,395.90	\$9,748,395.90	\$0.00
3	Unlimited Tax Refunding Bonds, Series 2015	Refunding at a lower interest rate, etc.	\$8,820,000.00	\$8,820,000.00	\$15,516,000.00	\$868.88	\$1,528.52	02/15/2037	\$9,874,502.37	\$9,874,502.37	\$0.00
4	Unlimited Tax Refunding Bonds, Series 2016	Refunding at a lower interest rate, etc.	\$8,660,000.00	\$8,660,000.00	\$13,643,000.00	\$853.12	\$1,344.01	02/15/2033	\$9,903,001.90	\$9,903,001.90	\$0.00



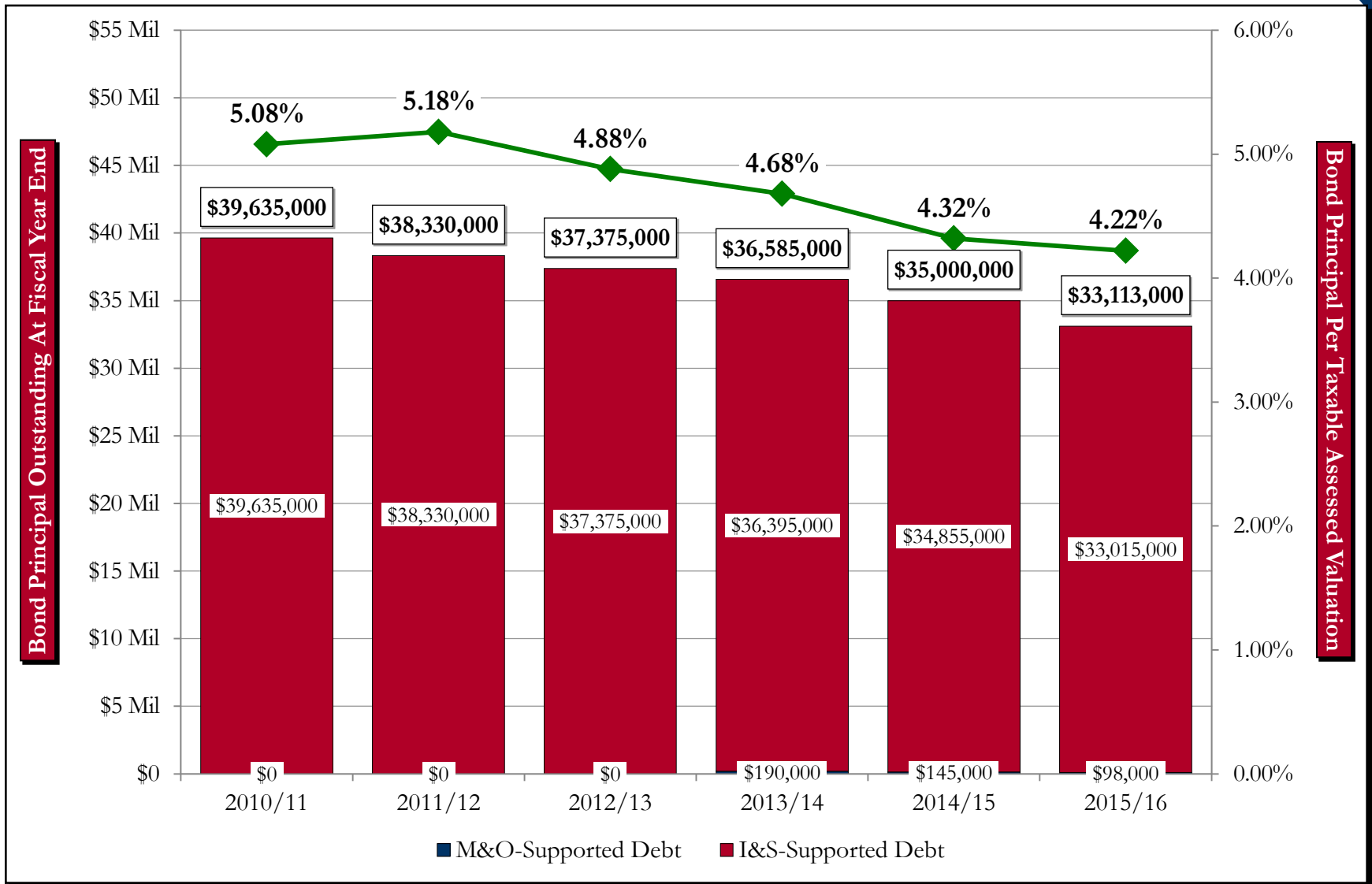
# ☑ Summary of Maintenance Tax Debt Outstanding – As of Fiscal Year Ended August 31, 2016

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	Maintenance Tax Notes, Series 2014	Maintenance & Equipment	\$190,000.00	\$98,000.00	\$100,722.50	\$9.65	\$9.92	02/15/2018	\$190,000.00	\$190,000.00	\$0.00





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

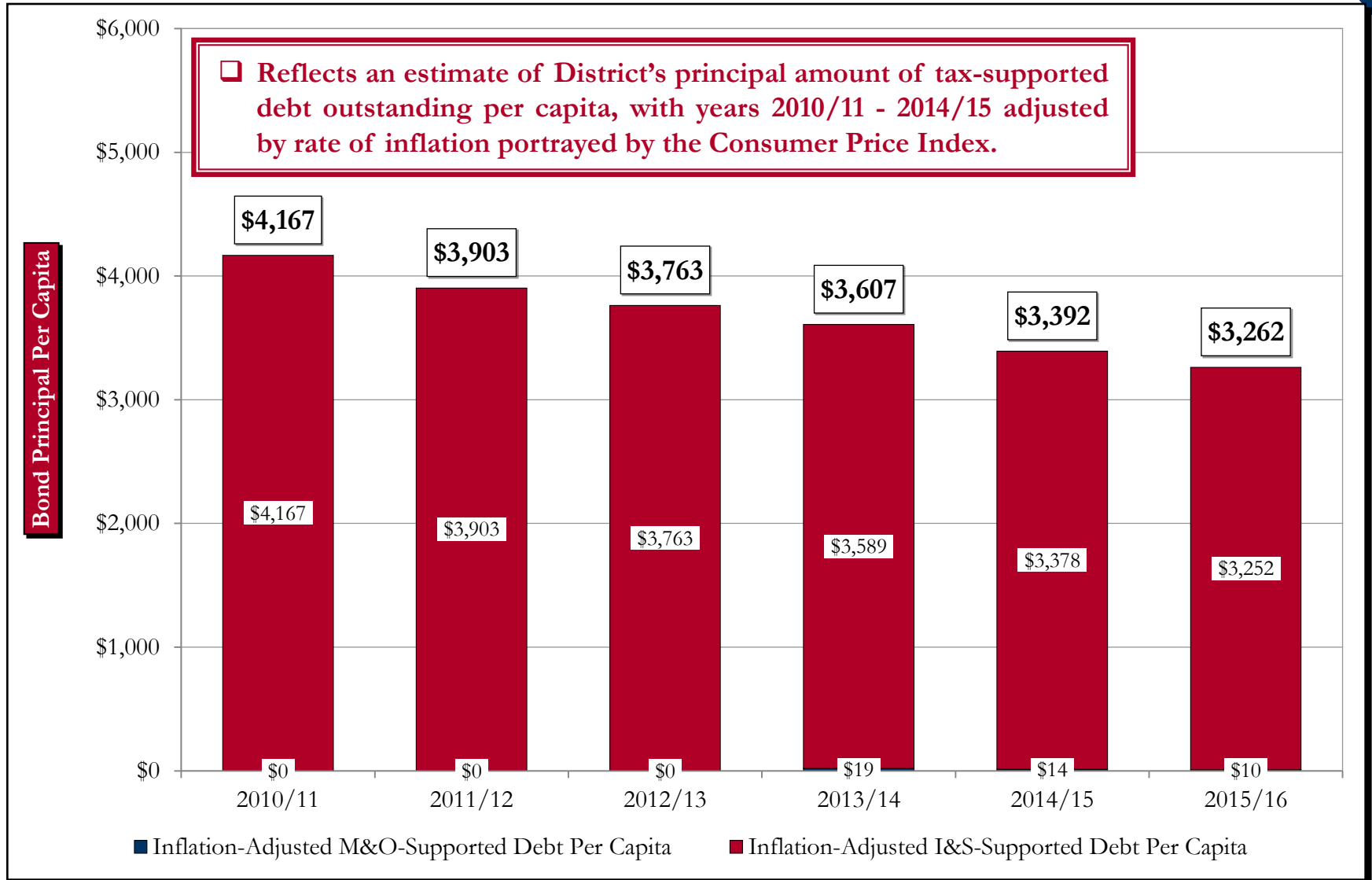


Source: District's Audited Financial Statements, Texas Comptroller and District records.



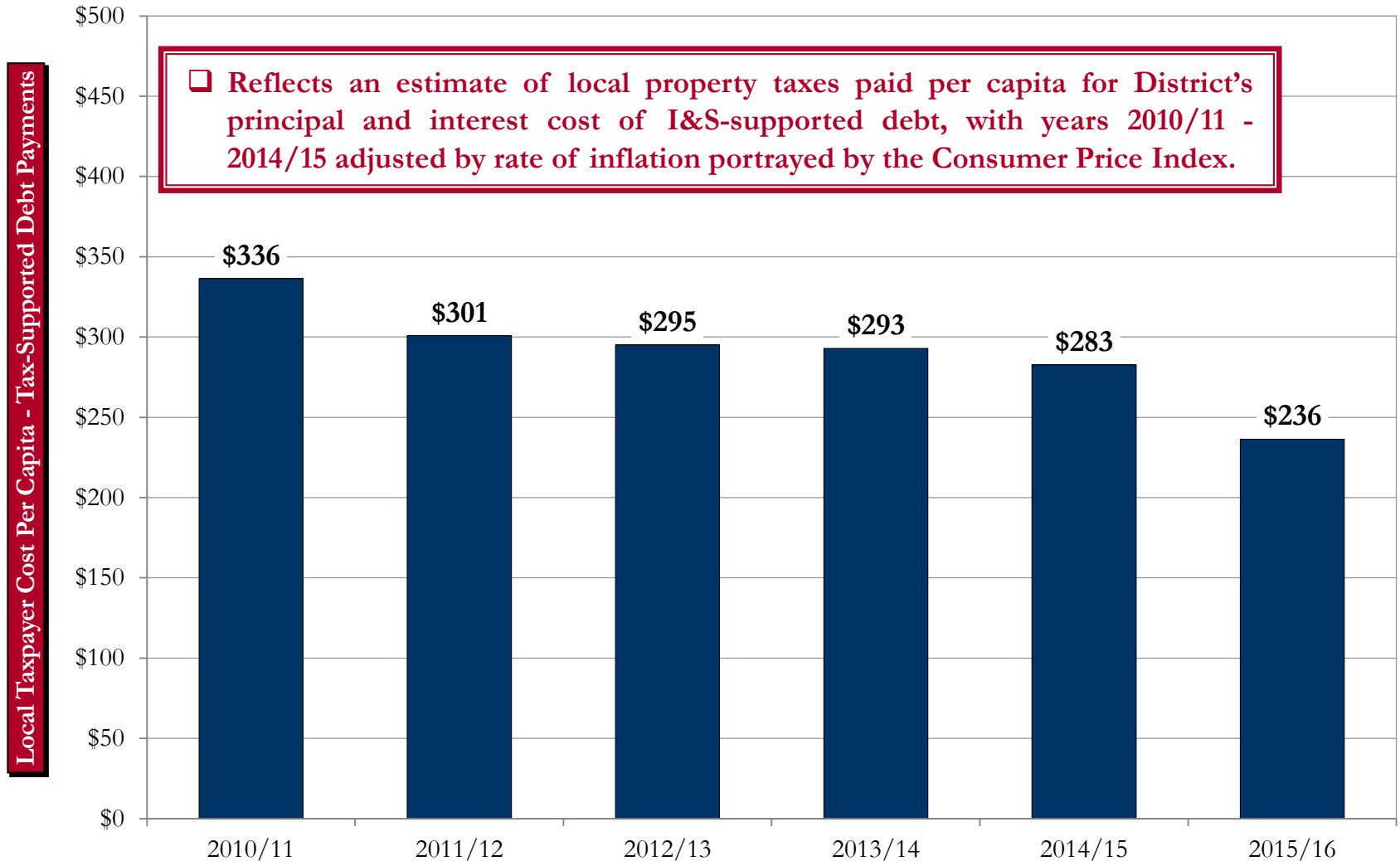


# Inflation-Adjusted Tax-Supported Debt Per Capita





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



Note: Debt payments represent District's voter-approved bonds payable from a levy of its I&S tax rate.



## Contact Information and Links to Additional Resources

### Main Office Contact Information:

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Email: [roger.dees@giddings.txed.net](mailto:roger.dees@giddings.txed.net)

### Links to Additional Resources:

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

[http://www.brb.state.tx.us/local\\_debt\\_search.aspx](http://www.brb.state.tx.us/local_debt_search.aspx)