

The Snyder Independent School District has a long history of conservative spending and careful long-range planning. As such, the District is on solid financial footing with a balanced budget and an adequate fund balance.

### **Reduction in Debt**

Evidence of the District's commitment to be good stewards of tax payer dollars, in 2013 the Board executed a plan that was conceived over 5 years ago to refund a portion of the District's long-term debt, reducing its debt obligation by over \$11 million. Previously, the District's debt service was \$28,944,255. After the refunding, that amount has been reduced to \$17,941,876.

### **Bond Upgrade**

Prior to the refunding, the District's credit rating was upgraded from A+ to Aa3. This upgrade is additional evidence that SISD is on solid financial footing and that the financial outlook is bright for the foreseeable future.

### **Passage of Bond**

Many factors influence a bond election. One of those factors is how voters perceive the District's ability to manage its finances. Subsequently, in May of 2014 the voters of Snyder ISD passed a \$15 million bond to fund a portion of the construction of a new junior high school. This building will replace a 60 year old campus that will be renovated and converted to a 4-5 grade campus.

### **Chapter 41 Status**

Snyder ISD is a Chapter 41 district. As such, a significant portion (65%) of the District's revenue comes from local property taxes and 1/3 of these funds are "recaptured" by the state. In 2013-14 SISD sent approximately \$13 million to the Texas Education Agency under this plan. Under the current funding scheme, the only way to increase funding is to increase student enrollment or improve the attendance of those students already enrolled.

### **Energy Dependency**

Finally, Snyder is dependent on oil, gas and wind energy. At the present time the energy sector is performing well. However, these sectors of the economy are often volatile as prices can fluctuate dramatically from year to year. Not only are local tax revenues impacted when prices fall, but enrollment can also be negatively impacted.

There are many reasons to be optimistic about the financial future of Scurry County, The City of Snyder and Snyder ISD.

Listed below are just a few of those reasons.

- Enrollment continues to increase in the elementary grades. The Cline Shale is projected to drive enrollment even higher.
- There is a new 92 home housing development under construction.
- There are two new apartment complexes under development.
- There are four new motels under construction or development.
- There are numerous new restaurants under construction.
- A new Super Wal-Mart opened in Snyder in 2014.
- The attendance rate of 95.8% is the historical average for the District. This is an important factor in determining state aid.
- The Maintenance and Operations (M&O) tax rate is assumed to remain at \$1.04 per \$100 of taxable value. There is capacity to pass a TRE up to \$1.17 if needed.
- The District passed along pay increases to its employees for the past several years and contributes \$388 per month toward employee health care premiums.
- Snyder ISD enjoys a fund balance that provides a level of financial security when funding cuts are made and/or when state economic conditions take a down turn.
- Snyder ISD participates in two Chapter 313 agreements that provide additional revenue to the district.
- Tax collection rates for Snyder ISD remain at or near 100%