



2009-2010 Comprehensive Annual Financial Report

Fiscal Year Ended August 31, 2010



Carrollton · Farmers Branch

Independent School District

••• An Innovative Leader in Learning •••

1445 North Perry Road Carrollton, Dallas County, Texas 75011-5186

www.cfbisd.edu

**CARROLLTON-FARMERS BRANCH
INDEPENDENT SCHOOL DISTRICT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
AUGUST 31, 2010**

Prepared By:
Division of Business Services
Mark Hyatt
Assistant Superintendent
Of Support Services

**1445 North Perry Road
Carrollton, Texas 75011-6186**



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TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
<u>Introductory Section</u>		
	Certificate of Board.....	I
	Letter of Transmittal	i
	GFOA Certificate of Achievement	xvi
	ASBO Certificate of Excellence	xvii
	Principal Officials	xviii
	Consultants and Advisors.....	xx
	Organization Chart.....	xxi
<u>Financial Section</u>		
	<u>Independent Auditor’s Report</u>	3
	<u>Management’s Discussion and Analysis</u>	5
<u>Basic Financial Statements</u>		
	District-Wide Statements:	
A-1	Statement of Net Assets.....	19
B-1	Statement of Activities	20
	Governmental Fund Financial Statements:	
C-1	Balance Sheet	22
C-2	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	25
C-3	Statement of Revenues, Expenditures, and Changes in Fund Balance.....	26
C-4	Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement Activities	28
	Proprietary Fund Financial Statements:	
D-1	Statement of Net Assets.....	30
D-2	Statement of Revenues, Expenses, and Changes in Fund Net Assets	31
D-3	Statement of Cash Flows	32
	Fiduciary Fund Financial Statements:	
E-1	Statement of Fiduciary Assets and Liabilities	33
	Notes to the Basic Financial Statements.....	34
<u>Required Supplementary Information</u>		
G-1	Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual- General Fund	59
	Notes to the Required Supplementary Information	60

TABLE OF CONTENTS - CONTINUED

Exhibit

Page

Other Supplementary Information

Combining Statements and Schedules

Nonmajor Governmental Funds:

H-1	Combining Balance Sheet	65
H-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balance.....	66
Internal Service Funds:		
H-3	Combining Statement of Net Assets.....	69
H-4	Combining Statement of Revenues, Expenditures, and Changes in Fund Net Assets	70
H-5	Combining Statement of Cash Flows	71
Agency Funds:		
H-9	Statement of Changes in Assets and Liabilities	75

Capital Assets Used in the Operation of Governmental Funds

I-1	Schedule by Source	79
I-2	Schedule of Changes by Function and Activity	80
I-3	Schedule of Function and Activity	81

Required T.E.A. Schedules

J-1	Schedule of Delinquent Taxes Receivable	84
J-2	Schedule of Expenditures for Computation of Indirect Cost for 2010-2011.....	86
J-4	Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Child Nutrition Program.....	87
J-5	Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Debt Service Fund.....	90

Statistical Section

I	Net Asset by Component.....	92
II	Government-Wide Expenses, Program Revenues, and Changes in Net Assets	94
III	General Revenues and Change in Net Assets.....	96
IV	Fund Balances – Governmental Funds.....	98
V	Governmental Funds Revenues	100
VI	Governmental Funds Expenditures and Debt Service Ratio	102
VII	Other Financing Sources and Uses and Net Change in Fund Balances	104
VIII	Assessed Value and Actual Value of Taxable Property	107
IX	Property Tax Rates and Overlapping Governments	108
X	Property Taxes, Levies, and Collections	110
XI	Principal Property Taxpayers	111
XII	Legal Debt Margin	112
XIII	Outstanding Debt by Type.....	115
XIV	Ratio of Net Bonded Debt to Net Assessed Value and Net Bonded Debt per Capita	116
XV	Direct and Overlapping Government Debt as of August 31, 2010.....	118

TABLE OF CONTENTS - CONTINUED

<u>Exhibit</u>		<u>Page</u>
XVI	Demographics and Economic Statistics	119
XVII	Principal Employers	120
XVIII	Full Time Equivalent District Employees by Type	121
XIX	Teacher Base Salaries	123
XX	Operating Statistics.....	124
XXI	School Building Information – Elementary Schools	126
XXII	School Building Information – Middle Schools.....	132
XXIII	School Building Information – High Schools	134
XXIV	School Building Information – Other Facilities	136

Compliance and Federal Awards Section

Required T.E.A. Schedule

J-3	Fund Balance and Cash Flow Calculation Worksheet (Unaudited)	141
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Federal Awards

	Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters based on an audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	143
	Independent Auditors’ Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	145
	Schedule of Findings and Questioned Costs	147
	Summary of Prior Audit Findings	149
K-1	Schedule of Expenditures of Federal Awards	150
	Notes on Accounting Policies for Federal Awards	152



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INTRODUCTORY SECTION



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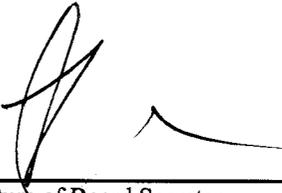
CERTIFICATE OF BOARD

**CARROLLTON-FARMERS BRANCH
INDEPENDENT SCHOOL DISTRICT**
Name of School District

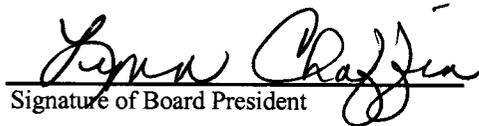
Dallas/Denton
County

057-903
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial report of the Carrollton-Farmers Branch Independent School District were reviewed and (check one) approved _____ disapproved for the year ended August 31, 2010 at a meeting of the Board of Trustees of such school district on the 13th day of January, 2011.



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)



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December 15, 2010

Formal Transmittal of the Comprehensive Annual Financial Report (CAFR)

To the Citizens and Board of Trustees of the Carrollton-Farmers Branch Independent School District:

The CAFR of the Carrollton-Farmers Branch Independent School District (the District) for the fiscal year ended August 31, 2010, is hereby submitted. The report includes the unqualified opinion of our independent auditors, Hankins, Eastup, Deaton, Tonn & Seay, P.C. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report includes all funds of the District. The CAFR for the year ended August 31, 2010, is presented in conformance with the reporting model adopted by the Governmental Accounting Standards Board ("GASB") in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999. The CAFR also adheres to guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA) and the Association of School Business Officials International (ASBO).

Generally Accepted Accounting Principles (GAAP) 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). MD&A is intended to give the reader an easy-to-understand overview of the school district's financial position and results of operations for the year. 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.

The remainder of this transmittal highlights the governance structure, the mission, the accomplishments and initiatives, the economic conditions and outlook, and the financial activities of the District.

Copies of this report will be provided to the city libraries, Moody's Investment Service, Fitch Investor Service, Standard and Poors and any other interested parties.

Profile of the District

GENERAL EDUCATION

As its mission states, together with families and community we commit all district resources to guide the learning of each student to graduate as: a responsible individual; a passionate life-long learner; a complex thinker; and effective communicator. Based on the philosophy that every child can learn, the District provides educational opportunities for students regardless of their needs and their abilities.

Towards that end, the District provides a fully comprehensive instructional program in grades K-12 with a pre-kindergarten program. The District is committed to quality learning environments for all students offering a diversified curriculum that advocates the tailoring of instruction to individual student needs.

The Carrollton-Farmers Branch Independent School District embraces character values and ethics as fundamental to both educating and equipping our students to be productive, contributing members of society.

In addition to the regular curriculum, the District provides a comprehensive Career and Technology Education (CTE) program, including seven main areas: Agriculture Science and Technology Education, Health Occupations Education, Marketing and Business Education, Trade and Industrial Education, Family and Consumer Science Education, Technology Education and Technology Applications. In addition to numerous CTE courses, C-FB ISD offers five Academies. They offer a concentrated four-year curriculum in the areas of 1) biomedical professions, 2) international business, 3) law and criminal justice, 4) math, engineering, science and technology, and 5) media arts and technology. Students participate in field trips, earn dual credit for college, receive certification in certain areas, and are placed in internships, clinical rotations, and co-operative education training placements in businesses related to their career interest. Students apply during their 8th grade year and are selected according to the criteria of grades, attendance records, TAKS scores, essays and teacher recommendations. Approximately fifty percent of students in grades 9-12 are enrolled in one or more CTE courses.

The fine arts program includes drama, speech, debate, choir, band, orchestra, theatre, elementary music, elementary art, secondary art, dance, and drill team. Over 22,000 students are involved district-wide in the fine arts program at various levels.

The Carrollton-Farmers Branch Independent School District demonstrates its commitment to educational excellence through the comprehensive programs developed for gifted and talented students in kindergarten through twelfth grade. Having a child-centered education program as its primary goal, the Carrollton-Farmers Branch ISD offers a two-tiered multifaceted program. These services are offered through the Academic Creative Education (ACE) program and the Leading Exceptional Academic Producers (LEAP) program. The structure of the District's programs form an inverted pyramid model beginning as a broad base designed to discover and nurture the intellectual talents of the young child and gradually move into specific specialized course offerings. Classroom teachers who work with gifted students are required to receive at least thirty hours of gifted education training.

Bus transportation is available to those children who live more than two miles from the school that they would normally attend. Additionally, students who attend more than one school to participate in career and technology or bilingual programs receive transportation between schools during school hours. Special education students are eligible for transportation services when need is established.

DESCRIPTION OF THE ENTITY

The Carrollton-Farmers Branch ISD is an independent public educational agency operating under applicable laws and regulations of the State of Texas. A seven-member Board of Trustees elected to staggered three-year terms by the District's residents autonomously governs the District. The Carrollton-Farmers Branch ISD Board of Education ("Board") is the level of government, which has oversight responsibility and control over all activities related to public school education within the District. The District receives funding from local, state and federal government sources and must comply with all the requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined in generally accepted accounting principles. The public elects board members who have decision-making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

The Texas Education Agency and Southern Association of Colleges and Schools provide the District's K-12 education accreditation. Enrollment in the District's 4 high, 6 middle, and 27 elementary, and alternative or special program centers is estimated to be 25,920 for the 2009-2010 budget year.

The District encompasses 53.42 square miles in northwest Dallas County with a smaller portion in southeast Denton County. The District provides instructional services to children who live in portions of Carrollton, Farmers Branch, Addison, Coppell, Dallas and Irving. Demographic information for the largest of these cities is included below.

City of Carrollton

Population 119,123; Male 50.4%, Female 49.6%

Population by Race:

- White 74%
- Black 7.6%
- Hispanic or Latino Origin 27.7% (of any race)
- American Indian 0.6%
- Asian or Pacific Islander 12.3%
- Other Race 4.0%
- Two or more races 1.5%

Median age 32.2

- Persons under 5 years old 7.8%
- Persons over 18 years old 72.8%
- Persons 65 and over 6.7%

Economic Characteristics:

- Median household income \$70,960
- Median family income \$78,165
- Per capita income \$31,481

Housing Characteristics:

- Owner-occupied housing units 68.4%
- Renter-occupied housing units 31.6%
- Vacant housing units 5.2%

Area 36.6 square miles

Source: U.S. Census Bureau, 2006-2008 American Community Survey

City of Dallas

Population 1,214,287; Male 51.2%, Female 48.8%

Population by Race:

- White 56.6%
- Black 23.2%
- Hispanic or Latino Origin 43.1% (of any race)
- American Indian 0.4%
- Asian or Pacific Islander 2.6%
- Other Race 15.9%
- Two or more races 1.3%

Median age 32.2

- Persons under 5 years old 9.2%
- Persons over 18 years old 73.0%
- Persons 65 and over 8.4%

Economic Characteristics:

- Median household income \$52,175
- Median family income \$63,211
- Per capita income \$27,466

Housing Characteristics:

- Owner-occupied housing units 47.1%
- Renter-occupied housing units 52.9%
- Vacant housing units 13.0%

Area 384.7 square miles

Source: U.S. Census Bureau, 2006-2008 American Community Survey

City of Farmers Branch

Population 28,447; Male 52.4%, Female 47.6%

Population by Race:

- White 79.8%
- Black 2.7%
- Hispanic or Latino Origin 48.2% (of any race)
- American Indian 0.4%
- Asian or Pacific Islander 3.5%
- Other Race 12.2%
- Two or more races 1.4%

Median age 38.2

- Persons under 5 years old 5.4%
- Persons over 18 years old 73.6%
- Persons 65 and over 13.8%

Economic Characteristics:

- Median household income \$56,086
- Median family income \$64,369
- Per capita income \$27,153

Housing Characteristics:

- Owner-occupied housing units 70.8%
- Renter-occupied housing units 29.2%
- Vacant housing units 5.2%

Area 12.1 square miles

Source: U.S. Census Bureau, 2006-2008 American Community Survey

City of Irving

Population 207,776; Male 51.4%, Female 48.6%

Population by Race:

- White 61.8%
- Black 10.7%
- Hispanic or Latino Origin 41.8% (of any race)
- American Indian 0.6%
- Asian or Pacific Islander 11.2%
- Other Race 14.1%
- Two or more races 1.5%

Median age 31.8

- Persons under 5 years old 9.5%
- Persons over 18 years old 72.6%
- Persons 65 and over 6.8%

Economic Characteristics:

- Median household income \$47,007
- Median family income \$50,907
- Per capita income \$25,964

Housing Characteristics:

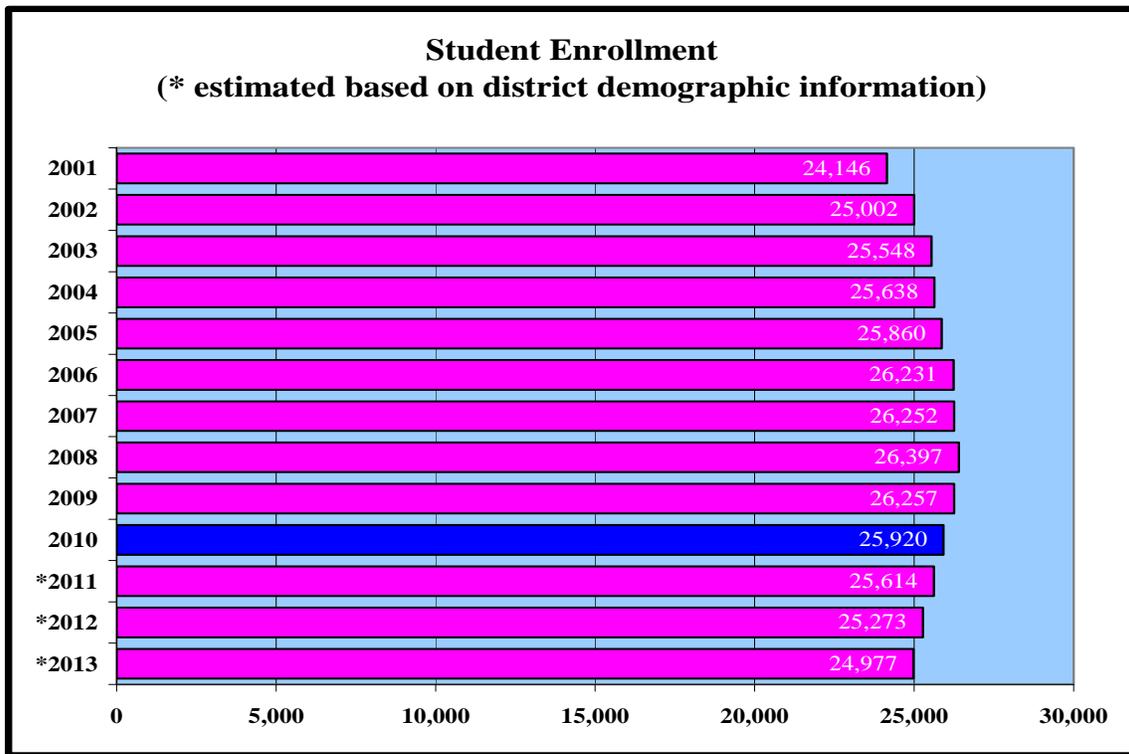
- Owner-occupied housing units 41.7%
- Renter-occupied housing units 58.3%
- Vacant housing units 10.2%

Area 67.6 square miles

Source: U.S. Census Bureau, 2006-2008 American Community Survey

The District offers a comprehensive instructional program from pre-kindergarten through grade 12. The Texas Education Agency accredits all schools in the District. Along with the regular curriculum, the District offers programs for gifted and talented students, advanced placement courses, career and technology education, services for children with disabilities from birth through 22 years of age, and bilingual education programs. The District has one of the leading technology programs in the state. All campuses are connected to a wide-area network and have direct Internet access. The broad range of elective courses and extracurricular activities includes athletics, fine arts, internship work experience, and special-interest activities. Other programs include drug awareness, research skills, environmental topics, and advanced technology and after-school enrichment. During the summer, students participate in a variety of summer recreation programs and summer school academic and enrichment courses. A large community education program provides academic and enrichment opportunities of adults and youngsters.

The District has an extensive Internet website with individual home pages for all departments and campuses. At www.cfbisd.edu families can locate a wealth of information, including a school locator package that identifies the schools which serve residential addresses.



FINANCIAL POLICIES

Internal Controls The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management. Management believes the District’s internal controls provide reasonable assurance errors or irregularities that could be material to the financial statements would be detected within a timely period by employees in the normal course of performing their assigned functions.

Budgetary Controls In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Board of Trustees. Activities in the General Fund, Food Service Special Revenue Fund and Debt Service Fund are included in the District's formally adopted budget. Budgets for Special Revenue Fund (other than Food Service Fund) and Capital Projects Fund are prepared on a project basis, based on grant regulations or applicable bond ordinances. Budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is maintained at the fund-function level as required by the Texas Education Agency. The Board of Trustees has delegated authority for functional changes to the Accounting Department. Budget transfers from one functional category to another functional category are reviewed and approved/disapproved by Accounting Department personnel. However, budget changes that would increase/decrease the overall fund are taken to the Board of Trustees for their approval before any action regarding the proposed change is made.

The District's interactive, on-line budgetary accounting and control system provides many useful reports to assist District personnel in administering, monitoring and controlling the implementation of the budget. The system provides many checks on account balances to insure that funds are not over-expended at the budgetary control account level. If sufficient funds are not available at the budgetary control account level, purchase orders and checks requisitions cannot be generated.

Risk Management The objectives of the risk management program are to safeguard the assets of the District to minimize the financial effect of potential losses. The District's property and casualty insurance is provided by national commercial carriers on a fully insured basis. In addition, workers' compensation risks are self-insured, a third party administrator discharges the claims function of this program. The District also purchases excess workers' compensation coverage through a commercial insurer in order to protect the District's fund from catastrophic losses.

Cash Management Cash temporarily idle during the year was invested in fully insured or secured certificates of deposit, agencies, and in the State Treasury Investment Pools (Tex-Pool and TexStar). The District recognizes that it forgoes a certain amount of yield by operating with such a conservative investment philosophy. Although changes in Texas law allow investments in a broader range of investment vehicles, the District has determined that safety and simplicity outweigh the benefits of alternative investments. Collateral on secured investments is held by third parties with most being held by the Federal Reserve Bank of Dallas. The District's investment earnings decreased significantly during the current fiscal year but management did not feel a more aggressive investment strategy would produce a considerably better yield while exposing the District to more risk.

INDEPENDENT AUDIT

The Texas Education Code requires an annual audit of all public schools. This audit must be on an organization-wide basis and include all fund types and account groups that are the accounting responsibility of the District. The audit is performed by an independent certified public accountant firm selected by the District's Board of Trustees. The auditor's report has been included in this report.

ORGANIZATION OF THE DISTRICT

The Board of Trustees of the Carrollton-Farmers Branch ISD (the Board) is a seven-member body. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all other general compliance laws and rules applicable to the District are followed in the expenditure of the District's funds, and approves the annual budget resolution and tax adoption.

MAJOR INIATIVES

Capital Projects Since 1990, in four separate elections, the voters of the Carrollton-Farmers Branch Independent School District have authorized over \$600 million in general obligation bonds. The most recent election in 2003 was for \$300.165 million alone and passed by more than 78 percent of the votes.

The District has already sold \$229.3 million of the bonds. The remaining bonds will be sold and the projects completed over the next two to four years.

Our citizens have always put the education of children first because there is a realization that children are the leaders of tomorrow. With the exploding usage of technology and the need to update aging facilities, all previous bond referendums in the District have been approved by the citizens who reside within the District boundaries.

In addition to renovations and new construction, there are major renovation projects ongoing within the District. The technology initiatives include improvements to the network infrastructure, computer hardware and software. The District maintains a fiber optic network to provide connectivity for over 15,000 computers. The focus this year is on integrating wireless, mobile handheld devices into the classroom. The focus on this initiative is to enable students and staff flexible, wireless access to online instructional applications.

Curriculum and Instruction The Curriculum and Instruction division of C-FB ISD has two anchors that guide the instructional work for the district: the six components of a Standards Based Instructional System and the Principles of Learning, Teaching, and Curriculum. The six components of a Standards Based Instructional System include the following: clear, high standards; fair assessments; curriculum framework; instructional materials, aligned instruction, and safety nets.

The principles of learning include the following.

- Effort produces achievement.
- Learning is about making connections.
- We learn with and through others.
- Learning takes time.
- Motivation matters.

The principles of teaching include the following.

- The teacher matters.
- Focused teaching promotes accelerated learning.
- Clear expectations and continuous feedback activate learning.
- Good teaching builds on students' strengths and respects individuals' differences.
- Good teaching involves modeling what students should learn.

The principles of curriculum include the following.

- The curriculum should focus on powerful knowledge.
- All students should experience a "Thinking Curriculum."
- The best results come from having an aligned instructional system.

These components are aligned with the action strategies in the Campus Improvement Plans and the District Improvement Plan. Professional development opportunities on researched based best practices are ongoing and include instructional coaching, readers'/writers' workshop model classroom observation, SMART Goals, Content Literacy, Marzano's nine strategies, etc.

The work with Content Literacy emphasizes strategies to assist students in becoming independent learners. The Community of Learners' work continues to be spearheaded by curriculum coordinators working with cadres of master teachers to assist teachers in interpreting and teaching the Texas Essential Knowledge and Skills, the state's educational standards.

Information Useful in Assessing the District's Economic Condition

ECONOMIC CONDITIONS AND OUTLOOK

Carrollton-Farmers Branch Independent School District is located in north central Texas on the northern edge of Dallas. The District overlaps a small area of the City of Dallas, and includes most of the City of Carrollton and about 70 percent of the City of Farmers Branch as well as portions of the Cities of Irving, Addison and Coppell.

MONEY magazine has named Carrollton, Texas as one of the Best Place's to Live in America (August 2008). Carrollton was ranked #15. Forbes Magazine also listed Carrollton as 12th best on their list of "America's 25 Best Places to Move" (July, 2009). The local economy remains vibrant and strong, despite recent downturns. The diversity of the businesses located here and the range of housing available combined with the transportation grid and proximity to Dallas-Fort Worth and Alliance airports provide a degree of protection from the economic cycles that is not available to most school districts.

The Dallas-Fort Worth area is an important center of trade, finance and other major services. It is also a critical point in the national transportation complex. The District is located in a primary warehousing and distribution center area. Due in part to the transportation infrastructure, cost of doing business and workplace, the Metroplex draws many new corporations and individuals to the area each year. Major businesses, such as Exxon-Mobil, have moved their corporate headquarters here.

The District's largest taxpayer is only 1.12% of the taxable value of the District. This lack of dependence on a single employer or business segment means that the loss of even a large business will not have a significant negative impact on the education of children, or imperil the future payment of obligations.

The location of the District along Interstate 35, Interstate 635, Bush Tollway and the Dallas North Tollway together with its proximity to the Dallas-Fort Worth International Airport (approximately eight miles from the District), has provided a major impetus for growth in the northwest quadrant of Dallas County and the school district. The upgrading of the road system within the metroplex continues to be a plus for the District. A combination of interstate highways, state highways, and toll roads insures that residents can easily commute to jobs anywhere in the metroplex and serves as a magnet for the location of new businesses coming into the area. In addition, the Dallas Area Rapid Transit, (DART) system is scheduled to open the Green Line extension of their light rail system in 2010. This extension will have major stops in the District and make connections into central Dallas. The Cities of Carrollton and Farmers Branch have initiated plans for private investment and development in two of these transit areas, creating a lifestyle renaissance of high-density housing, retail, restaurants and offices.

The Valwood Improvement Authority was created in 1974 as the Farmers Branch-Carrollton Flood Control District, thus extending the development of industrial land along the Trinity River flood plain as the largest planned industrial/business park in Dallas County. Wholly contained within the Cities of Carrollton and Farmers Branch, the Authority has major freeway access, rail and motor line services.

Valley Ranch, a mixed-use development of 2,400 acres, is located south of Beltline Road and north of the LBJ Freeway and is the home of the Dallas Cowboys. Approximately 1,800 acres of the development are located within the District and approximately 1,200 of those acres are devoted to residential property.

Las Colinas, a mixed-use development of some 12,000 acres, lies immediately east of the Dallas-Fort Worth International Airport. This master-planned community contains quality residential areas, business parks, shopping centers, green-belt areas, several country clubs, an equestrian center, office parks, luxury hotels, a complete recording and sound studio for motion picture production, hospital facilities, and a community college. Some 4,300 acres of Las Colinas lie within the District.

La Villita, a unique community in Las Colinas, has moved off the drawing board and into the early stages of construction. Construction has begun on the first phase of the 200 acre site. The project will contain multifamily, small office buildings, single-family and town home development. The project will include

300 single-family homes and up to 2,000 apartments, town homes and live/work units. Retail, restaurants and service-oriented businesses will follow the residential growth. La Villita’s master plan also calls for office development, which is envisioned as professional offices and small build-to-suites. The District opened an elementary school in La Villita in 2008 and has secured a site for a middle school. La Villita’s site is rich in water features, particularly the 30 acre Lake Royal and its two canals. Small parks and plazas will be scattered throughout the community, giving residents places to gather. There will also be a system of hiking and biking trails, both paved and natural-surface along the Elm Fork of the Trinity River.

A major redevelopment project was initiated in Addison in 2007 where 2,400 older apartments are being torn down. This 99 acre project will replace those apartments with a complete new urban environment and will be known as Vitruvian Park. This development will include a 12 acre waterfront park with open spaces, an amphitheater, a neighborhood park, 500,000 sq. ft. of office space, 6,000 housing units and retail businesses. This project will take 6 to 10 years to complete. Initial construction has begun.

Long-term Financial Planning The District has maintained the fund balance to insure that the needed resources are available to provide for current operations and unexpected situations. Trends identified in budgeting for subsequent fiscal years include:

- If the future follows recent trends, our taxable values will increase. We are projecting a slow incremental increase since the District has a taxable value decline for the 2009-10 and 2010-11 budget years.
- Unless current law changes, we will be held to a General Fund tax rate cap of \$1.17/\$100 assessed value (HB 1 compressed rate of 66.67% times the 2005-06 rate of \$1.50 + \$0.17). Amounts over \$1.04 will require a tax authorization election.
- Based on past history, our collection percentages will remain 98% or more.
- Federal revenue sources are not expected to increase significantly over current levels.
- Unless current law changes, State sources of revenue will not increase over 2006-07 levels.

Future budget projections predict deficit General Fund budgets through 2011-2013. If projections are accurate, the District will consider program/operation reductions or additional pennies on the tax rate to balance the budget. Any additional pennies on the tax rate will require an election and voter approval.

HIGHER EDUCATION

Several major universities and colleges are located within a 40-mile radius of the District. Among these universities are:

<u>Institution</u>	<u>Location</u>
Austin College	Sherman, Texas
Collin County Community College District (2 campuses)	Collin County, Texas
Dallas Baptist University	Dallas, Texas
Dallas County Community College District (8 campuses)	Dallas County, Texas
Texas A&M at Commerce	Commerce, Texas
Southern Methodist University	Dallas, Texas
Texas Christian University	Fort Worth, Texas
Texas Wesleyan College	Fort Worth, Texas
Texas Woman's University	Denton, Texas
University of North Texas	Denton, Texas
University of Texas at Arlington	Arlington, Texas
University of Texas at Dallas	Richardson, Texas

Awards and Acknowledgements

SERVICE EFFORTS AND ACCOMPLISHMENTS

Accountability Ratings

In August, 2010, the Texas Education Agency announced individual school ratings based on student performance on the most recent Texas Assessment of Knowledge and Skills (TAKS) tests, and the previous year’s dropout and attendance rates. The state’s accountability ratings for schools and districts are based on scores of all students and each student group of qualified size (African-American, Hispanic, White and Economically Disadvantaged) with the following indicators:

Requirements for Each Ratings Category

Base Indicators	Academically Acceptable	Recognized	Exemplary
Spring 2010 TAKS All students and each student group that meets minimum size criteria: African American Hispanic White Econ Disadvantaged	Meet passing standard for each subject * Reading/ELA 70% * Writing 70% * Social Studies 70% * Mathematics 60% * Science 55% OR Meet required improvement	Meet 80% passing standard for each subject OR Meet 75% passing standard and meet required improvement	Meet 90% passing standard for each subject
Completion Rate Class of 2009 All students and each student group that meets minimum size criteria: African American Hispanic White Econ Disadvantaged	Meet 75% completion rate standard OR Meet required improvement	Meets 85% completion rate standard OR Meets 80% and required improvement	Meet 95% completion rate standard
Annual Dropout Rate 2008-09 All students and each student group that meets minimum size criteria: African American Hispanic White Econ Disadvantaged	Meet 1.8% dropout rate standard OR Meet required improvement	Meet 1.8% dropout rate standard OR Meets Required Improvement	Meet 1.8% dropout rate standard OR Meets Required Improvement

Additional Provisions	Academically Acceptable	Recognized	Exemplary
Exceptions	Applied if the district or campus would be Academically Unacceptable solely due to not meeting the Academically Acceptable TAKS criteria. Other criteria provisions must be met.	Applied if the district or campus would be Academically Acceptable due to not meeting Recognized TAKS criteria. Other criteria provisions must be met.	Applied if the district or campus would be Academically Acceptable due to not meeting Recognized TAKS criteria. Other criteria provisions must be met.
Check for Academically Unacceptable Campuses (District only)	Does not apply to Academically Acceptable districts.	A district with a campus rated Academically Unacceptable cannot be Recognized.	A district with a campus rated Academically Unacceptable cannot be Exemplary.
Check for Underreported Students (District Only)	Does not apply to Academically Acceptable districts.	A district that underreports more than 150 students or more than 4.0% of its prior year students cannot be rated Recognized.	A district that underreports more than 150 students or more than 4.0% of its prior year students cannot be rated Exemplary.

The District received an overall accountability rating from the Texas Education Agency of “Recognized”.

Exemplary and Recognized Campuses are listed below. All other campuses were acceptable.

Exemplary Campuses	Recognized Campuses
Blanton Elementary	Blalack Middle School
Carrollton Elementary	Central Elementary
Country Place Elementary	Creekview High School
Davis Elementary	Farmers Branch Elementary
Early College High School	Field Middle School
Good Elementary	Freeman Elementary
Kent Elementary	Landry Elementary
Las Colinas Elementary	Long Middle School
LaVillita Elementary	McKamy Elementary
McCoy Elementary	McWhorter Elementary
McLaughlin Elementary	Perry Middle School
Rainwater Elementary	Polk Middle School
Rosemeade Elementary	Ranchview High School
Stark Elementary	Riverchase Elementary
Strickland Intermediate	Sheffield Intermediate
Thompson Elementary	Sheffield Primary
	Smith High School
	Turner High School

The District will continue to tighten the structure of the curriculum—making sure that all teachers follow the same curriculum from school to school, as well as aligning the curriculum vertically from grade level to grade level. Vertical alignment means that teachers from different grades work together to ensure there are not gaps in instruction from, for example, grade one to grade two in math.

The District hopes that these changes, as well as increased assessment and monitoring and special programs will put C-FB on the road to exemplary status.

Texas Assessment of Knowledge and Skills (TAKS)

The Texas Assessment of Knowledge and Skills (TAKS) assess student mastery of the Texas Essential Knowledge and Skills (TEKS) in English/Language Arts, Mathematics, Social Studies, and Science. Students must demonstrate mastery on each section of the EXIT-Level examination to be eligible for a high school diploma. Students in grades 3 - 11 take the TAKS test annually.

TAKS Results by Subject and Grade					
Subject Area	Group	2009		2010	
		Met		Met	
		Expectation	Commended	Expectation	Commended
Reading/ELA	All Students	89%	34%	91%	34%
Math	All Students	83%	33%	86%	31%
Writing	All Students	94%	37%	95%	35%
Science	All Students	83%	32%	88%	33%
Social Studies	All Students	96%	54%	97%	55%
Reading/ELA	African Am.	87%	28%	90%	28%
Math	African Am.	74%	21%	78%	18%
Writing	African Am.	95%	31%	93%	31%
Science	African Am.	76%	20%	83%	22%
Social Studies	African Am.	95%	44%	96%	44%
Reading/ELA	Hispanics	85%	25%	89%	24%
Math	Hispanics	79%	25%	83%	23%
Writing	Hispanics	92%	30%	94%	26%
Science	Hispanics	77%	22%	83%	25%
Social Studies	Hispanics	94%	41%	95%	43%
Reading/ELA	White	96%	50%	97%	50%
Math	White	92%	46%	94%	44%
Writing	White	96%	49%	97%	52%
Science	White	94%	50%	96%	49%
Social Studies	White	99%	74%	99%	73%
Reading/ELA	Econ. Disadv.	85%	25%	83%	25%
Math	Econ. Disadv.	78%	26%	90%	24%
Writing	Econ. Disadv.	92%	29%	94%	26%
Science	Econ. Disadv.	77%	23%	83%	25%
Social Studies	Econ. Disadv.	94%	42%	95%	42%

The Results are Summed Across all Grades

Scholastic Achievement Test (SAT)

The SAT is administered by the College Board and is designed to measure the verbal and math aptitudes of high school students. The SAT takers are self-selected; that is, any student may opt to take the exam. The Campus Mean Scores for 2010 are listed in the chart below.

SAT Results for 2010					
Mean Scores					
Campus	Count	Critical Reading	Math	Writing	Combined
Turner	174	477	516	473	1,466
Smith	222	506	527	502	1,535
Creekview	282	501	533	488	1,522
Ranchview	98	449	483	457	1,389
Early College	34	422	471	420	1,313
District	810	488	519	482	1,489
National	1,547,990	501	505	473	1,479
Texas	148,102	484	506	475	1,465

American College Test (ACT)

The American College Test (ACT) is a standardized college examination, similar to the SAT. Nearly all four-year colleges and universities in the United States accept the ACT. Results for 2010 are listed in the chart below.

ACT Results for 2010						
Campus	Count	English	Math	Reading	Science	Composite
Turner	103	18.9	22.1	20.1	21.3	20.7
Smith	126	20.9	22.1	21.5	21.8	21.7
Creekview	137	20.7	22.6	22.3	22.1	22.0
Ranchview	63	19.7	21.7	20.4	20.6	20.7
District	429	20.2	22.2	21.2	21.6	21.4
National	1,568,835	20.5	21.0	21.3	20.9	21.0
Texas	92,615	19.7	21.4	20.8	20.9	20.8

- For the ninth consecutive year, the District received funds from the Texas Workforce Commission to enhance tutoring at 9 elementary schools in Dallas County. The District was awarded \$444,233 to provide additional learning opportunities for its students.
- The 2009-10 Budget Document, produced by the Finance Department, received two awards: the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) of the United States and Canada and the Meritorious Budget Award for excellence from the Association of School Business Officials (ASBO) International.

OTHER INFORMATION

Awards The District has been awarded the Certificate of Excellence in Financial Reporting by the Association of School Business Officials (ASBO) for thirty-three consecutive years. This award is for school districts whose comprehensive annual financial reports substantially conform to the recommended principles and standards of financial reporting adopted by that organization. We believe that our current report continues to conform to the Certificate of Excellence Program requirements, and we will again submit it to ASBO for review.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the year ended August 31, 2009. The District has achieved this prestigious award thirty-two consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we will submit it to the GFOA to determine its eligibility for another certificate.

In 1999, the 76th Texas Legislature approved legislation requiring the commissioner of education in consultation with the comptroller of public accounts to develop a rating system for school district financial accountability. The 77th Texas Legislature in 2001 subsequently adopted rules for the implementation and administration of the financial accountability rating system known as School FIRST, Financial Integrity Rating System of Texas. The financial accountability rating system benefits the public by having in place a system to ensure that school districts will be held accountable for the quality of their financial management practices and achieve improved performance in the management of their financial management practices and achieve improved performance in the management of their financial resources. The Carrollton-Farmers Branch Independent School District has received a Superior Achievement rating since the implementation of the rating system in the 2002-03 fiscal year.

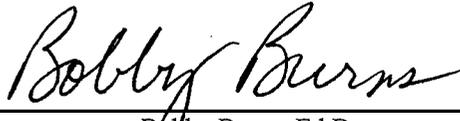
Carrollton-Farmers Branch Independent School District has one goal: "high achievement for all students." For the 2009-10 school year, C-FB ISD received a TEA Recognized Rating. Almost 90 percent of C-FB ISD's schools were rated Exemplary or Recognized while 69 percent of Texas campuses earned the same distinctions.

The District's student performance on state achievement accountability measures improved in all five of the subject areas tested – math (86% increased by 3%), science (88% increased by 3%), social studies (97% increased by 1%) and reading/language arts (91% increased by 3%) and writing (95% increased by 1%).

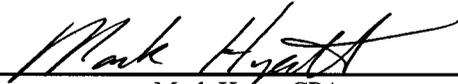
The Carrollton-Farmers Branch ISD was named one of the 100 The Best Communities for Music Education through a nationwide survey sponsored by the National Association of Music Merchants (NAMM) Foundation, its American Music Conference (AMC) division and a partnership of leading national associations working to promote the benefits of active participation in music and music education. It is the fourth time that C-FB ISD made the list.

The graduating class of 2010 received more than \$21,600,000 in college scholarship awards.

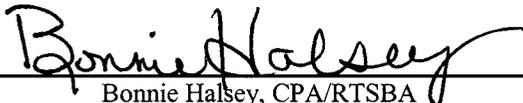
Acknowledgments The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the business office and tax office. Special thanks to Sara Gambrell, CTSBO-Director of Accounting; Stephanie Murphy, RTSBA-Accountant; Vicki Pippin, CPA-Accountant; Marcia Harbour, CTSBO-Special Revenue Funds Accountant; and Scott Roderick, CPA-Director of Financial Reporting; for their assistance in the preparation of this document. In addition, thanks to the Board of Trustees for their continued commitment to the students and staff of the District and for their excellent leadership.



Bobby Burns, Ed.D.
Superintendent of Schools



Mark Hyatt, CPA
Associate Superintendent for Administrative &
Support Services



Bonnie Halsey, CPA/RTSBA
Executive Director for Finance



Sara Gambrell, CTSBO
Director of Accounting



Scott Roderick, CPA
Director of Financial Reporting

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Carrollton-Farmers Branch
Independent School District
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
August 31, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended August 31, 2009

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

**Carrollton-Farmers Branch
Independent School District**

Principal Officials

Board of Trustees

Board Member	Service Began	Service Expires	Position	Occupation
Lynn Chaffin	1998	2013	President	Senior IT Project Manager, City of Dallas
Nancy Cline	2005	2011	Vice President	Director of Public Works, Town of Addison
Frank Shor	2007	2013	Secretary	Attorney
Nancy Watten	2007	2013	Assistant Secretary	Retired School Teacher
James Goode	1999	2011	Member	Vice President, Applied Data Sciences
Karin Webb	2009	2012	Member	
Richard Fleming	2009	2012	Member	State Tax Consultant

Appointed Officials

Name	Position	Years Service
Bobby Burns, Ed.D.	Superintendent of Schools * Total School district experience 30 years	22 years *
Mark Hyatt, CPA	Associate Superintendent for Administrative & Support Services * Total School district experience 29 years	25 years *
Sheila Maher, Ed.D.	Associate Superintendent for Educational Services * Total School district experience 36 years	30 years *

Officials Issuing Report

Mark Hyatt, CPA	Associate Superintendent for Administrative & Support Services * Total School district experience 29 years	25 years *
Bonnie Halsey, CPA/RTSBA	Executive Director of Finance * Total School district experience 24 years	8 years *
Sara Gambrell, CTSBO	Accounting Director * Total School district experience 39 years	39 years *
Stephanie Murphy, RTSBA	Accountant * Total School district experience 11 years	11 years *
Marcia Harbour, CTSBO	Special Revenue Accountant * Total School district experience 24 years	11 years *
Vicki Pippin, CPA	Accountant * Total School district experience 7 years	7 years *
Scott Roderick, CPA	Director of Financial Reporting * Total School district experience 6 years	3 year *

Carrollton-Farmers Branch Independent School District

Consultants and Advisors

Architects

SHW Group
7517 Legacy Drive, Suite 250
Plano, Texas 75024

Corgan Associates
401 North Houston Street
Dallas, Texas 75202

Auditors

Hankins, Eastup, Deaton, Tonn & Seay, P.C.
902 North Locust
Denton, Texas 76201

Bond Counsel

Fulbright & Jaworski, LLP
2200 Ross Avenue, Suite 2800
Dallas, Texas 75201

Financial Advisor

First Southwest Company
777 Main Street, Suite 1200
Ft. Worth, Texas 76102

General Counsel

Robert Luna, Attorney at Law
4411 North Central Expressway
Dallas, Texas 75205

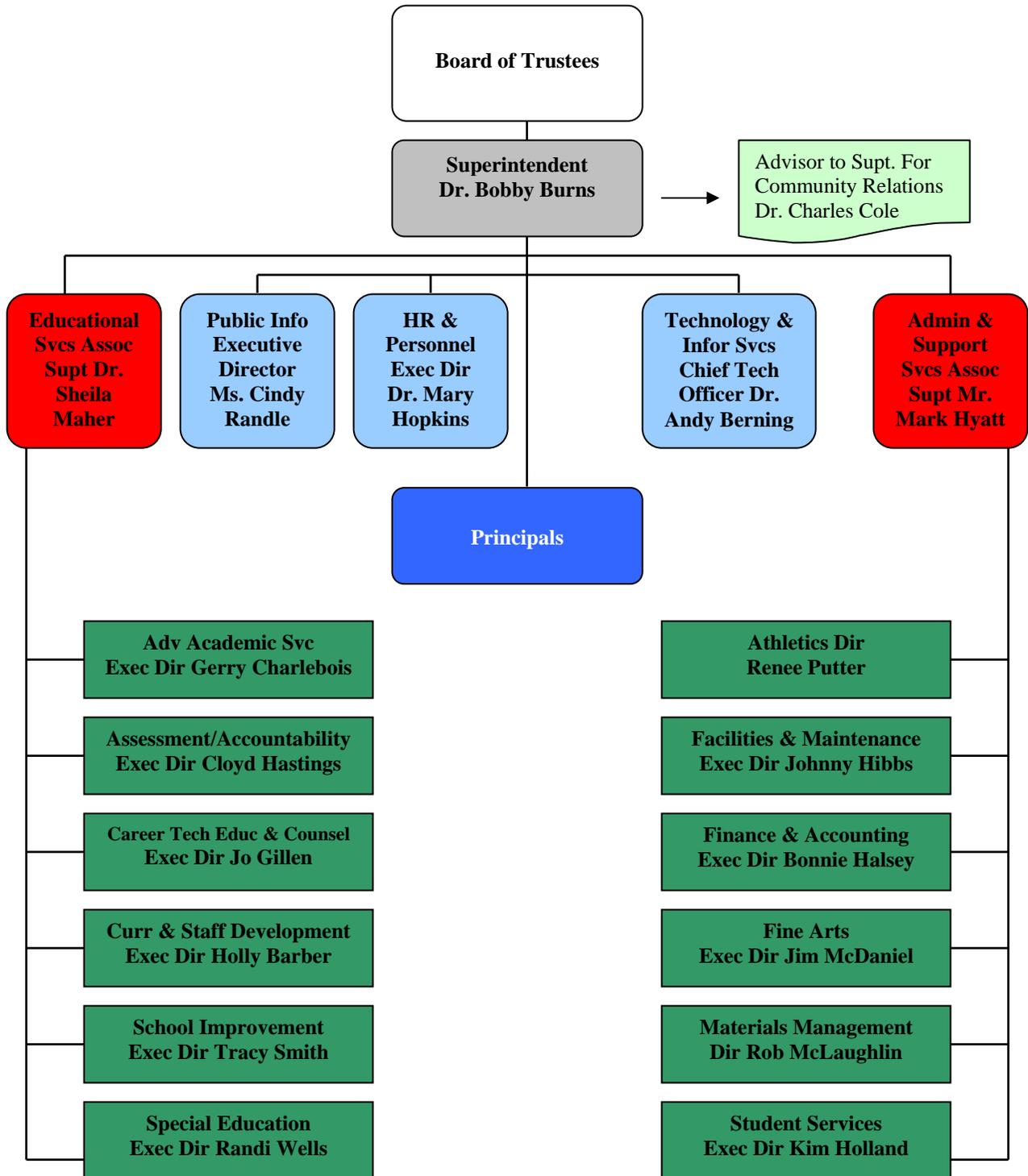
Depository Bank

Bank of America
901 Main Street
Dallas, Texas 75202-3714

Fiscal Agents

The Bank of New York Mellon
2001 Bryan Street 10th Floor
Dallas, Texas 75201

**Carrollton-Farmers Branch ISD
Organization Chart
2009-2010**





Carrollton · Farmers Branch

Independent School District

••• An Innovative Leader in Learning •••

FINANCIAL SECTION



Carrollton · Farmers Branch

Independent School District

••• An Innovative Leader in Learning •••

MEMBERS:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
TEXAS SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

**HANKINS, EASTUP, DEATON,
TONN & SEAY**
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

902 NORTH LOCUST
P.O. BOX 977
DENTON, TEXAS 76202-0977
TEL. (940) 387-8563
FAX (940) 383-4746

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Carrollton-Farmers Branch Independent School District
Carrollton, Texas

Members of the Board:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Carrollton-Farmers Branch Independent School District (the District), as of and for the year ended August 31, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Carrollton-Farmers Branch Independent School District as of August 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2010, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 16 and 59 through 60 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, statistical section and the required TEA schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements, the required TEA schedules, excluding the Fund Balance and Cash Flow Calculation Worksheet (Exhibit J-3) which is marked unaudited and on which we express no opinion, 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Hankins, Eastup, Deaton, Tonn & Seay

Hankins, Eastup, Deaton, Tonn & Seay
A Professional Corporation
Certified Public Accountants

December 15, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Carrollton-Farmers Branch Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2010. Please read it in conjunction with the District's transmittal letter at the front of this report and the financial statements, which follow this section beginning on page 19.

FINANCIAL HIGHLIGHTS

- The District's total combined net assets as presented on the government-wide Statement of Net Assets exceeded liabilities by \$192.2 million. The net assets of the District increased by \$24.3 million during the year ended August 31, 2010.
- The District's governmental funds financial statements reported combined ending fund balance of \$116.3 million. Of this amount, \$2.1 million is reserved in the General Fund and \$68.7 million is unreserved in the General Fund and is available for spending at the District's discretion. Fund balance of \$45.4 million is for use by the Debt Service Fund, Capital Projects Funds and Non-Major Funds.
- The District held a successful bond election to authorize \$300.165 million in general obligation bonds on October 25, 2003. The District did not issue any additional debt or initiate any refunding transactions during the 2010 fiscal year. \$70.9 million of authorized debt remains unissued.
- Three major construction projects were essentially completed this year and one new major project was started. Construction related to this bond program will continue through 2012. Technology projects will continue throughout the program.
- The general fund reported a fund balance this year of \$70.8 million, which is an increase of \$7.8 million from the prior year fund balance of \$63.0 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The basic financial statements include two kinds of statements that present different views of the District:

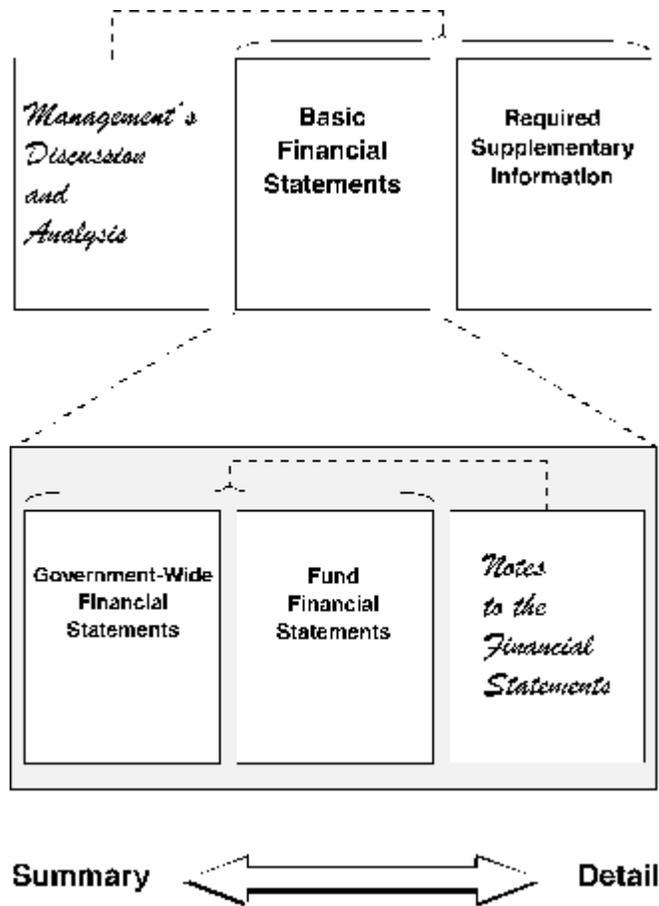
- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in *more detail* than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services were financed in the short term as well as what remains for future spending.
 - *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses*, such as workers' compensation insurance.
 - *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, to whom the resources shown belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. The federal financial assistance (federal awards) section includes the schedule of expenditures of federal awards, the

MANAGEMENT'S DISCUSSION AND ANALYSIS

independent auditor's reports on internal control and compliance and other related reports and schedules. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-1. Required Components of the District's Annual Financial Report



MANAGEMENT’S DISCUSSION AND ANALYSIS

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements

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

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net assets (the difference between the District's assets and liabilities) are one-way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's tax base.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The government-wide financial statements of the District include the category: *Governmental activities*-Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes and grants finance most of these activities. Also included are business-type activities which include the District's after-school program.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*-not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

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

The District has three kinds of funds:

- *Governmental funds*-Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information (reconciliations), that explain the relationship (or differences) between them.
- *Proprietary funds*-Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information.
 - We use *internal service funds* to report activities that provide supplies and services for the District's other programs and activities-such as the District's Workers' Compensation Insurance Fund.
- *Fiduciary funds*-The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that-because of a trust arrangement-can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary assets and liabilities. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net assets. As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. The District's combined net assets increased between fiscal years 2009 and 2010 – increasing by \$24.3 million or 14.5% to \$192.2 million at August 31, 2010 (see Table A-1, Page 9).

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-1
The District's Net Assets
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current & Other Assets	\$146.4	\$149.4	\$1.7	\$1.3	\$148.1	\$150.7
Capital & Non-Current Assets	\$424.5	\$424.3	\$0.0	\$0.0	\$424.5	\$424.3
Total Assets	\$570.9	\$573.7	\$1.7	\$1.3	\$572.6	\$575.0
Current Liabilities	\$16.0	\$17.1	\$0.0	\$0.1	\$16.0	\$17.2
Long Term Liabilities	\$364.4	\$389.9	\$0.0	\$0.0	\$364.4	\$389.9
Total Liabilities	\$380.4	\$407.0	\$0.0	\$0.1	\$380.4	\$407.1
Net Assets						
Invested in Capital Assets						
net of related debt	\$97.8	\$112.3	\$0.0	\$0.0	\$97.8	\$112.3
Restricted	\$16.2	\$8.7	\$0.0	\$0.0	\$16.2	\$8.7
Unrestricted	\$76.5	\$45.7	\$1.7	\$1.2	\$78.2	\$46.9
Total Net Assets	\$190.5	\$166.7	\$1.7	\$1.2	\$192.2	\$167.9

A portion of the net assets are either restricted as to the purposes for which they can be used or they are invested in capital assets. Unrestricted net assets increased by \$31.3 million. Unrestricted net assets may be used to fund District programs in the next fiscal year. However, this does not mean that the District has significant surplus resources available to pay its bills next year. Rather, it is the result of having *long-term commitments* that are less than currently available resources.

Changes in net assets. The District's total revenues were \$306.0 million representing a decrease of \$13.3 million or 4.17%. The majority of this decrease is attributed to State aid formula grants that are not restricted. General Fund and Debt Service Property Tax revenues decreased due to the lower property values in the District. The District was able to reduce the Debt Service tax rate due to the reduction of current requirements for principal and interest. Interest income decreased \$1.6 million due to lower interest rates during the year. A significant portion, 63.76%, of the District's revenue comes from taxes. (See Figure A-3, page 10.) Operating grants and contributions represent 15.03% while only 2.81% relates to charges for services.

The total cost of all programs and services was \$280.2 million; a decrease over the previous year of \$17.7 million or 5.94%. Instructional and student services represent 73.20% of these costs. The decrease in the Chapter 41 recapture payment from 2009 to 2010 represents a decrease of \$17.9 million, which is directly related to the legislatively initiated State funding formula changes.

MANAGEMENT’S DISCUSSION AND ANALYSIS

**Figure A-3 District Sources of Revenue for
Fiscal Year 2010
(in millions of dollars)**



Governmental Activities

- The District’s tax rate consists of two separate components, a General Fund rate and a Debt Service rate. Taxes are calculated by dividing the assessed property value (less exemptions, if applicable) by 100 and multiplying the result by the tax rate. The Dallas Central Appraisal District and the Denton Central Appraisal District determine property values for the Carrollton-Farmers Branch ISD. The Debt Service rate is set to pay debt principal and interest for the fiscal year. The Debt Service rate decreased by \$0.0201 per \$100 assessed valuation. Property values decreased 2.20%. Due to the tax roll’s loss in value from the time of certification to the end of the year (shrinkage), the District experienced a loss of \$1.6 million in tax revenue. This “shrinkage” factor is discussed further under the caption, General Fund Budgetary Highlights, page 13.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-2
Changes in the District's Net Assets
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
<u>Program Revenues</u>						
Charges for Services	\$5.6	\$5.6	\$3.0	\$2.7	\$8.6	\$8.3
Operating Grants & Contributions	\$46.0	\$33.6	\$0.0	\$0.0	\$46.0	\$33.6
Capital Contributions & Grants	\$8.7	\$8.2	\$0.0	\$0.0	\$8.7	\$8.2
<u>General Revenues</u>						
Property Taxes	\$195.1	\$202.0	\$0.0	\$0.0	\$195.1	\$202.0
State aid - Formula Grants	\$47.1	\$65.1	\$0.0	\$0.0	\$47.1	\$65.1
Grants & Contributions Not Restricted	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1
Investment Earnings	\$0.3	\$1.9	\$0.0	\$0.0	\$0.3	\$1.9
Miscellaneous Local & Intermediate Revenue	\$0.2	\$0.1	\$0.0	\$0.0	\$0.2	\$0.1
Total Revenues	\$303.0	\$316.6	\$3.0	\$2.7	\$306.0	\$319.3
Expenses						
Instruction & Instructional related	\$153.5	\$154.8	\$0.0	\$0.0	\$153.5	\$154.8
Instructional leadership & school leadership	\$17.3	\$17.6	\$0.0	\$0.0	\$17.3	\$17.6
Guidance, social work, health & transportation	\$15.9	\$14.3	\$0.0	\$0.0	\$15.9	\$14.3
Food services	\$12.3	\$12.2	\$0.0	\$0.0	\$12.3	\$12.2
Extracurricular	\$6.1	\$6.1	\$0.0	\$0.0	\$6.1	\$6.1
General administration	\$7.1	\$7.1	\$0.0	\$0.0	\$7.1	\$7.1
Plant maintenance & security	\$24.6	\$24.9	\$0.0	\$0.0	\$24.6	\$24.9
Data processing services	\$7.0	\$5.9	\$0.0	\$0.0	\$7.0	\$5.9
Community services	\$1.1	\$1.1	\$0.0	\$0.0	\$1.1	\$1.1
Debt services	\$17.4	\$18.2	\$0.0	\$0.0	\$17.4	\$18.2
Facilities acquisition & construction	\$1.3	\$1.9	\$0.0	\$0.0	\$1.3	\$1.9
Contracted instructional services between public schools & related costs	\$0.0	\$17.9	\$0.0	\$0.0	\$0.0	\$17.9
Payments to juvenile justice alternative ed programs	\$0.2	\$0.1	\$0.0	\$0.0	\$0.2	\$0.1
Payments to tax increment fund	\$13.0	\$12.4	\$0.0	\$0.0	\$13.0	\$12.4
Other Intergovernmental Charges After the Bell Child Care	\$1.0	\$1.2	\$0.0	\$0.0	\$1.0	\$1.2
	\$0.0	\$0.0	\$2.4	\$2.2	\$2.4	\$2.2
Total Expenses	\$277.8	\$295.7	\$2.4	\$2.2	\$280.2	\$297.9
Increase Before						
Transfers & Other Items	\$25.2	\$20.9	\$0.6	\$0.5	\$25.8	\$21.4
Transfers	\$0.1	\$0.0	(\$0.1)	\$0.0	\$0.0	\$0.0
Total Transfers & Other Items	\$0.1	\$0.0	(\$0.1)	\$0.0	\$0.0	\$0.0
Increase in net assets	\$25.3	\$20.9	\$0.5	\$0.5	\$25.8	\$21.4
Prior Period Adjustment	(\$1.5)	\$0.0	\$0.0	\$0.0	(\$1.5)	\$0.0
Beginning net assets	\$166.7	\$145.8	\$1.2	\$0.7	\$167.9	\$146.5
Ending net assets	\$190.5	\$166.7	\$1.7	\$1.2	\$192.2	\$167.9

MANAGEMENT’S DISCUSSION AND ANALYSIS

Table A-3 presents the cost of each of the District’s largest functions as well as each function’s *net cost* (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what state revenues as well as local tax dollars funded.

- The cost of all District activities this year was \$280.2 million, a decrease of \$17.7 million or 5.94% over the prior year. Some functional categories increased. Most notable, the functional category attributed to Guidance, Social Work, Health and Transportation increased \$1.6 million due to the increase of student transportation costs and the implementation of additional testing and evaluation tools for special education students. Payments to the Tax Increment Fund increased \$0.6 million due to the rising property values within the tax increment zones. Other functional categories decreased. The functional category attributed to the wealth equalization (Chapter 41 payment) decreased \$17.9 million (due to the legislative initiated State funding formula changes). Instructional and Instructional related decreased \$1.3 million due to the District’s effort to reduce costs in all areas of operations. Instructional leadership and school leadership decreased \$0.3 million due to realignment and consolidation of personnel. Debt service decreased \$0.8 million due to no additional bonds were issued.
- The amount that our taxpayers paid for these activities through property taxes was \$195.1 million.
- \$8.6 million or 2.81% of the cost was paid by those who directly benefited from the programs.
- Operating grants and contributions totaled \$46.0 million.

Table A-3
Net Cost of Selected District Functions
(in millions of dollars)

	Total Cost of			Net Cost of		
	Services		% Change	Services		% Change
	2010	2009		2010	2009	
Instruction	\$143.1	\$144.6	-1.04%	\$118.5	\$125.0	-5.20%
Instructional Resources & Media Services	\$4.5	\$4.4	2.27%	\$3.7	\$4.2	-11.90%
Curriculum & Staff Development	\$6.0	\$5.9	1.69%	\$3.6	\$3.5	2.86%
School Leadership	\$14.4	\$14.8	-2.70%	\$13.5	\$13.9	-2.88%
Food Service	\$12.3	\$12.2	0.82%	\$1.4	\$1.0	40.00%
Plant maintenance and Operations	\$23.0	\$23.1	-0.43%	\$15.7	\$22.3	-29.60%

Financial Analysis of the District’s Funds

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

- Revenues from general governmental functions totaled \$302.0 million, a decrease of \$13.4 million from the preceding year. Property taxes were the largest source of revenue received by the District. The District’s total taxable values decreased \$335.6 million or 2.20% which resulted in a decrease of property tax revenue of \$6.9 million or 3.42%. The reduction of current Debt Service requirements for principal and interest allowed the District to decrease the Debt Service tax rate by \$.0201. Due to legislative directed State funding formula changes State aid formula grants decreased \$18.0 million or 27.65%. Investment earnings decreased \$1.6 million or 84.21%.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Expenditures for general governmental operations totaled \$304.8 million during fiscal year 2010. The total decrease for expenditures was \$40.2 million. Increases are seen in various functional areas. The largest increases were in the following functional categories: Student Transportation, \$0.9 million; Tax Increment Fund, \$0.6 million; Guidance and Counseling, \$0.5 million. Student Transportation increased due to increased operating cost for transportation. Appreciation of property values in the Irving Tax Increment Finance Zone resulted in increased payments into the Tax Increment Fund. The District invested in testing and evaluation tools for special education tools which increased expenditures in Guidance and Counseling. The largest decreases were in the following functional categories: Chapter 41(Wealth equalization) decreased \$17.9 million due to legislatively changed state funding formulas; Facilities Acquisition and Construction decreased \$17.8 million due to the completion of several major projects in the previous year and the delay of other scheduled projects; Debt Service decreased \$3.9 million due to reduction in the requirements for principal and interest; and Instruction decreased \$2.0 million due to the continued consolidation of personnel.
- In fiscal year 2004 voters approved a bond authorization of \$300.165 million. Bonds totaling \$229.3 million have been issued during the 2004-2010 fiscal years. The District did not issue any additional debt during the current fiscal year.
- The governmental funds reported a combined fund balance of \$116.3 million, a decrease of \$1.4 million. The combined fund balance was comprised of a fund balance increase in the General Fund of \$7.8 million and a fund balance decrease in the Debt Service Fund of \$0.1 million. The District implemented cost reduction measures in order to help control expenditures such as energy savings programs and realignment of secondary programs to reduce the need for additional personnel. Also the downturn in the economy led to a significant decrease in investment earnings that negatively affected fund balances of both the General Fund and Debt Service Fund. The Capital Projects Fund balance also decreased \$17.7 million. The Capital Projects Fund completed several major projects during the 2009-2010 fiscal year while choosing not to issue any additional debt. The combination of completed major projects and the initiation of smaller projects contributed to the decrease in the Capital Projects Fund balance. Out of the combined fund balances, \$62.7 million constitutes unreserved and undesignated fund balance and \$6.0 million constitutes unreserved designated for fund balance, with a total of \$68.7 of unreserved fund balance available for the general operations of the District. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to bond projects, debt service and other obligations of the district.
- State aid decreased \$19.6 million due to new legislation that changed state funding formulas.

General Fund Budgetary Highlights

- Over the course of the year, the District revised its budget several times. Actual expenditures were \$13.2 million below final budget amounts. During 2009-10, the State of Texas supplanted a portion of state revenue with federal dollars. Therefore certain expenditures budgeted in the General Fund will be expensed in special revenue funds. The shifting of these funds has created variances in numerous functional areas. The most significant positive variance resulted from Instruction. In an effort to reduce positions, the District returned pre-kindergarten to half-day (state only funds a half day program) and increased secondary class size and/or teaching load to 28. These measures were implemented to reduce positions through attrition.
- Function 12, Instructional Resources and Media Services, experienced a large positive variance attributed to the change in state funding sources.
- Function 41, General Administration, experienced a large positive variance attributed to realignment of personnel and an initiative to further control costs.

MANAGEMENT’S DISCUSSION AND ANALYSIS

- Revenues available were \$4.8 million above the final budget amount. The District received a larger than anticipated reimbursement from School Health and Related Services. Even though the District has a positive revenue variance, it has been experiencing “shrinkage” in the tax roll during the collection year as more property owners were protesting their taxes resulting in a lower net tax roll that tax could be collected. In addition to this loss of taxable value, other taxable values were lost due to a small number of corporations declaring bankruptcy or moving from the district. The district budgeted shrinkage at 2.0% based on prior history. The actual shrinkage was lower, 1.07%. Investment earnings also were down during the fiscal year, the slowing economy contributed to a decreasing rate of return for the District’s deposits and investments.
- Plant Maintenance actual expenditures were \$1.2 million below final budget amounts. The District reduced the amount of outside maintenance services and reduced personnel costs.

Capital Assets and Debt Administration

Capital Assets

At the end of 2010, the District had invested \$678.7 million in a broad range of capital assets, including land, equipment, and vehicles. (See Table A-4.) This amount represents a net increase (including additions and deductions) of \$16.2 million or 2.45% over last year. Most of this increase was related to an increase in buildings, building improvements or land improvements related to construction and remodeling of district facilities. Additional information regarding Capital Assets is available in the Notes to the Basic Financial Statements, page 47.

Table A-4
District's Capital Assets
(in millions of dollars)

	Governmental Activities		Total % Change
	2010	2009	
Land	\$62.1	\$62.0	0.16%
Buildings, building improvements & land improvements	\$573.2	\$547.5	4.69%
Construction in progress	\$22.3	\$32.1	-30.53%
Furniture and equipment	\$21.1	\$20.9	0.96%
Totals at historical costs	\$678.7	\$662.5	2.45%
Total accumulated depreciation	(\$254.2)	(\$238.3)	6.67%
Net capital assets	\$424.5	\$424.2	0.07%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt Administration

Table A-5
District's Long Term Debt
(in millions of dollars)

	Governmental		Total % Change
	2010	2009	
Bonds payable	\$355.6	\$382.7	-7.08%
Other Long Term Debt payable	\$8.8	\$7.2	22.22%
Sub-Total	<u>\$364.4</u>	<u>\$389.9</u>	-6.54%
Less Current Portion	(\$27.6)	(\$28.4)	-2.82%
Total due in more than one year	<u><u>\$336.8</u></u>	<u><u>\$361.5</u></u>	-6.83%

At year-end the District had \$336.8 million in bonds and notes outstanding. (See Table A-5.) During 2010, the District did not issue any additional debt. More detailed information about the District's debt is presented in the Notes to the Basic Financial Statements, pages 49-50.

In the State of Texas, Non-Chapter 41 school district bond sales are guaranteed by the Permanent School Fund (PSF). Chapter 41 school districts must purchase bond insurance independently if the state's permanent bond guarantee fund does not have the capacity to cover all issues. The two ratings that the district receives on bond sales are: one with the state permanent guarantee and one without (called underlying). The District's underlying bond rating is shown on the graph below. The ratings are Aaa for Moody's Investors Service and AAA for Standard & Poor's Corporation.

Bond Ratings-Underlying

The District's bonds presently carry
Aa2 rating from Moody's Investors Services
AA from Standard & Poor's Corporation

Economic Factors and Next Year's Budgets and Rates

- Assessed values used for the 2011 budget preparation decreased \$776.8 million or 5.21% from 2010.
- General operating fund spending per student in the 2011 budget increases from \$7,967 to \$8,032 (excluding the Chapter 41 and Tax Increment Financing payments). This is a .01% increase.
- The District's refined average daily attendance is 24,068, a decrease of 277.0 or 1.14% over 2009.
- The District's attendance rate decreased .20% from 96.0% for 2009 to 95.8% for 2010.

These indicators were taken into account when adopting the general fund budget for 2011. Legislation passed in special session by the Legislature in 2006 is effective for fiscal year 2007 forward. House Bill 1 provided a reduction to 88.67% of the 2004-05 Maintenance & Operations tax rate for 2006-07 and a reduction to 66.67% for 2007-08 and forward. The legislation reduces local maintenance and operating property tax rates from \$1.50 to \$1.00 per taxable \$100 of values. Districts have local enrichment options up to \$0.17 with the first four cents requiring only school board approval, the remaining \$0.13 requiring voter approval. The District made the decision to exercise \$0.04 of the available local enrichment cents in previous fiscal years. The decrease in property values caused General Fund tax revenues budgeted to decrease \$8.3 million less than actual collections for fiscal year 2010. The state funding formulas have

MANAGEMENT'S DISCUSSION AND ANALYSIS

changed significantly with the passage of House bill 1 (80th Legislature) and the target revenue concept. Although the 81st Legislature altered some of the state funding formulas, the target revenue system remains in place. Basically, the only way to generate additional revenue is to ask local taxpayers for a tax increase absent the increase of the student population. In a period of decreasing property values, the state target revenue system offsets decreasing tax revenue resulting in an increase of \$7.3 million for budgeted state revenue for fiscal year 2011.

General Fund expenditures are budgeted to increase 0.52% to \$221.8 million over the original 2010 budgeted amounts of \$220.7 million. All returning employees are to receive at least a 2.5% raise. The District's plan for staff reductions implemented in 2009-10 will be more fully realized in 2010-11 and beyond due to the reducing positions through attrition rather than layoffs. Additional budget staffing changes will include closing an elementary school and a pre-kindergarten center. The students will be absorbed by other District campuses. The District intends to reduce summer school activities as well continued administration reorganization.

If these estimates are realized, the District's budgetary general fund balance is expected to decrease by \$6.0 million by the close of the 2011 fiscal year.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Executive Director for Finance, Bonnie Halsey, at 1445 N. Perry Road, Carrollton, Texas 75011-5186, (972) 968-6112, e-mail halseyb@cfbisd.edu or the District's Director of Financial Reporting, Scott Roderick, (972) 968- 6116, rodericks@cfbisd.edu.

BASIC FINANCIAL STATEMENTS



Carrollton · Farmers Branch

Independent School District

••• An Innovative Leader in Learning •••

CARROLLTON-FARMERS BRANCH ISD
STATEMENT OF NET ASSETS
AUGUST 31, 2010

Data Control Codes	1	2 Primary Government	3
	Governmental Activities	Business Type Activities	Total
ASSETS			
1110 Cash and Cash Equivalents	\$ 115,011,400	\$ 1,479,148	\$ 116,490,548
1120 Current Investments	1,184,688	-	1,184,688
1220 Property Taxes Receivable (Delinquent)	5,296,785	-	5,296,785
1230 Allowance for Uncollectible Taxes	(2,343,631)	-	(2,343,631)
1240 Due from Other Governments	24,137,233	-	24,137,233
1250 Accrued Interest	16,166	-	16,166
1260 Internal Balances	(234,495)	234,495	-
1290 Other Receivables, net	315,774	9,417	325,191
1300 Inventories	1,241,976	-	1,241,976
1410 Deferred Expenses	327,106	(132)	326,974
1420 Capitalized Bond and Other Debt Issuance Costs	1,497,066	-	1,497,066
Capital Assets:			
1510 Land	62,090,463	-	62,090,463
1520 Buildings	573,245,073	-	573,245,073
1530 Furniture and Equipment	21,112,973	-	21,112,973
1570 Accumulated Depreciation	(254,234,674)	-	(254,234,674)
1580 Construction in Progress	22,283,853	-	22,283,853
1000 Total Assets	<u>570,947,756</u>	<u>1,722,928</u>	<u>572,670,684</u>
LIABILITIES			
2110 Accounts Payable	4,343,516	1,510	4,345,026
2140 Interest Payable	691,095	-	691,095
2150 Payroll Deductions & Withholdings	2,063,948	4,724	2,068,672
2160 Accrued Wages Payable	8,568,452	7,061	8,575,513
2180 Due to Other Governments	11,523	-	11,523
2300 Unearned Revenues	327,683	-	327,683
Noncurrent Liabilities			
2501 Due Within One Year	27,620,159	-	27,620,159
2502 Due in More Than One Year	336,793,337	-	336,793,337
2000 Total Liabilities	<u>380,419,713</u>	<u>13,295</u>	<u>380,433,008</u>
NET ASSETS			
3200 Invested in Capital Assets, Net of Related Debt	97,751,463	-	97,751,463
Restricted for:			
3840 Restricted for Food Service	668,833	-	668,833
3850 Restricted for Debt Service	1,943,173	-	1,943,173
3890 Restricted for Tax Increment Zone	13,579,308	-	13,579,308
3900 Unrestricted Net Assets	76,585,266	1,709,633	78,294,899
3000 Total Net Assets	<u>\$ 190,528,043</u>	<u>\$ 1,709,633</u>	<u>\$ 192,237,676</u>

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

CARROLLTON-FARMERS BRANCH ISD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	1	Program Revenues		
		3	4	5
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 143,091,092	\$ 1,040,135	\$ 23,522,054	\$ -
12 Instructional Resources and Media Services	4,470,228	20,796	750,890	-
13 Curriculum and Staff Development	5,973,731	11,000	2,359,535	-
21 Instructional Leadership	2,849,542	-	595,597	-
23 School Leadership	14,406,145	40,656	883,716	-
31 Guidance, Counseling and Evaluation Services	9,935,686	130,855	1,042,475	-
32 Social Work Services	165,704	-	9,737	-
33 Health Services	2,665,025	177	262,819	-
34 Student (Pupil) Transportation	3,101,861	-	-	-
35 Food Services	12,263,601	2,733,819	8,170,342	-
36 Extracurricular Activities	6,009,078	854,839	131,013	-
41 General Administration	7,135,378	-	385,145	-
51 Plant Maintenance and Operations	23,043,604	733,374	6,602,059	-
52 Security and Monitoring Services	1,545,532	8,888	54,381	-
53 Data Processing Services	7,008,219	-	692,303	-
61 Community Services	1,148,422	-	520,838	-
72 Debt Service - Interest on Long Term Debt	17,350,391	-	-	-
73 Debt Service - Bond Issuance Cost and Fees	79,532	-	-	-
81 Capital Outlay	1,331,904	-	4,906	8,664,218
95 Payments to Juvenile Justice Alternative Ed. Prg.	159,550	-	-	-
97 Payments to Tax Increment Fund	12,995,177	-	-	-
99 Other Intergovernmental Charges	963,230	-	-	-
[TG] Total Governmental Activities:	277,692,632	5,574,539	45,987,810	8,664,218
BUSINESS-TYPE ACTIVITIES:				
01 After the Bell	2,414,999	2,982,574	-	-
[TB] Total Business-Type Activities:	2,414,999	2,982,574	-	-
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 280,107,631	\$ 8,557,113	\$ 45,987,810	\$ 8,664,218

Data Control Codes	General Revenues: Taxes:
MT	Property Taxes, Levied for General Purposes
DT	Property Taxes, Levied for Debt Service
SF	State Aid - Formula Grants
GC	Grants and Contributions not Restricted
IE	Investment Earnings
MI	Miscellaneous Local and Intermediate Revenue
FR	Transfers In (Out)
TR	Total General Revenues & Transfers
CN	Change in Net Assets
NB	Net Assets--Beginning
PA	Prior Period Adjustment
NE	Net Assets--Ending

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

Net (Expense) Revenue and Changes in Net Assets		
6	7	8
Primary Government		
Governmental Activities	Business Type Activities	Total
\$ (118,528,903)	\$ -	\$ (118,528,903)
(3,698,542)	-	(3,698,542)
(3,603,196)	-	(3,603,196)
(2,253,945)	-	(2,253,945)
(13,481,773)	-	(13,481,773)
(8,762,356)	-	(8,762,356)
(155,967)	-	(155,967)
(2,402,029)	-	(2,402,029)
(3,101,861)	-	(3,101,861)
(1,359,440)	-	(1,359,440)
(5,023,226)	-	(5,023,226)
(6,750,233)	-	(6,750,233)
(15,708,171)	-	(15,708,171)
(1,482,263)	-	(1,482,263)
(6,315,916)	-	(6,315,916)
(627,584)	-	(627,584)
(17,350,391)	-	(17,350,391)
(79,532)	-	(79,532)
7,337,220	-	7,337,220
(159,550)	-	(159,550)
(12,995,177)	-	(12,995,177)
(963,230)	-	(963,230)
(217,466,065)	-	(217,466,065)
-	567,575	567,575
-	567,575	567,575
(217,466,065)	567,575	(216,898,490)
151,034,569	-	151,034,569
44,073,412	-	44,073,412
47,117,639	-	47,117,639
31,612	-	31,612
255,723	-	255,723
165,609	-	165,609
115,350	(115,350)	-
242,793,914	(115,350)	242,678,564
25,327,849	452,225	25,780,074
166,678,304	1,257,408	167,935,712
(1,478,110)	-	(1,478,110)
\$ 190,528,043	\$ 1,709,633	\$ 192,237,676

CARROLLTON-FARMERS BRANCH ISD
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2010

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
ASSETS			
1110 Cash and Cash Equivalents	\$ 56,861,960	\$ 2,151,916	\$ 29,121,624
1120 Investments - Current	1,000,000	-	184,688
1220 Property Taxes - Delinquent	4,248,445	1,048,340	-
1230 Allowance for Uncollectible Taxes (Credit)	(1,816,064)	(527,567)	-
1240 Receivables from Other Governments	19,204,915	-	-
1250 Accrued Interest	16,027	-	139
1260 Due from Other Funds	3,925,606	-	39,708
1290 Other Receivables	76,433	-	-
1300 Inventories	763,663	-	-
1410 Deferred Expenditures	102,926	-	190,758
1000 Total Assets	<u>\$ 84,383,911</u>	<u>\$ 2,672,689</u>	<u>\$ 29,536,917</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
2110 Accounts Payable	\$ 904,559	\$ -	\$ 2,434,286
2150 Payroll Deductions and Withholdings Payable	2,063,810	-	-
2160 Accrued Wages Payable	7,979,928	-	-
2170 Due to Other Funds	338,584	38,421	29,996
2180 Due to Other Governments	11,523	-	-
2300 Deferred Revenues	2,254,309	515,399	-
2000 Total Liabilities	<u>13,552,713</u>	<u>553,820</u>	<u>2,464,282</u>
Fund Balances:			
Reserved For:			
3410 Investments in Inventory	763,663	-	-
3420 Retirement of Long Term Debt	-	2,118,869	-
3430 Prepaid Items	102,926	-	190,758
3440 Outstanding Encumbrances	1,254,388	-	4,590,634
3450 Food Service	-	-	-
3470 Capital Acquisition Program	-	-	22,291,243
3490 Tax Increment Zone	-	-	-
Unreserved Designated For:			
3590 Other Purposes	6,006,312	-	-
Unreserved and Undesignated:			
3600 Reported in the General Fund	62,703,909	-	-
3610 Reported in Special Revenue Funds	-	-	-
3000 Total Fund Balances	<u>70,831,198</u>	<u>2,118,869</u>	<u>27,072,635</u>
4000 Total Liabilities and Fund Balances	<u>\$ 84,383,911</u>	<u>\$ 2,672,689</u>	<u>\$ 29,536,917</u>

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

Other Funds	Total Governmental Funds
\$ 16,456,332	\$ 104,591,832
-	1,184,688
-	5,296,785
-	(2,343,631)
4,932,318	24,137,233
-	16,166
187,103	4,152,417
8,109	84,542
478,313	1,241,976
33,422	327,106
<u>\$ 22,095,597</u>	<u>\$ 138,689,114</u>
\$ 1,004,671	\$ 4,343,516
138	2,063,948
585,820	8,565,748
3,979,989	4,386,990
-	11,523
266,612	3,036,320
<u>5,837,230</u>	<u>22,408,045</u>
478,313	1,241,976
-	2,118,869
-	293,684
268,315	6,113,337
668,833	668,833
-	22,291,243
13,579,308	13,579,308
-	6,006,312
-	62,703,909
1,263,598	1,263,598
<u>16,258,367</u>	<u>116,281,069</u>
<u>\$ 22,095,597</u>	<u>\$ 138,689,114</u>



Carrollton · Farmers Branch

Independent School District

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CARROLLTON-FARMERS BRANCH ISD
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET ASSETS
 AUGUST 31, 2010

Total Fund Balances - Governmental Funds	\$	116,281,069
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. The net effect of this consolidation is to increase net assets.		8,580,346
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		678,732,362
3 Accumulated depreciation has not been included in the governmental fund financial statements.		(254,234,674)
4 Bonds payable and contractual obligations have not been included in the governmental fund financial statements.		(355,595,000)
5 Bond issuance costs reported as an expenditure in the governmental fund financial statements are capitalized in the government-wide financial statements.		1,497,066
6 Premium on issuance of debt were not recongized on the balance sheet for governmental funds.		(9,058,413)
7 For debt refunding, the difference between the acquisition price and the net carrying amount of the debt has been deferred and amortized in the government-wide financial statements.		3,987,404
8 Revenue reported as unearned revenue in the governmental fund financial statements was recorded as revenue in the government-wide financial statements.		2,708,637
9 Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when due.		(691,095)
10 Compensated absences are accrued in the government-wide financial statements but not in the governmental funds.		(1,679,659)
19 Net Assets of Governmental Activities	<u>\$</u>	<u>190,528,043</u>

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

CARROLLTON-FARMERS BRANCH ISD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 153,390,994	\$ 43,994,021	\$ 81,361
5800 State Program Revenues	55,510,142	-	-
5900 Federal Program Revenues	1,288,605	-	-
5020 Total Revenues	<u>210,189,741</u>	<u>43,994,021</u>	<u>81,361</u>
EXPENDITURES:			
Current:			
0011 Instruction	118,255,367	-	37,212
0012 Instructional Resources and Media Services	3,200,334	-	-
0013 Curriculum and Instructional Staff Development	3,513,648	-	-
0021 Instructional Leadership	2,300,286	-	-
0023 School Leadership	13,564,180	-	-
0031 Guidance, Counseling and Evaluation Services	9,186,273	-	-
0032 Social Work Services	165,773	-	-
0033 Health Services	2,495,402	-	-
0034 Student (Pupil) Transportation	3,055,499	-	-
0035 Food Services	-	-	-
0036 Extracurricular Activities	4,271,711	-	-
0041 General Administration	6,504,660	-	-
0051 Facilities Maintenance and Operations	16,212,712	-	-
0052 Security and Monitoring Services	1,507,175	-	-
0053 Data Processing Services	4,713,646	-	100,245
0061 Community Services	662,312	-	-
Debt Service:			
0071 Debt Service - Principal on Long Term Debt	-	27,060,000	-
0072 Debt Service - Interest on Long Term Debt	-	17,265,964	-
0073 Debt Service - Bond Issuance Cost and Fees	-	3,825	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	90,654	-	17,394,600
Intergovernmental:			
0095 Payments to Juvenile Justice Alternative Ed. Prg.	159,550	-	-
0097 Payments to Tax Increment Fund	12,995,177	-	-
0099 Other Intergovernmental Charges	963,230	-	-
6030 Total Expenditures	<u>203,817,589</u>	<u>44,329,789</u>	<u>17,532,057</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,372,152</u>	<u>(335,768)</u>	<u>(17,450,696)</u>
OTHER FINANCING SOURCES (USES):			
7915 Transfers In	131,898	220,837	-
7949 Other Resources	1,282,506	-	-
8911 Transfers Out (Use)	(2,020)	-	(220,837)
7080 Total Other Financing Sources (Uses)	<u>1,412,384</u>	<u>220,837</u>	<u>(220,837)</u>
1200 Net Change in Fund Balances	7,784,536	(114,931)	(17,671,533)
0100 Fund Balance - September 1 (Beginning)	<u>63,046,662</u>	<u>2,233,800</u>	<u>44,744,168</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 70,831,198</u>	<u>\$ 2,118,869</u>	<u>\$ 27,072,635</u>

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

Other Funds	Total Governmental Funds
\$ 13,188,461	\$ 210,654,837
3,139,803	58,649,945
<u>31,418,716</u>	<u>32,707,321</u>
47,746,980	302,012,103
16,121,758	134,414,337
601,640	3,801,974
2,232,957	5,746,605
506,220	2,806,506
201,385	13,765,565
629,443	9,815,716
-	165,773
119,663	2,615,065
-	3,055,499
11,058,241	11,058,241
464,365	4,736,076
147,739	6,652,399
6,002,965	22,215,677
8,888	1,516,063
574,971	5,388,862
487,767	1,150,079
-	27,060,000
-	17,265,964
-	3,825
1,750	17,487,004
-	159,550
-	12,995,177
-	963,230
<u>39,159,752</u>	<u>304,839,187</u>
<u>8,587,228</u>	<u>(2,827,084)</u>
2,020	354,755
-	1,282,506
<u>(16,548)</u>	<u>(239,405)</u>
<u>(14,528)</u>	<u>1,397,856</u>
8,572,700	(1,429,228)
<u>7,685,667</u>	<u>117,710,297</u>
<u>\$ 16,258,367</u>	<u>\$ 116,281,069</u>

CARROLLTON-FARMERS BRANCH ISD
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED AUGUST 31, 2010

Total Net Change in Fund Balances - Governmental Funds	\$ (1,429,228)
The District uses internal service funds to charge the costs of self-insurance to appropriate functions in other funds. The net effect of this consolidation is to increase net assets.	226,734
Current year capital asset additions are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of removing the 2010 capital asset addition is to increase net assets.	16,494,954
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net assets.	(16,246,225)
Current year long-term debt principal payments on bonds payable are expenditures in the fund financial statements but are shown as reductions in long-term debt in the government-wide financial statements.	27,060,000
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures is reported when due.	(230,519)
The liability for accrued compensated absences is not recognized in the governmental funds. The effect of recording current year's liability is to decrease net assets.	(201,549)
Bond issuance costs are expenditures in the fund financial statements when debt is issued, but it is amortized over the term of the bond in the government-wide financial statements.	(75,707)
Premium and discounts are recognized in the financial statements as other financing sources or uses, but they are amortized over the term of the bonds in the government-wide financial statements.	495,899
Amortization of deferred refunding amount is not recognized in the governmental funds. The effect of recording current year's amortization is to decrease net assets.	(349,807)
Revenue from property taxes is deferred in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed net of allowance for uncollectible accounts in the government-wide statements.	(413,796)

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

CARROLLTON-FARMERS BRANCH ISD
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED AUGUST 31, 2010

In the statement of activities, only the loss on the asset disposals are reported, whereas in the governmental funds, the proceeds from the sale, increase financial resources. The change in net assets differs from the change in fund balances by the cost of the assets disposed.	(2,907)
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Change in Net Assets of Governmental Activities	<u>\$ 25,327,849</u>
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The notes to the financial statements are an integral part of this statement.

CARROLLTON-FARMERS BRANCH ISD
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AUGUST 31, 2010

EXHIBIT D-1

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,479,148	\$ 10,419,568
Due from Other Funds	234,828	156
Other Receivables	9,417	231,232
Deferred Expenses	(132)	-
Total Assets	1,723,261	10,650,956
LIABILITIES		
Current Liabilities:		
Accounts Payable	1,510	-
Payroll Deductions and Withholdings Payable	4,724	-
Accrued Wages Payable	7,061	2,704
Due to Other Funds	333	78
Accrued Expenses	-	2,067,828
Total Liabilities	13,628	2,070,610
NET ASSETS		
Unrestricted Net Assets	1,709,633	8,580,346
Total Net Assets	\$ 1,709,633	\$ 8,580,346

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

CARROLLTON-FARMERS BRANCH ISD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2010

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 2,982,574	\$ 1,517,533
Total Operating Revenues	<u>2,982,574</u>	<u>1,517,533</u>
OPERATING EXPENSES:		
Payroll Costs	2,188,290	126,796
Professional and Contracted Services	13,044	52,664
Supplies and Materials	47,453	248
Other Operating Costs	166,212	1,131,716
Total Operating Expenses	<u>2,414,999</u>	<u>1,311,424</u>
Operating Income	<u>567,575</u>	<u>206,109</u>
NONOPERATING REVENUES (EXPENSES):		
Earnings from Temporary Deposits & Investments	-	20,625
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>20,625</u>
Income Before Transfers	567,575	226,734
Transfers Out	<u>(115,350)</u>	<u>-</u>
Change in Net Assets	452,225	226,734
Total Net Assets - September 1 (Beginning)	<u>1,257,408</u>	<u>8,353,612</u>
Total Net Assets - August 31 (Ending)	<u>\$ 1,709,633</u>	<u>\$ 8,580,346</u>

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

CARROLLTON-FARMERS BRANCH ISD
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2010

EXHIBIT D-3

	Business-Type Activities	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 2,764,535	\$ 1,319,185
Cash Payments to Employees for Services	(2,266,920)	(124,288)
Cash Payments for Insurance Claims	-	(1,090,522)
Cash Payments for Suppliers	(50,854)	(248)
Cash Payments for Other Operating Expenses	(179,256)	(66,655)
Net Cash Provided by Operating Activities	267,505	37,472
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Transfer Out	(115,350)	-
<u>Cash Flows from Investing Activities:</u>		
Interest and Dividends on Investments	-	20,625
Net Increase in Cash and Cash Equivalents	152,155	58,097
Cash and Cash Equivalents at Beginning of the Year:	1,326,993	10,361,471
Cash and Cash Equivalents at the End of the Year:	\$ 1,479,148	\$ 10,419,568
<u>Reconciliation of Operating Income to Net Cash</u>		
<u> Provided by Operating Activities:</u>		
Operating Income:	\$ 567,575	\$ 206,109
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Receivables	(218,039)	(198,348)
Decrease (increase) in Prepaid Expenses	132	-
Increase (decrease) in Accounts Payable	(3,533)	(13,991)
Increase (decrease) in Payroll Deductions	(78,630)	-
Increase (decrease) in Accrued Wages Payable	-	2,508
Increase (decrease) in Accrued Expenses	-	41,194
Net Cash Provided by Operating Activities	\$ 267,505	\$ 37,472

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

CARROLLTON-FARMERS BRANCH ISD
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
AUGUST 31, 2010

	Agency Fund
ASSETS	
Cash and Cash Equivalents	\$ 341,563
Investments - Current	225,000
Accrued Interest	133
Total Assets	<u>\$ 566,696</u>
LIABILITIES	
Accounts Payable	\$ 80,773
Due to Student Groups	485,923
Total Liabilities	<u>\$ 566,696</u>

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Carrollton-Farmers Branch Independent School District (the “District”) is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the “Board”) elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in the Statement on Auditing Standards No. 69 of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency’s Financial Accountability System Resource Guide (the “Resource Guide”) and the requirements of contracts and grants of agencies from which it receives funds.

Reporting Entity

The Board of Trustees (the “Board”) is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board (“GASB”) in its Statement No. 14, “The Financial Reporting Entity,” as amended by GASB 39 “Determining Whether Certain Organizations Are Component Units.” There are no component units included within the reporting entity.

Government-Wide and Fund Financial Statements

The statement of net assets and the statement of activities are government-wide financial statements. They report information on all of the Carrollton-Farmers Branch Independent School District’s nonfiduciary activities. Internal service fund activity is eliminated to avoid overstatement of revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities* include programs supported primarily by taxes, State Foundation funds, grants and other intergovernmental revenues. Business-type activities include operations that rely to a significant extent on fees and charges for support.

The statement of activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The “charges for services” column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the district, school lunch charges, etc. The “grants and contributions” column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under Elementary and Secondary Act. If a revenue is not a program revenue, it is a general revenue used to support all of the District’s functions. Taxes are always general revenues.

Interfund activities between governmental funds and proprietary funds appear as due to/due from on the governmental fund balance sheet and proprietary fund statement of net assets. All interfund transactions between governmental funds and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental and fiduciary funds are included in the statement of net assets as receivable or payable to external parties (consistent with the nature of the fiduciary fund).

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Government-Wide and Fund Financial Statements - continued

The fund financial statements provide information on the financial condition and results of operations for three fund categories – governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operation in a separate column.

Propriety funds distinguish operating revenues and expenses from nonoperating items. Operating revenues result from providing goods and services in connections with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are nonoperating. Operating expenses can be tied specifically to the production of goods and services, such as materials and labor and direct overhead. All other expenses are nonoperating.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The effect of interfund activity has been eliminated from the government-wide financial statements. Agency funds also use the accrual basis of accounting however, they have no measurement focus.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are due and payable. The District considers all revenues available if they are collectible within 60 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.

Grants funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The Proprietary Fund Types are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Assets. The fund equity is segregated into invested in capital assets net of related debt, restricted net assets, and unrestricted net assets.

Fund Accounting

The District reports the following major governmental funds:

1. **The General Fund** – The General fund is the District’s primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
2. **Debt Service Fund** – The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.
3. **Capital Projects Fund** – The proceeds from long-term financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.

Additionally, the District reports the following fund type(s):

Governmental Funds:

1. **Nonmajor Special Revenue Funds** – The District accounts for resources restricted to, or designated for, a specific purpose by the District or a grantor in a special revenue fund. Federal, State, and Local financial assistance is accounted for in a Federal, State, or Local Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Proprietary Funds:

2. **Enterprise Funds** – Are utilized by the District to account for activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities. The District’s sole enterprise fund accounts for the After the Bell program.
3. **Internal Service Funds** – Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund. The District’s Internal Service Funds are the Health Insurance and Workers’ Compensation Funds.

Fiduciary Funds:

4. **Agency Funds** – The District accounts for resources held for others in a custodial capacity in agency funds. The District’s Agency Fund is the Student Activity Fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Cash and Cash Equivalents

For purpose of the statement of cash flows for proprietary and similar fund-types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

Interfund Receivables and Payables

Activities between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

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 located in the District 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 they are imposed. On January 31 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 school fiscal year. The assessed value of the certified roll, upon which the levy for the 2010 fiscal year was based upon, was \$14,909,785,600.

Taxes are due on October 1 and become delinquent by February 1 following the October 1 levy date. Current tax collections for the year ended August 31, 2010 were 99.13% of the tax levy.

The tax rates assessed for the year ended August 31, 2010 to finance general fund operations and the payment of principal and interest on general obligation long-term debt were \$1.04 and \$0.3022 per \$100 valuation, respectively, for a total of \$1.3422 per \$100 valuation.

Investments

The District’s general policy is to report money market investments and short-term participating interest-earning investments contracts at amortized cost and to report nonparticipating interest-earning 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Inventories

The consumption method is used to account for inventories of instructional, technology, maintenance and other operating supplies. Under this method, these items are carried in an inventory account of the respective fund at average cost and are subsequently charged to expenditures when consumed. Although food commodities are received at no cost, their fair market value is supplied by the Texas Department of Agriculture and recorded as inventory. In the governmental funds, a reservation fund balance indicates that inventories are unavailable as current expendable financial resources.

Capital Assets

Capital assets, which include land, buildings, furniture and equipment are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements with total project cost of \$100,000 or greater are capitalized as projects when constructed.

Land improvements, buildings, furniture and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	50
Buildings Improvements	20
Portable Classrooms	20
Vehicles	10
Furniture	10
Office Equipment	5
Computer Equipment	5
Music Equipment	10
Other Equipment	10

Liability for Compensated Absences

Employees are allowed to accrue five days of state personal leave and five days of local sick leave each year without limit. The District pays a portion of accrued sick leave to retiring personnel meeting state eligibility requirements for retirement. The payment is limited to state and local leave days accumulated while employed in the District at the approved substitute teacher pay rate up to a ceiling of \$5,000. The District has accrued \$1,679,659 for accumulated sick leave that is reflected in the government-wide financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Liability for Compensated Absences - Continued

Teachers and administrative personnel do not receive paid vacations but are paid only for the number of days they are required to work each year (187 days for teachers and 230 days for administrative personnel).

Maintenance employees are granted vacation leave in varying amounts. In the event of termination an employee is reimbursed for unused accumulated leave. The District has no liability for unused vacation pay since all vacation is used or lost if not taken each year. Vacation pay is charged to operations when taken by the employees of the District.

Long-Term Debt

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using effective interest method. Gains or losses on refunding are deferred and amortized over the lesser of the remaining life of the old debt or the life of the new debt using the straight line method. Bonds payable are reported net of the applicable bond premium or discount and gain or loss on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures. Gains or losses on refunding are not recognized in these financial statements.

Net Assets and Fund Balance

Government-Wide Financial Statements

When the District incurs an expense for which it may use either restricted or unrestricted net assets, it uses restricted net assets first unless unrestricted net assets will have to be returned because they were not used. Net assets on the Statement of Net Assets include the following:

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

Restricted for Debt Service – The component of net assets that reports the difference between assets and liabilities with constraints placed on their use by the bond covenants.

Restricted for Food Service – The component of net assets that reports the difference between assets and liabilities of the Food Service Activities that consists of assets with constraints placed on their use by the Department of Agriculture.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Government-Wide Financial Statements - Continued

Restricted for Tax Increment Zone – The component of net assets that reports the property taxes collected for the zone to pay for District projects identified in the project plan to be constructed in the zone for educational facilities and maintenance for operating such facilities.

Unrestricted – The difference between the assets and liabilities that is not reported in Net Assets Invested in Capital Assets, Net of Related Debt, Net Assets Restricted for Federal and State Programs, Net Assets Restricted for Food Service or Net Assets Restricted for Tax Increment Zone.

Governmental Fund Financial Statements

In the fund financial statements, governmental funds report fund balances as reserved fund balance, designated fund balance or unreserved fund balance.

Reserved Fund Balance – That portion of fund balance which is not available for appropriation or which has been legally segregated for a specific purpose.

Designated Fund Balance – That portion of fund balance which has been designated by the Board of Trustees for a specific purpose. As of August 31, 2010, \$6,006,312 has been designated to pay operating costs included in the District’s 2010-2011 fiscal year deficit budget.

Unreserved and Undesignated Fund Balance – Composed of unreserved and undesignated portions of fund balance. The undesignated portion of the unreserved fund balance represents that portion of fund balance that is available for budgeting in future periods.

Encumbrance Accounting

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 either canceled or appropriately provided for in the subsequent year’s budget. Encumbrances are reported as a reservation of fund balances in the governmental fund financial statements. Encumbrances outstanding at August 31, 2010 that were in the subsequent year’s budget are:

General Fund	\$ 1,254,388
Special Revenue Fund-Food Service	268,315
Capital Projects Fund	<u>4,590,634</u>
Total	<u><u>\$ 6,113,337</u></u>

Data Codes

The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide database for policy development and funding plans.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The amount of state foundation revenue a school district earns for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimates as of August 31, 2010 will change.

NOTE 2. CASH AND INVESTMENTS

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank 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.

At August 31, 2010, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing saving accounts included in temporary investments) was \$6,443,244 and the bank balance was \$8,319,871. The District's cash deposits at August 31, 2010 and during the year ended August 31, 2010 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a. Depository: Bank of America.
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$39,907,182.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$35,526,419 and occurred during the month of February, 2010.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$750,000.

Legal and contractual provisions governing deposits and investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District 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, (9) and bid solicitation preferences for certificates of deposit.

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2010

NOTE 2. CASH AND INVESTMENTS - CONTINUED

Statutes and the District's investment policy authorized the District to invest in the following investments as summarized in the table below:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
U.S. Treasury Obligations	10 years	None	None
U.S. Agencies Securities	10 years	None	None
Letters of Credit	10 years	None	None
Certificates of Deposit	-	None	None
Repurchase Agreements	90 days	None	None
Securities Lending Program	1 year	None	None
Banker's Acceptance	270 days	None	None
Commercial Paper	270 days	None	None
No-Load Money Market Mutual Funds	90 days	None	None
No-Load Mutual Funds	2 years	None	None
Guaranteed Investment Contracts	5 years	None	None
Investment Pools	-	None	None

The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

Cash and investments as of August 31, 2010 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and Investments	\$ 117,675,236
Fiduciary Funds:	
Cash and Investments	<u>566,563</u>
Total Cash and Investments	<u><u>\$ 118,241,799</u></u>

Cash and investments as August 31, 2010 consist of the following:

Cash on Hand	\$ 23,675
Savings and Checking Accounts	5,033,556
Certificates of Deposit	1,409,688
Texpool	91,758,558
TexStar	<u>20,016,322</u>
Total Cash and Investments	<u><u>\$ 118,241,799</u></u>

NOTE 2. CASH AND INVESTMENTS – CONTINUED

Disclosure relating to interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District’s investment policy has no specific maturity restrictions for certificates of deposit or public funds investment pools, however, the District manages its exposure to interest rate risk by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 60 days thus reducing the interest rate risk. The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The District has no specific limitations with respect to this metric.

As of August 31, 2010, the District had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity</u>
Certificates of Deposit	\$ 1,409,688	176 days
Texpool	91,758,558	29 days
TexStar	20,016,322	49 days
Total	<u>\$ 113,184,568</u>	

As of August 31, 2010 the District did not invest in any securities which are highly sensitive to interest rate fluctuations.

Disclosure relating to credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, the District’s investment policy, or debt agreements, and the actual rating as of year end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Rating of Year End</u>
Texpool	\$ 91,758,558	N/A	AAAm
TexStar	20,016,322	N/A	AAAm
Total	<u>\$ 111,774,880</u>		

Concentration of credit risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. As of August 31, 2010, other than external investment pools, the District did not have 5% or more of its investments with one issuer.

NOTE 2. CASH AND INVESTMENTS – CONTINUED

Custodial credit risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less FDIC insurance at all times.

As of August 31, 2010, the District deposits with financial institutions in excess of federal depository insurance limits were fully collateralized.

The District is a voluntary participant in Texpool and TexStar.

The State Comptroller of Public Accounts exercises oversight responsibility over the external pooled funds. The Pooled Funds operate in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940. The external pooled funds use amortized cost rather than fair value to report net assets to compute share price. Accordingly the fair value of the positions of the pooled funds is the same as the value of the external pool shares.

NOTE 3. DELINQUENT TAXES RECEIVABLE

Delinquent taxes are prorated between maintenance and debt service on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on 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.

At August 31, 2010 the components of delinquent taxes receivables are as follows:

	General Fund	Debt Service Fund	Total
Delinquent Taxes	\$ 3,040,691	\$ 786,591	\$ 3,827,282
Related Penalty and Interest	1,207,754	261,749	1,469,503
	<u>\$ 4,248,445</u>	<u>\$ 1,048,340</u>	<u>\$ 5,296,785</u>

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2010

NOTE 3. DELINQUENT TAXES RECEIVABLE – CONTINUED

At August 31, 2010 an allowance for uncollectible taxes is provided for the following:

	General Fund	Debt Service Fund	Total
Personal Property	\$ 1,774,965	\$ 515,765	\$ 2,290,730
Real Property	41,099	11,802	52,901
	<u>\$ 1,816,064</u>	<u>\$ 527,567</u>	<u>\$ 2,343,631</u>

NOTE 4. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of August 31, 2010, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from Other Governments. Furthermore, there are times whenever overpayment is received from a State Agency and money may be due to other governments.

	General Fund	Other Funds	Total
State Entitlement	\$ 18,276,780	\$ 152,999	\$ 18,429,779
Federal Grants	777,185	4,776,320	5,553,505
Farmers Branch	2,359	-	2,359
City of Irving	8,591	-	8,591
Dallas County Schools	140,000	-	140,000
Coppell Technology Grant	-	2,999	2,999
	<u>\$ 19,204,915</u>	<u>\$ 4,932,318</u>	<u>\$ 24,137,233</u>

NOTE 5. OTHER RECEIVABLES

Other receivables as of August 31, 2010, for the District's individual major funds and nonmajor, and internal service in the aggregate are as follows:

	General Fund	Capital Project Funds	Non Major Funds	Internal Service Funds	Total
NSF Checks	\$ 6,766	\$ -	\$ 6,450	\$ -	\$ 13,216
Health Insurance Receivable	10,000	-	-	231,232	241,232
Due from Employees	59,667	-	-	-	59,667
Other Receivable	-	-	1,659	-	1,659
	<u>\$ 76,433</u>	<u>\$ -</u>	<u>\$ 8,109</u>	<u>\$ 231,232</u>	<u>\$ 315,774</u>

Due from employees represents payroll advances paid to instructional staff at the beginning of the school year. Amounts are expected to be collected through payroll deductions within four months after the District's fiscal year end.

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2010

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at August 31, 2010 consisted of the following individual fund receivables and payables:

	<u>Receivables</u>	<u>Payables</u>	<u>Purpose</u>
Major Funds:			
General Fund	\$ 3,925,606	\$ 338,584	To cover cash shortage and payroll transfers
Debt Service Fund	-	38,421	Tax refunds and corrections
Capital Projects	39,708	29,996	Correction
Non-Major Funds:			
Federal Funds	179,075	3,953,357	Shortage and payroll transfers
State Funds	6,022	24,302	Corrections and close fund
Local Funds	2,006	2,330	Close fund
Internal Service Funds	156	78	Benefits correction
Enterprise Fund	<u>234,828</u>	<u>333</u>	Credit card sales and revenue receivable
Total	<u>\$ 4,387,401</u>	<u>\$ 4,387,401</u>	

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

Interfund transfers for the year ended August 31, 2010 were as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	
General Fund	Enterprise Fund	\$ 115,350	Transfer excess revenues
General Fund	Campus Activity Fund	16,548	Close organization for local fund
Debt Service Fund	Capital Projects Fund	220,837	Close capital project fund
Ralph Ellis Donation Fund	General Fund	2,020	Close local fund
		<u>\$ 354,755</u>	

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2010

NOTE 7. CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year ended August 31, 2010, was as follows:

Governmental Activities:	Primary Government				Ending Balance
	Beginning Balance	Additions	Retirements	Transfers	
Non-depreciable assets					
Land	\$ 61,980,018	\$ 110,445	\$ -	\$ -	\$ 62,090,463
Construction In Progress	32,090,423	14,805,199	-	(24,611,769)	22,283,853
Total Non-depreciable assets	<u>94,070,441</u>	<u>14,915,644</u>	<u>-</u>	<u>(24,611,769)</u>	<u>84,374,316</u>
Depreciable					
Land Improvements	1,108,138	341,729	-	-	1,449,867
Buildings and Improvements	546,436,810	746,627	-	24,611,769	571,795,206
Furniture and Equipment	20,936,233	490,954	(314,214)	-	21,112,973
Total depreciable assets	<u>568,481,181</u>	<u>1,579,310</u>	<u>(314,214)</u>	<u>24,611,769</u>	<u>594,358,046</u>
Less Accumulated Depreciation for:					
Land Improvements	301,699	72,493	-	-	374,192
Buildings and Improvements	224,378,699	13,809,758	-	-	238,188,457
Furniture and Equipment	13,619,358	2,363,974	(311,307)	-	15,672,025
Total Accumulated Depreciation	<u>238,299,756</u>	<u>16,246,225</u>	<u>(311,307)</u>	<u>-</u>	<u>254,234,674</u>
Total Capital Assets, Net	<u>\$ 424,251,866</u>	<u>\$ 248,729</u>	<u>\$ (2,907)</u>	<u>\$ -</u>	<u>\$ 424,497,688</u>

Depreciation expense was charged to governmental functions as follows:

<u>Governmental Function</u>	<u>Depreciation</u>
Instruction	\$ 8,726,669
Instructional Resources and Media Services	670,816
Curriculum and Instructional Staff Development	230,476
Instructional Leadership	44,579
School Leadership	652,626
Guidance, Counseling and Evaluation Services	137,015
Social Work Services	84
Health Services	52,396
Student (Pupil) Transportation	46,362
Food Services	1,217,073
Extracurricular Activities	1,368,164
General Administration	487,377
Facilities Maintenance and Operations	890,656
Security and Monitoring Service	30,907
Data Processing Services	<u>1,691,025</u>
Total Depreciation Expense	<u>\$ 16,246,225</u>

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2010

NOTE 8. DEFERRED REVENUE

Deferred revenue reported in the governmental funds at year end consisted of the following:

	General Fund	Debt Service Fund	Other Funds	Total
Tax Revenue	\$ 2,233,889	\$ 474,748	\$ -	\$ 2,708,637
Other Receipts	20,420	40,651	151,438	212,509
Advanced Placement Incentives	-	-	43,197	43,197
Technology Allotment	-	-	21,282	21,282
Communities Foundation	-	-	50,274	50,274
Adult Education Local Donations	-	-	275	275
State Supplemental Visually Impair.	-	-	146	146
	<u>\$ 2,254,309</u>	<u>\$ 515,399</u>	<u>\$ 266,612</u>	<u>\$ 3,036,320</u>

Governmental funds report deferred in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Government funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Tax revenue reported as deferred revenue in the governmental funds is recorded as revenue in the government-wide financial statements. Accordingly, unearned tax revenue is excluded in the government-wide financial statements.

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2010

NOTE 9. LONG-TERM DEBT

Unlimited Tax Bonds

The District issues unlimited tax bonds for the governmental activities to provide for the acquisition and construction of major capital facilities. Unlimited tax bonds are direct obligations and pledge the full faith and credit of the District. Bonded indebtedness of the District is reflected in the Statement of Net Assets. Current requirements for principal and interest expenditures are payable solely from future revenues of the Debt Service Fund which consists principally of property taxes collected by the District and interest earnings.

Unlimited tax bonds outstanding as of August 31, 2010 are as follows:

Purpose and Lawful Authority	Interest Rate	Amount	Amount Outstanding 09/01/09	Issued	Retired	Amount Outstanding 08/31/10
Unlimited Tax School Building Bonds, Series 1999	5.00% to 6.00%	60,000,000	2,605,000	-	2,605,000	-
Unlimited Tax School Building Bonds, Series 2000	4.63% to 5.50%	74,600,000	13,600,000	-	3,115,000	10,485,000
Unlimited Tax Refunding Bonds, Series 2001	0.00% to 5.25%	83,899,962	68,600,000	-	3,720,000	64,880,000
Unlimited Tax Refunding Bonds, Series 2003	3.00% to 4.00%	10,230,000	905,000	-	-	905,000
Unlimited Tax Refunding Bonds, Series 2004	2.00% to 5.00%	23,740,000	21,450,000	-	945,000	20,505,000
Unlimited Tax Refunding Bonds, Series 2004	2.00% to 5.00%	54,350,000	41,520,000	-	1,315,000	40,205,000
Unlimited Tax Refunding Bonds, Series 2005	3.00% to 5.00%	54,810,000	44,050,000	-	3,345,000	40,705,000
Unlimited Tax Refunding Bonds, Series 2006	4.125% to 5.00%	41,220,000	35,230,000	-	2,370,000	32,860,000
Unlimited Tax School Building and Refunding Bonds, Series 2007	4.00% to 5.00%	105,775,000	102,315,000	-	2,375,000	99,940,000
Unlimited Tax School Building and Refunding Bonds, Series 2008	3.50% to 5.00%	57,435,000	52,380,000	-	7,270,000	45,110,000
			382,655,000	-	27,060,000	355,595,000

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2010

NOTE 9. LONG-TERM DEBT - CONTINUED

Debt service requirement are as follows:

Year Ending August 31	General Obligation Principal	Interest	Total Requirement
2011	26,135,000	15,959,147	42,094,147
2012	25,990,000	14,769,963	40,759,963
2013	25,570,000	13,618,053	39,188,053
2014	25,685,000	12,434,044	38,119,044
2015	26,520,000	11,212,203	37,732,203
2016-2020	120,085,000	37,752,563	157,837,563
2021-2025	55,350,000	18,076,918	73,426,918
2026-2030	38,400,000	7,170,750	45,570,750
2031-2033	11,860,000	621,138	12,481,138
	<u>\$ 355,595,000</u>	<u>\$ 131,614,779</u>	<u>\$ 487,209,779</u>

There are a number of limitations and restrictions contained in the unlimited tax school building and refunding bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions at August 31, 2010.

Changes in Long-Term Liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Government Activities					
General Obligation Bonds	\$ 382,655,000	\$ -	\$ 27,060,000	\$ 355,595,000	\$ 26,135,000
Premium on Bonds	9,554,312	-	495,899	9,058,413	-
Deferred Loss on Refunding	(4,337,211)	-	(349,807)	(3,987,404)	-
Workers' Compensation	2,021,634	46,194	-	2,067,828	1,304,626
Accrued Compensated Absences	1,478,110	201,549	-	1,679,659	180,533
	<u>\$ 391,371,845</u>	<u>\$ 247,743</u>	<u>\$ 27,206,092</u>	<u>\$ 364,413,496</u>	<u>\$ 27,620,159</u>
Long-term Liabilities					

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2010

NOTE 10. GENERAL FUND FEDERAL SOURCE REVENUES

During the current year, general fund federal source revenues consisted of the following:

Program or Source	CFDA Number	Amount
Direct Cost		
School Health and Related Services	N/A	\$ 1,038,852
Indirect Cost Reimbursement	84.186A	996
Indirect Cost Reimbursement	84.010A	63,069
Indirect Cost Reimbursement	84.027	76,151
Indirect Cost Reimbursement	84.173	381
Indirect Cost Reimbursement	84.367A	10,697
Indirect Cost Reimbursement	84.318	640
Indirect Cost Reimbursement	84.365A	12,180
Indirect Cost Reimbursement	84.377A	2,243
Indirect Cost Reimbursement	84.386	1,097
Indirect Cost Reimbursement	84.391	42,581
Indirect Cost Reimbursement	84.392	426
Indirect Cost Reimbursement	84.389	39,292
		\$ 1,288,605

NOTE 11. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

During the current year, revenues from local and intermediate sources consisted of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Non Major Funds	Total
Property Taxes	\$ 150,635,428	\$ 43,704,772	\$ -	\$ -	\$ 194,340,200
Penalties and Interest	909,786	271,791	-	-	1,181,577
Tax Increment Fund	-	-	-	8,664,218	8,664,218
Investment Earnings	114,149	17,458	81,361	22,130	235,098
Food Sales	-	-	-	2,733,820	2,733,820
Tuition from Patrons	390,799	-	-	-	390,799
Co-Curricular	376,099	-	-	1,175,462	1,551,561
Rent	733,373	-	-	-	733,373
Gifts and Bequest	31,612	-	-	544,113	575,725
Enterprising	-	-	-	48,688	48,688
Other	199,748	-	-	30	199,778
	\$ 153,390,994	\$ 43,994,021	\$ 81,361	\$ 13,188,461	\$ 210,654,837

NOTE 12. DEFINED BENEFIT PENSION PLAN

Plan Description

The District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. It is a cost-sharing public employee retirement system (PERS), with one exception: all risk and costs are not shared by the employer. By statute, the State of Texas contributes to the retirement system an amount equal to the current authorized rate times the aggregate annual compensation of all members of the retirement system during the fiscal year. For members of the retirement system entitled to the minimum salary for certain school personnel under § 21.402, Texas Education Code, and for members who would have been entitled to the minimum salary for certain school personnel under former § 16.056, Texas Education Code, as that section existed on January 1, 1995, the employing district shall pay the state's contribution on the portion of the member's salary that exceeds the statutory minimum or former statutory minimum as applicable. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by writing to the TRS Communications Department, 100 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading.

Types of Employees Covered

All employees of public, state-supported educational institutes in Texas who are employed for ½ or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Subtitle C § 822.002 are covered by TRS membership.

Benefit Provisions

The Teacher Retirement System of Texas administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school system of Texas. It operates primarily under the provisions of Texas Constitution, Article XVI, §67 and Texas Government Code, Title 8, Subtitle C. The system also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapter 803 and Chapter 805, respectively.

Service Retirement:

To be eligible to retire and receive a lifetime monthly service retirement annuity (normal-age or early-age), you must: (1) have at least five years of service credit; (2) meet the eligibility requirements for age and service; (3) terminate employment; (4) apply for retirement; and (5) complete the required break in service.

1) Normal-Age Service Retirement:

If you became a member of TRS prior to September 1, 2007 and maintain your membership until retirement, you will meet the age and service requirements for normal-age service retirement when:

- a) Age 65 with 5 years of service
- b) Any combination of age plus years of service which equals 80 and with at least 5 years of service

If you first became a member of TRS or returned to membership on or after September 1, 2007, you will meet the age and service requirements for normal-age service retirement when:

NOTE 12. DEFINED BENEFIT PENSION PLAN – CONTINUED

- a) Age 65 with 5 years of service
- b) Age 60 and any combination of age plus years of service which equals 80 with at least 5 years of service

2) Early-Age Service Retirement Reductions:

If you became a member of TRS prior to September 1, 2007, and you maintain your membership until retirement, you are entitled to early-age service retirement when the total of your age and service credit is less than 80 and one of the following conditions is met:

- a) Age 55 with at least 5 years of service
- b) Any age below 50 with 30 years of service

If you became a member of TRS or returned to membership on or after September 1, 2007, you are entitled to early-age service retirement when one of the following conditions is met:

- a) Age 55 with at least 5 years of service
- b) Age and years of service total 80 but age is less than 60
- c) At least 30 years of service but age is less than 60

Members who establish at least five years of membership service credit are eligible to retire at a future date and receive a lifetime monthly annuity.

Funding Policy

State law provides for a state contribution of 6.644% for fiscal year 2010 and 6.58% for fiscal years 2009 and 2008. State law further provides a member contribution rate of 6.4% for fiscal years 2010, 2009 and 2008. In certain instances, the reporting district is required to make all or a portion of the state's 6.644% contribution, limited to 6.4% for the period of September through December 2009 and increased to 6.644% for the period of January through August 2010, and 6.58% for fiscal years 2009 and 2008. Contribution requirements are not actuarially determined but are legally established each biennium pursuant to the following state funding policy: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10.0% of the aggregate annual compensation of all members of the system; (2) A statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS's 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. The District's employees' contribution to the System for the years ended August 31, 2010, 2009 and 2008 were \$9,769,497, \$9,939,256, and \$9,691,957 respectively, equal to required contributions for each year. State contributions to TRS made on behalf of the District's employees for the years ended August 31, 2010, 2009 and 2008 were \$8,923,845, \$8,936,719, and \$8,848,493, respectively. The District paid additional state required contributions for the years ended August 31, 2010, 2009 and 2008 in the amount of \$2,543,499, \$2,642,238, and \$2,336,310, respectively, on the portion of the employees' salaries that exceeded the state statutory minimum and for salaries paid from federal grants. The State "On-Behalf" contributions have been recognized as both revenues and expenditures by the District in the financial statements.

NOTE 13. SCHOOL DISTRICT RETIREE HEALTH PLAN

Plan Description

The Carrollton-Farmers Branch 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-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, by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling 1-800-223-8778.

Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2010, 2009 and 2008. 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. For years ended August 31, 2010, 2009, and 2008, the State's contributions to TRS-Care were \$1,526,484, \$1,553,009, and \$1,514,368, respectively, the active member contributions were \$992,215, \$1,009,456, and \$984,339, respectively, and the school district's contributions were \$839,566, \$854,155, and \$832,903, respectively, which equaled the required contributions each year.

Medicare Part D – On-Behalf Payments

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. These on-behalf of \$373,531 recognized for the year ended August 31, 2010 as equal revenues and expenditures.

NOTE 14. RISK MANAGEMENT

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

Health Care Coverage

The employees of the District were covered by TRS Active Care. TRS Active Care is a statewide health coverage program for public education employees established by the 77th Texas Legislature. The District contributed \$262 per month per employee to the plan, and employees, at their option, authorized payroll withholdings to pay employee contributions and additional premiums for dependents.

NOTE 14. RISK MANAGEMENT – CONTINUED

Health Care Coverage – Continued

As of August 31, 2010, the District maintained balances in its previous medical self-insurance internal service fund. The District is currently working with its previous third party administrator in order to settle any outstanding runoff and anticipates closing the medical self-insurance fund during the 2010-2011 fiscal year.

Workers’ Compensation Coverage

Beginning September 1, 1993, the District established a self-insurance plan for workers’ compensation benefits. Prior to this time, the District was a member of the Texas Association of School Boards Workers’ Compensation Self-Insurance Fund (“Fund”). The Fund will continue to be liable for all claims before September 1, 1993.

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. According to state statute, the District is protected against unanticipated catastrophic claims and aggregate loss by coverage carried through Safety National Casualty Corporation, a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code.

Coverage was in effect for specific occurrences exceeding \$500,000 and aggregate retention at \$1,000,000.

The costs associated with these self-insurance plans are reported as interfund transaction to the extent of amounts actuarially determined. Accordingly, they are treated as operating revenues of the Internal Service Funds and operating expenditures of the General Fund and the Special Revenue Funds. The accrued liabilities of the workers’ compensation self-insurance plan \$2,021,634 include incurred but not reported claims. The liability reported in the Fund at August 31, 2010 are based on the requirements of Governmental Accounting Standards Board No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability includes an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. Workers’ compensation liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time were computed by an actuary and are reported at their present value using expected future investment yield assumption of 3%. Changes in the medical workers’ compensation claims liability amounts in fiscal 2010 and 2009 were:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
Self-Insurance Liability				
2009- Medical	\$ 1,778,329	\$ 8,109,091	\$ 6,335,762	\$ 5,000
2010- Medical	\$ 5,000	\$ (12,394)	\$ (17,394)	\$ -
2009-Workers' Compensation	\$ 2,391,378	\$ 1,639,796	\$ 1,270,052	\$ 2,021,634
2010-Workers' Compensation	\$ 2,021,634	\$ 1,038,601	\$ 1,084,795	\$ 2,067,828

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation

The District is the defendant in a number of lawsuits arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a materially adverse effect on the accompanying combined financial statements and accordingly, no provision for losses has been recorded.

Grants Programs

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and 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 at August 31, 2010 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 combined financial statements for such contingencies.

Future Construction

The funds in the Capital Projects Fund will be used for future school construction and renovation. Commitments on outstanding construction contracts for future school and renovations totaled approximately \$5 million at August 31, 2010.

Arbitrage Rebate Liability

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury of investment income received at yields that exceed the issuer's tax-exempt borrowing rates. The U.S. Treasury requires payment for each issue every five years. The estimated liability is updated annually for any tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. The District has no liability as of August 31, 2010.

NOTE 16. PRIOR PERIOD ADJUSTMENT

Exhibit B-1 includes a prior period adjustment to government-wide net assets which decreases government-wide net assets by \$1,478,110 as of the beginning of the year. The adjustment was due to a correction to long-term debt related to recording a beginning balance for accrued compensated absences.

NOTE 17. EXCESS OF EXPENDITURES OVER APPROPRIATIONS BY FUNCTION

The Texas Education Agency requires the budgets for certain Governmental fund types to be filed with the Texas Education Agency. The budget should not be exceeded in any functional category under TEA requirements. Expenditures exceeded appropriations in one functional category in the Debt Service Fund for the year ended August 31, 2010.

REQUIRED SUPPLEMENTARY INFORMATION



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CARROLLTON-FARMERS BRANCH ISD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 154,020,606	\$ 154,073,892	\$ 153,390,994	\$ (682,898)
5800 State Program Revenues	58,269,512	51,063,505	55,510,142	4,446,637
5900 Federal Program Revenues	200,000	200,000	1,288,605	1,088,605
5020 Total Revenues	212,490,118	205,337,397	210,189,741	4,852,344
EXPENDITURES:				
Current:				
0011 Instruction	124,007,850	122,756,998	118,255,367	4,501,631
0012 Instructional Resources and Media Services	4,162,169	4,274,042	3,200,334	1,073,708
0013 Curriculum and Instructional Staff Development	4,801,983	4,304,653	3,513,648	791,005
0021 Instructional Leadership	3,930,839	2,844,426	2,300,286	544,140
0023 School Leadership	13,307,833	14,092,210	13,564,180	528,030
0031 Guidance, Counseling and Evaluation Services	9,149,659	9,362,975	9,186,273	176,702
0032 Social Work Services	158,978	171,931	165,773	6,158
0033 Health Services	2,187,986	2,553,097	2,495,402	57,695
0034 Student (Pupil) Transportation	3,339,192	3,535,805	3,055,499	480,306
0036 Extracurricular Activities	3,339,938	4,717,761	4,271,711	446,050
0041 General Administration	6,204,813	7,510,350	6,504,660	1,005,690
0051 Facilities Maintenance and Operations	23,947,866	17,428,397	16,212,712	1,215,685
0052 Security and Monitoring Services	1,677,441	1,683,299	1,507,175	176,124
0053 Data Processing Services	4,374,744	5,485,475	4,713,646	771,829
0061 Community Services	579,572	746,860	662,312	84,548
Capital Outlay:				
0081 Facilities Acquisition and Construction	85,207	94,228	90,654	3,574
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	250,000	250,000	159,550	90,450
0097 Payments to Tax Increment Fund	14,191,000	14,191,000	12,995,177	1,195,823
0099 Other Intergovernmental Charges	998,000	998,000	963,230	34,770
6030 Total Expenditures	220,695,070	217,001,507	203,817,589	13,183,918
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,204,952)	(11,664,110)	6,372,152	18,036,262
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	85,000	-	(85,000)
7915 Transfers In	-	131,898	131,898	-
7949 Other Resources	-	1,282,506	1,282,506	-
8911 Transfers Out (Use)	-	(2,020)	(2,020)	-
7080 Total Other Financing Sources (Uses)	-	1,497,384	1,412,384	(85,000)
1200 Net Change in Fund Balances	(8,204,952)	(10,166,726)	7,784,536	17,951,262
0100 Fund Balance - September 1 (Beginning)	63,046,662	63,046,662	63,046,662	-
3000 Fund Balance - August 31 (Ending)	\$ 54,841,710	\$ 52,879,936	\$ 70,831,198	\$ 17,951,262

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED AUGUST 31, 2010

NOTE 1. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The Board of Education adopts an “appropriated budget” on a basis consistent with GAAP for the General Fund, Debt Service Fund and the Food Service Fund, a component of the Federal Special Revenue Fund. This District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds/components.

The following procedures are followed in establishing the budgetary data:

1. Prior to August 20 of the preceding fiscal year, 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.
2. A meeting of the Board of Education is then called for the purpose of adopting the proposed budget after ten days public notice of the meeting has been given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board of Education. Once a budget is approved, it can only be amended at the function and fund level 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. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. Significant amendments were made to the following functional areas:

Function	Increase (Decrease)
Instruction	\$ (1,250,852)
Instructional Leadership	(1,086,413)
Extracurricular Activities	1,377,823
General Administration	1,305,537
Facilities Maintenance and Operations	(6,519,469)
Data Processing Services	1,110,731

4. Each budget is prepared and controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board of Education. All budget appropriations lapse at year-end.
5. The Texas Education Agency requires these budgets to be filed with the Texas Education Agency on a designated date through the Public Education Information Management System (“PEIMS”). The budget should not exceed in any functional expenditure category under the TEA requirements. The original and final amended versions of these budgets are used in this report.

COMBINING AND OTHER STATEMENTS



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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

FEDERAL SPECIAL REVENUE FUNDS – Used to account for federal funded special revenue funds.

STATE SPECIAL REVENUE FUNDS – Used to account for state funded special revenue funds.

LOCAL SPECIAL REVENUE FUNDS - Used to account for special revenue from local sources.



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CARROLLTON-FARMERS BRANCH ISD
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2010

Data Control Codes	289 Federal Special Revenue Funds	429 State Special Revenue Funds	499 Local Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 1,568,944	\$ (56,128)	\$ 14,943,516	\$ 16,456,332
1240 Receivables from Other Governments	4,776,320	152,999	2,999	4,932,318
1260 Due from Other Funds	179,075	6,022	2,006	187,103
1290 Other Receivables	3,819	-	4,290	8,109
1300 Inventories	478,313	-	-	478,313
1410 Deferred Expenditures	33,422	-	-	33,422
1000 Total Assets	<u>\$ 7,039,893</u>	<u>\$ 102,893</u>	<u>\$ 14,952,811</u>	<u>\$ 22,095,597</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
2110 Accounts Payable	\$ 936,678	\$ 13,966	\$ 54,027	\$ 1,004,671
2150 Payroll Deductions and Withholdings Payable	138	-	-	138
2160 Accrued Wages Payable	582,821	-	2,999	585,820
2170 Due to Other Funds	3,953,357	24,302	2,330	3,979,989
2300 Deferred Revenues	151,438	64,625	50,549	266,612
2000 Total Liabilities	<u>5,624,432</u>	<u>102,893</u>	<u>109,905</u>	<u>5,837,230</u>
Fund Balances:				
Reserved For:				
3410 Investments in Inventory	478,313	-	-	478,313
3440 Outstanding Encumbrances	268,315	-	-	268,315
3450 Food Service	668,833	-	-	668,833
3490 Tax Increment Zone	-	-	13,579,308	13,579,308
Unreserved and Undesignated:				
3610 Reported in Special Revenue Funds	-	-	1,263,598	1,263,598
3000 Total Fund Balances	<u>1,415,461</u>	<u>-</u>	<u>14,842,906</u>	<u>16,258,367</u>
4000 Total Liabilities and Fund Balances	<u>\$ 7,039,893</u>	<u>\$ 102,893</u>	<u>\$ 14,952,811</u>	<u>\$ 22,095,597</u>

CARROLLTON-FARMERS BRANCH ISD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	289 Federal Special Revenue Funds	429 State Special Revenue Funds	499 Local Special Revenue Funds	Total Nonmajor Governmental Funds	
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 2,736,308	\$ -	\$ 10,452,153	\$ 13,188,461
5800	State Program Revenues	82,181	3,057,622	-	3,139,803
5900	Federal Program Revenues	31,418,716	-	-	31,418,716
5020	Total Revenues	<u>34,237,205</u>	<u>3,057,622</u>	<u>10,452,153</u>	<u>47,746,980</u>
EXPENDITURES:					
Current:					
0011	Instruction	12,366,638	2,724,530	1,030,590	16,121,758
0012	Instructional Resources and Media Services	572,288	8,556	20,796	601,640
0013	Curriculum and Instructional Staff Development	2,102,481	66,721	63,755	2,232,957
0021	Instructional Leadership	500,323	5,038	859	506,220
0023	School Leadership	152,527	6,283	42,575	201,385
0031	Guidance, Counseling and Evaluation Services	543,179	5,750	80,514	629,443
0033	Health Services	117,071	2,415	177	119,663
0035	Food Services	11,058,241	-	-	11,058,241
0036	Extracurricular Activities	-	1,159	463,206	464,365
0041	General Administration	147,739	-	-	147,739
0051	Facilities Maintenance and Operations	6,002,965	-	-	6,002,965
0052	Security and Monitoring Services	-	-	8,888	8,888
0053	Data Processing Services	340,140	234,637	194	574,971
0061	Community Services	485,234	2,533	-	487,767
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	-	1,750	1,750
6030	Total Expenditures	<u>34,388,826</u>	<u>3,057,622</u>	<u>1,713,304</u>	<u>39,159,752</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(151,621)</u>	<u>-</u>	<u>8,738,849</u>	<u>8,587,228</u>
OTHER FINANCING SOURCES (USES):					
7915	Transfers In	-	-	2,020	2,020
8911	Transfers Out (Use)	-	-	(16,548)	(16,548)
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(14,528)</u>	<u>(14,528)</u>
1200	Net Change in Fund Balance	(151,621)	-	8,724,321	8,572,700
0100	Fund Balance - September 1 (Beginning)	<u>1,567,082</u>	<u>-</u>	<u>6,118,585</u>	<u>7,685,667</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ 1,415,461</u>	<u>\$ -</u>	<u>\$ 14,842,906</u>	<u>\$ 16,258,367</u>

INTERNAL SERVICE FUNDS

HEALTH INSURANCE FUND – Used to account for revenues and expenses related to health services provided throughout the District.

WORKERS COMPENSATION FUND – Used to account for revenues and expenses related to workers compensation coverage throughout the District.



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CARROLLTON-FARMERS BRANCH ISD
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 AUGUST 31, 2010

	753 Health Insurance Fund	773 Workers Compensation Fund	Total Internal Service Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 307,978	\$ 10,111,590	\$ 10,419,568
Due from Other Funds	-	156	156
Other Receivables	231,232	-	231,232
Total Assets	<u>539,210</u>	<u>10,111,746</u>	<u>10,650,956</u>
LIABILITIES			
Current Liabilities:			
Accrued Wages Payable	-	2,704	2,704
Due to Other Funds	-	78	78
Accrued Expenses	-	2,067,828	2,067,828
Total Liabilities	<u>-</u>	<u>2,070,610</u>	<u>2,070,610</u>
NET ASSETS			
Unrestricted Net Assets	<u>539,210</u>	<u>8,041,136</u>	<u>8,580,346</u>
Total Net Assets	<u>\$ 539,210</u>	<u>\$ 8,041,136</u>	<u>\$ 8,580,346</u>

CARROLLTON-FARMERS BRANCH ISD
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2010

	753 Health Insurance Fund	773 Workers Compensation Fund	Total Internal Service Funds
OPERATING REVENUES:			
Local and Intermediate Sources	\$ 211,281	\$ 1,306,252	\$ 1,517,533
Total Operating Revenues	<u>211,281</u>	<u>1,306,252</u>	<u>1,517,533</u>
OPERATING EXPENSES:			
Payroll Costs	-	126,796	126,796
Professional and Contracted Services	27,975	24,689	52,664
Supplies and Materials	-	248	248
Other Operating Costs	(572)	1,132,288	1,131,716
Total Operating Expenses	<u>27,403</u>	<u>1,284,021</u>	<u>1,311,424</u>
Operating Income	<u>183,878</u>	<u>22,231</u>	<u>206,109</u>
NONOPERATING REVENUES (EXPENSES):			
Earnings from Temporary Deposits & Investments	<u>599</u>	<u>20,026</u>	<u>20,625</u>
Total Nonoperating Revenues (Expenses)	<u>599</u>	<u>20,026</u>	<u>20,625</u>
Change in Net Assets	184,477	42,257	226,734
Total Net Assets - September 1 (Beginning)	<u>354,733</u>	<u>7,998,879</u>	<u>8,353,612</u>
Total Net Assets - August 31 (Ending)	<u>\$ 539,210</u>	<u>\$ 8,041,136</u>	<u>\$ 8,580,346</u>

CARROLLTON-FARMERS BRANCH ISD
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2010

	753 Health Insurance Fund	773 Workers Compensation Fund	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>			
Cash Received from User Charges	\$ 13,008	\$ 1,306,177	\$ 1,319,185
Cash Payments to Employees for Services	-	(124,288)	(124,288)
Cash Payments for Insurance Claims	(4,428)	(1,086,094)	(1,090,522)
Cash Payments for Suppliers	-	(248)	(248)
Cash Payments for Other Operating Expenses	(36,766)	(29,889)	(66,655)
Net Cash Provided by (Used for) Operating Activities	<u>(28,186)</u>	<u>65,658</u>	<u>37,472</u>
<u>Cash Flows from Investing Activities:</u>			
Interest and Dividends on Investments	599	20,026	20,625
Net Increase (Decrease) in Cash and Cash Equivalents	(27,587)	85,684	58,097
Cash and Cash Equivalents at Beginning of the Year:	335,565	10,025,906	10,361,471
Cash and Cash Equivalents at the End of the Year:	<u>\$ 307,978</u>	<u>\$ 10,111,590</u>	<u>\$ 10,419,568</u>
<u>Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:</u>			
Operating Income:	\$ 183,878	\$ 22,231	\$ 206,109
Effect of Increases and Decreases in Current Assets and Liabilities:			
Decrease (increase) in Receivables	(198,273)	(75)	(198,348)
Increase (decrease) in Accounts Payable	(8,791)	(5,200)	(13,991)
Increase (decrease) in Accrued Wages Payable	-	2,508	2,508
Increase (decrease) in Accrued Expenses	(5,000)	46,194	41,194
Net Cash Provided by (Used for) Operating Activities	<u>\$ (28,186)</u>	<u>\$ 65,658</u>	<u>\$ 37,472</u>



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AGENCY FUND

STUDENT ACTIVITY FUND – Used to account for resources held for others in a custodial capacity.



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CARROLLTON-FARMERS BRANCH ISD
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED AUGUST 31, 2010

	BALANCE SEPTEMBER 1 2009	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2010
STUDENT ACTIVITY ACCOUNT				
Assets:				
Cash and Temporary Investments	\$ 353,506	\$ 1,997,693	\$ 2,009,636	\$ 341,563
Investments - Current	225,000	225,000	225,000	225,000
Accrued Interest	1,084	133	1,084	133
Total Assets	<u>\$ 579,590</u>	<u>\$ 2,222,826</u>	<u>\$ 2,235,720</u>	<u>\$ 566,696</u>
Liabilities:				
Accounts Payable	\$ 52,366	\$ 268,337	\$ 239,930	\$ 80,773
Due to Student Groups	527,224	1,672,581	1,713,882	485,923
Total Liabilities	<u>\$ 579,590</u>	<u>\$ 1,940,918</u>	<u>\$ 1,953,812</u>	<u>\$ 566,696</u>
TOTAL AGENCY FUNDS				
Assets:				
Cash and Temporary Investments	\$ 353,506	\$ 1,997,693	\$ 2,009,636	\$ 341,563
Investments - Current	225,000	225,000	225,000	225,000
Accrued Interest	1,084	133	1,084	133
Total Assets	<u>\$ 579,590</u>	<u>\$ 2,222,826</u>	<u>\$ 2,235,720</u>	<u>\$ 566,696</u>
Liabilities:				
Accounts Payable	\$ 52,366	\$ 268,337	\$ 239,930	\$ 80,773
Due to Student Groups	527,224	1,672,581	1,713,882	485,923
Total Liabilities	<u>\$ 579,590</u>	<u>\$ 1,940,918</u>	<u>\$ 1,953,812</u>	<u>\$ 566,696</u>



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**CAPITAL ASSETS USED IN OPERATION OF
GOVERNMENTAL FUNDS**



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CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 SCHEDULE BY SOURCE (1)
 AUGUST 31, 2010

EXHIBIT I-1

CAPITAL ASSETS:	
Land	\$ 62,090,463
Land Improvements	1,449,867
Building and Improvements	571,795,206
Furniture and Equipment	21,112,973
Construction in Progress	<u>22,283,853</u>
TOTAL	<u><u>\$ 678,732,362</u></u>

INVESTMENTS IN CAPITAL ASSETS:	
Investment in Property From Unidentified Sources, Other Than Federal ⁽²⁾	\$ 22,060,233
Investment in Property From Identified Sources, From Capital Projects Fund	591,194,922
From General Fund	34,856,559
From Special Revenue Funds	28,360,945
From Others-Gifts and Donations	<u>2,259,703</u>
TOTAL	<u><u>\$ 678,732,362</u></u>

(1) This schedule presents only the capital assets balances related to government funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal funds are included as governmental activities in the statement of net assets.

(2) The investment in property from unidentified sources represents acquisitions prior to September 1, 1976 and subsequent adjustments based on physical inventories.

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY (1)
AUGUST 31, 2010

EXHIBIT I-2

	Capital Assets September 1, 2009	Additions and Transfers	Deductions	Capital Assets August 31, 2010
SENIOR HIGH SCHOOLS:				
Land	\$ 12,438,393	\$ -	\$ -	\$ 12,438,393
Buildings	201,942,140	21,000	-	201,963,140
Equipment & Other	3,983,585	85,985	(5,211)	4,064,359
	<u>218,364,118</u>	<u>106,985</u>	<u>(5,211)</u>	<u>218,465,892</u>
MIDDLE SCHOOLS:				
Land	7,676,061	110,445	-	7,786,506
Buildings	104,184,127	5,914,360	-	110,098,487
Equipment & Other	1,336,667	55,508	-	1,392,175
	<u>113,196,855</u>	<u>6,080,313</u>	<u>-</u>	<u>119,277,168</u>
ELEMENTARY SCHOOLS:				
Land	20,522,224	-	-	20,522,224
Buildings	213,048,699	9,616,466	-	222,665,165
Equipment & Other	4,408,868	22,161	(76,080)	4,354,949
	<u>237,979,791</u>	<u>9,638,627</u>	<u>(76,080)</u>	<u>247,542,338</u>
ADMINISTRATION:				
Land	225,853	-	-	225,853
Buildings	3,738,679	-	-	3,738,679
Equipment & Other	633,596	17,348	-	650,944
	<u>4,598,128</u>	<u>17,348</u>	<u>-</u>	<u>4,615,476</u>
SERVICE CTR./MAINTENANCE:				
Land	1,187,629	341,729	-	1,529,358
Buildings	5,710,771	-	-	5,710,771
Equipment & Other	1,420,998	21,222	(32,477)	1,409,743
Vehicles	3,033,606	-	(191,946)	2,841,660
	<u>11,353,004</u>	<u>362,951</u>	<u>(224,423)</u>	<u>11,491,532</u>
INSTRUCTIONAL FACILITIES:				
Land	5,990,865	-	-	5,990,865
Buildings	49,902,817	-	-	49,902,817
Equipment & Other	6,118,913	288,730	(8,500)	6,399,143
	<u>62,012,595</u>	<u>288,730</u>	<u>(8,500)</u>	<u>62,292,825</u>
FUTURE SITES:				
Land	15,047,131	-	-	15,047,131
	<u>15,047,131</u>	<u>-</u>	<u>-</u>	<u>15,047,131</u>
TOTAL	<u>\$ 662,551,622</u>	<u>\$ 16,494,954</u>	<u>\$ (314,214)</u>	<u>\$ 678,732,362</u>

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal funds are included as governmental activities in the statement of net assets.

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF FUNCTION AND ACTIVITY (1)
 AUGUST 31, 2010

EXHIBIT I-3

	Land and Improvements	Building and Improvements	Equipment and Other	Total
SENIOR HIGH SCHOOLS:				
Creekview	\$ 3,278,010	\$ 47,382,016	\$ 963,061	\$ 51,623,087
Early College HS	-	-	7,207	7,207
Mary Grimes	10,800	2,375,984	136,089	2,522,873
Ranchview	6,030,302	33,230,350	691,440	39,952,092
Bea Salazar (A. E. P.)	280,309	2,311,213	81,769	2,673,291
Newman Smith	1,288,406	58,198,938	1,054,328	60,541,672
R. L. Turner	1,550,566	58,464,639	1,130,465	61,145,670
	<u>12,438,393</u>	<u>201,963,140</u>	<u>4,064,359</u>	<u>218,465,892</u>
MIDDLE SCHOOLS:				
Charles M. Blalack	1,399,235	24,554,236	250,571	26,204,042
Barbara Bush	1,221,903	13,072,167	219,462	14,513,532
Vivian Field	1,234,858	23,015,375	293,682	24,543,915
Dan F. Long	906,640	16,794,606	222,952	17,924,198
DeWitt Perry	1,235,012	19,915,048	282,261	21,432,321
Ted Polk	1,788,858	12,747,055	123,247	14,659,160
	<u>7,786,506</u>	<u>110,098,487</u>	<u>1,392,175</u>	<u>119,277,168</u>
ELEMENTARY SCHOOLS:				
Blair Inter.	861,905	12,143,542	189,770	13,195,217
Blanton	113,695	11,436,252	102,851	11,652,798
Carrollton	71,610	7,530,634	177,878	7,780,122
Central	205,130	9,476,679	190,127	9,871,936
Country Place	100,185	12,545,937	137,349	12,783,471
Davis	117,767	8,128,775	257,957	8,504,499
Farmers Branch	86,735	9,501,203	163,147	9,751,085
Freeman	1,153,548	7,592,859	51,718	8,798,125
Furneaux	291,153	6,286,519	163,802	6,741,474
Good	529,248	3,909,553	188,260	4,627,061
Kent	1,869,324	6,741,072	224,562	8,834,958
Landry	667,025	6,743,937	158,538	7,569,500
Las Colinas	2,188,167	6,360,180	156,632	8,704,979
La Villita	1,959,138	15,534,193	102,415	17,595,746
Mc Coy	69,653	6,362,887	217,884	6,650,424
Mc Kamy	2,160,486	5,502,423	143,393	7,806,302
Mc Laughlin	271,783	6,844,809	249,569	7,366,161
Mc Whorter	1,803,762	9,589,814	219,109	11,612,685
Montgomery	97,182	3,666,667	69,329	3,833,178
Rainwater	808,066	6,322,797	153,479	7,284,342
Riverchase	900,925	9,463,397	224,362	10,588,684
Rosemeade	491,406	7,570,614	143,035	8,205,055
Sheffield Inter.	1,849,645	4,172,084	136,212	6,157,941
Sheffield Primary	1,136,526	6,392,178	151,622	7,680,326
Stark	215,925	10,706,424	135,179	11,057,528
Strickland	300,000	12,448,235	101,847	12,850,082
Thompson	202,235	9,691,501	144,923	10,038,659
	<u>20,522,224</u>	<u>222,665,165</u>	<u>4,354,949</u>	<u>247,542,338</u>
ADMINISTRATION:				
	<u>225,853</u>	<u>3,738,679</u>	<u>650,944</u>	<u>4,615,476</u>
SERVICE CTR. / MAINTENANCE:				
	<u>1,529,358</u>	<u>5,710,771</u>	<u>4,251,403</u>	<u>11,491,532</u>
INSTRUCTIONAL FACILITY:				
Ag Barn / Outdoor Learning Center	215,149	217,487	-	432,636
Community Learning Center/Pre-K	1,368,480	11,379,290	108,503	12,856,273
Kelly Athletic Field	968,131	1,427,766	-	2,395,897
Kelly Pre-K Center	218,550	6,702,097	77,721	6,998,368
Marie Huie Special Education Center	265,934	59,204	240,000	565,138
Standridge Stadium / Natatorium	2,345,786	13,652,231	798,690	16,796,707
Technology Learning Center	608,835	16,464,742	5,174,229	22,247,806
	<u>5,990,865</u>	<u>49,902,817</u>	<u>6,399,143</u>	<u>62,292,825</u>
FUTURE SITES:				
Future Stadium	5,600,499	-	-	5,600,499
Future Middle School	9,446,632	-	-	9,446,632
	<u>15,047,131</u>	<u>-</u>	<u>-</u>	<u>15,047,131</u>
TOTAL	<u>\$ 63,540,330</u>	<u>\$ 594,079,059</u>	<u>\$ 21,112,973</u>	<u>\$ 678,732,362</u>

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal funds are included as governmental activities in the statement of net assets.



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REQUIRED T.E.A. SCHEDULES

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED AUGUST 31, 2010

Last Ten Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Net Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2001 & Prior	Various	Various	Various
2002	1.5000	0.2242	13,262,822,561
2003	1.5000	0.2242	13,412,958,845
2004	1.5000	0.2358	12,921,432,875
2005	1.5000	0.2824	12,419,847,347
2006	1.5000	0.3259	12,734,551,613
2007	1.3501	0.3329	13,443,649,465
2008	1.0400	0.3270	14,847,932,832
2009	1.0400	0.3223	15,245,409,459
2010 (Current year under Audit)	1.0400	0.3022	14,909,785,600

TOTALS

Dallas County Education District
 Penalties and Interest

Gross Receivables

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

(10) Beginning Balance 09/01/09	(20) Current Year's Total Levy	(31) Maintenance Total Collections	(32) Debt Service Total Collections	(40) Entire Year's Adjustment	(50) Ending Balance 08/31/10
375,786	-	1,349	192	(127,546)	246,699
179,268	-	538	80	(132,393)	46,257
258,012	-	978	145	(115,809)	141,080
370,670	-	5,880	924	(191,579)	172,287
362,068	-	37,022	6,970	(221,971)	96,105
490,023	-	104,778	22,765	(175,794)	186,686
475,115	-	117,961	29,086	(33,110)	294,958
568,099	-	82,072	25,806	(71,029)	389,192
1,718,932	-	293,221	90,870	(797,308)	537,533
-	194,725,675	149,853,068	43,543,910	363,627	1,692,324
<u>\$ 4,797,973</u>	<u>\$ 194,725,675</u>	<u>\$ 150,496,867</u>	<u>\$ 43,720,748</u>	<u>\$ (1,502,912)</u>	<u>3,803,121</u>
					24,161
					<u>1,469,503</u>
					<u>\$ 5,296,785</u>
		<u>\$ 8,350,729</u>			

CARROLLTON-FARMERS BRANCH ISD
 SCHEDULE OF EXPENDITURES FOR COMPUTATIONS OF INDIRECT COST FOR 2010-2011
 GENERAL AND SPECIAL REVENUE FUNDS
 AUGUST 31, 2010

FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION, 99 - APPRAISAL DISTRICT COST

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collections	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (other) Miscellaneous	7 Total
611X-6146	PAYROLL COSTS	\$ -	\$ 134,941	\$ 493,750	\$ 3,547,044	\$ 258,939	\$ -	\$ 4,434,674
6149	Leave for Separating Employees in Fn 41 & 53	-	-	-	-	-	-	-
6149	Leave - Separating Employees not in 41 & 53	-	-	-	-	-	-	-
6211	Legal Services	855,239	-	-	-	-	-	855,239
6212	Audit Services	-	-	-	62,500	-	-	62,500
6213	Tax Appraisal/Collection - Appraisal in Fn 99	-	963,230	-	-	-	-	963,230
621X	Other Professional Services	5,090	-	-	56,668	4,543	-	66,301
6220	Tuition and Transfer Payments	-	-	-	-	-	-	-
6230	Education Service Centers	-	-	-	50,944	-	-	50,944
6240	Contr. Maint. and Repair	-	-	-	-	117,797	-	117,797
6250	Utilities	-	-	-	-	-	-	-
6260	Rentals	-	2,985	-	32,403	1,788	-	37,176
6290	Miscellaneous Contr.	3,635	16,959	4,050	446,350	40,999	-	511,993
6320	Textbooks and Reading	3,941	-	644	5,203	5,583	-	15,371
6330	Testing Materials	-	-	-	-	-	-	-
63XX	Other Supplies Materials	36,733	25,538	2,437	109,076	22,740	-	196,524
6410	Travel, Subsistence, Stipends	22,973	2,156	1,028	41,523	4,299	-	71,979
6420	Ins. and Bonding Costs	-	4,063	-	133,428	284	-	137,775
6430	Election Costs	62,598	-	-	-	-	-	62,598
6490	Miscellaneous Operating	29,222	3,980	14,006	91,845	13,903	-	152,956
6500	Debt Service	-	-	-	-	-	-	-
6600	Capital Outlay	-	-	-	-	-	-	-
6000	TOTAL	\$ 1,019,431	\$ 1,153,852	\$ 515,915	\$ 4,576,984	\$ 470,875	\$ -	\$ 7,737,057

Total expenditures/expenses for General and Special Revenue Funds: (9) \$ 242,970,341

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10)	\$ 263,966
Total Debt & Lease(6500)	(11)	-
Plant Maintenance (Function 51, 6100-6400)	(12)	22,176,196
Food (Function 35, 6341 and 6499)	(13)	3,630,228
Stipends (6413)	(14)	-
Column 4 (above) - Total Indirect Cost		4,576,984

SubTotal: 30,647,374

Net Allowed Direct Cost \$ 212,322,967

CUMULATIVE

Total Cost of Buildings before Depreciation (1520)	(15)	\$ 573,245,073
Historical Cost of Building over 50 years old	(16)	\$ 84,946,766
Amount of Federal Money in Building Cost (Net of #16)	(17)	\$ 15,743,390
Total Cost of Furniture & Equipment before Depreciation (1530 & 1540)	(18)	\$ 21,112,973
Historical Cost of Furniture & Equipment over 16 years old	(19)	\$ 1,145,141
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	\$ 1,211,785

(8) NOTE A: \$121,428 in Function 53 expenditures are included in this report on administrative costs.
 \$963,230 in Function 99 expenditures for appraisal district costs are included in this report on administrative costs.

CARROLLTON-FARMERS BRANCH ISD
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
 FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 2,546,330	\$ 2,946,330	\$ 2,736,308	\$ (210,022)
5800 State Program Revenues	80,091	80,091	82,181	2,090
5900 Federal Program Revenues	7,529,721	8,209,721	8,088,131	(121,590)
5020 Total Revenues	10,156,142	11,236,142	10,906,620	(329,522)
EXPENDITURES:				
0035 Food Services	10,155,142	11,455,594	11,058,241	397,353
0051 Facilities Maintenance and Operations	1,000	-	-	-
6030 Total Expenditures	10,156,142	11,455,594	11,058,241	397,353
1200 Net Change in Fund Balances	-	(219,452)	(151,621)	67,831
0100 Fund Balance - September 1 (Beginning)	1,567,082	1,567,082	1,567,082	-
3000 Fund Balance - August 31 (Ending)	\$ 1,567,082	\$ 1,347,630	\$ 1,415,461	\$ 67,831



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DEBT SERVICE FUND

DEBT SERVICE FUND – Used to account for the accumulation of resources and payments made for principal and interest on long-term general obligation debt of governmental funds.

CARROLLTON-FARMERS BRANCH ISD
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - DEBT SERVICE FUND
 FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 44,262,356	\$ 44,162,056	\$ 43,994,021	\$ (168,035)
5020	Total Revenues	44,262,356	44,162,056	43,994,021	(168,035)
EXPENDITURES:					
Debt Service:					
0071	Debt Service - Principal on Long Term Debt	27,060,000	27,060,000	27,060,000	-
0072	Debt Service - Interest on Long Term Debt	17,196,357	17,196,356	17,265,964	(69,608)
0073	Debt Service - Bond Issuance Cost and Fees	6,000	6,000	3,825	2,175
6030	Total Expenditures	44,262,357	44,262,356	44,329,789	(67,433)
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(1)	(100,300)	(335,768)	(235,468)
OTHER FINANCING SOURCES (USES):					
7915	Transfers In	-	220,838	220,837	(1)
7080	Total Other Financing Sources (Uses)	-	220,838	220,837	(1)
1200	Net Change in Fund Balances	(1)	120,538	(114,931)	(235,469)
0100	Fund Balance - September 1 (Beginning)	2,233,800	2,233,800	2,233,800	-
3000	Fund Balance - August 31 (Ending)	\$ 2,233,799	\$ 2,354,338	\$ 2,118,869	\$ (235,469)

STATISTICAL SECTION

This part of the Carrollton-Farmers Branch Independent School District’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the government’s overall financial health.

Contents **Page**

Financial Trends

These schedules contain trend information to help understand how the government’s financial performance and well-being have changed over time..... 92

Revenue Capacity

These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax. 107

Debt Capacity

These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future..... 112

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place..... 119

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs. 121

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

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING, UNAUDITED)
(AMOUNTS IN THOUSANDS)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 97,751	\$ 112,265	\$ 90,998	\$ 70,518
Restricted for				
Federal and State Programs	-	-	-	-
Food Service	669	1,567	1,461	1,837
Tax Increment Zone	13,579	4,901	6,579	13,701
Debt Service	1,943	2,260	1,469	-
Other Purposes	-	-	-	-
Unrestricted	<u>76,585</u>	<u>45,685</u>	<u>45,336</u>	<u>48,365</u>
Total Governmental Activities Net Assets	<u>190,527</u>	<u>166,678</u>	<u>145,843</u>	<u>134,421</u>
Business Type Activities - Unrestricted	1,710	1,257	716	556
Total Primary Government Net Assets	<u>\$ 192,237</u>	<u>\$ 167,935</u>	<u>\$ 146,559</u>	<u>\$ 134,977</u>

Notes: The district adopted the provisions of GASB 34 in 2002, therefore less than ten years are shown.

Source: Carrollton-Farmers Branch ISD

TABLE I

2006	2005	2004	2003	2002
\$ 57,950	\$ 46,317	\$ 27,953	\$ 22,520	\$ 15,936
-	-	-	6	48
2,322	2,814	2,497	1,930	1,263
12,385	9,535	6,709	-	2,427
-	-	-	9	2,203
-	-	-	5,282	-
38,536	35,940	44,918	44,082	44,046
<u>111,193</u>	<u>94,606</u>	<u>82,077</u>	<u>73,829</u>	<u>65,923</u>
-	-	-	-	-
<u>\$ 111,193</u>	<u>\$ 94,606</u>	<u>\$ 82,077</u>	<u>\$ 73,829</u>	<u>\$ 65,923</u>

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 GOVERNMENT-WIDE EXPENSES, PROGRAM REVENUES, AND CHANGE IN NET ASSETS
 LAST NINE FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING, UNAUDITED)

	2010	2009	2008
Expenses			
Governmental Activities:			
Instruction	\$ 143,091,092	\$ 144,553,419	\$ 145,823,968
Instruction Resources and Media Services	4,470,228	4,405,821	4,280,482
Curriculum and Instructional Staff Development	5,973,731	5,876,796	6,606,195
Instructional Leadership	2,849,542	2,823,228	2,660,336
School Leadership	14,406,145	14,757,245	15,206,187
Guidance, Counseling, and Evaluation Services	9,935,686	9,424,596	9,240,729
Social Work Services	165,704	166,991	161,566
Health Services	2,665,025	2,473,339	2,287,597
Student (Pupil) Transportation	3,101,861	2,196,934	1,866,514
Food Service	12,263,601	12,212,817	12,228,579
Extracurricular Activities	6,009,078	6,047,251	5,366,881
General Administration	7,135,378	7,112,644	6,742,993
Plant Maintenance and Operations	23,043,604	23,120,351	24,244,624
Security and Monitoring Services	1,545,532	1,737,888	1,700,039
Data Processing Services	7,008,219	5,900,846	5,199,687
Community Services	1,148,422	1,072,788	1,070,303
Debt Service - Interest on Long Term Debt	17,350,391	18,082,051	18,943,254
Debt Service - Bond Issuance Costs and Fees	79,532	74,485	30,597
Facilities Acquisition and Construction	1,331,904	1,916,924	4,319,852
Contracted Instructional Services Between Schools	-	17,898,472	12,636,919
Incremental Costs Associated with Chapter 41	-	16,283	12,705
Payments to Juvenile Justice Alternative Ed. Prg.	159,550	136,225	196,409
Payments to Tax Increment Fund	12,995,177	12,414,532	9,039,482
Other Intergovernmental Charges	963,230	1,159,125	936,315
Total Government Activities Expenses	<u>277,692,632</u>	<u>295,581,051</u>	<u>290,802,213</u>
Business-Type Activities (After the Bell)			
Expenses	<u>2,414,999</u>	<u>2,241,841</u>	<u>2,418,236</u>
Total Business-Type Activities	<u>2,414,999</u>	<u>2,241,841</u>	<u>2,418,236</u>
Total Primary Government Expenses	<u>280,107,631</u>	<u>297,822,892</u>	<u>293,220,449</u>
Program Revenues			
Governmental Activities			
Charges for services			
Food Service	2,733,819	3,089,933	3,222,640
Extracurricular Activities	854,839	913,801	904,564
Other	1,985,881	1,593,357	1,675,286
Operating Grants and Contributions			
Instruction	23,522,054	18,446,999	17,412,108
Food Service	8,170,342	8,120,150	7,406,640
Other	14,295,414	7,003,487	6,479,373
Capital Grants and Contributions	8,664,218	8,165,396	5,726,158
Business-Type Activities (After the Bell)			
Charges for Services	<u>2,982,574</u>	<u>2,783,342</u>	<u>2,684,788</u>
Total Primary Government Program Revenues	<u>63,209,141</u>	<u>50,116,465</u>	<u>45,511,557</u>
Net (Expense) Revenue			
Governmental Activities	(217,466,065)	(248,247,928)	(247,975,444)
Business Type Activities	<u>567,575</u>	<u>541,501</u>	<u>266,552</u>
Total Primary Government	<u>\$ (216,898,490)</u>	<u>\$ (247,706,427)</u>	<u>\$ (247,708,892)</u>

Notes: The district adopted the provisions of GASB 34 in 2002, therefore less than ten years are shown.

Source: Carrollton-Farmers Branch ISD

TABLE II

	2007	2006	2005	2004	2003	2002
\$	127,900,101	\$ 121,376,766	\$ 112,161,207	\$ 109,174,605	\$ 107,898,423	\$ 99,657,093
	3,952,659	3,915,399	3,843,340	5,358,742	5,523,827	6,391,048
	7,228,153	6,739,846	6,150,384	4,103,064	4,250,069	3,670,614
	2,733,545	2,595,267	1,984,337	1,944,294	2,339,332	2,009,352
	14,417,520	13,282,404	12,863,087	12,246,676	11,532,186	11,703,233
	8,700,494	8,181,547	7,660,438	7,781,767	7,745,027	7,238,069
	150,757	179,471	199,357	203,272	413,413	945,997
	2,125,213	2,124,750	2,032,135	1,966,756	1,927,283	1,909,077
	2,980,445	2,493,202	2,653,657	3,360,156	3,550,986	3,216,414
	10,841,824	10,456,433	8,973,209	8,335,269	8,058,565	7,474,462
	4,957,689	4,497,921	4,257,260	3,856,577	3,964,234	3,882,024
	6,812,524	6,194,417	6,402,360	6,255,161	5,851,347	5,532,126
	22,254,946	22,580,448	19,871,002	18,552,472	20,626,744	20,291,026
	1,620,931	1,423,542	1,028,169	940,253	1,161,128	987,970
	4,848,636	4,290,867	4,392,071	3,452,353	2,927,784	2,421,116
	1,293,265	1,310,476	820,772	1,418,808	1,559,974	732,351
	18,044,502	17,139,405	17,249,062	15,441,825	15,674,371	17,828,720
	35,028	327,679	317,841	233,860	8,795	-
	4,414,665	3,070,261	4,890,941	4,541,812	2,146,324	5,337,749
	27,662,926	35,669,887	41,232,500	48,764,272	53,992,043	50,255,412
	104,486	128,755	162,981	202,402	-	-
	170,387	154,466	167,557	146,268	146,438	138,512
	4,418,075	3,971,007	3,951,267	5,041,114	4,226,627	2,630,645
	-	-	-	-	-	-
	277,668,771	272,104,216	263,264,934	263,321,778	265,524,920	254,253,010
	1,687,632	1,456,535	1,124,061	-	-	-
	1,687,632	1,456,535	1,124,061	-	-	-
	279,356,403	273,560,751	264,388,995	263,321,778	265,524,920	254,253,010
	2,942,060	3,078,361	2,958,311	1,343	3,272,739	3,332,527
	975,337	1,434,319	1,508,709	352,090	812,466	897,443
	1,520,787	716,224	744,071	2,847,528	2,233,899	2,280,753
	14,489,313	17,383,420	11,913,643	12,732,997	12,340,580	8,838,518
	6,369,623	6,085,282	5,657,153	8,320,751	4,723,301	3,974,426
	6,849,849	7,606,052	7,881,540	8,421,721	5,151,208	4,019,141
	2,949,542	2,656,078	3,923,458	-	-	-
	2,243,287	2,139,272	1,653,423	-	-	-
	38,339,798	41,099,008	36,240,308	32,676,430	28,534,193	23,342,808
	(241,572,260)	(233,144,480)	(228,678,049)	(230,645,348)	(236,990,727)	(230,910,202)
	555,655	682,737	529,362	-	-	-
\$	(241,016,605)	\$ (232,461,743)	\$ (228,148,687)	\$ (230,645,348)	\$ (236,990,727)	\$ (230,910,202)

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
GENERAL REVENUES AND CHANGE IN NET ASSETS
LAST NINE FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING, UNAUDITED)

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net (Expense)/Revenue			
Governmental Activities	\$ (217,466,065)	\$ (248,247,928)	\$ (247,975,444)
Business-Type Activities	567,575	541,501	266,552
Total Primary Government Net Expense	<u>(216,898,490)</u>	<u>(247,706,427)</u>	<u>(247,708,892)</u>
General Revenues and Other Changes in Net Assets			
Governmental Activities:			
Property Taxes Levied for General Purposes	151,034,569	154,202,554	148,626,083
Property Taxes Levied for Capital Projects	44,073,412	47,774,102	46,549,170
State Aid - Formula Grants	47,117,639	65,071,101	56,524,499
Grants & Contributions -Not Restricted	31,612	-	75,485
Investment Earnings	255,723	1,912,509	7,456,490
Miscellaneous Local and Intermediate Revenues	165,609	122,192	59,554
Special Item- Resource	-	-	-
Loss on Asset Disposal	-	-	-
Transfers	115,350	-	106,300
Total Governmental Activities	<u>242,793,914</u>	<u>269,082,458</u>	<u>259,397,581</u>
Business-Type Activities:			
Transfers	(115,350)	-	(106,300)
Total Business-Type Activities	<u>(115,350)</u>	<u>-</u>	<u>(106,300)</u>
Total General Revenues- Primary Government	<u>\$ 242,678,564</u>	<u>\$ 269,082,458</u>	<u>\$ 259,291,281</u>
Change in Net Assets			
Net Assets- Beginning	\$ 167,935,712	\$ 146,559,681	\$ 134,977,292
Prior Period Adjustments	(1,478,110)	-	-
Governmental Activities	25,327,849	20,834,530	11,422,137
Business-Type Activities	452,225	541,501	160,252
Net Assets- Ending	<u>\$ 192,237,676</u>	<u>\$ 167,935,712</u>	<u>\$ 146,559,681</u>

Notes: The district adopted the provisions of GASB 34 in 2002, therefore less than ten years are shown.

Source: Carrollton-Farmers Branch ISD

TABLE III

2007	2006	2005	2004	2003	2002
\$ (241,572,260)	\$ (233,144,480)	\$ (228,678,049)	\$ (230,645,348)	\$ (236,990,727)	\$ (230,910,202)
555,655	682,737	529,362	-	-	-
<u>(241,016,605)</u>	<u>(232,461,743)</u>	<u>(228,148,687)</u>	<u>(230,645,348)</u>	<u>(236,990,727)</u>	<u>(230,910,202)</u>
179,624,950	187,618,767	187,057,197	192,525,041	203,347,668	200,632,340
44,042,078	40,805,823	34,993,114	30,133,562	29,547,454	29,514,150
30,233,635	12,377,716	12,165,712	11,478,280	9,771,242	5,841,233
89,463	46,988	80,652	477,981	173,154	1,799,110
11,854,553	9,638,251	5,280,330	1,491,639	2,033,763	3,117,624
5,169	67,062	97,013	116,433	23,723	1,667,270
-	-	-	5,640,977	-	-
(1,048,068)	(1,506,908)	-	(2,970,427)	-	-
-	682,737	529,362	-	-	-
<u>264,801,780</u>	<u>249,730,436</u>	<u>240,203,380</u>	<u>238,893,486</u>	<u>244,897,004</u>	<u>242,571,727</u>
-	(682,737)	(529,362)	-	-	-
-	(682,737)	(529,362)	-	-	-
<u>\$ 264,801,780</u>	<u>\$ 249,047,699</u>	<u>\$ 239,674,018</u>	<u>\$ 238,893,486</u>	<u>\$ 244,897,004</u>	<u>\$ 242,571,727</u>
\$ 111,192,117	\$ 94,606,161	\$ 82,076,525	\$ 73,828,387	\$ 65,922,110	\$ 54,260,585
-	-	1,004,305	-	-	-
23,229,520	16,585,956	11,525,331	8,248,138	7,906,277	11,661,525
555,655	-	-	-	-	-
<u>\$ 134,977,292</u>	<u>\$ 111,192,117</u>	<u>\$ 94,606,161</u>	<u>\$ 82,076,525</u>	<u>\$ 73,828,387</u>	<u>\$ 65,922,110</u>

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 FUND BALANCES - GOVERNMENTAL FUNDS (MODIFIED ACCRUAL BASIS)
 LAST TEN FISCAL YEARS (UNAUDITED)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund				
Reserved	\$ 2,120,977	\$ 2,823,462	\$ 2,420,355	\$ 4,507,401
Unreserved	68,710,221	60,223,200	60,068,817	60,506,233
Total General Fund	<u>70,831,198</u>	<u>63,046,662</u>	<u>62,489,172</u>	<u>65,013,634</u>
Other Governmental Funds				
Reserved, Reported In				
Federal Special Revenue Fund	-	-	-	-
Debt Service Fund	2,118,869	2,233,800	2,862,959	2,981,791
Capital Projects Fund	27,072,635	44,744,168	71,840,434	84,307,143
Non-Major Funds	14,994,769	6,468,410	8,040,306	15,538,041
Unreserved, Reported In				
Special Revenue Funds	<u>1,263,598</u>	<u>1,217,257</u>	<u>2,024,174</u>	<u>1,815,537</u>
Total Other Governmental Funds	<u>45,449,871</u>	<u>54,663,635</u>	<u>84,767,873</u>	<u>104,642,512</u>
Total Governmental Funds	<u>\$ 116,281,069</u>	<u>\$ 117,710,297</u>	<u>\$ 147,257,045</u>	<u>\$ 169,656,146</u>

Source: Carrollton-Farmers Branch ISD

TABLE IV

2006	2005	2004	2003	2002	2001
\$ 2,786,579	\$ 2,411,329	\$ 2,185,980	\$ 1,384,313	\$ 4,545,612	\$ 3,148,875
52,669,444	50,803,639	47,382,392	46,039,915	44,095,098	37,434,264
<u>55,456,023</u>	<u>53,214,968</u>	<u>49,568,372</u>	<u>47,424,228</u>	<u>48,640,710</u>	<u>40,583,139</u>
2,321,891	2,813,529	2,496,877	1,929,839	-	925,953
1,062,173	696,204	910,710	1,485,405	2,202,602	2,242,921
82,571,758	90,840,182	63,186,148	15,985,196	29,161,163	67,004,936
12,384,590	9,534,966	6,709,258	5,287,570	1,310,432	-
<u>1,032,054</u>	<u>911,710</u>	<u>811,386</u>	<u>647,706</u>	<u>549,581</u>	<u>489,948</u>
<u>99,372,466</u>	<u>104,796,591</u>	<u>74,114,379</u>	<u>25,335,716</u>	<u>33,223,778</u>	<u>70,663,758</u>
<u>\$ 154,828,489</u>	<u>\$ 158,011,559</u>	<u>\$ 123,682,751</u>	<u>\$ 72,759,944</u>	<u>\$ 81,864,488</u>	<u>\$ 111,246,897</u>

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 GOVERNMENTAL FUNDS REVENUES
 LAST TEN FISCAL YEARS (UNAUDITED)
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Federal Sources:				
Federal Grants	\$ 24,619,190	\$ 11,602,399	\$ 10,151,724	\$ 10,874,882
Food Services	8,088,131	8,033,902	7,327,119	6,292,642
Total Federal Sources	<u>32,707,321</u>	<u>19,636,301</u>	<u>17,478,843</u>	<u>17,167,524</u>
State Sources:				
State Education Finance Program	45,863,374	65,099,747	56,429,787	29,525,407
Food Services	82,181	82,738	79,522	76,981
State Grants and Other	12,704,390	13,095,873	13,008,829	10,779,265
Total State Sources	<u>58,649,945</u>	<u>78,278,358</u>	<u>69,518,138</u>	<u>40,381,653</u>
Local Sources:				
Property Taxes	195,521,777	201,138,295	195,801,542	224,251,444
Tax Increment fund	8,664,218	8,259,752	6,018,641	2,949,542
Investment Earnings	235,098	1,808,888	7,073,097	11,258,859
Food Sales	2,733,820	3,089,933	3,222,640	2,942,060
Other	3,499,924	3,239,145	3,218,298	2,983,999
Total Local Sources	<u>210,654,837</u>	<u>217,536,013</u>	<u>215,334,218</u>	<u>244,385,904</u>
Total Revenues	<u>\$ 302,012,103</u>	<u>\$ 315,450,672</u>	<u>\$ 302,331,199</u>	<u>\$ 301,935,081</u>

Source: Carrollton-Farmers Branch ISD

TABLE V

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 9,712,707	\$ 10,135,902	\$ 7,714,147	\$ 5,831,038	\$ 5,498,844	\$ 4,034,512
5,922,740	5,499,545	4,902,360	4,463,015	3,740,575	3,349,579
<u>20,345,442</u>	<u>15,635,447</u>	<u>12,616,507</u>	<u>10,294,053</u>	<u>9,239,419</u>	<u>7,384,091</u>
12,377,716	12,165,712	11,478,280	9,771,242	5,841,233	6,321,070
75,996	79,473	80,666	79,537	77,420	75,027
<u>10,232,732</u>	<u>9,481,292</u>	<u>10,049,840</u>	<u>11,778,822</u>	<u>9,186,262</u>	<u>9,563,166</u>
<u>22,686,444</u>	<u>21,726,477</u>	<u>21,608,786</u>	<u>21,629,601</u>	<u>15,104,915</u>	<u>15,959,263</u>
226,851,949	222,236,512	221,802,026	230,087,006	228,306,178	206,348,826
2,646,566	2,632,379	3,353,568	2,813,200	1,748,799	-
9,082,260	4,990,541	1,421,677	1,900,552	2,952,819	3,886,422
3,078,361	2,958,311	3,257,950	3,272,739	3,332,527	3,367,137
<u>3,862,098</u>	<u>3,963,000</u>	<u>3,877,404</u>	<u>3,302,832</u>	<u>4,923,476</u>	<u>7,165,925</u>
<u>245,521,234</u>	<u>236,780,743</u>	<u>233,712,625</u>	<u>241,376,329</u>	<u>241,263,799</u>	<u>220,768,310</u>
<u>\$ 288,553,120</u>	<u>\$ 274,142,667</u>	<u>\$ 267,937,918</u>	<u>\$ 273,299,983</u>	<u>\$ 265,608,133</u>	<u>\$ 244,111,664</u>

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS (UNAUDITED)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2010	2009	2008	2007
Non Capital -Operational Expenditures				
Instruction	\$ 134,293,425	\$ 136,193,647	\$ 136,897,403	\$ 120,680,762
Instruction Resources and Media Services	3,801,974	3,784,040	3,674,620	3,449,049
Curriculum and Instructional Staff Development	5,746,605	5,648,031	6,354,518	6,982,699
Instructional Leadership	2,806,506	2,779,530	2,603,462	2,676,997
School Leadership	13,765,565	14,145,284	14,527,383	13,874,345
Guidance, Counseling, and Evaluation Services	9,806,918	9,297,327	9,054,514	8,551,727
Social Work Services	165,773	166,968	160,431	149,906
Health Services	2,615,065	2,427,488	2,225,210	2,077,334
Student (Pupil) Transportation	3,055,499	2,150,573	1,819,301	2,939,301
Food Services	11,058,241	11,096,529	11,067,175	9,886,344
Extracurricular Activities	4,634,702	4,599,543	4,035,248	3,814,607
General Administration	6,652,399	6,350,194	6,219,424	6,294,370
Facilities Maintenance and Operations	22,176,196	22,205,857	23,115,268	21,235,262
Security and Monitoring Services	1,516,063	1,706,477	1,649,729	1,569,960
Data Processing Services	5,319,490	4,495,388	3,899,270	3,894,697
Community Services	1,150,079	1,074,251	1,057,839	1,286,398
Facilities Acquisition and Construction	1,331,987	1,916,961	4,413,340	4,770,012
Total Non-Capital Operational Expenditures	229,896,487	230,038,088	232,774,135	214,133,770
Intergovernmental				
Contracted Instructional Services Between Schools	-	17,898,472	12,636,919	27,662,926
Incremental Costs Associated with Chapter 41	-	16,283	12,705	104,486
Payments to Juvenile Justice Alternative Ed. Prg.	159,550	136,225	196,409	170,387
Payments to Tax Increment Fund	12,995,177	12,414,532	9,039,482	4,418,075
Other Intergovernmental Charges	963,230	1,159,125	936,315	-
Total Intergovernmental	14,117,957	31,624,637	22,821,830	32,355,874
Capital Outlay				
Facilities Acquisition/Construction	16,161,616	33,334,206	49,793,086	42,900,560
Other Capital Outlay	333,338	1,837,829	671,771	333,351
Total Capital Outlay	16,494,954	35,172,035	50,464,857	43,233,911
Debt service				
Principal	27,060,000	28,648,711	23,667,961	18,656,322
Interest and Fiscal Charges	17,269,789	19,589,992	23,251,483	23,835,470
Total Debt Service Expenditures	44,329,789	48,238,703	46,919,444	42,491,792
Total Expenditures	304,839,187	345,073,463	352,980,266	332,215,347
Total Expenditures less Expenditures for Capital Outlay	\$ 288,344,233	\$ 309,901,428	\$ 302,515,409	\$ 288,981,436
Debt Service as a Percentage of Non-Capital Expenditures	15.4%	15.6%	15.5%	14.7%

Source: Carrollton-Farmers Branch ISD.

TABLE VI

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$	115,428,607	\$ 107,239,425	\$ 104,988,151	\$ 102,012,327	\$ 95,539,802	\$ 91,933,315
	3,464,287	3,417,429	4,957,488	5,055,106	6,005,189	4,957,305
	6,507,867	5,942,800	3,902,382	4,018,175	3,539,895	3,201,084
	2,525,331	1,923,542	1,888,224	2,265,083	1,954,705	1,759,759
	12,839,605	12,521,281	11,992,299	11,087,424	11,403,728	10,163,036
	8,071,066	7,601,265	7,773,675	7,617,895	7,172,782	5,834,313
	162,375	183,303	186,507	390,224	932,895	1,106,997
	2,084,708	2,011,565	1,961,949	1,894,509	1,891,509	1,540,373
	2,452,058	2,607,884	3,070,396	3,188,667	2,823,502	2,946,991
	9,688,739	8,344,717	7,741,797	7,350,733	6,898,338	6,466,594
	3,615,566	3,379,980	3,039,179	3,121,919	3,168,265	2,833,658
	5,823,489	6,223,330	6,103,312	5,559,283	5,365,760	5,092,047
	21,818,620	19,547,977	18,383,974	20,172,115	19,725,728	19,975,650
	1,395,133	1,014,315	940,931	1,130,753	956,597	883,638
	3,828,733	3,983,413	3,033,663	2,355,728	1,999,537	1,901,029
	1,298,877	833,793	1,431,998	1,539,014	736,014	462,289
	3,173,860	5,110,301	4,665,812	2,139,900	5,337,749	-
	<u>204,178,921</u>	<u>191,886,320</u>	<u>186,061,737</u>	<u>180,898,855</u>	<u>175,451,995</u>	<u>161,058,078</u>
	35,669,887	41,232,500	48,764,272	53,992,043	50,255,412	44,953,066
	128,755	162,981	202,402	-	-	-
	154,466	167,557	146,268	146,438	138,512	109,215
	3,971,007	3,951,267	5,041,114	4,226,627	2,630,645	999,439
	-	-	-	-	-	-
	<u>39,924,115</u>	<u>45,514,305</u>	<u>54,154,056</u>	<u>58,365,108</u>	<u>53,024,569</u>	<u>46,061,720</u>
	47,883,084	23,013,989	7,019,222	11,558,577	33,695,938	65,280,633
	902,439	391,778	244,695	150,740	1,932,968	-
	<u>48,785,523</u>	<u>23,405,767</u>	<u>7,263,917</u>	<u>11,709,317</u>	<u>35,628,906</u>	<u>65,280,633</u>
	22,695,230	19,758,697	16,539,628	15,234,666	11,690,104	8,539,289
	18,304,609	16,627,686	15,025,438	16,300,054	19,223,493	18,340,026
	<u>40,999,839</u>	<u>36,386,383</u>	<u>31,565,066</u>	<u>31,534,720</u>	<u>30,913,597</u>	<u>26,879,315</u>
	<u>333,888,398</u>	<u>297,192,775</u>	<u>279,044,776</u>	<u>282,508,000</u>	<u>295,019,067</u>	<u>299,279,746</u>
\$	<u>285,102,875</u>	<u>\$ 273,787,008</u>	<u>\$ 271,780,859</u>	<u>\$ 270,798,683</u>	<u>\$ 259,390,161</u>	<u>\$ 233,999,113</u>
	14.4%	13.3%	11.6%	11.6%	11.9%	11.5%

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES
LAST TEN FISCAL YEARS (UNAUDITED)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,827,084)	\$ (29,622,791)	\$ (50,649,067)	\$ (30,280,266)
Other Financing Sources (Uses)				
Refunding Bonds Issued	-	-	27,435,000	60,775,000
Capital-Related Debt Issued (Regular Bonds)	-	-	30,000,000	45,000,000
Sale of Real or Personal Property	-	76,043	29,747	53,712
Transfers In	354,755	25,059	236,495	1,160,684
Premium or Discount on Issuance of Bonds	-	-	1,292,287	3,564,464
Transfers Out	(239,405)	(25,059)	(1,830,195)	(1,160,684)
Payment to Bond Refunding Escrow Agent (Use)	-	-	(28,913,368)	(64,285,253)
Other (Uses)	1,282,506	-	-	-
Total Other Financing Sources (Uses)	<u>1,397,856</u>	<u>76,043</u>	<u>28,249,966</u>	<u>45,107,923</u>
Special Item	-	-	-	-
Net Change in Fund Balances	(1,429,228)	(29,546,748)	(22,399,101)	14,827,657
Beginning Fund Balance -Sept 1	<u>117,710,297</u>	<u>147,257,045</u>	<u>169,656,146</u>	<u>154,828,489</u>
Ending Fund Balance - Aug 31	<u>\$ 116,281,069</u>	<u>\$ 117,710,297</u>	<u>\$ 147,257,045</u>	<u>\$ 169,656,146</u>

Source: Carrollton-Farmers Branch ISD

TABLE VII

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ (45,335,278)	\$ (23,050,108)	\$ (11,106,658)	\$ (9,208,017)	\$ (29,410,934)	\$ (55,168,082)
-	-	23,740,000	10,230,000	83,899,962	-
41,220,000	54,810,000	54,350,000	-	-	75,800,144
43,371	29,057	16,440	35,886	28,528	19,473
1,074,819	1,079,101	158,271	2,618,117	1,090	187,325
206,100	2,016,457	3,801,321	151,694	5,732,132	39,490
(392,082)	(549,739)	(158,271)	(2,618,117)	(1,090)	(187,325)
-	-	(25,511,685)	(10,304,621)	(89,632,094)	-
-	(5,960)	(7,588)	(9,486)	-	1,761
<u>42,152,208</u>	<u>57,378,916</u>	<u>56,388,488</u>	<u>103,473</u>	<u>28,528</u>	<u>75,860,868</u>
-	-	5,640,977	-	-	-
(3,183,070)	34,328,808	50,922,807	(9,104,544)	(29,382,406)	20,692,786
<u>158,011,559</u>	<u>123,682,751</u>	<u>72,759,944</u>	<u>81,864,488</u>	<u>111,246,894</u>	<u>90,554,111</u>
<u>\$ 154,828,489</u>	<u>\$ 158,011,559</u>	<u>\$ 123,682,751</u>	<u>\$ 72,759,944</u>	<u>\$ 81,864,488</u>	<u>\$ 111,246,897</u>



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CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS (UNAUDITED)
 (AMOUNTS IN THOUSANDS, EXCEPT TAX RATE INFORMATION)

TABLE VIII

Fiscal Year	Actual Value		Less: Exemptions	Total Taxable Value	Total Direct Tax Rate
	Real Property	Personal Property			
2001	10,305,909	3,007,893	904,041	12,409,760	1.6737
2002	10,987,181	3,216,225	940,583	13,262,823	1.7242
2003	11,125,262	3,269,485	981,788	13,412,959	1.7242
2004	11,056,407	2,887,585	1,022,568	12,921,424	1.7358
2005	11,076,452	2,747,125	1,403,729	12,419,847	1.7824
2006	11,368,490	2,842,733	1,593,504	12,617,719	1.8259
2007	12,205,407	2,836,186	1,597,937	13,443,655	1.6830
2008	13,515,787	3,310,222	1,978,076	14,847,933	1.3670
2009	14,099,708	3,526,217	2,380,515	15,245,409	1.3623
2010	13,875,318	3,556,941	2,522,473	14,909,786	1.3422

Notes: Assessed value = actual value

Source: County Property Tax Appraiser

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Direct District Rates			Overlapping Rates				
	Maintenance	Debt		Town of Addision	City of Carrollton	City of Coppell	City of Dallas	City of Farmers Branch
		Service	Total					
2001	1.4650	0.2087	1.6737	0.385	0.604	0.649	0.668	0.440
2002	1.5000	0.2242	1.7242	0.381	0.599	0.649	0.668	0.440
2003	1.5000	0.2242	1.7242	0.400	0.599	0.649	0.700	0.440
2004	1.5000	0.2358	1.7358	0.423	0.599	0.649	0.700	0.460
2005	1.5000	0.2824	1.7824	0.476	0.525	0.649	0.720	0.495
2006	1.5000	0.3259	1.8259	0.476	0.633	0.649	0.742	0.495
2007	1.3501	0.3329	1.6830	0.464	0.633	0.641	0.729	0.495
2008	1.0400	0.3270	1.3670	0.434	0.618	0.641	0.748	0.495
2009	1.0400	0.3223	1.3623	0.454	0.618	0.641	0.748	0.495
2010	1.0400	0.3022	1.3422	0.496	0.618	0.641	0.748	0.520

Source: District Tax Office
Rates are per \$100 of assessed value.

TABLE IX

Overlapping Rates				
City of Irving	County of Denton	County of Dallas	Dallas County Hospital	Dallas County Community College
0.488	0.232	0.196	0.196	0.050
0.488	0.252	0.196	0.254	0.050
0.498	0.249	0.202	0.254	0.060
0.533	0.247	0.204	0.254	0.078
0.548	0.255	0.204	0.254	0.080
0.548	0.247	0.214	0.254	0.082
0.548	0.232	0.214	0.254	0.081
0.541	0.236	0.228	0.254	0.080
0.541	0.236	0.228	0.254	0.089
0.541	0.250	0.228	0.274	0.095

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
PROPERTY TAXES, LEVIES, AND COLLECTIONS
LAST TEN FISCAL YEARS (UNAUDITED)

TABLE X

Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Year of Levy		Collections in Subsequent Years and Cumulative Adjustments	Total Collections and Cumulative Adjustments to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	205,244,184	204,561,135	99.7%	436,350	204,997,485	99.88%
2001	226,866,502	225,828,582	99.5%	991,663	226,820,245	99.98%
2002	230,253,042	227,885,716	99.0%	2,226,246	230,111,962	99.94%
2003	222,869,856	219,194,266	98.4%	3,503,303	222,697,569	99.92%
2004	221,529,024	217,965,165	98.4%	3,467,754	221,432,919	99.96%
2005	226,478,279	226,195,686	99.9%	95,907	226,291,593	99.92%
2006	223,255,525	221,175,531	99.1%	1,785,036	222,960,567	99.87%
2007	195,655,990	193,698,097	99.0%	1,568,701	195,266,798	99.80%
2008	202,093,926	200,374,994	99.1%	1,181,399	201,556,393	99.73%
2009	195,089,302	193,396,978	99.1%	-	193,396,978	99.13%

Source: District Tax Office

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

TABLE XI

Taxpayer	Nature of Property	2010			2001		
		TAXABLE ASSESSED VALUATION	Percent of Total Assessed Taxable Value	Rank	Taxable Value	Percent of Total Assessed Taxable Value	Rank
Wells Operating PS LTD	Real Estate	\$ 167,588,020	1.12%	1			
AT&T/Southwestern Bell	Telephone Utility	142,350,000	0.95%	2	\$ 108,306,940	0.87%	2
Oncor Electric Delivery	Power Utility	104,551,224	0.70%	3	95,589,563	0.77%	6
TCI Park West	Rental Property	103,433,790	0.69%	4	102,072,930	0.82%	4
Verizon/GTE	Telephone Utility	88,924,228	0.60%	5	182,983,960	1.47%	1
Walmart/Sam's	Retail	83,873,270	0.56%	6			
Nokia / ISTAR	Electronics	82,292,710	0.55%	7			
Exxon/Mobil Corp.	Industrial/Petroleum	75,875,364	0.51%	8			
Triden Village	Residential Apartments	74,493,176	0.50%	9			
Cobalt Industrial / REIT	Rental Property	74,198,790	0.50%	10			
Amlt Southwest Res Ltd PS					106,366,690	0.86%	3
ST Microelectronics Inc.					98,880,450	0.80%	5
Petula Associates					95,411,910	0.77%	7
Trinet					93,799,420	0.76%	8
Daltex Centre LP					87,750,000	0.71%	9
Boeing					81,272,490	0.65%	10
TOTAL		<u>\$ 997,580,572</u>	<u>6.68%</u>		<u>\$ 1,052,434,353</u>	<u>8.48%</u>	
Total Taxable Assessed Value		<u>\$ 14,909,785,600</u>			<u>\$ 12,409,759,957</u>		

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 LEGAL DEBT MARGIN
 LAST TEN FISCAL YEARS
 AUGUST 31, 2010 (UNAUDITED)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Debt limit	\$ 1,490,978,560	\$ 1,524,540,946	\$ 1,484,793,283	\$ 1,344,364,947
Total net debt applicable to limit	353,476,131	380,421,200	408,440,752	403,044,881
Legal debt margin	1,137,502,429	1,144,119,746	1,076,352,531	941,320,066
Total net debt applicable to the limit as a percentage of debt limit	24%	25%	28%	30%

Source: Carrollton-Farmers Branch ISD

Legal Debt Margin Calculation for Fiscal Year 2010

Total Appraised Valuation	\$ 17,432,258,236
Less - Exemptions and Reductions in Value	<u>2,522,472,636</u>
Total Appraised Valuation for School Tax Purposes	\$ 14,909,785,600
Debt Limit Percentage	<u>10%</u>
Legal Debt Limit	<u>\$ 1,490,978,560</u>
Total Bonded Debt	\$ 355,595,000
Less - Reserve for Retirement of Bonded Debt	<u>2,118,869</u>
Net Bonded Debt Applicable to Debt Limit	<u>\$ 353,476,131</u>
Legal Debt Margin	<u>\$ 1,137,502,429</u>

TABLE XII

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 1,273,455,161	\$ 1,241,984,735	\$ 1,302,786,952	\$ 1,394,399,193	\$ 1,341,295,885	\$ 1,240,976,996
380,495,821	362,337,021	326,726,211	288,331,144	302,348,613	313,103,436
892,959,340	879,647,714	976,060,741	1,106,068,049	1,038,947,272	927,873,560
30%	29%	25%	21%	23%	25%



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CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS (UNAUDITED)
 (AMOUNTS IN THOUSANDS, EXCEPT PER CAPITA AND PER STUDENT ENROLLED)

TABLE XIII

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of disposable personal Income	Per Capita	Per Student Enrolled
	Contractual Obligations	Unlimited Tax Bonds				
2001	2,725	315,346	318,071	11.81%	2,236	13,342
2002	1,830	304,551	306,381	9.82%	2,169	12,886
2003	1,105	289,817	290,922	10.19%	2,045	11,592
2004	345	327,637	327,982	11.73%	2,311	12,824
2005	-	363,033	363,033	Not available	2,561	14,038
2006	-	381,558	381,558	Not available	2,604	14,546
2007	-	406,027	406,027	7.88%	2,463	15,467
2008	-	411,304	411,304	8.06%	2,484	15,581
2009	-	382,655	382,655	7.21%	2,251	14,573
2010	-	355,595	355,595	6.43%	2,048	13,719

NOTE: See TABLES XVI and XX for population and enrollment data used to calculate per capita and per student enrolled information.

Source: Carrollton-Farmers Branch ISD

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 RATIO OF NET BONDED DEBT TO NET ASSESSED VALUE AND
 NET BONDED DEBT PER CAPITA
 LAST TEN FISCAL YEARS (UNAUDITED)

YEAR END AUGUST 31	POPULATION	ASSESSED VALUE	GROSS BONDED DEBT	LESS DEBT SERVICE FUNDS
2001	141,000	12,409,769,957	315,346,357	2,242,921
2002	140,400	13,262,822,561	304,551,215	2,202,602
2003	141,750	13,412,958,845	289,816,549	1,485,405
2004	141,750	12,921,432,875	327,636,921	910,710
2005	141,750	12,419,847,347	363,033,225	696,204
2006	141,750	12,617,718,931	381,557,994	1,062,173
2007	141,750	13,443,649,465	406,026,672	2,981,791
2008	165,556	14,847,932,832	411,303,711	2,862,959
2009	169,986	15,245,409,459	382,655,000	2,233,800
2010	173,658	14,909,785,600	355,595,000	2,118,869

Source: Carrollton-Farmers Branch ISD. Population is for Cities of Carrollton and Farmers Branch. See Table XVI for population source information.

TABLE XIV

NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
247,192,048	2.17	1,804
302,348,613	2.28	2,221
288,331,144	2.15	2,034
288,331,144	1.98	2,034
362,337,021	2.92	2,556
380,495,821	3.02	2,684
403,044,881	3.00	2,843
408,440,752	2.75	2,467
380,421,200	2.50	2,238
353,476,131	2.37	2,035

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENT DEBT
 AS OF AUGUST 31, 2010 (UNAUDITED)

TABLE XV

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Town of Addison	\$ 73,120,000	2.54%	\$ 1,857,248
City of Carrollton	169,915,000	39.55%	67,201,383
City of Coppell	80,250,000	7.68%	6,163,200
City of Dallas	1,938,124,913	0.04%	775,250
Dallas County	121,176,552	6.61%	8,009,770
Dallas County Community College District	416,040,000	6.61%	27,500,244
Dallas County Hospital District	705,000,000	6.61%	46,600,500
Dallas County Utility & Reclamation District	275,387,655	49.12%	135,270,416
Denton County	496,900,000	5.13%	25,490,970
City of Farmers Branch	27,380,000	58.87%	16,118,606
City of Irving	354,445,000	26.78%	94,920,371
Irving Flood Control District III	2,711,761	66.93%	1,814,982
NW Dallas County Flood Control District	8,424,000	100.00%	8,424,000
Valwood Improvement Authority	10,205,966	100.00%	10,205,966
Subtotal, overlapping debt			\$ 450,352,905
Carrollton-Farmers Branch ISD - Direct Debt	\$ 355,595,000	100.00%	355,595,000
Total Direct and Overlapping Tax Supported Debt			\$ 805,947,905
Total Assessed Taxable Valuation			\$ 14,909,785,600
Total Population			173,658
Ratio of Direct and Overlapping Tax Supported Debt to Taxable Assessed Valuation			5.41%
Per Capita Total Direct and Overlapping Tax Supported Debt			\$ 4,641

Source: All information provided by First Southwest Company except for information regarding CFB-ISD debt, total assessed taxable valuation, and population which were provided by the District. Please refer to Table XVI for source of population data.

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 these overlapping governments that is borne by the residents and businesses of the district.

The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 DEMOGRAPHICS AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS (UNAUDITED)

TABLE XVI

<u>Calendar Year</u>	<u>Population(A)</u>	<u>Disposable Personal Income(B)</u>	<u>Per Capita Disposable Personal Income(C)</u>	<u>Unemployment Rate(D)</u>
2001	141,000	2,693,980,000	39,012	2.36%
2002	140,400	3,118,525,000	46,719	3.09%
2003	141,750	2,855,740,000	42,254	4.31%
2004	141,750	2,796,665,000	41,519	4.40%
2005	141,750	Not Available	Not available	3.85%
2006	146,550	Not Available	Not available	4.61%
2007	164,839	5,154,680,369	31,271	3.46%
2008	165,556	5,100,118,136	30,806	4.71%
2009	169,986	5,308,832,766	31,231	7.77%
2010	173,658	5,531,007,300	31,850	7.70%

Notes:

- A** Population data is for Cities of Carrollton and Farmer's Branch combined.
 Source of population data was the following:
 2001-2002 Best available estimates from local Chamber of Commerce, Texas Power and Light and the Cities of Carrollton and Farmers Branch
 2003-2005 2000 Census Data
 2006 Municipal Advisory Council of Texas
 2007-2010 Claritas Market Place Survey
- B** From Official Statements of CFBISD Bond Issuance. Amounts for years 2004 and prior are City of Carrollton only.
 2007-2010 Claritas Market Place Survey-Entire School District Included.
- C** Only population of Carrollton was used to calculate per capita income figures for years 2004 and prior.
 2007-2010 Claritas Market Place Survey-Entire School District Included.
- D** From US Department of Labor, Bureau of Labor Statistics
 2007-2010 Texas Workforce Commission

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

TABLE XVII

<u>Employer</u>	<u>2010</u>			<u>2001</u>		
	<u>Approx. # Employees</u>	<u>Rank</u>	<u>Workforce Percentage</u>	<u>Approx. # Employees</u>	<u>Rank</u>	<u>Workforce Percentage</u>
International Business Machines	3,370	1	3.32%	3,700	1	4.13%
Carrollton-Farmers Branch ISD	3,201	2	3.15%	3,641	2	4.06%
JP Morgan Investment Services	2,390	3	2.35%			
Halliburton Energy Services	1,302	4	1.28%			
Federal Government - IRS	1,200	5	1.18%			
GEICO	1,088	6	1.07%			
GE Automation Services Inc	875	7	0.86%			
McKesson Corp	833	8	0.82%			
Telvista	750	9	0.74%			
Accor North America	727	10	0.72%			
Otis Engineering				2,000	3	2.23%
SGS-Thompson				907	4	1.01%
City of Carrollton				875	5	0.98%
Westcott Communications				800	6	0.89%
T.D. Mechanical				600	7	0.67%
Omega Optical				600	8	0.67%
Foxmeyer Drug				600	9	0.67%
Home Interior & Gifts				500	10	0.56%

Total employed 2010 workforce - 101,551

Total employed 2001 workforce - 89,649

Source: Official Statement dated December 14, 2000
 North Central Texas Council of Governments
 Claritas Inc.

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
 LAST TEN YEARS (UNAUDITED)

TABLE XVIII

	Full-Time Equivalent Employees for fiscal year ending										Change '01 - '10
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	
Teachers											
Pre-K & Kindergarten	173	193	187	171	166	156	147	146	143	131	32%
Elementary	712	714	725	713	745	722	730	719	705	688	3%
Secondary	712	747	767	730	693	642	700	682	676	717	-1%
All Level	130	166	169	197	189	180	165	166	161	157	-17%
Miscellaneous	0	1	0	1	0	0	0	0	0	0	-
Total Teachers	<u>1,727</u>	<u>1,821</u>	<u>1,848</u>	<u>1,812</u>	<u>1,793</u>	<u>1,700</u>	<u>1,742</u>	<u>1,713</u>	<u>1,685</u>	<u>1,693</u>	<u>2%</u>
Support Staff											
Supervisors	0	0	1	9	4	3	3	3	3	3	-100%
Counselors	52	50	48	47	43	45	46	49	51	44	18%
Ed Diagnostics	33	30	31	31	31	29	27	25	23	22	50%
Librarians	41	41	38	37	38	38	35	37	35	33	24%
Nurse/Physicians	36	33	32	31	32	31	30	31	29	26	38%
Therapists	41	36	38	36	34	29	30	27	31	28	46%
Psychologists/Assoc Psych.	6	7	7	7	6	7	7	7	7	7	-14%
Other Support Staff	149	150	140	154	96	101	104	83	79	68	119%
Total Support Staff	<u>358</u>	<u>347</u>	<u>335</u>	<u>352</u>	<u>284</u>	<u>283</u>	<u>282</u>	<u>262</u>	<u>258</u>	<u>231</u>	<u>55%</u>
Administrators											
Admin/Instructional Officers	50	61	42	22	23	24	19	23	23	17	194%
Principals	39	38	39	39	37	37	36	37	36	35	11%
Assistant Principals	46	52	58	57	56	56	52	44	47	44	5%
Superintendents	1	1	1	1	1	1	1	1	1	1	0%
Assistant Superintendents	3	4	4	4	4	4	4	3	3	4	-25%
Total Administrators	<u>139</u>	<u>156</u>	<u>144</u>	<u>123</u>	<u>121</u>	<u>122</u>	<u>112</u>	<u>108</u>	<u>110</u>	<u>101</u>	<u>38%</u>
Total Professionals	<u>2,224</u>	<u>2,324</u>	<u>2,327</u>	<u>2,287</u>	<u>2,198</u>	<u>2,105</u>	<u>2,136</u>	<u>2,083</u>	<u>2,053</u>	<u>2,025</u>	<u>10%</u>
Educational Aides	200	262	259	231	234	224	215	188	160	143	40%
Auxiliary Staff	777	785	781	740	723	711	781	799	837	837	-7%
Total	<u>3,201</u>	<u>3,371</u>	<u>3,367</u>	<u>3,258</u>	<u>3,155</u>	<u>3,040</u>	<u>3,132</u>	<u>3,070</u>	<u>3,050</u>	<u>3,005</u>	<u>7%</u>

Source: Texas Education Agency (Standard Reports)



Carrollton · Farmers Branch

Independent School District

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CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 TEACHER BASE SALARIES
 LAST TEN FISCAL YEARS (UNAUDITED)

TABLE XIX

Fiscal Year	Minimum Salary	Maximum Salary	District Average Salary	Statewide Average Salary
2001	28,501	46,754	39,689	38,361
2002	31,500	49,024	41,424	39,232
2003	33,250	50,628	41,850	39,974
2004	35,336	52,713	42,217	40,478
2005	35,500	53,878	42,353	41,011
2006	35,500	53,878	43,769	41,531
2007	41,501	58,454	46,329	44,897
2008	43,249	60,188	47,940	46,178
2009	45,000	62,598	50,040	47,158
2010	45,940	62,598	51,275	48,263

Sources: Carrollton-Farmers Branch ISD
 Texas Education Agency (Standard Reports)

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST NINE FISCAL YEARS (UNAUDITED)

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Direct Operating Expenditures(A)</u>	<u>Cost per Pupil</u>	<u>Percentage Change from PY</u>	<u>Direct Operating Expenses(B)</u>	<u>Cost per Pupil</u>
2002	23,635	\$ 175,451,995	\$ 7,423		\$ 178,061,972	\$ 7,534
2003	25,002	180,898,855	7,235	-2.5%	189,330,322	7,573
2004	25,548	186,061,737	7,283	0.7%	188,950,225	7,396
2005	25,860	191,886,320	7,420	1.9%	195,292,785	7,552
2006	26,231	204,178,921	7,784	4.9%	211,642,756	8,068
2007	26,252	214,133,770	8,157	4.8%	222,818,702	8,488
2008	26,397	232,774,135	8,818	8.1%	244,686,680	9,269
2009	26,257	230,038,088	8,761	-0.6%	243,882,954	9,288
2010	25,920	229,896,487	8,869	1.2%	244,812,848	9,445

- Notes** All information provided by Carrollton-Farmers Branch ISD.
- A** Total Governmental Fund expenditures less capital, debt service, and intergovernmental expenditures
 - B** Total Government-Wide expenses less capital, debt service, and intergovernmental expenses
 - C** From Table XVIII.
 - D** CFBISD Food Services

The district adopted the provisions of GASB 34 in 2002, therefore less than ten years are shown.

TABLE XX

Percentage Change from PY	Teaching Staff(C)	Pupil- Teacher Ratio	Students Receiving Free or Reduced-Price Meals(D)	Percentage of Students Receiving Free or Reduced-Price Meals
N/A	1,685	14.0	10,533	45%
0.5%	1,713	14.6	10,839	43%
-2.3%	1,742	14.7	11,645	46%
2.1%	1,700	15.2	12,588	49%
6.8%	1,793	14.6	13,437	51%
5.2%	1,812	14.5	13,418	51%
9.2%	1,848	14.3	14,302	54%
0.2%	1,821	14.4	15,002	57%
1.7%	1,727	15.0	15,392	59%

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION – ELEMENTARY SCHOOLS
LAST TEN FISCAL YEARS (UNAUDITED)

Elementary Schools	Year of	2010	2009	2008	2007
	Orginial Construction				
1 Blair Intermediate	2002				
Square feet		77,631	77,631	77,631	77,631
Capacity		605	605	605	605
Enrollment		405	419	522	521
2 Blanton	2007				
Square feet		75,160	75,160	75,160	75,160
Capacity		573	573	573	573
Enrollment		563	539	459	444
3 Carrollton	1951				
Square feet		83,180	83,180	83,180	83,180
Capacity		656	656	656	656
Enrollment		640	684	719	679
4 Central	1965				
Square feet		93,690	93,690	93,690	93,690
Capacity		729	729	729	729
Enrollment		600	645	625	654
5 Country Place	1982				
Square feet		64,801	58,675	58,675	58,675
Capacity		450	388	388	388
Enrollment		374	363	363	361
6 Davis	1975				
Square feet		76,485	76,485	76,485	76,485
Capacity		532	532	532	532
Enrollment		552	575	566	591
7 Farmers Branch	1968				
Square feet		72,005	63,000	63,000	63,000
Capacity		650	585	585	585
Enrollment		493	493	516	508
8 Furneaux	1982				
Square feet		59,406	59,406	55,668	55,668
Capacity		473	473	473	473
Enrollment		395	407	437	442
9 Good	1957				
Square feet		66,944	66,944	66,944	66,944
Capacity		526	526	526	526
Enrollment		498	497	527	517

Sources: Carrollton-Farmers Branch ISD

TABLE XXI
CONTINUED

2006	2005	2004	2003	2002	2001
77,631	77,631	77,631	77,631	77,631	-
605	545	545	545	545	-
404	396	371	347	-	-
54,527	57,677	57,677	57,677	57,677	55,391
405	405	405	405	405	405
406	507	514	552	466	415
83,180	69,150	69,150	69,150	69,150	60,354
656	656	656	656	656	656
591	702	694	662	513	537
93,690	100,326	100,326	100,326	100,326	100,326
729	729	729	729	729	669
680	720	774	876	927	918
58,675	59,443	59,443	59,443	59,443	59,443
388	388	388	388	388	388
344	358	355	365	361	410
76,485	72,615	72,615	72,615	72,615	58,738
532	532	532	532	532	532
-	564	574	529	505	545
63,000	73,000	73,000	73,000	73,000	67,608
585	585	585	585	585	440
524	533	575	575	584	548
55,668	57,204	57,204	57,204	57,204	57,204
473	473	473	473	473	473
459	496	483	501	510	476
66,944	68,470	68,470	68,470	68,470	68,470
526	526	526	526	526	526
538	533	503	492	548	538

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION – ELEMENTARY SCHOOLS
LAST TEN FISCAL YEARS (UNAUDITED)

	Year of Orginal Construction	2010	2009	2008	2007
10 Stark	2006				
Square feet		83,400	83,400	83,400	83,400
Capacity		700	700	700	700
Enrollment		417	388	471	613
11 Kent	1989				
Square feet		89,742	89,742	89,742	89,742
Capacity		651	651	651	651
Enrollment		445	513	546	566
12 Landry	1996				
Square feet		73,500	73,500	73,500	73,500
Capacity		466	466	466	466
Enrollment		462	472	459	487
13 Las Colinas	1986				
Square feet		75,099	75,099	75,099	75,099
Capacity		559	559	559	559
Enrollment		503	493	490	455
14 McCoy	1979				
Square feet		65,849	55,668	55,668	55,668
Capacity		550	440	440	440
Enrollment		452	425	442	434
15 McKamy	1992				
Square feet		79,577	79,577	79,577	79,577
Capacity		599	599	599	599
Enrollment		450	477	469	537
16 McLaughlin	1960				
Square feet		73,300	73,300	73,300	73,300
Capacity		577	577	577	577
Enrollment		393	389	636	856
17 McWhorter	2001				
Square feet		88,418	88,418	75,000	75,000
Capacity		700	700	533	533
Enrollment		697	673	645	533
18 Montgomery	1955				
Square feet		67,600	67,600	67,600	67,600
Capacity		463	463	463	463
Enrollment		414	463	549	560
19 Rainwater	1994				
Square feet		80,000	80,000	80,000	80,000
Capacity		492	492	492	492
Enrollment		469	457	418	364

Sources: Carrollton-Farmers Branch ISD

TABLE XXI
CONTINUED

2006	2005	2004	2003	2002	2001
83,400	65,605	65,605	65,605	65,605	62,605
700	457	457	457	457	457
725	675	607	575	525	518
89,742	89,742	89,742	89,742	89,742	89,742
651	651	651	651	651	651
569	616	541	576	626	604
73,500	76,572	76,572	76,572	76,572	76,572
466	466	466	466	466	466
-	441	542	435	410	397
75,099	76,635	76,635	76,635	76,635	75,099
559	559	559	559	559	559
433	413	733	663	595	578
55,668	60,276	60,276	60,276	60,276	56,436
440	440	440	440	440	440
438	437	399	452	473	451
79,577	81,881	81,881	81,881	81,881	81,881
599	599	599	599	599	599
527	599	671	466	646	673
73,300	76,986	76,986	76,986	76,986	76,986
577	577	577	577	577	577
863	698	674	656	607	564
75,000	75,160	75,160	75,160	75,160	-
533	573	533	533	533	533
539	482	433	424	295	-
67,600	67,600	67,600	67,600	67,600	71,440
463	463	463	463	463	463
436	445	393	369	698	731
80,000	80,000	80,000	80,000	80,000	80,000
492	492	492	492	492	492
342	360	401	445	452	472

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION – ELEMENTARY SCHOOLS
LAST TEN FISCAL YEARS (UNAUDITED)

	Year of Original Construction	2010	2009	2008	2007
20 Riverchase	2000				
Square feet		75,160	75,160	75,000	75,000
Capacity		533	533	533	533
Enrollment		369	388	405	398
21 Rosemeade	1984				
Square feet		55,668	55,668	55,668	55,668
Capacity		376	376	376	376
Enrollment		336	365	349	342
22 Sheffield Intermediate	1989				
Square feet		66,767	66,767	66,767	66,767
Capacity		459	459	459	459
Enrollment		354	383	387	399
23 Sheffield Primary	1985				
Square feet		59,406	59,406	55,668	55,668
Capacity		462	462	462	462
Enrollment		446	419	455	414
24 Thompson	2006				
Square feet		75,160	75,160	75,160	75,160
Capacity		573	573	573	573
Enrollment		480	490	504	501
25 Freeman	2004				
Square feet		75,160	75,160	75,160	75,160
Capacity		573	573	573	573
Enrollment		510	503	668	550
26 Kelly Pre-K Ctr	2007				
Square feet		47,513	47,513	47,513	47,513
Capacity		400	400	400	400
Enrollment		293	366	381	-
27 Pre-K Ctr (CLC)	2005				
Square feet		42,906	42,906	42,906	42,906
Capacity		272	272	272	272
Enrollment		192	204	222	346
26 La Villita	2008				
Square feet		87,787	87,787	-	-
Capacity		650	650	-	-
Enrollment		325	296	-	-
26 Strickland	2008				
Square feet		77,631	77,631	-	-
Capacity		605	605	-	-
Enrollment		368	368	-	-
Total Elementary School					
Square feet		2,108,945	2,083,633	1,897,161	1,897,161
Capacity		15,854	15,617	14,195	14,195
Enrollment		12,895	13,154	13,230	13,072

Sources: Carrollton-Farmers Branch ISD

TABLE XXI
CONCLUDED

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
75,000	75,160	75,160	75,160	75,160	75,160
533	533	533	533	533	533
385	403	458	568	466	409
55,668	56,436	56,436	56,436	56,436	56,436
376	376	376	376	376	376
-	354	350	358	376	404
66,767	66,767	56,436	56,436	56,436	66,767
459	459	459	459	459	459
-	445	442	442	423	396
55,668	56,436	66,767	66,767	66,767	56,436
462	462	462	462	462	462
477	470	455	481	490	506
75,160	59,100	59,100	59,100	59,100	58,332
573	461	461	461	461	461
459	405	425	447	559	479
75,160	75,160	75,160	-	-	-
573	573	573	-	-	-
528	438	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
42,906	42,906	-	-	-	-
272	272	-	-	-	-
438	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,829,015	1,817,938	1,775,032	1,699,872	1,699,872	1,511,426
13,627	13,252	12,940	12,367	12,367	11,617
11,105	12,490	12,367	12,256	12,055	11,569

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION – MIDDLE SCHOOLS
LAST TEN FISCAL YEARS (UNAUDITED)

	Year of Original Construction	2010	2009	2008	2007
<u>Middle Schools</u>					
1 Blalack	1986				
Square feet		171,150	170,150	170,150	170,150
Capacity		1,381	1,381	1,381	1,381
Enrollment		1,064	1,120	1,141	1,152
2 Bush	1998				
Square feet		142,000	142,000	142,000	142,000
Capacity		931	931	931	931
Enrollment		703	654	622	616
3 Long	1981				
Square feet		164,500	164,500	164,500	164,500
Capacity		1,124	1,124	1,124	1,124
Enrollment		784	850	806	861
4 Perry	1936				
Square feet		179,467	179,467	179,467	179,467
Capacity		843	843	843	843
Enrollment		999	968	1,010	982
5 Polk	1997				
Square feet		140,000	140,000	140,000	140,000
Capacity		1,040	1,040	1,040	1,040
Enrollment		1,057	1,029	1,056	970
6 Field	1959				
Square feet		170,789	170,789	170,789	170,789
Capacity		1,156	1,156	1,156	1,156
Enrollment		963	999	1,014	1,087
Total Middle School					
Square feet		967,906	966,906	966,906	966,906
Capacity		6,475	6,475	6,475	6,475
Enrollment		5,570	5,620	5,649	5,668

Sources: Carrollton-Farmers Branch ISD

TABLE XXII

2006	2005	2004	2003	2002	2001
170,150	170,150	170,150	170,150	170,150	151,305
1,381	1,381	1,381	1,381	1,381	1,381
1,116	1,147	1,157	1,169	1,190	1,130
142,000	142,000	142,000	142,000	142,000	142,000
931	931	931	931	931	931
648	630	617	432	544	528
164,500	164,560	164,560	164,560	164,560	154,536
1,124	1,124	1,124	1,124	1,124	1,041
-	961	931	987	933	937
179,467	183,307	183,307	183,307	183,307	183,307
843	843	843	843	843	843
980	960	957	984	928	922
140,000	140,000	140,000	140,000	140,000	140,000
1,040	1,040	1,040	1,040	1,040	1,040
928	933	930	884	936	934
170,789	152,828	152,828	152,828	152,828	139,328
1,156	1,156	1,156	1,156	1,156	1,156
1,102	1,086	1,022	990	980	969
966,906	952,845	952,845	952,845	952,845	910,476
6,475	6,475	6,475	6,475	6,475	6,392
4,774	5,717	5,614	5,446	5,511	5,420

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION – HIGH SCHOOLS
LAST TEN FISCAL YEARS (UNAUDITED)

High Schools	Year of	2010	2009	2008	2007
	Original Construction				
1 Creekview	1998				
Square feet		368,182	368,182	365,000	365,000
Capacity		2,478	2,478	2,478	2,478
Enrollment		2,055	2,052	2,150	2,161
2 Ranchview	2002				
Square feet		250,000	250,000	250,000	250,000
Capacity		1,027	1,027	1,027	1,027
Enrollment		833	779	773	756
3 Smith	1973				
Square feet		496,782	496,782	496,782	496,782
Capacity		2,807	2,807	2,807	2,807
Enrollment		1,991	2,093	2,069	2,086
4 Turner	1960				
Square feet		564,006	564,006	564,006	564,006
Capacity		2,315	2,315	2,315	2,315
Enrollment		1,972	1,975	1,956	2,013
5 Grimes Learning Ctr Center	1989				
Square feet		32,700	32,700	32,700	32,700
Capacity		255	255	255	255
Enrollment		263	218	240	227
Total High School					
Square feet		1,711,670	1,711,670	1,708,488	1,708,488
Capacity		8,882	8,882	8,882	8,882
Enrollment		7,114	7,117	7,188	7,243

Sources: Carrollton-Farmers Branch ISD

TABLE XXIII

2006	2005	2004	2003	2002	2001
365,000	365,000	365,000	365,000	365,000	365,000
2,478	2,478	2,478	2,478	2,478	2,478
2,171	2,156	2,097	2,199	2,261	2,209
250,000	250,000	250,000	250,000	250,000	-
1,027	1,027	1,027	1,027	1,027	-
756	532	355	361	-	-
496,782	479,597	479,597	479,597	479,597	468,640
2,807	2,767	2,767	2,767	2,767	2,767
-	2,135	2,209	2,236	2,072	2,027
497,756	482,000	482,000	482,000	482,000	441,608
2,315	2,315	2,315	2,315	2,315	2,315
2,014	2,089	2,133	2,229	2,203	2,073
32,700	33,468	33,468	33,468	33,468	33,468
255	255	255	255	255	255
183	150	282	259	282	245
1,642,238	1,610,065	1,610,065	1,610,065	1,610,065	1,308,716
8,882	8,842	8,842	8,842	8,842	7,815
5,124	7,062	7,076	7,284	6,818	6,554

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION – OTHER FACILITIES
LAST TEN FISCAL YEARS (UNAUDITED)

Other Facilities	Year of Original Construction	Square Footage			
		2010	2009	2008	2007
Family Center	1994	2,197	2,197	2,197	2,197
Academic Character Training	1993	32,400	32,400	32,400	32,400
Administration	1982	28,000	28,000	28,000	28,000
Student Services	1971	13,824	13,824	13,824	13,824
Agriculture Site	1981	16,188	16,188	16,188	16,188
PSA Building	1990	38,756	38,756	38,756	38,756
SFC	2005	16,687	16,687	16,687	16,687
CLC Sanctuary and Support	1990	14,000	14,000	14,000	14,000
Wesley Building	1985	24,700	24,700	24,700	24,700
Counseling Ctr	1985	2,341	2,341	2,341	2,341
Technology Learning Ctr	1985	62,000	62,000	62,000	62,000
Kelly Field House	1996	6,740	6,740	6,740	6,740
Service Ctr	1972	88,560	88,560	88,560	88,560
Stadium/Natatorium	1963	81,000	81,000	81,000	81,000
Living Materials Ctr	1950	4,500	4,500	4,500	4,500

Sources: Carrollton-Farmers Branch ISD

TABLE XXIV

Square Footage					
2006	2005	2004	2003	2002	2001
2,197	2,197	2,197	2,197	2,197	2,197
32,400	32,400	32,400	32,400	32,400	32,400
28,000	28,000	28,000	28,000	28,000	28,000
13,824	13,824	13,824	13,824	13,824	13,824
16,188	16,188	16,188	16,188	16,188	16,188
38,756	38,756	38,756	38,756	38,756	38,756
16,687	16,687	16,687	16,687	16,687	16,687
14,000	14,000	14,000	14,000	14,000	14,000
24,700	24,700	24,700	24,700	24,700	24,700
2,341	2,341	2,341	2,341	2,341	2,341
62,000	62,000	62,000	62,000	62,000	62,000
6,740	6,740	6,740	6,740	6,740	6,740
88,560	88,560	88,560	88,560	88,560	88,560
81,000	81,000	81,000	81,000	81,000	81,000
4,500	4,500	4,500	4,500	4,500	4,500



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**COMPLIANCE AND
FEDERAL AWARDS SECTION**



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CARROLLTON-FARMERS BRANCH ISD
 FUNDBALANCE AND CASH FLOW CALCULATION WORKSHEET
 GENERAL FUND AS OF AUGUST 31, 2010

UNAUDITED

1	Total General Fund Balance as of 8/31/10 (Exhibit C-1 object 3000 for the General Fund Only)		\$ 70,831,198
2	Total Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund Only)	\$ 2,120,977	
3	Total Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund Only)	6,006,312	
4	Estimated amount needed to cover fall cash flow deficits in the General Fund (Net of borrowed funds and funds representing deferred revenues.)	51,434,980	
5	Estimate of two month's average cash disbursements during the fiscal year.	22,859,991	
6	Estimate of delayed payments from state sources (58xx).	21,106,164	
7	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.	-	
8	Estimate of delayed payments from federal sources (59xx)	-	
9	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)	-	
10	Adjustment to meet Board Policy	-	
11	Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9+10)		<u>103,528,424</u>
12	Excess (Deficit) Undesignated Unreserved General Fund Balance (Line 1 minus Line 11)		<u>\$ (32,697,226)</u>



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INDEPENDENT AUDITORS' 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
Carrollton-Farmers Branch Independent School District
Carrollton, Texas

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Carrollton-Farmers Branch Independent School District (the "District") as of and for the year ended August 31, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 15, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Board of Trustees, others within the District, the Texas Education Agency, and appropriate federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hankins, Eastup, Deaton, Tonn & Seay

Hankins, Eastup, Deaton, Tonn & Seay
A Professional Corporation
Certified Public Accountants

December 15, 2010

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Trustees
Carrollton-Farmers Branch Independent School District
Carrollton, Texas

Compliance

We have audited the compliance of Carrollton-Farmers Branch Independent School District (the "District") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2010. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of finding and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2010.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District, the Texas Education Agency, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hankins, Eastup, Deaton, Tonn & Seay

Hankins, Eastup, Deaton, Tonn & Seay
A Professional Corporation
Certified Public Accountants

December 15, 2010

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED AUGUST 31, 2010

I. Summary of the Auditors' Results:

Financial Statements

- a. An unqualified opinion was issued on the financial statements.
- b. Internal control over financial reporting:
- Material weakness(es) identified? Yes X No
 - Significant deficiency(ies) identified that are not considered a material weakness? Yes X None reported
- c. Noncompliance material to financial statements noted Yes X No

Major Programs

- d. Internal control over major programs:
- Material weakness(es) identified? Yes X No
 - Significant deficiency(ies) identified that are not considered a material weakness? Yes X None reported
- e. An unqualified opinion was issued on compliance for major programs.
- f. Any audit findings disclosed that were required to be reported under Section 510(a) or OMB Circular A-133. Yes X No
- g. Identification of major programs:
- | | |
|---|--|
| <p>Title I Cluster:</p> <p>84.010A</p> <p>84.010A</p> <p>84.389</p> <p>84.389</p>
<p>Special Education Cluster:</p> <p>84.027</p> <p>84.173</p> <p>84.391</p> <p>84.392</p>
<p>84.394</p> | <p>ESEA, Title I, Part A - Improving Basic Programs</p> <p>ESEA, Title I, Part A - School Improvement Program</p> <p>ESEA, Title I, Part A - ARRA - Improving Basic Programs</p> <p>ESEA, Title I, Part A - ARRA - School Improvement Program</p>
<p>IDEA - Part B, Formula</p> <p>IDEA - Part B, Preschool</p> <p>IDEA - Part B, Formula - ARRA</p> <p>IDEA - Part B, Preschool - ARRA</p>
<p>Title XIV, State Fiscal Stabilization Fund - ARRA</p> |
|---|--|
- h. The dollar threshold used to distinguish between Type A and Type B programs. \$950,054
- i. Auditee qualified as a low-risk auditee. X Yes No

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2010

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

None

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

None

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2010

There were no findings in the prior year.

CARROLLTON-FARMERS BRANCH ISD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2010

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through State Department of Education</u>			
Adult Education (ABE) - Federal	84.002	104100087110324	\$ 85,150
ESEA, Title I, Part A - Improving Basic Programs	84.010A	10610101057903	4,060,009
ESEA, Title I, Part A - Improving Basic Programs	84.010A	11610101057903	167,965
Title I - School Improvement Program	84.010A	10610104057903001	180,718
Total CFDA Number 84.010A			4,408,692
IDEA - Part B, Formula	84.027	106600010579036600	4,300,584
IDEA - Part B, Formula	84.027	116600010579036600	242,126
Total CFDA Number 84.027			4,542,710
Career and Technical - Basic Grant	84.048	10420006057903	268,563
Career and Technical - Basic Grant	84.048	11420006057903	3,460
Total CFDA Number 84.048			272,023
IDEA - Part B, Preschool	84.173	106610010579036610	59,022
IDEA - Part B, Preschool	84.173	116610010579036610	3,867
Total CFDA Number 84.173			62,889
ESEA Title IV, Pt. A - Safe and Drug-Free Schools	84.186A	10691001057903	69,472
Title II, Part D -Enhancing Ed. Through Technology	84.318	10630001057903	38,827
Title III, Part A - English Language Acquisition	84.365A	10671001057903	693,461
Title III, Part A - English Language Acquisition	84.365A	11671001057903	44,917
Total CFDA Number 84.365A			738,378
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	10694501057903	597,318
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	11694501057903	31,045
Total CFDA Number 84.367A			628,363
Title I SIP Academy Grant	84.377A	10610701057903001	131,552
Title II D Enhancing Ed. Through Technology - ARRA	84.386	10553001057903	74,701
ESEA, Title I, A - ARRA - Improving Basic Programs	84.389	10551001057903	2,111,503
Title I - SIP - ARRA/Stimulus	84.389	10551004057903001	117,775
Total CFDA Number 84.389			2,229,278
IDEA, Part B, Formula - ARRA	84.391	10554001057903	2,450,027
IDEA, Part B, Preschool - ARRA	84.392	10555001057903	23,938
Title XIV, State Fiscal Stabilization Fund - ARRA	84.394	10557001057903	7,560,424
Summer School LEP	84.369A	69550902	23,959
Total Passed Through State Department of Education			\$ 23,340,383
TOTAL DEPARTMENT OF EDUCATION			\$ 23,340,383
 U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Child Care Group</u>			
Work Source Child Care and Development Fund	98.65	03080C01	\$ 239,954
Total Passed Through Child Care Group			\$ 239,954
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 239,954

CARROLLTON-FARMERS BRANCH ISD
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2010

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
National School Breakfast Program*	10.553	714010	\$ 1,286,593
National School Lunch Program* - Cash	10.555	714010	6,255,446
Non-Cash Assistance - National School Lunch Program	10.555	714010	546,093
Total CFDA Number 10.555			<u>6,801,539</u>
Total Passed Through the State Department of Agriculture			<u>\$ 8,088,132</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 8,088,132</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 31,668,469</u></u>

*Clustered Programs as required by Compliance Supplement March, 2010

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2010

NOTE 1. For all Federal programs, the District uses the fund types specified in Texas Education Agency's *Financial Accountability System Resource Guide*. Special Revenue Funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund.

NOTE 2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund which is a Governmental Fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these fund present increases and decreases in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types and Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

NOTE 3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Statement – Provisional 6/97.

NOTE 4. School Health and Related Services-NHIC reimbursements of \$1,038,852, which are recorded as federal revenue in the General Fund, are not considered federal awards for purposes of this schedule. This schedule includes \$249,753 of indirect cost recorded in the General Fund.

NOTE 5. CFDA number 10.550 pertained to food commodities distributed by USDA under the following categorical programs (as applicable): the National School Lunch Program (CFDA 10.555), the Child and Adult Care Food Program (CFDA 10.558), the Summer Food Service Program (CFDA 10.559), the Commodity Supplemental Food Program (CFDA 10.565), and the Food Distribution Program on Indian Reservations (CFDA 10.567). USDA deleted this number from the CFDA on May 6, 2008. The audit covering Carrollton-Farmers Branch Independent School District's fiscal year beginning September 1, 2008 and future audits, will therefore identify commodity assistance by the CFDA numbers of the programs under which USDA donated the commodities.