



Design. Improve. Achieve.

**Carrollton · Farmers Branch
Independent School District
2013-2014
Comprehensive Annual
Financial Report
Fiscal Year Ended
August 31, 2014**

The goal of the Carrollton-Farmers Branch ISD is high achievement for all students

1445 N. 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, 2014**

Prepared By:
Division of Business Services
Mark Hyatt
Associate Superintendent
for Administrative &
Support Services

**1445 North Perry Road
Carrollton, Texas 75011-5186**



Carrollton-Farmers Branch ISD

TABLE OF CONTENTS

Exhibit

Page

INTRODUCTORY SECTION

Certificate of Board.....	I
Letter of Transmittal	i
GFOA Certificate of Achievement	xiv
ASBO Certificate of Excellence	xv
Principal Officials	xvi
Consultants and Advisors.....	xviii
Organization Chart.....	xix

FINANCIAL SECTION

<u>Independent Auditor’s Report</u>	3
--	---

<u>Management’s Discussion and Analysis</u>	5
--	---

Basic Financial Statements

Government-Wide Statements:		
A-1	Statement of Net Position..... 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 Position.....	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 Balances to the Statement of Activities.....	28
Proprietary Fund Financial Statements:		
D-1	Statement of Net Position.....	30
D-2	Statement of Revenues, Expenses, and Changes in Fund Net Position.....	31
D-3	Statement of Cash Flows	32
Fiduciary Fund Financial Statements:		
E-1	Statement of Fiduciary Assets and Liabilities	33
	Notes to the Financial Statements.....	34

Required Supplementary Information

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 and Other Statements

Nonmajor Governmental Funds:

H-1	Combining Balance Sheet	64
H-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	68
	Agency Funds:	
H-9	Statement of Changes in Assets and Liabilities	75

Required Texas Education Agency Schedules

J-1	Schedule of Delinquent Taxes Receivable	78
J-4	Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Child Nutrition Program	80
J-5	Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Debt Service Fund	82

STATISTICAL SECTION

I	Net Position by Component	84
II	Government-Wide Expenses, Program Revenues, and Changes in Net Position	86
III	General Revenues and Change in Net Position	88
IV	Fund Balances – Governmental Funds	90
V	Governmental Funds Revenues	92
VI	Governmental Funds Expenditures and Debt Service Ratio	94
VII	Other Financing Sources and Uses and Net Change in Fund Balances	96
VIII	Assessed Value and Actual Value of Taxable Property	99
IX	Property Tax Rates and Overlapping Governments	100
X	Property Taxes, Levies, and Collections	102
XI	Principal Property Taxpayers	103
XII	Legal Debt Margin	104
XIII	Outstanding Debt by Type	107
XIV	Ratio of Net Bonded Debt to Net Assessed Value and Net Bonded Debt per Capita	108
XV	Direct and Overlapping Government Debt as of August 31, 2014	110
XVI	Demographics and Economic Statistics	111
XVII	Principal Employers	112
XVIII	Full Time Equivalent District Employees by Type	113
XIX	Teacher Base Salaries	115
XX	Operating Statistics	116
XXI	School Building Information – Elementary Schools	118
XXII	School Building Information – Middle Schools	124
XXIII	School Building Information – High Schools	126
XXIV	School Building Information – Other Facilities	128

TABLE OF CONTENTS - CONTINUED

Exhibit

Page

FEDERAL AWARDS SECTION

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>	133
	Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133.....	135
	Schedule of Findings and Questioned Costs	137
	Schedule of Prior Audit Findings	139
K-1	Schedule of Expenditures of Federal Awards	140
	Notes on Accounting Policies for Federal Awards	142



Carrollton-Farmers Branch ISD

INTRODUCTORY SECTION



Carrollton-Farmers Branch ISD

CERTIFICATE OF BOARD

**CARROLLTON-FARMERS BRANCH
INDEPENDENT SCHOOL DISTRICT**

Name of School District

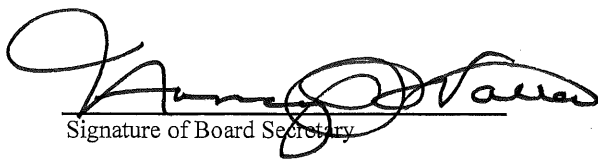
Dallas/Denton

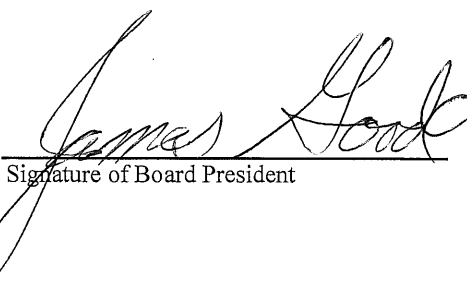
County

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, 2014 at a meeting of the Board of Trustees of such school district on the 15th day of January, 2015.


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)



Carrollton-Farmers Branch ISD



December 12, 2014

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, 2014, is hereby submitted. The report includes the unmodified 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, 2014, 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, 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 was 26,347 for the 2013-2014 fiscal 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 126,695; Male 49.2%, Female 50.8%

Population by Race:

- White 41.4%
- Black 7.8%
- Hispanic or Latino Origin 32.0% (of any race)
- American Indian 0.2%
- Asian or Pacific Islander 16.9%
- Other Race 0.0%
- Two or more races 1.7%

Median age 36.8

- Persons under 5 years old 6.0%
- Persons over 18 years old 75.5%
- Persons 65 and over 9.7%

Economic Characteristics:

- Median household income \$64,188
- Median family income \$74,975
- Per capita income \$31,125

Housing Characteristics:

- Owner-occupied housing units 58.5%
- Renter-occupied housing units 38.2%
- Vacant housing units 3.3%

Area 36.6 square miles

Source: U.S. Census Bureau, American FactFinder, 2013 American Community Survey

City of Dallas

Population 1,257,676; Male 49.9%, Female 50.1%

Population by Race:

- White 29.5%
- Black 23.9%
- Hispanic or Latino Origin 41.3% (of any race)
- American Indian 0.1%
- Asian or Pacific Islander 3.4%
- Other Race 0.2%
- Two or more races 1.6%

Median age 32.1

- Persons under 5 years old 8.3%
- Persons over 18 years old 73.9%
- Persons 65 and over 9.1%

Economic Characteristics:

- Median household income \$41,978
- Median family income \$44,852
- Per capita income \$28,522

Housing Characteristics:

- Owner-occupied housing units 37.9%
- Renter-occupied housing units 52.0%
- Vacant housing units 10.1%

Area 384.7 square miles

Source: U.S. Census Bureau, American FactFinder, 2013 American Community Survey

City of Farmers Branch

Population 30,033; Male 47.5%, Female 52.5%

Population by Race:

- White 48.1%
- Black 2.2%
- Hispanic or Latino Origin 43.7% (of any race)
- American Indian 0.1%
- Asian or Pacific Islander 4.4%
- Other Race 0.2%
- Two or more races 1.3%

Median age 36.8

- Persons under 5 years old 6.5%
- Persons over 18 years old 74.8%
- Persons 65 and over 12.8%

Economic Characteristics:

- Median household income \$57,982
- Median family income \$60,732
- Per capita income \$26,703

Housing Characteristics:

- Owner-occupied housing units 55.6%
- Renter-occupied housing units 35.5%
- Vacant housing units 8.9%

Area 12.1 square miles

Source: U.S. Census Bureau, American FactFinder, 2011-2013 American Community Survey

City of Irving

Population 228,652; Male 50.5%, Female 49.5%

Population by Race:

- White 27.9%
- Black 12.5%
- Hispanic or Latino Origin 40.4% (of any race)
- American Indian 0.1%
- Asian or Pacific Islander 17.0%
- Other Race 0.5%
- Two or more races 1.6%

Median age 32.5

- Persons under 5 years old 8.5%
- Persons over 18 years old 73.1%
- Persons 65 and over 7.5%

Economic Characteristics:

- Median household income \$51,722
- Median family income \$59,910
- Per capita income \$26,669

Housing Characteristics:

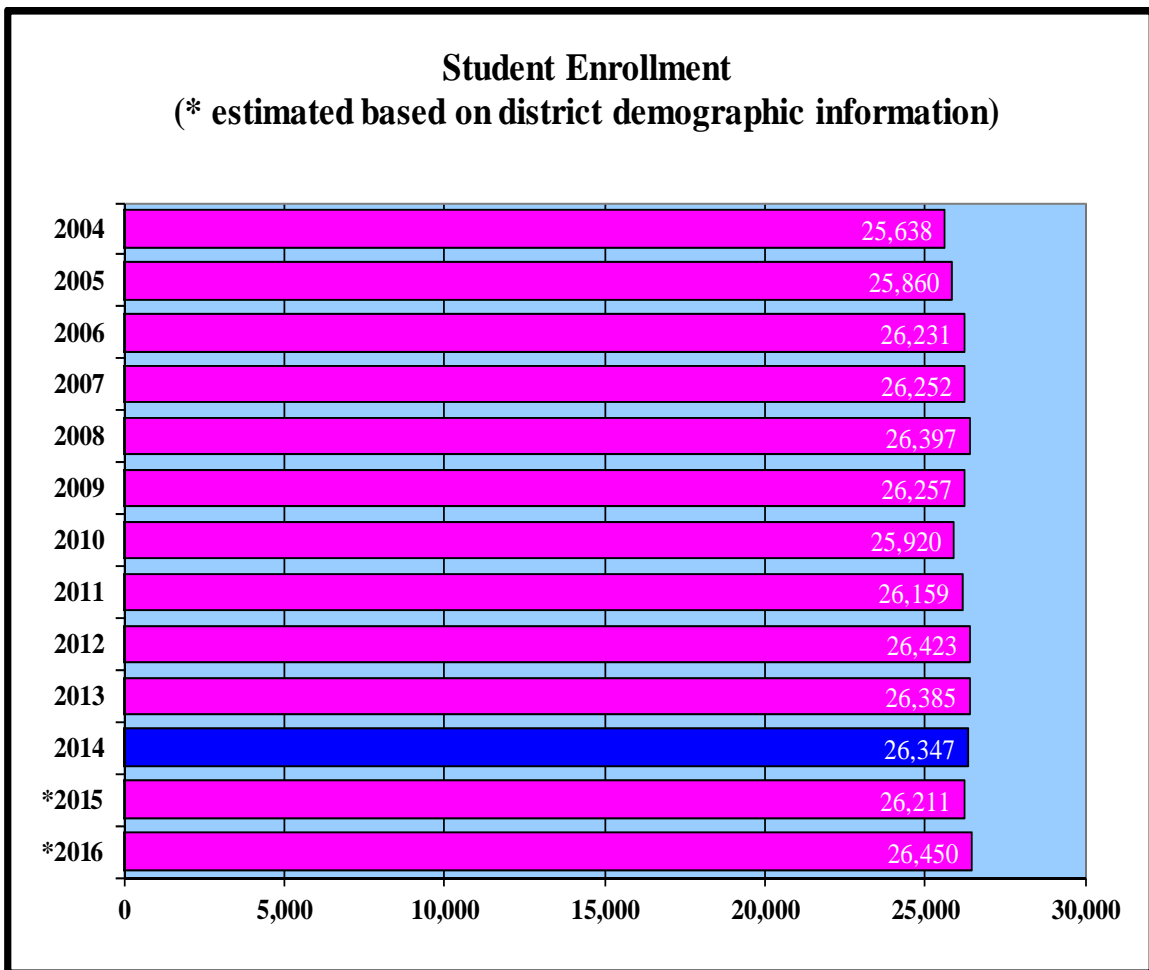
- Owner-occupied housing units 33.7%
- Renter-occupied housing units 60.0%
- Vacant housing units 6.3%

Area 67.6 square miles

Source: U.S. Census Bureau, American FactFinder, 2013 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.

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 rate 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 issued has issued all the outstanding bonds from the 2003 bond election. The scheduled remaining projects include additions and repairs to elementary schools, additions middle schools and an addition to a high school as well as technology upgrades.

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 technology 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 16,000

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.

Educational Services The Educational Services division of C-FB ISD has organized several significant documents and research studies into a framework that guides our work. The foundation of this framework is our district vision statement, district goal with supporting objectives, and the Standards Based Instructional System.

The vision of the Carrollton-Farmers Branch Independent School District is that all students will meet the State of Texas Assessments of Academic Readiness (STAAR) at the satisfactory or advanced level and graduate college-ready and/or workforce ready without remediation.

The goal of the Carrollton-Farmers Branch ISD is high achievement for all students.

To achieve this goal, four supporting objectives have been identified:

Continuously improve instructional practice.

Continuously improve the learning environment for students and staff.

Continuously improve operational effectiveness.

Continuously improve community support.

The six components of a Standards Based Instructional System include clear, high standards; fair assessments; curriculum framework; instructional materials; aligned instruction; and safety nets.

The values we keep in front of us are the Principles of Teaching, Learning, and Curriculum and the Principles of Best Practice.

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.

Best practice principles remind us to keep our work student-centered while addressing students' cognitive and social domains.

Planning structures help focus our work. These are Understanding by Design, Professional Learning Communities and the Instructional Improvement Process. Classroom strategies that support the successful implementation of the curriculum are Marzano's Nine, Content Literacy, AVID, and GLAD strategies for English Language Learners.

The District Improvement Plan and Campus Improvement Plans are all aligned to these components.

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.

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 have located their corporate headquarters here.

The District's largest taxpayer is only 0.82% 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 35E, 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 has opened the Green Line extension of their light rail system in 2011. This extension has major stops in the District. The Cities of Carrollton and Farmers Branch have initiated plans in these transit areas, creating a lifestyle renaissance of high-density housing, retail, restaurants and offices a quality urban environment. Initial development of these projects has already begun. Within the next year a major highway widening project will also begin for Interstate 35E, which will further encourage growth and development.

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, is an upscale 200 acre development containing multifamily, small office buildings, single-family and town home development. 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. While enrollment is stagnant or declining in most areas of the District, Las Colinas and specifically the La Villita community continues to grow.

A major redevelopment project was initiated in Addison in 2007 where 2,400 older apartments were 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. The first elements of this project are complete.

Long-term Financial Planning The District has maintained its 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 had a taxable value decline for the 2009-10, 2010-11 and 2011-12 budget years.
- Unless current law changes, we will be held to a General Fund tax rate cap of \$1.17/\$100 assessed value. 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.
- The passage of Senate Bill 1 in the summer of 2011 reduced State sources of revenue over the next two fiscal years. During the 2013 Legislative session, the Legislature restored \$3.2 billion of the \$4.0 billion that was cut. For fiscal years beyond 2014-15, the District anticipates a slight decrease in state funding.

Future budget projections predict deficit General Fund budgets through 2015-2016. If projections are accurate, the District will consider program/operation reductions or additional pennies on the tax rate to balance the budget but in the short-term the District anticipates utilizing fund balance to cover any budget shortfalls. 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

Carrollton-Farmers Branch ISD earned an accountability rating of Met Standard in 2014.

State accountability ratings are based on a framework of four indexes that are used to evaluate the performance of each public campus and district in the state. The framework includes a range of indicators to calculate a score for each index and enables a thorough assessment of campus and district effectiveness. Accountability ratings are based on achieving a target established for each performance index.

To meet state statutory requirements, the accountability system assigns ratings that designate Met Standard and Improvement Required performance for campuses and districts.

Index 1: Student Achievement – Provides an overview of student performance based on satisfactory achievement across all subjects for all students. It acts as a snapshot of how many students met Level 2 Satisfactory requirement.

Index 2: Student Progress – Focuses on actual student growth independent of overall achievement levels for each race/ethnicity student group, students with disabilities, and English language learners. Year-to-year student growth is evaluated by subject and student group.

Index 3: Closing Performance Gaps – Emphasizes improving academic achievement of the economically disadvantaged student group and the lowest performing race/ethnicity student groups at each campus or district.

Index 4: Postsecondary Readiness – Applies to all campuses underscoring the role of elementary & middle schools to prepare students for the rigors of high school. It consists of STAAR Level II Finals results, graduation rates, and percentage of diploma plans to highlight the importance of developing college and career ready graduates.

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 2014 are listed in the chart below.

<u>SAT Results for 2014</u>					
Mean Scores					
<u>Campus</u>	<u>Count</u>	<u>Reading</u>	<u>Math</u>	<u>Writing</u>	<u>Combined</u>
Turner	210	474	502	456	1,432
Smith	220	507	520	504	1,531
Creekview	297	491	523	478	1,492
Ranchview	112	479	516	474	1,469
Early College	90	457	490	451	1,398
District	929	486	514	476	1,476
National	1,672,395	497	513	487	1,497
Texas	179,036	476	495	461	1,432

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 2014 are listed in the chart below.

<u>ACT Results for 2014</u>						
<u>Campus</u>	<u>Count</u>	<u>English</u>	<u>Math</u>	<u>Reading</u>	<u>Science</u>	<u>Composite</u>
Turner	119	18.0	20.5	19.3	20.1	19.6
Smith	97	21.1	22.2	21.8	22.0	21.8
Creekview	137	20.3	22.8	21.7	21.9	21.8
Ranchview	50	18.9	21.4	20.0	20.4	20.3
Early College	14	17.2	22.3	20.6	20.9	20.4
District	417	19.5	21.8	20.8	21.2	21.0
National	1,845,787	20.3	20.9	21.3	20.8	21.0
Texas	116,547	19.8	21.4	21.1	21.0	20.9

OTHER INFORMATION

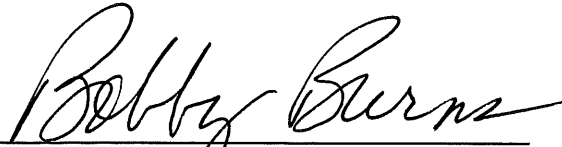
- The District has been awarded the Certificate of Excellence in Financial Reporting by the Association of School Business Officials (ASBO) for thirty-seven consecutive years. This award is for school districts whose comprehensive annual financial reports substantially conform to the recommended principles 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, 2013. The District has achieved this prestigious award thirty-six 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.
- The 2013-14 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.
- 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.

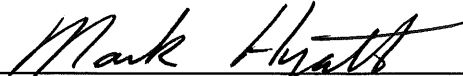
- Carrollton-Farmers Branch Independent School District has one goal: “high achievement for all students.” For the 2013-14 school year, C-FB ISD received the highest rating under the state’s new accountability system. C-FB ISD campuses also received distinction designations in all areas measured by the state: Reading/English Language Arts, Mathematics and Student progress. Twenty-six of our 35 campuses rated earned distinctions for outstanding performances.
- The Carrollton-Farmers Branch School District saw increased achievement including a two percent increase in the graduation rate from 91% to 93%. That means 71 more students walked across the stage and received their diploma.
- The Education Resource Group (ERG) annually measures the academic and financial performance of all Texas school districts. By using multiple data, ERG determines the educational productivity of individual school districts in three areas: overall educational value, academic performance and finance performance. For 2013: C-FB ISD ranked 6 out of the 200 Texas largest school districts in overall educational value. For 2013, C-FB ISD ranked 19 out of 200 in academic performance and 40 out of 200 in finance performance. What this tells our community is that C-FB ISD is achieving at academically high levels while spending tax dollars wisely.
- 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 seventh time that C-FB ISD made the list.

ACKNOWLEDGMENTS

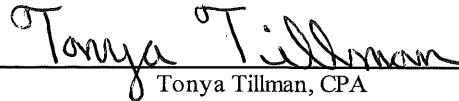
The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the business office and tax office. Special thanks to Steve Franks, CPA-Director of Accounting; Vicki Pippin, CPA-Accounting Supervisor; and Scott Roderick, CPA-Director 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.



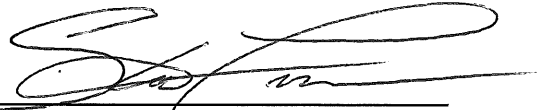
Bobby Burns, Ed.D.
Superintendent of Schools



Mark Hyatt, CPA
Associate Superintendent for Administrative &
Support Services



Tonya Tillman, CPA
Chief Financial Officer



Steve Franks, CPA
Director of Accounting



Scott Roderick, CPA
Director of Financial Reporting



Government Finance Officers Association

**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, 2013

Executive Director/CEO

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Carrollton-Farmers Branch Independent School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended August 31, 2013*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading 'Terrie S. Simmans'.

Terrie S. Simmans, RSBA, CSBO
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA
Executive Director

**Carrollton-Farmers Branch
Independent School District**

Principal Officials

Board of Trustees

Board Member	Service Began	Service Expires	Position	Occupation
James Goode	1999	2017	President	Vice President, Applied Data Sciences
Frank Shor	2007	2016	Vice President	Attorney
Nancy Watten	2007	2016	Secretary	Retired School Teacher
Richard Fleming	2009	2015	Assistant Secretary	State Tax Consultant
John Mathews	2012	2015	Member	Retired Educator
Randy Schackmann	2013	2016	Member	Consultant - Non-Profit Organizations
Nancy Cline	2005	2017	Member	Director of Public Works, Town of Addison

Appointed Officials

Name	Position	Years Service
Bobby Burns, Ed.D.	Superintendent of Schools * Total School district experience 34 years	26 years *
Mark Hyatt, CPA	Associate Superintendent for Administrative & Support Services * Total School district experience 33 years	29 years *
Georganne Warnock	Associate Superintendent for Educational Services * Total School district experience 15 years	2 years *

Officials Issuing Report

Mark Hyatt, CPA	Associate Superintendent for Administrative & Support Services * Total School district experience 33 years	29 years *
Tonya Tillman, CPA	Chief Financial Officer * Total School district experience 15 years	3 year *
Scott Roderick, CPA	Director of Financial Reporting * Total School district experience 10 years	7 years *
Steve Franks, CPA	Accounting Director * Total School district experience 10 years	3 year *
Vicki Pippin, CPA	Accounting Supervisor * Total School district experience 11 years	11 years *

Carrollton-Farmers Branch Independent School District

Consultants and Advisors

Architects

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

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

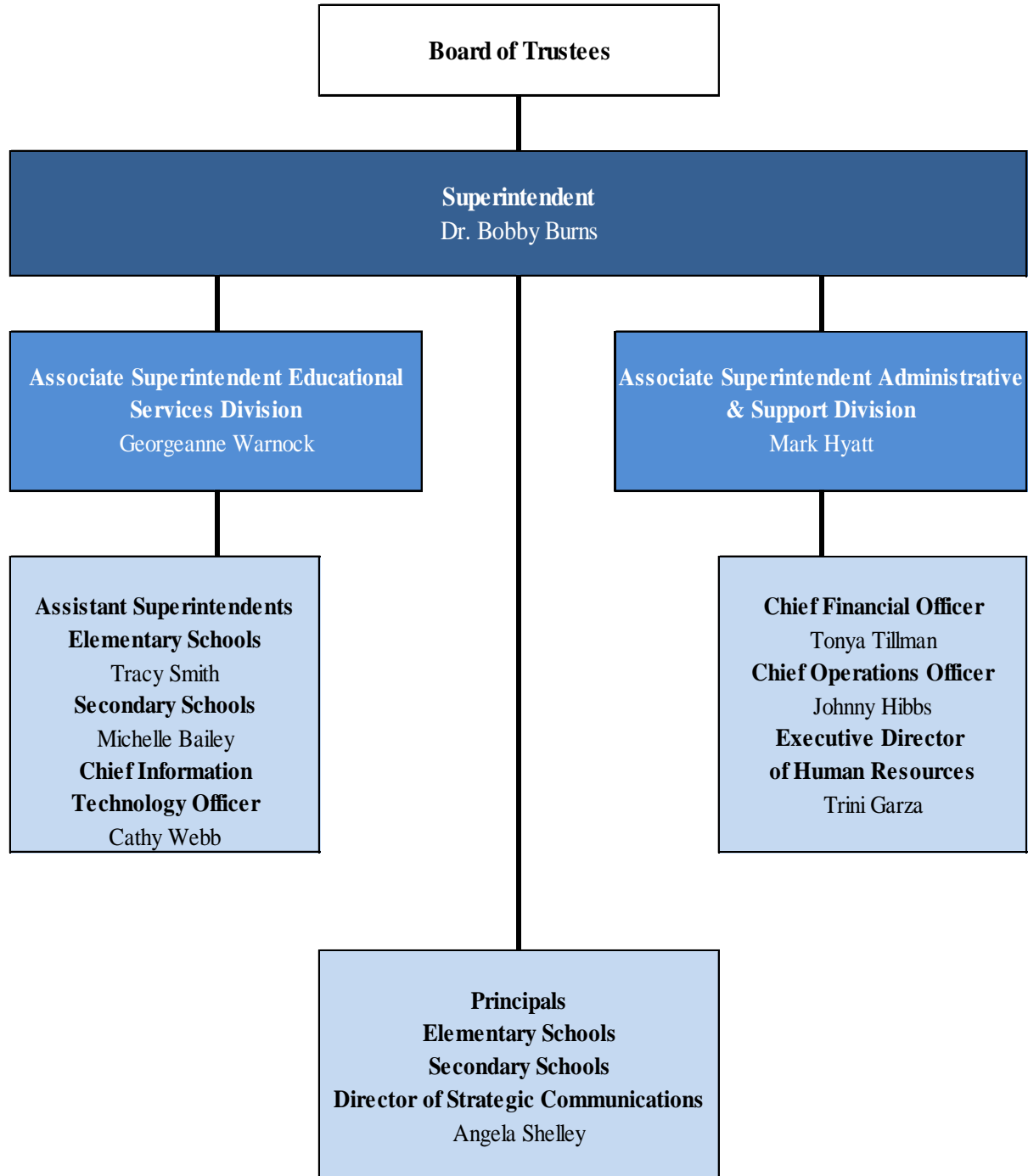
Depository Bank

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
Organizational Chart
2013-14**





Carrollton-Farmers Branch ISD

FINANCIAL SECTION



Carrollton-Farmers Branch ISD

Independent Auditors' Report

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

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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard* 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Carrollton-Farmers Branch Independent School District as of August 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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 and 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carrollton-Farmers Branch Independent School District's basic financial statements. The introductory section, other supplementary information (as described in the accompanying table of contents), required Texas Educational Agency schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 basic financial statements.

The other supplementary information (as described in the accompanying table of contents), required Texas Education Agency schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information (as described in the accompanying table of contents), required Texas Education Agency schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2014 on our consideration of Carrollton-Farmers Branch Independent School District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Carrollton-Farmers Branch Independent School District's internal control over financial reporting and compliance.

Hankins, Eastup, Deaton, Tonn & Seay

Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

December 12, 2014

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, 2014. 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 assets and deferred outflows of resources as presented on the government-wide Statement of Net Position exceeded liabilities by \$278.6 million. The net position of the District increased by \$19.2 million during the year ended August 31, 2014.
- The District's governmental funds financial statements reported combined ending fund balances of \$189.3 million. Of this amount, \$1.0 million is nonspendable fund balance, \$3.0 million is committed fund balance, \$10.6 million is assigned fund balance and \$63.6 million is unassigned fund balance in the General Fund. The remaining Fund balance of \$111.1 million is comprised of \$0.5 million in nonspendable fund balance, \$109.1 million in restricted fund balance and \$1.5 million in committed fund balance.
- Three major construction projects continued during fiscal year 2013-14 and are expected to be complete in early 2014-15. The final projects of the original 2003 bond election are in the early planning stages that will include additions to a high school, HVAC projects and additions to elementary schools. Construction related to this bond program will continue through 2016. Technology projects will continue throughout the program.
- The general fund reported a fund balance this year of \$78.2 million, which is a decrease of \$4.0 million from the prior year fund balance of \$82.2 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:

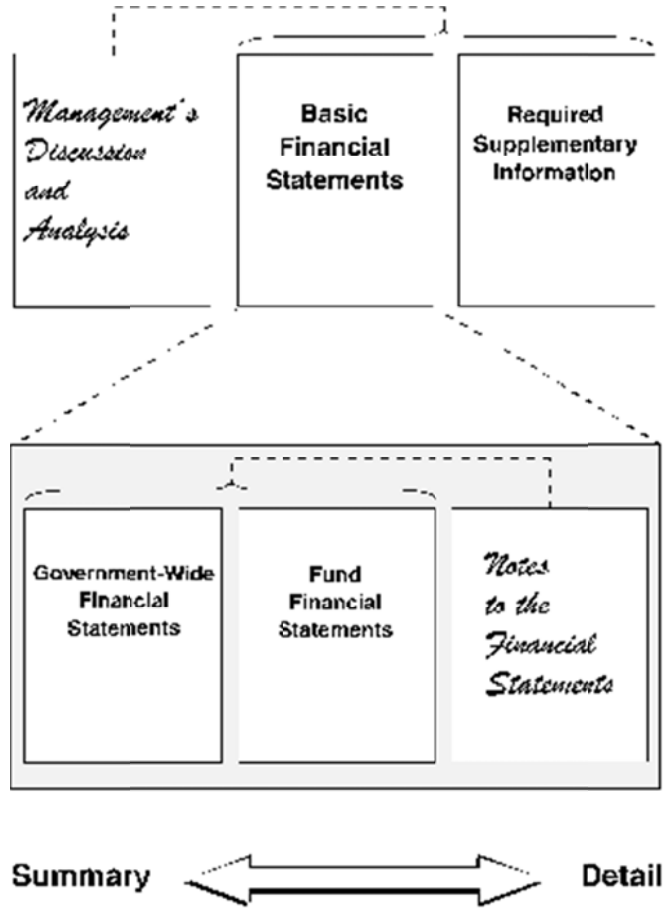
- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the 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 self-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 position	* Balance sheet	* Statement of net position	* Statement of fiduciary assets and liabilities
	* Statement of activities	* Statement of revenues, expenditures & changes in fund balances	* Statement of revenues, expenses and changes in fund net position	
<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 position includes all of the government's assets and deferred outflows of resources; 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 position and how it has changed. Net position (the difference between the District's assets plus deferred outflows of resources minus liabilities) is one-way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position is 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 and state funding structure.

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 Self-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 position. As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The District's combined net position increased between fiscal years 2013 and 2014 – increasing by \$19.2 million or 7.4% to \$278.6 million at August 31, 2014 (see Table A-1, Page 9).

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current & Other Assets	\$ 216.5	\$ 232.5	\$ 4.7	\$ 3.8	\$ 221.2	\$ 236.3
Capital Assets	402.0	400.0	0.0	0.0	402.0	400.0
Total Assets	\$ 618.5	\$ 632.5	\$ 4.7	\$ 3.8	\$ 623.2	\$ 636.3
Deferred Charge for Refunding	\$ 5.5	\$ 6.0	\$ -	\$ -	\$ 5.5	\$ 6.0
Deferred Outflow of Resources	\$ 5.5	\$ 6.0	\$ -	\$ -	\$ 5.5	\$ 6.0
Current Liabilities	\$ 16.1	\$ 20.6	\$ 0.1	\$ 0.1	\$ 16.2	\$ 20.7
Long Term Liabilities	333.7	362.2	0.0	0.0	333.7	362.2
Total Liabilities	\$ 349.8	\$ 382.8	\$ 0.1	\$ 0.1	\$ 349.9	\$ 382.9
Net Position						
Net Investment in Capital						
Assets						
Restricted	\$ 148.0	\$ 134.4	\$ -	\$ -	\$ 148.0	\$ 134.4
Unrestricted	61.3	49.4	-	-	61.3	49.4
Total	64.8	71.9	4.5	3.7	69.3	75.6
Total Net Position	\$ 274.1	\$ 255.7	\$ 4.5	\$ 3.7	\$ 278.6	\$ 259.4

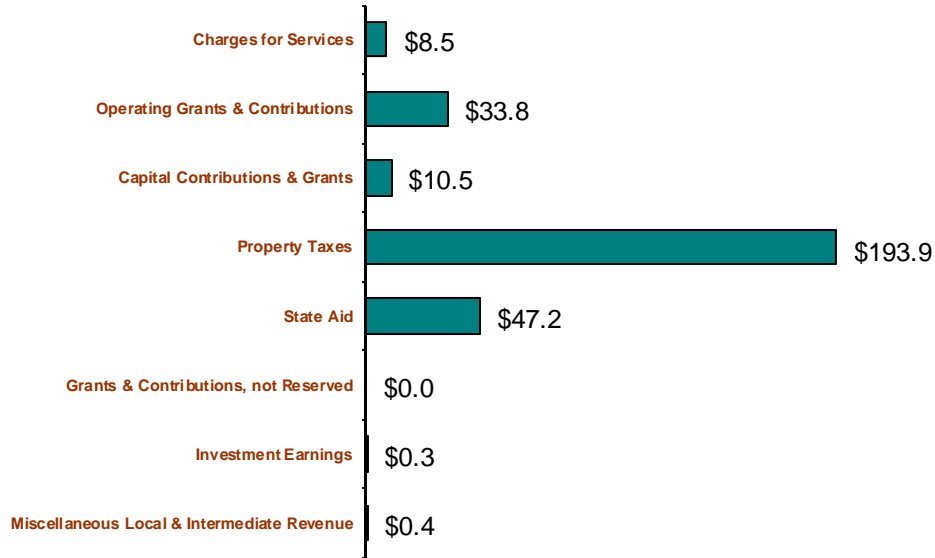
Portions of the net position are either restricted as to the purposes for which they can be used or they are net investment in capital assets. Unrestricted net position decreased by \$6.3 million. Unrestricted net position may be used to fund District programs in the next fiscal year. However, this does 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 position. The District's total revenues were \$294.6 million representing an increase of \$14.9 million or 5.33%. The majority of this increase relates to property taxes collected due to the rise of property values located within the district. The state contribution retirement rate increased 0.4% in 2013-14 resulting in additional State aid revenue. The District decreased the Debt Service tax rate by \$.0071 to meet current requirements for principal and interest. A significant portion, 65.82%, of the District's revenue comes from taxes. (See Figure A-3, page 10.) Operating grants and contributions represent 11.47% while only 2.89% relates to charges for services.

The total cost of all programs and services was \$275.4 million; an increase over the previous year of \$15.3 million or 5.88%. Instructional and student services represent 55.37% of these costs, a \$9.7 million increase from the previous year. A new compensation package for all employees and a technology upgrade at the elementary campuses increased costs in this area. Payments to the tax increment fund increased \$1.3 million due to appreciation in property values in the Irving Tax Increment Zone. Guidance, social work, health and transportation increased \$1.3 million as student transportation fuel and payroll costs have risen.

MANAGEMENT’S DISCUSSION AND ANALYSIS

**Figure A-3 District Sources of Revenue for
Fiscal Year 2014
(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 \$0.0071 per \$100 assessed valuation. Property values increased 5.38%.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
<u>Program Revenues</u>						
Charges for Services	\$ 4.6	\$ 4.5	\$ 3.9	\$ 3.9	\$ 8.5	\$ 8.4
Operating Grants & Contributions	33.8	31.7	-	-	33.8	31.7
Capital Contributions & Grants	10.5	9.3	-	-	10.5	9.3
<u>General Revenues</u>						
Property Taxes	193.9	185.5	-	-	193.9	185.5
State aid - Formula Grants	47.2	44.3	-	-	47.2	44.3
Grants & Contributions Not Restricted	-	-	-	-	-	-
Investment Earnings	0.3	0.3	-	-	0.3	0.3
Miscellaneous Local & Intermediate Revenue	0.4	0.2	-	-	0.4	0.2
Total Revenues	\$ 290.7	\$ 275.8	\$ 3.9	\$ 3.9	\$ 294.6	\$ 279.7
Expenses						
Instruction & Instructional related	\$ 152.5	\$ 142.8	\$ -	\$ -	\$ 152.5	\$ 142.8
Instructional leadership & school leadership	17.6	16.8	-	-	17.6	16.8
Guidance, social work, health & transportation	17.2	15.9	-	-	17.2	15.9
Food services	12.1	12.3	-	-	12.1	12.3
Extracurricular	6.8	6.1	-	-	6.8	6.1
General administration	6.0	6.2	-	-	6.0	6.2
Plant maintenance & security	23.7	23.7	-	-	23.7	23.7
Data processing services	6.1	5.9	-	-	6.1	5.9
Community services	0.4	0.5	-	-	0.4	0.5
Debt services	13.3	12.3	-	-	13.3	12.3
Payments to juvenile justice alternative ed programs	-	-	-	-	-	-
Payments to tax increment fund	15.7	13.8	-	-	15.7	13.8
Other Intergovernmental Charges After the Bell Child Care	0.9	0.9	-	-	0.9	0.9
	-	-	3.1	2.9	3.1	2.9
Total Expenses	\$ 272.3	\$ 257.2	\$ 3.1	\$ 2.9	\$ 275.4	\$ 260.1
Increase/(Decrease) in net position	\$ 18.4	\$ 18.6	\$ 0.8	\$ 1.0	\$ 19.2	\$ 19.6
Beginning net position	255.7	237.1	3.7	2.7	259.4	239.8
Ending net position	\$ 274.1	\$ 255.7	\$ 4.5	\$ 3.7	\$ 278.6	\$ 259.4

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 \$275.4 million, an increase of \$15.3 million or 5.88% over the prior year. Most functional categories did not encounter significant changes from the prior year. The functional category attributed to Instruction and Instructional related increased \$9.7 million. The District provided a 2.5% compensation adjustment to all employees and a \$500 annual performance pay as well as implement a three phase technology initiative to upgrade elementary computers and computer labs. The District continues its initiative to reduce costs in all functional areas such as requesting waivers to allow class sizes to exceed the 22 to 1 limit for grades K-4 to reduce staffing needs. The functional categories attributed to Guidance, Social Work, Health and Transportation increased \$1.3 million due to an increased fuel and payroll costs for our third-party transportation provider.
- The amount that our taxpayers paid for these activities through property taxes was \$193.9 million.
- \$8.5 million or 2.89% of total costs were paid by those who directly benefited from the programs.
- Operating grants and contributions totaled \$33.8 million.

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

	Total Cost of			Net Cost of		
	Services		% Change	Services		% Change
	2014	2013		2014	2013	
Instruction	\$ 141.7	\$ 131.1	8.09%	\$ 121.7	\$ 114.1	6.66%
Instructional Resources & Media Services	4.5	4.6	-2.17%	4.2	4.3	-2.33%
Curriculum & Staff Development	6.3	7.1	-11.27%	4.1	3.7	10.81%
School Leadership	14.3	13.9	2.88%	13.5	13.2	2.27%
Food Service	12.1	12.3	-1.63%	1.1	1.7	-35.29%
Plant maintenance and Operations	22.1	22.2	-0.45%	21.0	20.9	0.48%

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, City of Irving TIF #1, Debt Service, and Capital Projects Fund.

- Revenues from general governmental functions totaled \$290.7 million, an increase of \$14.2 million from the preceding year. Property taxes were the largest source of revenue received by the District. The District’s total taxable values increased \$763.4 million or 5.38% which resulted in an increase of property tax revenue of \$7.6 million or 4.11%. The Debt Service requirements for principal and interest increased from the prior year and with the increase in property values in the District, the Debt Service tax rate decreased by \$.0071. State aid formula grants increased \$4.7 million due to an increase in the state retirement contribution rate and adjustments to the state funding formula.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Expenditures for general governmental operations totaled \$301.9 million during fiscal year 2014. The total increase in expenditures was \$28.6 million. The largest increase of \$13.0 million was in the functional category of Facilities Acquisition and Construction where the District is in the final stages of construction of a new elementary school and additions to a middle school and an elementary school. Instruction increased \$10.2 million with the approved compensation package of 2.5% for all employees and an annual performance pay of \$500. The District has committed to upgrade technology equipment in a three phase initiative. During the 2013-14 fiscal year, phase one completed the upgrade of elementary computers and computers labs. The remaining technology phases will address secondary computers and labs and well as upgrades to the equipment in the network operations center. Payments to the Tax Increment Fund increased \$1.9 million to due to the appreciation of values in the Irving Tax Increment Zone. The largest decreases were in the following functional categories: Curriculum and Instructional Staff Development decreased \$0.7 million; Food Services reduced expenditures throughout this functional category despite operating under stricter regulations for preparation of food and nutritional value.
- In fiscal year 2004 voters approved a bond authorization of \$300.165 million. The remaining outstanding bonds from the original authorization were issued during May 2013. The District is in the final phases of three major projects which will be completed in early 2014-15. Major projects that are in the planning stages include additions to a high school and multiple additions and repairs to elementary schools.
- The governmental funds reported a combined fund balance of \$189.3 million, a decrease of \$11.2 million. The combined fund balance was comprised of a fund balance decrease in the General Fund of \$3.9 million and a fund balance increase in the Debt Service Fund of \$0.8 million. The District continues to evaluate operations to be more efficient and to find cost savings without adversely affecting student performance. Reduction measures include energy savings programs and realignment of programs to reduce the need for additional personnel. A compensation package that included a 2.5% raise for all employees and the completion of phase one of a three phase technology upgrade increased District expenditures. The City of Irving TIF # 1 (Tax Increment Fund) fund balance increased \$10.1 million due to the increasing property values within the tax increment zone along with no current capital projects in progress. The Capital Projects Fund balance decreased \$19.3 million. The Capital Projects Fund is in the final stages of an addition to an elementary school, an addition to a middle school and a new elementary school in the western portion of the district. Out of the combined fund balances, \$1.5 million constitutes nonspendable fund balance, \$10.6 million constitutes assigned fund balance, \$3.0 million has been committed in the general fund for building construction and repairs, and \$63.6 million constitutes unassigned fund balance available for the general operations of the District. The remainders of the fund balances are either restricted or committed fund balances to indicate that it is not available for new spending because constraints have been placed on the funds due to bond projects, debt service and other obligations of the District.

General Fund Budgetary Highlights

- Over the course of the year, the District revised its budget several times. Actual expenditures were \$8.0 million below final budget amounts. The most significant positive variance resulted in Facilities Maintenance and Operations where negotiation of new utility rates along with a departmental effort to reduce costs in all areas from personnel to contracted services were factors. Several factors contributed to the positive various in the Instruction functional area. In an effort to reduce positions, the District has made a concerted effort to reduce costs in all areas such as increased secondary class size and/or teaching load to 28 as well as consolidating personnel in areas where student performance would be least affected. The District also obtained class size waivers for K-4 classes to exceed the 22 to 1 requirement to reduce the need for additional teaching units that exceed the limit.

MANAGEMENT’S DISCUSSION AND ANALYSIS

- Function 23, School Leadership and Function 31, Guidance, Counseling and Evaluation Services, experienced a positive variance attributed to continuous evaluation of processes to achieve cost savings in all aspects of operations and to the realignment of personnel to reduce costs.
- Function 41, General Administration, experienced a positive variance attributed lower than anticipated payroll costs, legal fees and miscellaneous operating cost.
- Revenues available were \$1.9 million over the final budget amount. The District received a larger than anticipated reimbursement from School Health and Related Services. The over variance of state revenue is attributed to the State of Texas’ formula funding system and a higher State retirement contribution rate.
- Data Processing Services actual expenditures were \$0.5 million below final budget amounts. The District’s lower extra duty payroll costs and contracted services contributed to the majority of the positive variance.

Capital Assets and Debt Administration

Capital Assets

At August 31, 2014, the District had invested \$718.6 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 \$18.2 million or 2.60% over last year. Most of this increase was related to the costs of an elementary school project, additions to a middle and elementary school. Additional information regarding Capital Assets is available in the Notes to the Financial Statements, pages 48-49.

	Governmental Activities		Total % Change
	2014	2013	
Land	\$ 61.4	\$ 61.4	0.00%
Buildings, building improvements & land improvements	610.6	610.9	-0.05%
Construction in progress	22.8	5.3	330.19%
Furniture and equipment	23.8	22.8	4.39%
Totals at historical costs	<u>\$ 718.6</u>	<u>\$ 700.4</u>	2.60%
Total accumulated depreciation	<u>(316.6)</u>	<u>(300.4)</u>	5.39%
Net capital assets	<u><u>\$ 402.0</u></u>	<u><u>\$ 400.0</u></u>	0.50%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt Administration

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

	Governmental		Total % Change
	2014	2013	
Bonds payable	\$ 304.5	\$ 331.3	-8.09%
Other Long Term Debt payable	29.2	30.9	-5.50%
Sub-Total	\$ 333.7	\$ 362.2	-7.87%
Less Current Portion	(29.1)	(28.0)	3.93%
Total due in more than one year	<u>\$ 304.6</u>	<u>\$ 334.2</u>	-8.86%

At year-end the District had \$304.6 million in bonds and notes outstanding due in more than one year. (See Table A-5.) More detailed information about the District's debt is presented in the Notes to the Financial Statements, pages 49-51.

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. Under the PSF, 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
Aa1 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 2015 budget preparation increased \$1,115.7 million or 7.46% from 2014.
- General operating fund spending per student in the 2015 budget increases from \$7,640 to \$8,088 (excluding the Chapter 41 and Tax Increment Financing payments). This is a 5.86% increase.
- The District's enrollment in 2014 was 26,347, a decrease of 38.0 or -0.14% over 2013. The District is not anticipating significant student growth in 2015.
- The District's attendance rate increased 0.1% from 95.8% for 2013 to 95.9% for 2014.

These indicators were taken into account when adopting the general fund budget for 2015. The state funding formulas have changed significantly with the passage of House Bill 1 (80th Legislature) and the target revenue concept. Although the 83rd Texas Legislature altered the some of the state funding formulas, the target revenue system remains in place. House Bill 1 funding mechanism is designed to keep the revenue per weighted average daily attendance flat from one year to the next; this is called a target revenue model. Although House Bill 3646 (passed in 2009) adjusted the target revenue amount by \$120 per student, most of this increase was used for a mandated raise for teachers, librarians, counselors, nurses and speech pathologists. The passage of Senate Bill 1 by the 82nd Legislature reduced the basic regular

MANAGEMENT’S DISCUSSION AND ANALYSIS

allotment and target revenue to districts over two fiscal years by \$4 billion, beginning in 2011-12. During the 2013 Legislative Session, the Legislature restored \$3.2 billion of the \$4 billion that was cut from the basic state aid during 2011. Changes in the District’s assessed value – either increases or decreases do no harm nor benefit the District under the Target Revenue concept, up to a compressed tax rate. In general, as the tax revenues go up, the State Revenue goes down by a similar amount; hence although the relative value of the various funding sources may change the net bottom line will remain virtually the same. The target revenue design does not allow for inflation, program increases or raises for district employees. Basically, the only way to generate additional revenue is to ask local taxpayers for a tax increase absent the increase of the student population. Under SB1, the legislatures established the intent to eliminate target revenue by September 1, 2017. Under the current system, if a District’s Tier I state aid plus local revenue at its compressed rate is more than the target level, the district gets to keep it all and is considered to be “formula” district. If a district’s Tier I state aid plus local revenue at the compressed rate is less than the target level, the district continues to receive “Additional State Aid for Tax Reduction (ASATR).” During the 2013-14 fiscal year, the District became a “formula” district. The increase in property values caused General Fund tax revenues budgeted to increase \$9.4 million more than actual collections for fiscal year 2014. The amount of state revenue budgeted decreased by \$1.6 million for fiscal year 2014-15.

General Fund expenditures are budgeted to increase 6.74% to \$231.6 million over the original 2014 budgeted amounts of \$217.0 million. The District implemented a 3.0% employee raise for fiscal year 2014-15 as well as a collective performance pay program. The District’s will move forward with phase two of the technology equipment upgrade that will address secondary technology needs. The District continues to analyze all areas of operations to find savings without impacting student achievement.

If these estimates are realized, the District’s budgetary general fund balance is expected to decrease by \$10.6 million by the close of the 2015 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 Director of Financial Reporting, Scott Roderick, at 1445 N. Perry Road, Carrollton, Texas 75011-5186, (972) 968-6116, e-mail rodericks@cfbisd.edu.

BASIC FINANCIAL STATEMENTS



Carrollton-Farmers Branch ISD

CARROLLTON-FARMERS BRANCH ISD
STATEMENT OF NET POSITION
AUGUST 31, 2014

EXHIBIT A-1

Data Control Codes	1	2 Primary Government	3
	Governmental Activities	After the Bell	Total
ASSETS			
1110 Cash and Investments	\$ 209,593,493	\$ 4,650,892	\$ 214,244,385
1220 Property Taxes Receivable (Delinquent)	4,386,848	-	4,386,848
1230 Allowance for Uncollectible Taxes	(2,178,431)	-	(2,178,431)
1240 Due from Other Governments	3,000,979	-	3,000,979
1250 Accrued Interest	143,810	-	143,810
1260 Internal Balances	258	(258)	-
1290 Other Receivables, net	56,943	21,150	78,093
1300 Inventories	1,457,953	-	1,457,953
Capital Assets:			
1510 Land	61,365,108	-	61,365,108
1520 Buildings, Net	315,320,217	-	315,320,217
1530 Furniture and Equipment, Net	2,508,740	-	2,508,740
1580 Construction in Progress	22,794,447	-	22,794,447
1000 Total Assets	<u>618,450,365</u>	<u>4,671,784</u>	<u>623,122,149</u>
DEFERRED OUTFLOWS OF RESOURCES			
1701 Deferred Charge on Bond Refundings	5,506,544	-	5,506,544
1700 Total Deferred Outflows of Resources	<u>5,506,544</u>	<u>-</u>	<u>5,506,544</u>
LIABILITIES			
2110 Accounts Payable	5,714,098	3,916	5,718,014
2140 Interest Payable	569,689	-	569,689
2150 Payroll Deductions & Withholdings	178,862	-	178,862
2160 Accrued Wages Payable	8,182,155	122,953	8,305,108
2180 Due to Other Governments	1,226,162	-	1,226,162
2300 Unearned Revenue	255,020	-	255,020
Noncurrent Liabilities			
2501 Due Within One Year	29,058,008	-	29,058,008
2502 Due in More Than One Year	304,690,909	-	304,690,909
2000 Total Liabilities	<u>349,874,903</u>	<u>126,869</u>	<u>350,001,772</u>
NET POSITION			
3200 Net Investment in Capital Assets	147,952,734	-	147,952,734
Restricted for:			
3820 Restricted for Food Service	605,721	-	605,721
3850 Restricted for Debt Service	7,932,918	-	7,932,918
3890 Restricted for Tax Increment Zone	52,746,254	-	52,746,254
3900 Unrestricted	64,844,379	4,544,915	69,389,294
3000 Total Net Position	<u>\$ 274,082,006</u>	<u>\$ 4,544,915</u>	<u>\$ 278,626,921</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, 2014

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	\$ 141,655,619	\$ 928,245	\$ 19,004,336	\$ -
12 Instructional Resources and Media Services	4,467,237	20,167	221,238	-
13 Curriculum and Staff Development	6,349,383	21,263	2,248,859	-
21 Instructional Leadership	3,306,762	-	331,278	-
23 School Leadership	14,328,268	28,234	793,794	-
31 Guidance, Counseling and Evaluation Services	9,804,021	110,705	732,446	-
32 Social Work Services	140,333	-	8,440	-
33 Health Services	2,621,635	477	151,832	-
34 Student (Pupil) Transportation	4,650,512	1,006	2,031	-
35 Food Services	12,121,742	2,237,355	8,779,747	-
36 Extracurricular Activities	6,813,429	873,427	109,592	-
41 General Administration	6,028,276	-	345,103	-
51 Facilities Maintenance and Operations	22,101,436	416,850	660,014	-
52 Security and Monitoring Services	1,533,648	3,569	46,302	-
53 Data Processing Services	6,111,082	-	164,496	-
61 Community Services	430,814	1,038	242,932	-
72 Debt Service - Interest on Long Term Debt	13,288,346	-	-	-
73 Debt Service - Bond Issuance Cost and Fees	7,800	-	-	-
95 Payments to Juvenile Justice Alternative Ed. Prg.	8,639	-	-	-
97 Payments to Tax Increment Fund	15,713,810	-	-	10,497,989
99 Other Intergovernmental Charges	889,432	-	-	-
[TG] Total Governmental Activities:	<u>272,372,224</u>	<u>4,642,336</u>	<u>33,842,440</u>	<u>10,497,989</u>
BUSINESS-TYPE ACTIVITIES:				
01 After the Bell	3,024,824	3,916,670	-	-
[TB] Total Business-Type Activities:	<u>3,024,824</u>	<u>3,916,670</u>	<u>-</u>	<u>-</u>
[TP] TOTAL PRIMARY GOVERNMENT:	<u>\$ 275,397,048</u>	<u>\$ 8,559,006</u>	<u>\$ 33,842,440</u>	<u>\$ 10,497,989</u>

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
TR	Total General Revenues
CN	Change in Net Position
NB	Net Position - Beginning
NE	Net Position--Ending

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

Net (Expense) Revenue and Changes in Net Position		
6	7	8
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (121,723,038)	\$ -	\$ (121,723,038)
(4,225,832)	-	(4,225,832)
(4,079,261)	-	(4,079,261)
(2,975,484)	-	(2,975,484)
(13,506,240)	-	(13,506,240)
(8,960,870)	-	(8,960,870)
(131,893)	-	(131,893)
(2,469,326)	-	(2,469,326)
(4,647,475)	-	(4,647,475)
(1,104,640)	-	(1,104,640)
(5,830,410)	-	(5,830,410)
(5,683,173)	-	(5,683,173)
(21,024,572)	-	(21,024,572)
(1,483,777)	-	(1,483,777)
(5,946,586)	-	(5,946,586)
(186,844)	-	(186,844)
(13,288,346)	-	(13,288,346)
(7,800)	-	(7,800)
(8,639)	-	(8,639)
(5,215,821)	-	(5,215,821)
(889,432)	-	(889,432)
<u>(223,389,459)</u>	<u>-</u>	<u>(223,389,459)</u>
-	891,846	891,846
-	891,846	891,846
<u>(223,389,459)</u>	<u>891,846</u>	<u>(222,497,613)</u>
152,386,767	-	152,386,767
41,515,082	-	41,515,082
47,193,293	-	47,193,293
16,358	-	16,358
322,677	1,465	324,142
382,556	-	382,556
<u>241,816,733</u>	<u>1,465</u>	<u>241,818,198</u>
18,427,274	893,311	19,320,585
255,654,732	3,651,604	259,306,336
<u>\$ 274,082,006</u>	<u>\$ 4,544,915</u>	<u>\$ 278,626,921</u>

CARROLLTON-FARMERS BRANCH ISD
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2014

Data Control Codes	10 General Fund	City of Irving TIF #1	50 Debt Service Fund
ASSETS			
1110 Cash and Investments	\$ 86,106,242	\$ 45,231,234	\$ 8,116,464
1220 Property Taxes - Delinquent	3,466,804	-	920,044
1230 Allowance for Uncollectible Taxes (Credit)	(1,711,813)	-	(466,618)
1240 Receivables from Other Governments	1,662,954	-	-
1250 Accrued Interest	64,674	1,781	-
1260 Due from Other Funds	787,450	-	-
1290 Other Receivables	42,472	-	8,859
1300 Inventories	1,007,591	-	-
1000 Total Assets	<u>\$ 91,426,374</u>	<u>\$ 45,233,015</u>	<u>\$ 8,578,749</u>
LIABILITIES			
2110 Accounts Payable	\$ 2,580,714	\$ -	\$ -
2150 Payroll Deductions and Withholdings Payable	178,862	-	-
2160 Accrued Wages Payable	7,595,207	-	-
2170 Due to Other Funds	1,504	-	69,725
2180 Due to Other Governments	1,226,162	-	-
2300 Unearned Revenues	22,340	-	6,417
2000 Total Liabilities	<u>11,604,789</u>	<u>-</u>	<u>76,142</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	1,573,972	-	399,373
2600 Total Deferred Inflows of Resources	<u>1,573,972</u>	<u>-</u>	<u>399,373</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	1,007,591	-	-
Restricted Fund Balance:			
3450 Food Service	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	-
3480 Retirement of Long-Term Debt	-	-	8,103,234
3490 Tax Increment Zone	-	45,233,015	-
Committed Fund Balance:			
3545 Building Construction, Repairs & Renovation	3,000,000	-	-
3545 Campus Activity Funds	-	-	-
Assigned Fund Balance:			
3590 Subsequent Year's Budget	10,622,493	-	-
3600 Unassigned Fund Balance	63,617,529	-	-
3000 Total Fund Balances	<u>78,247,613</u>	<u>45,233,015</u>	<u>8,103,234</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 91,426,374</u>	<u>\$ 45,233,015</u>	<u>\$ 8,578,749</u>

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

60 Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 50,620,169	\$ 9,896,536	\$ 199,970,645
-	-	4,386,848
-	-	(2,178,431)
-	1,338,025	3,000,979
72,616	-	139,071
-	1,504	788,954
-	5,612	56,943
-	450,362	1,457,953
<u>\$ 50,692,785</u>	<u>\$ 11,692,039</u>	<u>\$ 207,622,962</u>
\$ 2,640,907	\$ 486,702	\$ 5,708,323
-	-	178,862
-	585,144	8,180,351
1,024	716,443	788,696
-	-	1,226,162
-	226,263	255,020
<u>2,641,931</u>	<u>2,014,552</u>	<u>16,337,414</u>
-	-	1,973,345
-	-	1,973,345
-	450,362	1,457,953
-	155,359	155,359
48,050,854	-	48,050,854
-	-	8,103,234
-	7,513,239	52,746,254
-	-	3,000,000
-	1,558,527	1,558,527
-	-	10,622,493
-	-	63,617,529
<u>48,050,854</u>	<u>9,677,487</u>	<u>189,312,203</u>
<u>\$ 50,692,785</u>	<u>\$ 11,692,039</u>	<u>\$ 207,622,962</u>



Carrollton-Farmers Branch ISD

CARROLLTON-FARMERS BRANCH ISD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2014

Total Fund Balances - Governmental Funds	\$	189,312,203
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance, 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 position. The net effect of this consolidation is to increase(decrease) net position.		8,596,304
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		718,547,291
3 Accumulated depreciation has not been included in the governmental fund financial statements.		(316,558,779)
4 Bonds payable and contractual obligations have not been included in the governmental fund financial statements.		(304,535,000)
5 Premium on issuance of debt were not recognized on the balance sheet for governmental funds.		(26,193,189)
6 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.		5,506,544
7 Deferred inflows reported as unavailable revenue in the governmental fund financials statements was recorded as revenue in the government-wide financial statements.		1,973,345
8 Interest accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements an interest expense is reported when due.		(569,689)
9 Compensated absences are accrued in the government-financial statements but not in the governmental funds.		(1,997,024)
19 Net Position of Governmental Activities	\$	274,082,006

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, 2014

Data Control Codes	10 General Fund	City of Irving TIF #1	50 Debt Service Fund
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 153,762,980	\$ 10,104,104	\$ 41,467,335
5800 State Program Revenues	56,994,206	-	-
5900 Federal Program Revenues	2,354,735	-	-
5020 Total Revenues	<u>213,111,921</u>	<u>10,104,104</u>	<u>41,467,335</u>
EXPENDITURES:			
Current:			
0011 Instruction	120,562,460	-	-
0012 Instructional Resources and Media Services	3,624,063	-	-
0013 Curriculum and Instructional Staff Development	4,057,807	-	-
0021 Instructional Leadership	3,068,126	-	-
0023 School Leadership	13,520,772	-	-
0031 Guidance, Counseling and Evaluation Services	9,313,572	-	-
0032 Social Work Services	140,089	-	-
0033 Health Services	2,559,622	-	-
0034 Student (Pupil) Transportation	4,602,207	-	-
0035 Food Services	126,610	-	-
0036 Extracurricular Activities	4,470,301	-	-
0041 General Administration	5,576,365	-	-
0051 Facilities Maintenance and Operations	21,219,761	-	-
0052 Security and Monitoring Services	1,516,817	-	-
0053 Data Processing Services	5,772,319	-	-
0061 Community Services	178,075	-	-
Debt Service:			
0071 Principal on Long Term Debt	-	-	26,755,000
0072 Interest on Long Term Debt	-	-	14,472,101
0073 Bond Issuance Cost and Fees	-	-	7,800
Capital Outlay:			
0081 Facilities Acquisition and Construction	95,654	-	-
Intergovernmental:			
0095 Payments to Juvenile Justice Alternative Ed. Prg.	8,639	-	-
0097 Payments to Tax Increment Fund	15,713,810	-	-
0099 Other Intergovernmental Charges	889,432	-	-
6030 Total Expenditures	<u>217,016,501</u>	<u>-</u>	<u>41,234,901</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,904,580)</u>	<u>10,104,104</u>	<u>232,434</u>
OTHER FINANCING SOURCES (USES):			
7915 Transfers In	-	-	539,647
8911 Transfers Out (Use)	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>539,647</u>
1200 Net Change in Fund Balances	(3,904,580)	10,104,104	772,081
0100 Fund Balance - September 1 (Beginning)	<u>82,152,193</u>	<u>35,128,911</u>	<u>7,331,153</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 78,247,613</u>	<u>\$ 45,233,015</u>	<u>\$ 8,103,234</u>

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

60 Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 89,428	\$ 4,555,393	\$ 209,979,240
-	2,357,459	59,351,665
-	19,009,967	21,364,702
89,428	25,922,819	290,695,607
4,468	10,669,062	131,235,990
-	67,503	3,691,566
-	2,087,010	6,144,817
-	192,588	3,260,714
-	41,095	13,561,867
-	327,251	9,640,823
-	-	140,089
-	477	2,560,099
-	2,606	4,604,813
-	10,582,953	10,709,563
-	557,047	5,027,348
-	97,599	5,673,964
-	-	21,219,761
-	3,569	1,520,386
-	-	5,772,319
-	235,736	413,811
-	-	26,755,000
-	-	14,472,101
-	-	7,800
18,822,076	-	18,917,730
-	-	8,639
-	-	15,713,810
-	-	889,432
18,826,544	24,864,496	301,942,442
(18,737,116)	1,058,323	(11,246,835)
-	-	539,647
(539,647)	-	(539,647)
(539,647)	-	-
(19,276,763)	1,058,323	(11,246,835)
67,327,617	8,619,164	200,559,038
\$ 48,050,854	\$ 9,677,487	\$ 189,312,203

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, 2014

Total Net Change in Fund Balances - Governmental Funds	\$ (11,246,835)
The District uses internal service funds to charge the costs of self-insurance to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase (decrease) net position.	(295,754)
Current year capital outlays 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 2014 capital outlays is to increase net position.	19,132,894
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 position.	(16,680,911)
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.	26,755,000
Interest is accrued on outstanding debt in the governmenta-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	66,631
The liability for accrued compensated absences is not recognized in the governmental funds. The effect of recording the current year's liability is to decrease net position.	(43,769)
Premiums on bonds issued are recognized in the fund financial statements as other financing sources, but they are amortized over the term of the bonds in the government-wide financial statements.	1,580,673
Amortization of deferred charge on bond refundings is not recognized in the governmental funds. The effect of recording current year's amortization is to decrease net position.	(463,549)
Revenue from property taxes is unavailable 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.	76,163

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, 2014

In the statement of activities, 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 position differs from the change in fund balances by the cost of assets disposed.	(453,269)
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Change in Net Position of Governmental Activities	<u>\$ 18,427,274</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 POSITION
PROPRIETARY FUNDS
AUGUST 31, 2014

	Business-Type Activities -	Governmental Activities -
	After the Bell	Workers Compensation Fund
ASSETS		
Current Assets:		
Cash and Investments	\$ 4,650,892	\$ 9,622,848
Accrued Interest	-	4,739
Other Receivables	21,150	-
Total Assets	<u>4,672,042</u>	<u>9,627,587</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	3,916	5,775
Accrued Wages Payable	122,953	1,804
Due to Other Funds	258	-
Accrued Expenses	-	920,447
Total Current Liabilities	<u>127,127</u>	<u>928,026</u>
Noncurrent Liabilities:		
Bonds, Loans & Other Payable - Due Within One Year	-	103,257
Total Noncurrent Liabilities	<u>-</u>	<u>103,257</u>
Total Liabilities	<u>127,127</u>	<u>1,031,283</u>
NET POSITION		
Unrestricted Net Position	<u>4,544,915</u>	<u>8,596,304</u>
Total Net Position	<u>\$ 4,544,915</u>	<u>\$ 8,596,304</u>

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 POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2014

	Business-Type Activities -	Governmental Activities -
	After the Bell	Workers Compensation Fund
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 3,916,670	\$ 660,993
Total Operating Revenues	<u>3,916,670</u>	<u>660,993</u>
OPERATING EXPENSES:		
Payroll Costs	2,733,516	105,832
Professional and Contracted Services	79,903	48,119
Supplies and Materials	103,417	272
Other Operating Costs	107,988	830,252
Total Operating Expenses	<u>3,024,824</u>	<u>984,475</u>
Operating Income (Loss)	<u>891,846</u>	<u>(323,482)</u>
NONOPERATING REVENUES (EXPENSES):		
Earnings from Temporary Deposits & Investments	<u>1,465</u>	<u>27,728</u>
Total Nonoperating Revenues (Expenses)	<u>1,465</u>	<u>27,728</u>
Change in Net Position	893,311	(295,754)
Total Net Position - September 1 (Beginning)	<u>3,651,604</u>	<u>8,892,058</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 4,544,915</u></u>	<u><u>\$ 8,596,304</u></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, 2014

EXHIBIT D-3

	Business-Type Activities -	Governmental Activities -
	After the Bell	Workers Compensation Fund
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 3,908,632	\$ 660,993
Cash Payments to Employees for Services	(2,732,600)	(107,007)
Cash Payments for Insurance Claims	-	(1,002,332)
Cash Payments for Suppliers	(100,291)	(272)
Cash Payments for Other Operating Expenses	(187,891)	(42,344)
Net Cash Provided by (Used for) Operating Activities	887,850	(490,962)
<u>Cash Flows from Investing Activities:</u>		
Interest and Dividends on Investments	1,465	26,278
Net Increase (Decrease) in Cash and Cash Equivalents	889,315	(464,684)
Cash and Cash Equivalents at Beginning of Year	3,761,577	10,087,532
Cash and Cash Equivalents at End of Year	\$ 4,650,892	\$ 9,622,848
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u> Provided by (Used for) Operating Activities:</u>		
Operating Income (Loss):	\$ 891,846	\$ (323,482)
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Receivables	(8,038)	-
Increase (decrease) in Accounts Payable	3,126	5,775
Increase (decrease) in Accrued Wages Payable	916	(1,175)
Increase (decrease) in Accrued Expenses	-	(172,080)
Net Cash Provided by (Used for) Operating Activities	\$ 887,850	\$ (490,962)

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

CARROLLTON-FARMERS BRANCH ISD
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
AUGUST 31, 2014

	Agency Fund
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 646,450
Total Assets	<u>\$ 646,450</u>
LIABILITIES	
Accounts Payable	\$ 34,213
Due to Student Groups	612,237
Total Liabilities	<u>\$ 646,450</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 position 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 position. 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 position as receivable or payable to external parties (consistent with the nature of the fiduciary fund).

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Government-Wide and Fund Financial Statements - continued

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, deferred outflows of resources, current liabilities, deferred inflows of resources 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 unearned 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.

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. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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. **City of Irving TIF #1** – The District accounts for property taxes collected for the City of Irving Tax Increment Finance #1 Zone (Local Special Revenue Fund) 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.
3. **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.
4. **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 Fund (After the Bell)** – 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 (Workers Compensation Fund)** – 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 sole internal service fund accounts for the Workers’ Compensation Fund.

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 2014 fiscal year was based upon, was \$14,964,110,850.

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, 2014 were 99.52% of the tax levy.

The tax rates assessed for the year ended August 31, 2014 to finance general fund operations and the payment of principal and interest on general obligation long-term debt were \$1.04 and \$0.2835 per \$100 valuation, respectively, for a total of \$1.3235 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.

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 non-spendable fund balance indicates that inventories are unavailable as current expendable financial resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Prepayments

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded using the consumption method in both government-wide and fund financial statements. The prepaid items have been identified as a non-spendable fund balance since it is not available for other subsequent expenditures.

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 \$1,997,024 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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using effective interest method. Gains or losses on bond refundings are recorded as deferred outflows of resources 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. Bond issuance costs are expensed as incurred.

In the fund 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 Position and Fund Balance

Government-Wide Financial Statements

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

Net Investment in Capital Assets – The component of net position 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 Food Service – The component of net position 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.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Government-Wide Financial Statements - Continued

Restricted for Tax Increment Zone – The component of net position 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 portion of net position that is not reported in Net Investment in Capital Assets, Restricted for Food Service, Restricted for Debt Service, or Restricted for Tax Increment Zone.

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 outstanding at August 31, 2014 that were in the subsequent year’s budget are:

General Fund	\$ 2,978,759
Special Revenue Fund-Food Service	177,541
Capital Projects Fund	<u>6,287,922</u>
Total	<u>\$ 9,444,222</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.

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, 2014 will change.

NOTE 2. FUND BALANCES

Beginning with the fiscal year ended August 31, 2011, the District implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent.

NOTE 2. FUND BALANCES - CONTINUED

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Non-spendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified inventories and prepaid items as being non-spendable as these items are not expected to be converted to cash.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the District’s bonded debt and are restricted through debt covenants. Capital projects fund resources are to be used for future construction and renovation projects and are restricted through bond orders and constitutional law. Food service and other Federal and State grant resources are restricted because their use is restricted pursuant to the mandates of the National School Lunch and Breakfast Program or other grant requirements.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action to the District’s Board of Trustees. The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This can also be done through adoption and amendment of the budget. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board of Trustees has committed resources as of August 31, 2014 for campus activities and maintenance projects.

Assigned – This classification includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Trustees delegating this responsibility to other individuals in the District. Under the District’s adopted policy, only Board of Trustees may assign amounts for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The District has assigned fund balance of the General Fund as of August 31, 2014 for the District’s 2015 fiscal year deficit budget as detailed below.

Unassigned – This classification includes all amounts not included in other spendable classifications, including the residual fund balance of the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

The details of the fund balances are included in the Governmental Funds Balance Sheet and are described below:

NOTE 2. FUND BALANCES - CONTINUED

General Fund

Inventories of \$1,007,591 in the General Fund are considered non-spendable fund balance. The Board of Trustees through board resolution committed \$3,000,000 for building construction, repairs and renovations. The 2014-15 adopted deficit budget of \$10,622,493 is considered assigned fund balance.

The General Fund has unassigned fund balance of \$63,617,529 at August 31, 2014.

Other Major Funds

The Debt Service Fund has restricted funds of \$8,103,234 at August 31, 2014 consisting primarily of property tax collections that are restricted for debt service payments on bonded debt. The Capital Projects Fund has restricted funds of \$48,050,854 consisting of proceeds from long-term financing and revenues and expenditures related to construction and other capital asset acquisitions. The City of Irving Tax Increment Finance Zone Fund (Local Special Revenue Fund) has restricted funds of \$45,233,015 consisting of 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.

Other Funds

Inventories of \$450,362 in the National Breakfast and Lunch Program Fund are considered non-spendable fund balance. The fund balance of \$1,558,527 of the Campus Activity Fund (a special revenue fund) is shown as committed due to a board resolution committing those funds to campus activities. The following special revenue funds are restricted by Federal or State grant restrictions or by contractual provisions:

National Breakfast and Lunch Program	\$ 155,359
City of Farmers Branch TIF #1	7,373,772
City of Farmers Branch TIF #2	<u>139,467</u>
 Total	 <u>\$ 7,668,598</u>

NOTE 3. 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, 2014, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing saving accounts included in temporary investments) was \$99,898,799 and the bank balance was \$101,835,671. The District's cash deposits at August 31, 2014 and during the year ended August 31, 2014 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.

NOTE 3. CASH AND INVESTMENTS – CONTINUED

- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$51,999,202.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$42,220,854 and occurred during the month of February, 2014.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$250,000.

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.

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.

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2014

NOTE 3. CASH AND INVESTMENTS – CONTINUED

Cash and investments as of August 31, 2014 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 214,244,385
Fiduciary Funds:	
Cash and Investments	<u>646,450</u>
Total Cash and Investments	<u>\$ 214,890,835</u>

Cash and investments as August 31, 2014 consist of the following:

Cash on Hand	\$ 22,280
Savings and Checking Accounts	36,140,947
Certificates of Deposit	5,467,000
Certificates of Deposit Account Registry Service	48,058,472
Government Agencies	8,997,100
Money Markets	10,232,381
Mutual Fund	1,015,190
Lone Star	5,001,329
Texpool	95,861,860
TexStar	<u>4,094,276</u>
Total Cash and Investments	<u>\$ 214,890,835</u>

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 limits the maturity of certificates of deposit and other investments to no more than two years at the time of purchase. The District's practice is to hold all certificates of deposit until maturity. The District's investment policy has no specific maturity restrictions for 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.

NOTE 3. CASH AND INVESTMENTS – CONTINUED

As of August 31, 2014, the District had the following investments:

Investment Type	Amount	Weighted Average Maturity
Certificates of Deposit	\$ 5,467,000	453 days
Certificates of Deposit Account Registry Service	48,058,472	144 days
Government Agencies	8,997,100	522 days
Mutual Fund	1,015,190	16 days
Lone Star	5,001,329	49 days
Texpool	95,861,860	48 days
TexStar	4,094,276	52 days
Total	<u>\$ 168,495,227</u>	

As of August 31, 2014, 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. All investments in certificates of deposit are fully covered by federal depository insurance. 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 in public funds investment pools.

Investment Type	Amount	Minimum Legal Rating	Rating of Year End
Lone Star	\$ 5,001,329	N/A	AAA
Texpool	95,861,860	N/A	AAAam
TexStar	4,094,276	N/A	AAAam
Total	<u>\$ 104,957,465</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, 2014, other than external investment pools, the District did not have 5% or more of its investments with one issuer.

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

NOTE 3. CASH AND INVESTMENTS – CONTINUED

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, 2014, the District deposits with financial institutions in excess of federal depository insurance limits were fully collateralized. All certificates of deposits are fully covered by federal depository insurance.

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 4. 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, 2014, the components of delinquent taxes receivables are as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Delinquent Taxes	\$ 2,292,534	\$ 627,116	\$ 2,919,650
Related Penalty and Interest	1,174,270	292,928	1,467,198
	<u>\$ 3,466,804</u>	<u>\$ 920,044</u>	<u>\$ 4,386,848</u>

At August 31, 2014, an allowance for uncollectible taxes is provided for the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Personal Property	\$ 1,677,107	\$ 457,175	\$ 2,134,282
Real Property	34,706	9,443	44,149
	<u>\$ 1,711,813</u>	<u>\$ 466,618</u>	<u>\$ 2,178,431</u>

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2014

NOTE 5. RECEIVABLES 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, 2014, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Receivables 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	Nonmajor Governmental Funds	Total
Federal Grants	\$ 1,514,979	\$ 1,338,025	\$ 2,853,004
City of Farmers Branch	3,144	-	3,144
City of Irving	34,399	-	34,399
Dallas County Schools	110,432	-	110,432
	<u>\$ 1,662,954</u>	<u>\$ 1,338,025</u>	<u>\$ 3,000,979</u>

NOTE 6. OTHER RECEIVABLES

Other receivables as of August 31, 2014, for the District's individual major funds and nonmajor, and internal service in the aggregate are as follows:

	General Fund	Debt Service Funds	Nonmajor Governmental Funds	Total
NSF Checks	\$ 5,464	\$ -	\$ 5,612	\$ 11,076
Other Receivable	37,008	8,859	-	45,867
	<u>\$ 42,472</u>	<u>\$ 8,859</u>	<u>\$ 5,612</u>	<u>\$ 56,943</u>

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2014

NOTE 7. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at August 31, 2014 consisted of the following individual fund receivables and payables:

	Receivables	Payables	Purpose
Major Funds:			
General Fund	\$ 787,450	\$ 1,504	Cash shortage and payroll transfers
Debt Service Fund	-	69,725	Tax revenue
Capital Projects	-	1,024	Supplies purchased
Non-Major Funds:			
Federal Funds	1,504	715,590	Cash shortage and payroll transfers
Local Funds	-	853	Supplies purchased
Enterprise Fund	-	258	Supplies purchased
Total	<u>\$ 788,954</u>	<u>\$ 788,954</u>	

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

NOTE 8. CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year ended August 31, 2014, was as follows:

Governmental Activities:	Primary Government				Ending Balance
	Beginning Balance	Additions	Retirements	Transfers	
Non-Depreciable Assets					
Land	\$ 61,365,108	\$ -	\$ -	\$ -	\$ 61,365,108
Construction In Progress	5,289,541	17,504,906	-	-	22,794,447
Total Non-Depreciable Assets	<u>66,654,649</u>	<u>17,504,906</u>	<u>-</u>	<u>-</u>	<u>84,159,555</u>
Depreciable					
Land Improvements	1,455,976	26,420	-	-	1,482,396
Buildings and Improvements	609,447,318	541,928	(906,538)	-	609,082,708
Furniture and Equipment	22,841,238	1,059,640	(78,246)	-	23,822,632
Total Depreciable Assets	<u>633,744,532</u>	<u>1,627,988</u>	<u>(984,784)</u>	<u>-</u>	<u>634,387,736</u>
Less Accumulated Depreciation for:					
Land Improvements	592,282	74,120	-	-	666,402
Buildings and Improvements	279,617,754	15,414,000	(453,269)	-	294,578,485
Furniture and Equipment	20,199,347	1,192,791	(78,246)	-	21,313,892
Total Accumulated Depreciation	<u>300,409,383</u>	<u>16,680,911</u>	<u>(531,515)</u>	<u>-</u>	<u>316,558,779</u>
Total Capital Assets, Net	<u>\$ 399,989,798</u>	<u>\$ 2,451,983</u>	<u>\$ (453,269)</u>	<u>\$ -</u>	<u>\$ 401,988,512</u>

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2014

NOTE 8. CAPITAL ASSET ACTIVITY – CONTINUED

Depreciation expense was charged to governmental functions as follows:

<u>Governmental Function</u>	<u>Depreciation</u>
Instruction	\$ 9,859,984
Instructional Resources and Media Services	772,499
Curriculum and Instructional Staff Development	233,901
Instructional Leadership	43,335
School Leadership	752,580
Guidance, Counseling and Evaluation Services	153,810
Social Work Services	84
Health Services	58,772
Student (Pupil) Transportation	45,691
Food Services	1,375,704
Extracurricular Activities	1,383,107
General Administration	499,370
Facilities Maintenance and Operations	611,466
Security and Monitoring Service	6,796
Data Processing Services	883,812
	<hr/>
Total Depreciation Expense	<u>\$ 16,680,911</u>

NOTE 9. UNEARNED REVENUE

Unearned revenue at year end consisted of the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Other Receipts	\$ 22,340	\$ 6,417	\$ 144,153	\$ 172,910
Reading Recovery	-	-	2,107	2,107
Texas Workforce	-	-	16,861	16,861
State Textbook Fund	-	-	58,132	58,132
Mark McPhaul Full Time Full Tilt	-	-	3	3
Fuel Up to Play 60	-	-	4,083	4,083
Ralph Ellis Grant	-	-	924	924
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>\$ 22,340</u>	<u>\$ 6,417</u>	<u>\$ 226,263</u>	<u>\$ 255,020</u>

Resources that have been received, but not yet earned are recorded as unearned revenue.

NOTE 10. DEFEASED DEBT

In the prior year, the District has defeased certain bond series in an advance refunding transaction. On August 31, 2014, \$30,070,000 of defeased bonds remains outstanding.

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2014

NOTE 11. 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 Position. 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, 2014 are as follows:

Purpose and Lawful Authority	Maturity Year	Interest Rate	Original Amount	Amount Outstanding 09/01/13	Issued	Retired/Refunded	Amount Outstanding 08/31/14
Unlimited Tax Refunding Bonds, Series 2004	2017	2.00% to 5.00%	23,740,000	\$ 14,240,000	-	\$ 3,170,000	\$ 11,070,000
Unlimited Tax School Building Bonds, Series 2004	2029	2.00% to 5.00%	54,350,000	1,520,000	-	1,520,000	-
Unlimited Tax School Building Bonds, Series 2005	2025	3.00% to 5.00%	54,810,000	4,555,000	-	2,225,000	2,330,000
Unlimited Tax School Building Bonds, Series 2006	2031	4.125% to 5.00%	41,220,000	28,395,000	-	1,060,000	27,335,000
Unlimited Tax School Building and Refunding Bonds, Series 2007	2032	4.00% to 5.00%	105,775,000	93,390,000	-	5,245,000	88,145,000
Unlimited Tax School Building and Refunding Bonds, Series 2008	2033	3.50% to 5.00%	57,435,000	26,795,000	-	4,660,000	22,135,000
Unlimited Tax Refunding Bonds, Series 2010	2020	3.00% to 5.00%	63,565,000	38,630,000	-	6,735,000	31,895,000
Unlimited Tax School Building and Refunding Bonds, Series 2012	2032	2.00% to 5.00%	54,965,000	53,815,000	-	1,185,000	52,630,000
Unlimited Tax School Building Bonds, Series 2013A	2033	2.00% to 5.00%	41,250,000	41,250,000	-	955,000	40,295,000
Unlimited Tax Refunding Bonds, Series 2013B	2025	2.00% to 5.00%	28,700,000	28,700,000	-	-	28,700,000
				<u>\$ 331,290,000</u>	<u>-</u>	<u>\$ 26,755,000</u>	<u>\$ 304,535,000</u>

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2014

NOTE 11. LONG-TERM DEBT - CONTINUED

Debt service requirement are as follows:

Year Ending August 31	General Obligation Principal	Interest	Total Requirement
2015	\$ 27,890,000	\$ 13,056,703	\$ 40,946,703
2016	29,215,000	11,778,300	40,993,300
2017	30,620,000	10,432,450	41,052,450
2018	23,160,000	9,235,706	32,395,706
2019	24,290,000	8,196,225	32,486,225
2020-2024	74,800,000	29,390,728	104,190,728
2025-2029	60,610,000	14,504,497	75,114,497
2030-2033	33,950,000	2,623,269	36,573,269
	<u>\$ 304,535,000</u>	<u>\$ 99,217,878</u>	<u>\$ 403,752,878</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, 2014.

Changes in Long-Term Liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 331,290,000	\$ -	\$ 26,755,000	\$ 304,535,000	\$ 27,890,000
Premium on Bonds	27,773,862	-	1,580,673	26,193,189	-
Workers' Compensation Claims Payable	1,195,784	830,252	1,002,332	1,023,704	920,447
Accrued Compensated Absences	1,953,255	260,313	216,544	1,997,024	247,561
Long-term Liabilities	<u>\$ 362,212,901</u>	<u>\$ 1,090,565</u>	<u>\$ 29,554,549</u>	<u>\$ 333,748,917</u>	<u>\$ 29,058,008</u>

The accrued liabilities of the workers' compensation self-insurance plan and the accrued compensated absences are reflected in the long-term liabilities as part of the governmental activities. The internal service funds are used to liquidate the claims payable. The general fund and special revenue funds are used to liquidate accrued compensated balances.

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2014

NOTE 12. 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	\$ 2,173,174
Indirect Cost Reimbursement	84.010A	87,825
Indirect Cost Reimbursement	84.027	68,854
Indirect Cost Reimbursement	84.173	1,200
Indirect Cost Reimbursement	84.365A	14,227
Indirect Cost Reimbursement	84.367A	9,455
		\$ 2,354,735

NOTE 13. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

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

	General Fund	City of Irving TIF #1	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Property Taxes	\$ 151,824,694	\$ -	\$ 41,314,631	\$ -	\$ -	\$ 193,139,325
Penalties and Interest	537,645	-	148,716	-	-	686,361
Tax Increment Fund	-	10,029,731	-	-	468,258	10,497,989
Investment Earnings	123,984	74,373	3,988	89,428	3,176	294,949
Food Sales	-	-	-	-	2,235,028	2,235,028
Tuition from Patrons	257,479	-	-	-	-	257,479
Insurance Proceeds	6,410	-	-	-	-	6,410
Co-Curricular	340,745	-	-	-	1,319,422	1,660,167
Rent	410,440	-	-	-	-	410,440
Gifts and Bequest	16,358	-	-	-	320,858	337,216
Enterprising	-	-	-	-	48,768	48,768
Other	245,225	-	-	-	159,883	405,108
	\$ 153,762,980	\$ 10,104,104	\$ 41,467,335	\$ 89,428	\$ 4,555,393	\$ 209,979,240

NOTE 14. 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. TRS administers retirement and disability annuities, and death survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provision of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. 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 downloading from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701.

Funding Policy

Contribution requirements are not actuarially determined but are established 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 during the fiscal year; (2) A statute prohibits benefit improvements, 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, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

State law establishes the contribution rates for the member and state. In certain instances, the reporting district is required to make all or a portion of the state's contribution. The following table contains fiscal year 2014 contribution rates.

Fiscal Year 2014 Contribution Rates	
Member	6.4%
State	6.8%
Federal or Private Funding Source	6.8%

Contribution rates and contributions for fiscal years 2014-2012 are shown in the table below. These rates are set by the General Appropriations Act. In certain instances, the reporting district is required to make all or a portion of the state's and/or member's contribution and on the portion of the employees' salaries that exceeded the statutory minimum. The State "On-Behalf" contributions have been recognized as both revenue and expenditures by the District in the financial statements.

Contribution Rates and Contribution Amounts					
Year	Member		State		Statutory Minimum Amount
	Rate	Amount	Rate	Amount	
2014	6.4%	9,518,559	6.800%	10,113,469	1,306,928
2013	6.4%	9,277,245	6.400%	9,277,245	1,109,357
2012	6.4%	9,450,879	6.000%	8,860,199	1,116,381

NOTE 15. SCHOOL DISTRICT RETIREE HEALTH PLAN

Plan Description

The Carrollton-Farmers Branch ISD 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 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 Teacher Retirement System of Texas 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 under the [TRS Publications](#) heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701.

Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. Contribution rates and amounts are shown in the table below for fiscal years 2014-2012.

Year	Contribution Rates					
	Active Member		State		School District	
	Rate	Amount	Rate	Amount	Rate	Amount
2014	0.65%	966,729	1.0%	1,487,275	0.55%	818,001
2013	0.65%	942,220	0.5%	724,785	0.55%	797,263
2012	0.65%	959,855	1.0%	1,476,700	0.55%	812,185

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 \$401,556 recognized for the year ended August 31, 2014 as equal revenues and expenditures.

NOTE 16. 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.

NOTE 16. RISK MANAGEMENT – CONTINUED

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.

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 Midwest Employers Casualty Company, 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 \$600,000 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 of \$1,023,704 include incurred but not reported claims. The liability reported in the Fund at August 31, 2014 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 workers' compensation claims liability amounts in fiscal 2014 and 2013 were:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
Self-Insurance Liability				
2013-Workers' Compensation	\$ 1,084,697	\$ 1,090,556	\$ 979,469	\$ 1,195,784
2014-Workers' Compensation	\$ 1,195,784	\$ 830,252	\$ 1,002,332	\$ 1,023,704

NOTE 17. 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 collectability of any related receivable at August 31, 2014 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 \$6 million at August 31, 2014.

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, 2014.

REQUIRED SUPPLEMENTARY INFORMATION



Carrollton-Farmers Branch ISD

CARROLLTON-FARMERS BRANCH ISD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2014

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	\$ 152,695,102	\$ 153,755,280	\$ 153,762,980	\$ 7,700
5800	State Program Revenues	55,383,529	55,383,529	56,994,206	1,610,677
5900	Federal Program Revenues	1,650,000	2,100,000	2,354,735	254,735
5020	Total Revenues	209,728,631	211,238,809	213,111,921	1,873,112
EXPENDITURES:					
Current:					
0011	Instruction	116,136,900	122,234,744	120,562,460	1,672,284
0012	Instructional Resources and Media Services	3,632,837	3,994,156	3,624,063	370,093
0013	Curriculum and Instructional Staff Development	4,598,262	4,245,044	4,057,807	187,237
0021	Instructional Leadership	3,507,976	3,171,893	3,068,126	103,767
0023	School Leadership	13,735,953	14,069,820	13,520,772	549,048
0031	Guidance, Counseling and Evaluation Services	9,311,883	9,654,711	9,313,572	341,139
0032	Social Work Services	176,953	226,953	140,089	86,864
0033	Health Services	2,505,632	2,581,408	2,559,622	21,786
0034	Student (Pupil) Transportation	4,523,440	5,070,456	4,602,207	468,249
0035	Food Services	-	133,500	126,610	6,890
0036	Extracurricular Activities	4,661,822	4,910,329	4,470,301	440,028
0041	General Administration	6,187,255	6,396,063	5,576,365	819,698
0051	Facilities Maintenance and Operations	23,421,841	23,213,731	21,219,761	1,993,970
0052	Security and Monitoring Services	1,481,171	1,682,408	1,516,817	165,591
0053	Data Processing Services	6,181,914	6,241,588	5,772,319	469,269
0061	Community Services	202,358	197,398	178,075	19,323
Capital Outlay:					
0081	Facilities Acquisition and Construction	95,508	110,508	95,654	14,854
Intergovernmental:					
0095	Payments to Juvenile Justice Alternative Ed.	200,000	200,000	8,639	191,361
0097	Payments to Tax Increment Fund	15,860,725	15,713,811	15,713,810	1
0099	Other Intergovernmental Charges	973,652	973,652	889,432	84,220
6030	Total Expenditures	217,396,082	225,022,173	217,016,501	8,005,672
1200	Net Change in Fund Balances	(7,667,451)	(13,783,364)	(3,904,580)	9,878,784
0100	Fund Balance - September 1 (Beginning)	82,152,193	82,152,193	82,152,193	-
3000	Fund Balance - August 31 (Ending)	\$ 74,484,742	\$ 68,368,829	\$ 78,247,613	\$ 9,878,784

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED AUGUST 31, 2014

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 non-major Special Revenue Fund. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District is not legally required to adopt a budget for the City of Irving TIF #1 Fund.

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	\$ 6,097,844
Instructional Resources and Media Services	361,319
Curriculum and Instructional Staff Development	(353,218)
Instructional Leadership	(336,083)
Guidance , Counseling and Evaluation Services	342,828
Student (Pupil) Transportation	547,016

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

NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

ESEA, Title I, Part A Improving Basic Programs – Provide opportunities for children served to acquire knowledge and skills to meet the challenging state performance standards developed for all children.

IDEA – Part B, Formula & Capacity Building & Improvements – Operate educational programs for children with disabilities.

IDEA – Part B, Preschool – Support programs for preschool children with disabilities.

National School Breakfast and Lunch Program – Supports programs using federal reimbursement revenues from the United States Department of Agriculture (USDA).

Career and Technical – Carl Perkins – Provide career and technical education to develop new and/or improved marketable skills for paid and unpaid employment.

ESEA, Title II, Part A, Teacher and Principal Training and Recruiting – Provide financial assistance to increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals.

Title III, Part A – English Language Acquisition and Language Enhancement – Fund granted to improve the education of limited English proficient children by assisting the children to learn English and meet challenging State academic content and student academic achievement standards.

Limited English Proficiency – Summer School – Provides funds for a summers school program for limited English proficient (LEP) students who will be eligible for admission to kindergarten and first grade at the beginning of the next school year.

Reading Recovery: Scaling Up What Works Investing in Education (i3) Grant – Provide funds to train teachers to help first-graders who struggle with learning to read.

Texas Workforce Commission – Provides funds to enhance tutoring at elementary schools in Dallas County.

Visually Impaired – SSVI – Provide funds to improve achievement of students who have a visual impairment and to ensure that comprehensive services are available to those students.

Non-Educational Community Based Support – Provide support for non-educational programs for children with disabilities.

State Textbook Fund – State funds awarded to school districts under the textbook allotment.

Article IX Sec. 18.05 Contingency for HB 5 Certification Examination – Funds allocated by State Legislature to provide certification examination subsidies.

Ready to Read Grant – Provide early childhood education programs with scientific, research-based, pre-reading instruction, so that every child completing the program is prepared to enter school ready to learn.

Campus Activity Funds – To account for transactions related to a principal's activity fund.

Meadow Foundation – Support local projects to achieve the goal of improving the academic success of all public school children in grades K-12.

**NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS**

Mark McPhaul, Full Time Full Tilt Grant – Provide funds with the primary intention of supporting protective athletic gear as well as training, methodology, and staff development that will help minimize injuries to C-FB student athletes.

Family Literacy Grant – Advocate and support local projects that promote family literacy for children and adults.

Fuel up to Play 60 – Program designed to engage and empower youth to take action for their own health by implementing long-term, positive changes for themselves and their schools.

Ralph Ellis Grant – To account for transactions from local donations that promote the continued education for students attending our Irving based schools.

City of Farmers Branch TIF #1 – To report the property taxes collected for the City of Farmers Branch TIF #1 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.

City of Farmers Branch TIF #2 – To report the property taxes collected for the City of Farmers Branch TIF #2 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.

CARROLLTON-FARMERS BRANCH ISD
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2014

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program	
ASSETS					
1110	Cash and Investments	\$ -	\$ -	\$ -	\$ 643,544
1240	Receivables from Other Governments	444,746	485,190	4,791	225,149
1260	Due from Other Funds	-	-	-	718
1290	Other Receivables	-	-	-	385
1300	Inventories	-	-	-	450,362
1000	Total Assets	<u>\$ 444,746</u>	<u>\$ 485,190</u>	<u>\$ 4,791</u>	<u>\$ 1,320,158</u>
LIABILITIES					
2110	Accounts Payable	\$ 95	\$ -	\$ -	\$ 366,265
2160	Accrued Wages Payable	141,487	181,961	3,247	198,522
2170	Due to Other Funds	303,164	303,229	1,544	5,497
2300	Unearned Revenues	-	-	-	144,153
2000	Total Liabilities	<u>444,746</u>	<u>485,190</u>	<u>4,791</u>	<u>714,437</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	450,362
Restricted Fund Balance:					
3450	Food Service	-	-	-	155,359
3490	Tax Increment Zone	-	-	-	-
Committed Fund Balance:					
3546	Campus Activity Funds	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>605,721</u>
4000	Total Liabilities and Fund Balances	<u>\$ 444,746</u>	<u>\$ 485,190</u>	<u>\$ 4,791</u>	<u>\$ 1,320,158</u>

244 Career and Technical - Carl Perkins	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	281 Limited English Prof. Summer Sch.	287 Reading Recovery i3 Scale Up	288 Texas Workforce	385 Visually Impaired SSVI	392 Non-Ed. Community Based Support
\$ -	\$ -	\$ -	\$ 22,261	\$ 2,107	\$ 16,861	\$ -	\$ -
5,269	43,908	128,972	-	-	-	-	-
-	-	786	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 5,269</u>	<u>\$ 43,908</u>	<u>\$ 129,758</u>	<u>\$ 22,261</u>	<u>\$ 2,107</u>	<u>\$ 16,861</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ 39,113	\$ -	\$ -	\$ -	\$ -	\$ -
5,269	13,609	41,049	-	-	-	-	-
-	30,299	49,596	22,261	-	-	-	-
-	-	-	-	2,107	16,861	-	-
<u>5,269</u>	<u>43,908</u>	<u>129,758</u>	<u>22,261</u>	<u>2,107</u>	<u>16,861</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 5,269</u>	<u>\$ 43,908</u>	<u>\$ 129,758</u>	<u>\$ 22,261</u>	<u>\$ 2,107</u>	<u>\$ 16,861</u>	<u>\$ -</u>	<u>\$ -</u>

CARROLLTON-FARMERS BRANCH ISD
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2014

Data Control Codes	397 Advanced Placement Incentives	410 State Textbook Fund	427 Art. IX Sec 18.05 Cont. for HB5	429 Ready to Read Grant	
ASSETS					
1110	Cash and Investments	\$ -	\$ 58,132	\$ -	\$ -
1240	Receivables from Other Governments	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ 58,132</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES					
2110	Accounts Payable	\$ -	-	-	-
2160	Accrued Wages Payable	-	-	-	-
2170	Due to Other Funds	-	-	-	-
2300	Unearned Revenues	-	58,132	-	-
2000	Total Liabilities	<u>-</u>	<u>58,132</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	-
Restricted Fund Balance:					
3450	Food Service	-	-	-	-
3490	Tax Increment Zone	-	-	-	-
Committed Fund Balance:					
3546	Campus Activity Funds	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 58,132</u>	<u>\$ -</u>	<u>\$ -</u>

461 Campus Activity Funds	482 Meadow Foundation	484 Mark McPhaul Full Time Full Tilt Gr	485 Fuel Up to Play 60	488 Ralph Ellis Grant	492 City of Farmers Branch TIF #1	493 City of Farmers Branch TIF #2	Total Nonmajor Governmental Funds
\$ 1,578,894	\$ -	\$ 55,313	\$ 5,261	\$ 924	\$ 7,373,772	\$ 139,467	\$ 9,896,536
-	-	-	-	-	-	-	1,338,025
-	-	-	-	-	-	-	1,504
5,227	-	-	-	-	-	-	5,612
-	-	-	-	-	-	-	450,362
<u>\$ 1,584,121</u>	<u>\$ -</u>	<u>\$ 55,313</u>	<u>\$ 5,261</u>	<u>\$ 924</u>	<u>\$ 7,373,772</u>	<u>\$ 139,467</u>	<u>\$ 11,692,039</u>
\$ 24,741	\$ -	\$ 55,310	\$ 1,178	\$ -	\$ -	\$ -	\$ 486,702
-	-	-	-	-	-	-	585,144
853	-	-	-	-	-	-	716,443
-	-	3	4,083	924	-	-	226,263
<u>25,594</u>	<u>-</u>	<u>55,313</u>	<u>5,261</u>	<u>924</u>	<u>-</u>	<u>-</u>	<u>2,014,552</u>
-	-	-	-	-	-	-	450,362
-	-	-	-	-	-	-	155,359
-	-	-	-	-	7,373,772	139,467	7,513,239
1,558,527	-	-	-	-	-	-	1,558,527
<u>1,558,527</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,373,772</u>	<u>139,467</u>	<u>9,677,487</u>
<u>\$ 1,584,121</u>	<u>\$ -</u>	<u>\$ 55,313</u>	<u>\$ 5,261</u>	<u>\$ 924</u>	<u>\$ 7,373,772</u>	<u>\$ 139,467</u>	<u>\$ 11,692,039</u>

CARROLLTON-FARMERS BRANCH ISD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2014

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 2,237,370
5800 State Program Revenues	-	-	-	67,795
5900 Federal Program Revenues	4,827,667	3,773,514	65,949	8,711,952
5020 Total Revenues	<u>4,827,667</u>	<u>3,773,514</u>	<u>65,949</u>	<u>11,017,117</u>
EXPENDITURES:				
Current:				
0011 Instruction	3,251,108	3,692,865	65,949	-
0012 Instructional Resources and Media Services	47,174	-	-	-
0013 Curriculum and Instructional Staff Development	1,264,933	3,142	-	-
0021 Instructional Leadership	125,847	-	-	-
0023 School Leadership	11,288	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	77,111	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	1,600	-	-	-
0035 Food Services	-	-	-	10,582,953
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	125,717	396	-	-
6030 Total Expenditures	<u>4,827,667</u>	<u>3,773,514</u>	<u>65,949</u>	<u>10,582,953</u>
1200 Net Change in Fund Balance	-	-	-	434,164
0100 Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,557</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 605,721</u>

244 Career and Technical - Carl Perkins	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	281 Limited English Prof. Summer Sch.	287 Reading Recovery i3 Scale Up	288 Texas Workforce	385 Visually Impaired SSVI	392 Non-Ed. Community Based Support
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	3,758	700
<u>257,902</u>	<u>520,034</u>	<u>782,396</u>	<u>22,261</u>	<u>11,611</u>	<u>36,681</u>	<u>-</u>	<u>-</u>
<u>257,902</u>	<u>520,034</u>	<u>782,396</u>	<u>22,261</u>	<u>11,611</u>	<u>36,681</u>	<u>3,758</u>	<u>700</u>
132,755	156,551	103,764	22,261	-	-	3,183	700
-	-	-	-	-	-	-	-
3,313	233,352	548,101	-	11,417	-	575	-
31,520	32,532	2,689	-	-	-	-	-
-	-	8,961	-	-	-	-	-
90,314	-	47,495	-	194	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	97,599	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	71,386	-	-	36,681	-	-
<u>257,902</u>	<u>520,034</u>	<u>782,396</u>	<u>22,261</u>	<u>11,611</u>	<u>36,681</u>	<u>3,758</u>	<u>700</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CARROLLTON-FARMERS BRANCH ISD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2014

Data Control Codes	397 Advanced Placement Incentives	410 State Textbook Fund	427 Art. IX Sec 18.05 Cont. for HB5	429 Ready to Read Grant
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ 157,558	\$ -	\$ -
5800 State Program Revenues	914	2,281,824	2,306	162
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>914</u>	<u>2,439,382</u>	<u>2,306</u>	<u>162</u>
EXPENDITURES:				
Current:				
0011 Instruction	-	2,439,382	750	-
0012 Instructional Resources and Media Services	-	-	-	162
0013 Curriculum and Instructional Staff Development	914	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	1,556	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	-	-	-	-
6030 Total Expenditures	<u>914</u>	<u>2,439,382</u>	<u>2,306</u>	<u>162</u>
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

461 Campus Activity Funds	482 Meadow Foundation	484 Mark McPhaul Full Time Full Tilt Gr	485 Fuel Up to Play 60	488 Ralph Ellis Grant	492 City of Farmers Branch TIF #1	493 City of Farmers Branch TIF #2	Total Nonmajor Governmental Funds
\$ 1,527,951	\$ 1,500	\$ 65,591	\$ 94,717	\$ -	\$ 457,476	\$ 13,230	\$ 4,555,393
-	-	-	-	-	-	-	2,357,459
-	-	-	-	-	-	-	19,009,967
<u>1,527,951</u>	<u>1,500</u>	<u>65,591</u>	<u>94,717</u>	<u>-</u>	<u>457,476</u>	<u>13,230</u>	<u>25,922,819</u>
704,595	482	-	94,717	-	-	-	10,669,062
20,167	-	-	-	-	-	-	67,503
21,263	-	-	-	-	-	-	2,087,010
-	-	-	-	-	-	-	192,588
20,846	-	-	-	-	-	-	41,095
110,581	-	-	-	-	-	-	327,251
477	-	-	-	-	-	-	477
1,006	-	-	-	-	-	-	2,606
-	-	-	-	-	-	-	10,582,953
490,956	500	65,591	-	-	-	-	557,047
-	-	-	-	-	-	-	97,599
3,569	-	-	-	-	-	-	3,569
1,038	518	-	-	-	-	-	235,736
<u>1,374,498</u>	<u>1,500</u>	<u>65,591</u>	<u>94,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,864,496</u>
153,453	-	-	-	-	457,476	13,230	1,058,323
1,405,074	-	-	-	-	6,916,296	126,237	8,619,164
<u>\$ 1,558,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,373,772</u>	<u>\$ 139,467</u>	<u>\$ 9,677,487</u>



Carrollton-Farmers Branch ISD

AGENCY FUND

Student Activity Fund – Used to account for resources held for others in a custodial capacity.



Carrollton-Farmers Branch ISD

CARROLLTON-FARMERS BRANCH ISD
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED AUGUST 31, 2014

	BALANCE SEPTEMBER 1 2013	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2014
STUDENT ACTIVITY ACCOUNT				
Assets:				
Cash and Temporary Investments	\$ 563,520	\$ 1,841,027	\$ 1,758,097	\$ 646,450
Liabilities:				
Accounts Payable	\$ 12,629	\$ 1,816,989	\$ 1,795,405	\$ 34,213
Due to Other Funds	-	16,209	16,209	-
Due to Student Groups	550,891	1,884,449	1,823,103	612,237
Total Liabilities	<u>\$ 563,520</u>	<u>\$ 3,717,647</u>	<u>\$ 3,634,717</u>	<u>\$ 646,450</u>
TOTAL AGENCY FUNDS				
Assets:				
Cash and Temporary Investments	\$ 563,520	\$ 1,841,027	\$ 1,758,097	\$ 646,450
Liabilities:				
Accounts Payable	\$ 12,629	\$ 1,816,989	\$ 1,795,405	\$ 34,213
Due to Other Funds	-	16,209	16,209	-
Due to Student Groups	550,891	1,884,449	1,823,103	612,237
Total Liabilities	<u>\$ 563,520</u>	<u>\$ 3,717,647</u>	<u>\$ 3,634,717</u>	<u>\$ 646,450</u>



Carrollton-Farmers Branch ISD

**REQUIRED
TEXAS EDUCATION AGENCY
SCHEDULES**

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED AUGUST 31, 2014

Last Ten Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Net Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2005 & Prior	Various	Various	Various
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	1.0400	0.3022	14,909,785,600
2011	1.0400	0.3069	14,133,013,647
2012	1.0400	0.3168	13,889,472,257
2013	1.0400	0.2906	14,200,732,177
2014 (Current year under Audit)	1.0400	0.2835	14,964,110,850

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 09/01/13	(20) Current Year's Total Levy	(31) Maintenance Total Collections	(32) Debt Service Total Collections	(40) Entire Year's Adjustment	(50) Ending Balance 08/31/14
445,601	-	851	145	(163,629)	280,976
114,987	-	2,499	543	(61,245)	50,700
139,814	-	3,602	888	(70,974)	64,350
185,149	-	4,478	1,408	(122,356)	56,907
178,225	-	4,688	1,453	(43,234)	128,850
341,755	-	10,994	3,194	(89,271)	238,296
415,727	-	30,853	9,105	(1,337)	374,432
520,259	-	(21,661)	(6,598)	(180,321)	368,197
1,084,174	-	(62,999)	(17,603)	(739,392)	425,384
-	195,352,298	151,608,423	41,327,934	(1,487,483)	928,458
<u>\$ 3,425,691</u>	<u>\$ 195,352,298</u>	<u>\$ 151,581,728</u>	<u>\$ 41,320,469</u>	<u>\$ (2,959,242)</u>	<u>2,916,550</u>
					3,100
					<u>1,467,198</u>
					<u>\$ 4,386,848</u>
		<u>\$ 10,423,598</u>			

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, 2014

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	\$ 2,809,893	\$ 2,809,893	\$ 2,237,370	\$ (572,523)
5800 State Program Revenues	70,000	70,000	67,795	(2,205)
5900 Federal Program Revenues	8,597,577	8,597,577	8,711,952	114,375
5020 Total Revenues	11,477,470	11,477,470	11,017,117	(460,353)
EXPENDITURES:				
0035 Food Services	11,477,470	11,677,470	10,582,953	1,094,517
6030 Total Expenditures	11,477,470	11,677,470	10,582,953	1,094,517
1200 Net Change in Fund Balances	-	(200,000)	434,164	634,164
0100 Fund Balance - September 1 (Beginning)	171,557	171,557	171,557	-
3000 Fund Balance - August 31 (Ending)	\$ 171,557	\$ (28,443)	\$ 605,721	\$ 634,164

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, 2014

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	\$ 41,232,101	\$ 41,232,101	\$ 41,467,335	\$ 235,234
5020	Total Revenues	41,232,101	41,232,101	41,467,335	235,234
EXPENDITURES:					
Debt Service:					
0071	Principal on Long Term Debt	26,755,000	26,755,000	26,755,000	-
0072	Interest on Long Term Debt	14,472,101	14,472,101	14,472,101	-
0073	Bond Issuance Cost and Fees	5,000	8,000	7,800	200
6030	Total Expenditures	41,232,101	41,235,101	41,234,901	200
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3,000)	232,434	235,434
OTHER FINANCING SOURCES (USES):					
7915	Transfers In	-	539,649	539,647	(2)
1200	Net Change in Fund Balances	-	536,649	772,081	235,432
0100	Fund Balance - September 1 (Beginning)	7,331,153	7,331,153	7,331,153	-
3000	Fund Balance - August 31 (Ending)	\$ 7,331,153	\$ 7,867,802	\$ 8,103,234	\$ 235,432

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..... 84

Revenue Capacity

These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax. 99

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..... 104

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..... 111

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. 113

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 POSITION BY COMPONENT
LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING, UNAUDITED)
(AMOUNTS IN THOUSANDS)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 147,953	\$ 134,412	\$ 117,722	\$ 115,312
Restricted for				
Federal and State Programs	-	-	-	-
Food Service	606	172	374	817
Tax Increment Zone	52,746	42,171	32,866	23,639
Debt Service	7,933	7,042	6,296	2,522
Unrestricted	64,844	71,857	81,549	67,978
Total Governmental Activities Net Position	<u>274,082</u>	<u>255,654</u>	<u>238,807</u>	<u>210,268</u>
Business Type Activities - Unrestricted	4,545	3,652	2,691	2,015
Total Primary Government Net Position	<u>\$ 278,627</u>	<u>\$ 259,306</u>	<u>\$ 241,498</u>	<u>\$ 212,283</u>

Source: Carrollton-Farmers Branch ISD

TABLE I

2010	2009	2008	2007	2006	2005
\$ 97,751	\$ 112,265	\$ 90,998	\$ 70,518	\$ 57,950	\$ 46,317
-	-	-	-	-	-
669	1,567	1,461	1,837	2,322	2,814
13,579	4,901	6,579	13,701	12,385	9,535
1,943.00	2,260	1,469	-	-	-
76,585	45,685	45,336	48,365	38,536	35,940
<u>190,527</u>	<u>166,678</u>	<u>145,843</u>	<u>134,421</u>	<u>111,193</u>	<u>94,606</u>
1,710	1,257	716	556	-	-
<u>\$ 192,237</u>	<u>\$ 167,935</u>	<u>\$ 146,559</u>	<u>\$ 134,977</u>	<u>\$ 111,193</u>	<u>\$ 94,606</u>

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses				
Governmental Activities:				
Instruction	\$ 141,655,619	\$ 131,134,845	\$ 132,791,816	\$ 141,747,420
Instruction Resources and Media Services	4,467,237	4,571,102	4,379,728	4,530,587
Curriculum and Instructional Staff Development	6,349,383	7,085,217	7,300,486	6,557,939
Instructional Leadership	3,306,762	2,935,380	2,533,099	2,602,799
School Leadership	14,328,268	13,916,535	13,920,488	14,326,723
Guidance, Counseling, and Evaluation Services	9,804,021	8,947,154	9,261,322	9,634,002
Social Work Services	140,333	177,578	167,221	168,258
Health Services	2,621,635	2,468,811	2,549,034	2,562,615
Student (Pupil) Transportation	4,650,512	4,330,314	3,105,589	3,855,752
Food Service	12,121,742	12,267,870	11,961,743	12,365,226
Extracurricular Activities	6,813,429	6,086,152	6,012,638	6,179,751
General Administration	6,028,276	6,155,795	6,179,859	7,061,920
Plant Maintenance and Operations	22,101,436	22,213,433	23,519,488	24,209,153
Security and Monitoring Services	1,533,648	1,446,443	1,372,730	1,548,610
Data Processing Services	6,111,082	5,895,263	6,551,630	7,391,313
Community Services	430,814	518,660	505,980	651,173
Debt Service - Interest on Long Term Debt	13,288,346	11,631,609	13,984,539	15,992,914
Debt Service - Bond Issuance Costs and Fees	7,800	628,270	195,034	212,351
Facilities Acquisition and Construction	-	-	-	1,191,981
Contracted Instructional Services Between Schools	-	-	75,536	-
Incremental Costs Associated with Chapter 41	-	-	-	-
Payments to Juvenile Justice Alternative Ed. Prg.	8,639	28,386	57,484	143,124
Payments to Tax Increment Fund	15,713,810	13,807,241	13,777,411	15,139,211
Other Intergovernmental Charges	889,432	886,812	898,662	937,593
Total Government Activities Expenses	<u>272,372,224</u>	<u>257,132,870</u>	<u>261,101,517</u>	<u>279,010,415</u>
Business-Type Activities (After the Bell)				
Expenses	3,024,824	2,907,972	2,801,626	2,838,839
Total Business-Type Activities	<u>3,024,824</u>	<u>2,907,972</u>	<u>2,801,626</u>	<u>2,838,839</u>
Total Primary Government Expenses	<u>275,397,048</u>	<u>260,040,842</u>	<u>263,903,143</u>	<u>281,849,254</u>
Program Revenues				
Governmental Activities				
Charges for services				
Food Service	2,237,355	1,984,529	2,214,248	2,386,913
Extracurricular Activities	873,427	786,106	834,249	913,649
Other	1,531,554	1,744,287	3,065,762	1,804,636
Operating Grants and Contributions				
Instruction	19,004,336	16,208,269	17,369,723	21,343,507
Food Service	8,779,747	8,625,777	8,378,836	8,144,101
Other	6,058,357	6,829,275	11,151,226	15,368,331
Capital Grants and Contributions	10,497,989	9,296,464	9,196,973	10,085,250
Business-Type Activities (After the Bell)				
Charges for Services	3,916,670	3,868,128	3,478,069	3,144,010
Total Primary Government Program Revenues	<u>52,899,435</u>	<u>49,342,835</u>	<u>55,689,086</u>	<u>63,190,397</u>
Net (Expense) Revenue				
Governmental Activities	(223,389,459)	(211,658,163)	(208,890,500)	(218,964,028)
Business Type Activities	891,846	960,156	676,443	305,171
Total Primary Government	<u>\$ (222,497,613)</u>	<u>\$ (210,698,007)</u>	<u>\$ (208,214,057)</u>	<u>\$ (218,658,857)</u>

Source: Carrollton-Farmers Branch ISD

TABLE II

	2010	2009	2008	2007	2006	2005
\$	143,091,092	\$ 144,553,419	\$ 145,823,968	\$ 127,900,101	\$ 121,376,766	\$ 112,161,207
	4,470,228	4,405,821	4,280,482	3,952,659	3,915,399	3,843,340
	5,973,731	5,876,796	6,606,195	7,228,153	6,739,846	6,150,384
	2,849,542	2,823,228	2,660,336	2,733,545	2,595,267	1,984,337
	14,406,145	14,757,245	15,206,187	14,417,520	13,282,404	12,863,087
	9,935,686	9,424,596	9,240,729	8,700,494	8,181,547	7,660,438
	165,704	166,991	161,566	150,757	179,471	199,357
	2,665,025	2,473,339	2,287,597	2,125,213	2,124,750	2,032,135
	3,101,861	2,196,934	1,866,514	2,980,445	2,493,202	2,653,657
	12,263,601	12,212,817	12,228,579	10,841,824	10,456,433	8,973,209
	6,009,078	6,047,251	5,366,881	4,957,689	4,497,921	4,257,260
	7,135,378	7,112,644	6,742,993	6,812,524	6,194,417	6,402,360
	23,043,604	23,120,351	24,244,624	22,254,946	22,580,448	19,871,002
	1,545,532	1,737,888	1,700,039	1,620,931	1,423,542	1,028,169
	7,008,219	5,900,846	5,199,687	4,848,636	4,290,867	4,392,071
	1,148,422	1,072,788	1,070,303	1,293,265	1,310,476	820,772
	17,350,391	18,082,051	18,943,254	18,044,502	17,139,405	17,249,062
	79,532	74,485	30,597	35,028	327,679	317,841
	1,331,904	1,916,924	4,319,852	4,414,665	3,070,261	4,890,941
	-	17,898,472	12,636,919	27,662,926	35,669,887	41,232,500
	-	16,283	12,705	104,486	128,755	162,981
	159,550	136,225	196,409	170,387	154,466	167,557
	12,995,177	12,414,532	9,039,482	4,418,075	3,971,007	3,951,267
	963,230	1,159,125	936,315	-	-	-
	<u>277,692,632</u>	<u>295,581,051</u>	<u>290,802,213</u>	<u>277,668,771</u>	<u>272,104,216</u>	<u>263,264,934</u>
	<u>2,414,999</u>	<u>2,241,841</u>	<u>2,418,236</u>	<u>1,687,632</u>	<u>1,456,535</u>	<u>1,124,061</u>
	<u>2,414,999</u>	<u>2,241,841</u>	<u>2,418,236</u>	<u>1,687,632</u>	<u>1,456,535</u>	<u>1,124,061</u>
	<u>280,107,631</u>	<u>297,822,892</u>	<u>293,220,449</u>	<u>279,356,403</u>	<u>273,560,751</u>	<u>264,388,995</u>
	2,733,819	3,089,933	3,222,640	2,942,060	3,078,361	2,958,311
	854,839	913,801	904,564	975,337	1,434,319	1,508,709
	1,985,881	1,593,357	1,675,286	1,520,787	716,224	744,071
	23,522,054	18,446,999	17,412,108	14,489,313	17,383,420	11,913,643
	8,170,342	8,120,150	7,406,640	6,369,623	6,085,282	5,657,153
	14,295,414	7,003,487	6,479,373	6,849,849	7,606,052	7,881,540
	8,664,218	8,165,396	5,726,158	2,949,542	2,656,078	3,923,458
	<u>2,982,574</u>	<u>2,783,342</u>	<u>2,684,788</u>	<u>2,243,287</u>	<u>2,139,272</u>	<u>1,653,423</u>
	<u>63,209,141</u>	<u>50,116,465</u>	<u>45,511,557</u>	<u>38,339,798</u>	<u>41,099,008</u>	<u>36,240,308</u>
	(217,466,065)	(248,247,928)	(247,975,444)	(241,572,260)	(233,144,480)	(228,678,049)
	<u>567,575</u>	<u>541,501</u>	<u>266,552</u>	<u>555,655</u>	<u>682,737</u>	<u>529,362</u>
\$	<u>(216,898,490)</u>	<u>(247,706,427)</u>	<u>(247,708,892)</u>	<u>(241,016,605)</u>	<u>(232,461,743)</u>	<u>(228,148,687)</u>

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net (Expense)/Revenue				
Governmental Activities	\$ (223,389,459)	\$ (211,658,163)	\$ (208,890,500)	\$ (218,964,028)
Business-Type Activities	891,846	960,156	676,443	305,171
Total Primary Government Net Expense	<u>(222,497,613)</u>	<u>(210,698,007)</u>	<u>(208,214,057)</u>	<u>(218,658,857)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for General Purposes	152,386,767	145,022,771	142,069,891	143,955,421
Property Taxes Levied for Capital Projects	41,515,082	40,495,796	43,220,140	42,420,096
State Aid - Formula Grants	47,193,293	44,267,986	50,585,614	51,675,059
Grants & Contributions -Not Restricted	16,358	29,252	36,963	25,468
Investment Earnings	322,677	337,789	206,371	204,213
Miscellaneous Local and Intermediate Revenues	382,556	180,356	1,311,059	423,408
Loss on Asset Disposal	-	-	-	-
Transfers	-	-	-	-
Total Governmental Activities	<u>241,816,733</u>	<u>230,333,950</u>	<u>237,430,038</u>	<u>238,703,665</u>
Business-Type Activities:				
Investment Earnings	1,465	201	-	-
Transfers	-	-	-	-
Total Business-Type Activities	<u>1,465</u>	<u>201</u>	<u>-</u>	<u>-</u>
Total General Revenues- Primary Government	<u>\$ 241,818,198</u>	<u>\$ 230,334,151</u>	<u>\$ 237,430,038</u>	<u>\$ 238,703,665</u>
Change in Net Position				
Net Position- Beginning	\$ 259,306,336	\$ 239,670,192	\$ 212,282,484	\$ 192,237,676
Prior Period Adjustments	-	-	-	-
Governmental Activities	18,427,274	18,675,787	28,539,538	19,739,637
Business-Type Activities	893,311	960,357	676,443	305,171
Total Change in Net Position-Primary Government	<u>19,320,585</u>	<u>19,636,144</u>	<u>29,215,981</u>	<u>20,044,808</u>
Net Position- Ending	<u>\$ 278,626,921</u>	<u>\$ 259,306,336</u>	<u>\$ 241,498,465</u>	<u>\$ 212,282,484</u>

Source: Carrollton-Farmers Branch ISD

The Net Position - Beginning balance for 2013 includes a restated amount due to the implementation of GASB 65.

TABLE III

2010	2009	2008	2007	2006	2005
\$ (217,466,065)	\$ (248,247,928)	\$ (247,975,444)	\$ (241,572,260)	\$ (233,144,480)	\$ (228,678,049)
567,575	541,501	266,552	555,655	682,737	529,362
<u>(216,898,490)</u>	<u>(247,706,427)</u>	<u>(247,708,892)</u>	<u>(241,016,605)</u>	<u>(232,461,743)</u>	<u>(228,148,687)</u>
151,034,569	154,202,554	148,626,083	179,624,950	187,618,767	187,057,197
44,073,412	47,774,102	46,549,170	44,042,078	40,805,823	34,993,114
47,117,639	65,071,101	56,524,499	30,233,635	12,377,716	12,165,712
31,612	-	75,485	89,463	46,988	80,652
255,723	1,912,509	7,456,490	11,854,553	9,638,251	5,280,330
165,609	122,192	59,554	5,169	67,062	97,013
-	-	-	(1,048,068)	(1,506,908)	-
115,350	-	106,300	-	682,737	529,362
<u>242,793,914</u>	<u>269,082,458</u>	<u>259,397,581</u>	<u>264,801,780</u>	<u>249,730,436</u>	<u>240,203,380</u>
-	-	-	-	-	-
(115,350)	-	(106,300)	-	(682,737)	(529,362)
<u>(115,350)</u>	<u>-</u>	<u>(106,300)</u>	<u>-</u>	<u>(682,737)</u>	<u>(529,362)</u>
\$ 242,678,564	\$ 269,082,458	\$ 259,291,281	\$ 264,801,780	\$ 249,047,699	\$ 239,674,018
\$ 167,935,712	\$ 146,559,681	\$ 134,977,292	\$ 111,192,117	\$ 94,606,161	\$ 82,076,525
(1,478,110)	-	-	-	-	1,004,305
25,327,849	20,834,530	11,422,137	23,229,520	16,585,956	11,525,331
452,225	541,501	160,252	555,655	-	-
<u>25,780,074</u>	<u>21,376,031</u>	<u>11,582,389</u>	<u>23,785,175</u>	<u>16,585,956</u>	<u>11,525,331</u>
<u>\$ 192,237,676</u>	<u>\$ 167,935,712</u>	<u>\$ 146,559,681</u>	<u>\$ 134,977,292</u>	<u>\$ 111,192,117</u>	<u>\$ 94,606,161</u>

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

	<u>2010</u>
General Fund	
Reserved	\$ 2,120,977
Unreserved	<u>68,710,221</u>
Total General Fund	<u>70,831,198</u>
Other Governmental Funds	
Reserved, Reported In	
Federal Special Revenue Fund	-
Debt Service Fund	2,118,869
Capital Projects Fund	27,072,635
Non-Major Funds	14,994,769
Unreserved, Reported In	
Special Revenue Funds	<u>1,263,598</u>
Total Other Governmental Funds	<u>45,449,871</u>
Total Governmental Funds	<u>\$ 116,281,069</u>

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund				
Nondspendable Fund Balance	\$ 1,007,591	\$ 979,474	\$ 898,744	\$ 982,936
Committed Fund Balance	3,000,000	8,000,000	-	-
Assigned Fund Balance	10,622,493	7,667,451	10,098,666	9,728,966
Unassigned Fund Balance	<u>63,617,529</u>	<u>65,505,268</u>	<u>71,563,413</u>	<u>62,238,430</u>
Total General Fund	<u>78,247,613</u>	<u>82,152,193</u>	<u>82,560,823</u>	<u>72,950,332</u>
Other Governmental Funds				
Debt Service				
Restricted Fund Balance	8,103,234	7,331,153	6,408,260	3,003,709
Capital Projects				
Nondspendable Fund Balance	-	-	121,386	121,386
Restricted Fund Balance	48,050,854	67,327,617	27,777,993	20,934,175
City of Irving TIF #1				
Restricted Fund Balance	45,233,015	35,128,911	26,276,644	17,470,353
Special Revenue Funds				
Nondspendable Fund Balance	450,362	171,557	373,942	550,605
Restricted Fund Balance	7,668,598	7,042,533	6,589,672	6,434,812
Committed Fund Balance	<u>1,558,527</u>	<u>1,405,074</u>	<u>1,364,883</u>	<u>1,324,126</u>
Total Other Governmental Funds	<u>111,064,590</u>	<u>118,406,845</u>	<u>68,912,780</u>	<u>49,839,166</u>
Total Governmental Funds	<u>\$ 189,312,203</u>	<u>\$ 200,559,038</u>	<u>\$ 151,473,603</u>	<u>\$ 122,789,498</u>

Source: Carrollton-Farmers Branch ISD

The District adopted the provisions of GASB 54 in 2011 which changed the fund balance classifications to Nondspendable, Restricted, Committed, Assigned and Unassigned. GASB 54 provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

TABLE IV

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 2,823,462	\$ 2,420,355	\$ 4,507,401	\$ 2,786,579	\$ 2,411,329
<u>60,223,200</u>	<u>60,068,817</u>	<u>60,506,233</u>	<u>52,669,444</u>	<u>50,803,639</u>
<u>63,046,662</u>	<u>62,489,172</u>	<u>65,013,634</u>	<u>55,456,023</u>	<u>53,214,968</u>
-	-	-	2,321,891	2,813,529
2,233,800	2,862,959	2,981,791	1,062,173	696,204
44,744,168	71,840,434	84,307,143	82,571,758	90,840,182
6,468,410	8,040,306	15,538,041	12,384,590	9,534,966
<u>1,217,257</u>	<u>2,024,174</u>	<u>1,815,537</u>	<u>1,032,054</u>	<u>911,710</u>
<u>54,663,635</u>	<u>84,767,873</u>	<u>104,642,512</u>	<u>99,372,466</u>	<u>104,796,591</u>
<u>\$ 117,710,297</u>	<u>\$ 147,257,045</u>	<u>\$ 169,656,146</u>	<u>\$ 154,828,489</u>	<u>\$ 158,011,559</u>

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Federal Sources:				
Federal Grants	\$ 12,652,750	\$ 12,740,974	\$ 15,323,392	\$ 24,172,684
Food Services	8,711,952	8,557,652	8,307,475	8,070,064
Total Federal Sources	<u>21,364,702</u>	<u>21,298,626</u>	<u>23,630,867</u>	<u>32,242,748</u>
State Sources:				
State Education Finance Program	40,852,694	44,267,986	50,585,614	51,700,557
Food Services	67,795	68,125	71,361	74,037
State Grants and Other	18,431,176	10,265,524	13,169,326	12,913,357
Total State Sources	<u>59,351,665</u>	<u>54,601,635</u>	<u>63,826,301</u>	<u>64,687,951</u>
Local Sources:				
Property Taxes	193,825,686	186,179,321	185,379,324	186,436,925
Tax Increment fund	10,497,989	9,290,227	9,196,973	10,085,250
Investment Earnings	294,949	314,480	192,418	190,054
Food Sales	2,235,028	1,983,638	2,214,248	2,386,913
Other	3,125,588	2,808,937	5,276,264	3,140,291
Total Local Sources	<u>209,979,240</u>	<u>200,576,603</u>	<u>202,259,227</u>	<u>202,239,433</u>
Total Revenues	<u>\$ 290,695,607</u>	<u>\$ 276,476,864</u>	<u>\$ 289,716,395</u>	<u>\$ 299,170,132</u>

Source: Carrollton-Farmers Branch ISD

TABLE V

2010	2009	2008	2007	2006	2005
\$ 24,619,190	\$ 11,602,399	\$ 10,151,724	\$ 10,874,882	\$ 9,712,707	\$ 10,135,902
8,088,131	8,033,902	7,327,119	6,292,642	5,922,740	5,499,545
<u>32,707,321</u>	<u>19,636,301</u>	<u>20,345,442</u>	<u>17,167,524</u>	<u>12,616,507</u>	<u>10,294,053</u>
45,863,374	65,099,747	56,429,787	29,525,407	12,377,716	12,165,712
82,181	82,738	79,522	76,981	75,996	79,473
<u>12,704,390</u>	<u>13,095,873</u>	<u>13,008,829</u>	<u>10,779,265</u>	<u>9,155,074</u>	<u>9,384,416</u>
<u>58,649,945</u>	<u>78,278,358</u>	<u>22,686,444</u>	<u>21,726,477</u>	<u>21,608,786</u>	<u>21,629,601</u>
195,521,777	201,138,295	195,801,542	224,251,444	226,851,949	222,236,512
8,664,218	8,259,752	6,018,641	2,949,542	2,646,566	2,632,379
235,098	1,808,888	7,073,097	11,258,859	9,082,260	4,990,541
2,733,820	3,089,933	3,222,640	2,942,060	3,078,361	2,958,311
<u>10,381,100</u>	<u>1,037,350</u>	<u>32,269,984</u>	<u>4,119,329</u>	<u>(4,878,393)</u>	<u>894,882</u>
<u>217,536,013</u>	<u>215,334,218</u>	<u>244,385,904</u>	<u>245,521,234</u>	<u>236,780,743</u>	<u>233,712,625</u>
<u>\$ 308,893,279</u>	<u>\$ 313,248,877</u>	<u>\$ 287,417,790</u>	<u>\$ 284,415,235</u>	<u>\$ 271,006,036</u>	<u>\$ 265,636,279</u>

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Non Capital -Operational Expenditures			
Instruction	\$ 131,182,934	\$ 121,032,451	\$ 123,399,140
Instruction Resources and Media Services	3,691,566	3,792,431	3,643,675
Curriculum and Instructional Staff Development	6,110,563	6,842,750	7,077,709
Instructional Leadership	3,260,714	2,885,915	2,491,049
School Leadership	13,561,867	13,138,204	13,221,260
Guidance, Counseling, and Evaluation Services	9,640,823	8,776,199	9,123,532
Social Work Services	140,089	177,134	167,352
Health Services	2,560,099	2,405,032	2,493,562
Student (Pupil) Transportation	4,604,813	4,284,614	3,059,904
Food Services	10,709,563	10,823,054	10,653,874
Extracurricular Activities	4,974,562	4,739,800	4,626,211
General Administration	5,523,801	5,662,062	5,699,552
Facilities Maintenance and Operations	21,219,761	21,179,495	21,869,694
Security and Monitoring Services	1,450,385	1,425,974	1,362,871
Data Processing Services	5,206,568	4,988,480	5,288,192
Community Services	413,811	486,474	524,261
Facilities Acquisition and Construction	710,847	269,254	1,148,085
Total Non-Capital Operational Expenditures	<u>224,962,766</u>	<u>212,909,323</u>	<u>215,849,923</u>
Intergovernmental			
Contracted Instructional Services Between Schools	-	-	75,536
Incremental Costs Associated with Chapter 41	-	-	-
Payments to Juvenile Justice Alternative Ed. Prg.	8,639	28,386	5,484
Payments to Tax Increment Fund	15,713,810	13,807,241	13,777,411
Other Intergovernmental Charges	889,432	886,812	898,662
Total Intergovernmental	<u>16,611,881</u>	<u>14,722,439</u>	<u>14,757,093</u>
Capital Outlay			
Facilities Acquisition/Construction	18,206,883	5,671,720	15,206,940
Other Capital Outlay	926,011	252,377	336,487
Total Capital Outlay	<u>19,132,894</u>	<u>5,924,097</u>	<u>15,543,427</u>
Debt service			
Principal	26,755,000	25,770,000	25,555,000
Interest	14,472,101	13,361,108	13,681,847
Fiscal Charges	7,800	628,270	785,110
Total Debt Service Expenditures	<u>41,234,901</u>	<u>39,759,378</u>	<u>40,021,957</u>
Total Expenditures	<u>301,942,442</u>	<u>273,315,237</u>	<u>286,172,400</u>
Total Expenditures less Expenditures for Capital Outlay	<u>\$ 282,809,548</u>	<u>\$ 267,391,140</u>	<u>\$ 270,628,973</u>
Debt Service as a Percentage of			
Non-Capital Expenditures	14.6%	14.6%	14.5%

Source: Carrollton-Farmers Branch ISD.

TABLE VI

2011	2010	2009	2008	2007	2006	2005
\$ 132,258,151	\$ 134,293,425	\$ 136,193,647	\$ 136,897,403	\$ 120,680,762	\$ 115,428,607	\$ 107,239,425
3,800,545	3,801,974	3,784,040	3,674,620	3,449,049	3,464,287	3,417,429
6,342,801	5,746,605	5,648,031	6,354,518	6,982,699	6,507,867	5,942,800
2,564,724	2,806,506	2,779,530	2,603,462	2,676,997	2,525,331	1,923,542
13,653,148	13,765,565	14,145,284	14,527,383	13,874,345	12,839,605	12,521,281
9,513,995	9,806,918	9,297,327	9,054,514	8,551,727	8,071,066	7,601,265
168,735	165,773	166,968	160,431	149,906	162,375	183,303
2,512,408	2,615,065	2,427,488	2,225,210	2,077,334	2,084,708	2,011,565
3,809,657	3,055,499	2,150,573	1,819,301	2,939,301	2,452,058	2,607,884
11,130,552	11,058,241	11,096,529	11,067,175	9,886,344	9,688,739	8,344,717
4,810,349	4,634,702	4,599,543	4,035,248	3,814,607	3,615,566	3,379,980
6,590,978	6,652,399	6,350,194	6,219,424	6,294,370	5,823,489	6,223,330
23,826,841	22,176,196	22,205,857	23,115,268	21,235,262	21,818,620	19,547,977
1,544,788	1,516,063	1,706,477	1,649,729	1,569,960	1,395,133	1,014,315
5,725,371	5,319,490	4,495,388	3,899,270	3,894,697	3,828,733	3,983,413
698,199	1,150,079	1,074,251	1,057,839	1,286,398	1,298,877	833,793
1,192,293	1,331,987	1,916,961	4,413,340	4,770,012	3,173,860	5,110,301
230,143,535	229,896,487	230,038,088	232,774,135	214,133,770	204,178,921	191,886,320
-	-	17,898,472	12,636,919	27,662,926	35,669,887	41,232,500
-	-	16,283	12,705	104,486	128,755	162,981
143,124	159,550	136,225	196,409	170,387	154,466	167,557
15,139,211	12,995,177	12,414,532	9,039,482	4,418,075	3,971,007	3,951,267
937,593	963,230	1,159,125	936,315	-	-	-
16,219,928	14,117,957	31,624,637	22,821,830	32,355,874	39,924,115	45,514,305
4,289,341	16,161,616	33,334,206	49,793,086	42,900,560	47,883,084	23,013,989
968,979	333,338	1,837,829	671,771	333,351	902,439	391,778
5,258,320	16,494,954	35,172,035	50,464,857	43,233,911	48,785,523	23,405,767
27,415,000	27,060,000	28,648,711	23,667,961	18,656,322	22,695,230	19,758,697
14,543,756	17,265,964	19,586,494	23,177,464	23,349,859	18,300,959	16,621,924
261,369	3,825	3,498	74,019	485,611	3,650	5,762
42,220,125	44,329,789	48,238,703	46,919,444	42,491,792	40,999,839	36,386,383
293,841,908	304,839,187	345,073,463	352,980,266	332,215,347	333,888,398	297,192,775
\$ 288,583,588	\$ 288,344,233	\$ 309,901,428	\$ 302,515,409	\$ 288,981,436	\$ 285,102,875	\$ 273,787,008
14.5%	15.4%	15.6%	15.5%	14.5%	14.4%	13.3%

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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (11,246,835)	\$ 3,161,627	\$ 3,491,995	\$ 5,328,224
Other Financing Sources (Uses)				
Refunding Bonds Issued	-	28,700,000	33,085,000	63,565,000
Capital-Related Debt Issued (Regular Bonds)	-	41,250,000	21,880,000	-
Sale of Real or Personal Property	-	-	-	363,964
Transfers In	539,647	-	-	911,452
Premium or Discount on Issuance of Bonds	-	8,779,939	8,425,470	6,914,124
Transfers Out	(539,647)	-	-	(377,814)
Payment to Bond Refunding Escrow Agent (Use)	-	(32,806,131)	(38,198,360)	(70,196,521)
Other (Uses)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>45,923,808</u>	<u>25,192,110</u>	<u>1,180,205</u>
Special Item	-	-	-	-
Net Change in Fund Balances	(11,246,835)	49,085,435	28,684,105	6,508,429
Beginning Fund Balance -Sept 1	<u>200,559,038</u>	<u>151,473,603</u>	<u>122,789,498</u>	<u>116,281,069</u>
Ending Fund Balance - Aug 31	<u>\$ 189,312,203</u>	<u>\$ 200,559,038</u>	<u>\$ 151,473,603</u>	<u>\$ 122,789,498</u>

Source: Carrollton-Farmers Branch ISD

TABLE VII

2010	2009	2008	2007	2006	2005
\$ (2,827,084)	\$ (29,622,791)	\$ (50,649,067)	\$ (30,280,266)	\$ (45,335,278)	\$ (23,050,108)
-	-	27,435,000	60,775,000	-	-
-	-	30,000,000	45,000,000	41,220,000	54,810,000
-	76,043	29,747	53,712	43,371	29,057
354,755	25,059	236,495	1,160,684	1,074,819	1,079,101
-	-	1,292,287	3,564,464	206,100	2,016,457
(239,405)	(25,059)	(1,830,195)	(1,160,684)	(392,082)	(549,739)
-	-	(28,913,368)	(64,285,253)	-	-
1,282,506	-	-	-	-	(5,960)
<u>1,397,856</u>	<u>76,043</u>	<u>28,249,966</u>	<u>45,107,923</u>	<u>42,152,208</u>	<u>57,378,916</u>
-	-	-	-	-	5,640,977
(1,429,228)	(29,546,748)	(22,399,101)	14,827,657	(3,183,070)	39,969,785
<u>117,710,297</u>	<u>147,257,045</u>	<u>169,656,146</u>	<u>154,828,489</u>	<u>158,011,559</u>	<u>123,682,751</u>
<u>\$ 116,281,069</u>	<u>\$ 117,710,297</u>	<u>\$ 147,257,045</u>	<u>\$ 169,656,146</u>	<u>\$ 154,828,489</u>	<u>\$ 163,652,536</u>



Carrollton-Farmers Branch ISD

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
	Residential Property	Commercial Property	Personal Property			
2005	4,988,554	6,087,898	2,747,125	1,403,729	12,419,847	1.7824
2006	5,111,041	6,257,449	2,842,733	1,593,504	12,617,719	1.8259
2007	5,378,980	7,009,511	2,653,101	1,597,937	13,443,655	1.6830
2008	5,614,233	7,996,341	3,215,435	1,978,076	14,847,933	1.3670
2009	6,521,152	7,758,422	3,513,982	2,548,147	15,245,409	1.3623
2010	6,620,262	7,326,022	3,500,299	2,536,797	14,909,786	1.3422
2011	6,414,043	6,901,685	3,161,463	2,344,176	14,133,014	1.3469
2012	6,367,741	6,759,663	2,958,073	2,196,004	13,889,472	1.3568
2013	6,357,922	7,083,532	2,979,138	2,219,860	14,200,732	1.3306
2014	6,518,956	7,558,333	3,120,305	2,233,483	14,964,111	1.3235

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 Service	Total	Town of Addision	City of Carrollton	City of Coppell	City of Dallas	City of Farmers Branch
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
2011	1.0400	0.3069	1.3469	0.530	0.618	0.690	0.797	0.530
2012	1.0400	0.3168	1.3568	0.580	0.618	0.690	0.797	0.530
2013	1.0400	0.2906	1.3306	0.580	0.618	0.670	0.797	0.530
2014	1.0400	0.2835	1.3235	0.572	0.618	0.638	0.797	0.553

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
0.548	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
0.576	0.274	0.243	0.271	0.099
0.599	0.277	0.243	0.271	0.100
0.599	0.283	0.243	0.271	0.119
0.599	0.285	0.243	0.276	0.125

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	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	221,529,024	217,965,165	98.4%	3,282,883	221,248,048	99.87%
2005	226,478,279	226,195,686	99.9%	231,893	226,427,579	99.98%
2006	223,255,525	221,175,531	99.1%	2,015,644	223,191,175	99.97%
2007	195,655,990	193,698,097	99.0%	1,900,986	195,599,083	99.97%
2008	202,093,926	200,374,994	99.1%	1,590,082	201,965,076	99.94%
2009	195,089,302	193,396,978	99.1%	1,454,028	194,851,006	99.88%
2010	186,476,139	184,834,361	99.1%	1,267,346	186,101,707	99.80%
2011	185,082,381	183,761,421	99.3%	952,763	184,714,184	99.80%
2012	185,400,956	184,316,782	99.4%	658,790	184,975,572	99.77%
2013	193,864,815	192,936,357	99.5%	-	192,936,357	99.52%

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	2014			2005		
		TAXABLE ASSESSED VALUATION	Percent of Total Assessed Taxable Value	Rank	Taxable Value	Percent of Total Assessed Taxable Value	Rank
AT&T/Southwestern Bell	Telephone Utility	\$ 117,145,730	0.82%	1	\$ 144,995,530	1.12%	3
Walmart/Sam's	Retail	116,476,184	0.82%	2	102,892,410	0.80%	6
Oncor Electric Delivery	Power Utility	110,101,114	0.78%	3	104,315,582	0.81%	5
Verizon/GTE	Telephone Utility	92,022,997	0.65%	4	102,381,680	0.79%	7
Western Extrusions Corp.	Fabrication	76,338,741	0.54%	5			
Wells REIT II	Rental Property	87,017,720	0.61%	6	58,000,000	0.45%	9
Nokia	Electronics	78,456,390	0.55%	7	46,385,080	0.36%	10
Exxon/Mobil Corp.	Industrial/Petroleum	77,647,908	0.55%	8	120,733,780	0.93%	4
Haliburton Company Inc.	Oil Services	76,006,258	0.54%	9			
Citicorp Credit Services	Rental Property	70,393,670	0.50%	10			
ST Microelectronics Inc.	Semiconductor Manufacturing				155,810,845	1.21%	1
Amerisource Corporation	Pharmaceutical				153,264,078	1.19%	2
AmlI Southwest Res Ltd	Rental Property				64,620,000	0.50%	8
TOTAL		<u>\$ 901,606,712</u>	<u>6.36%</u>		<u>\$ 1,053,398,985</u>	<u>8.16%</u>	
Total Taxable Assessed Value		<u>\$ 14,964,110,850</u>			<u>\$ 12,617,718,931</u>		

Source: District Tax Office

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 LEGAL DEBT MARGIN
 LAST TEN FISCAL YEARS
 AUGUST 31, 2014 (UNAUDITED)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt limit	\$ 1,496,411,085	\$ 1,420,073,218	\$ 1,388,947,226	\$ 1,413,301,365
Total net debt applicable to limit	317,118,411	323,958,847	310,771,740	320,156,291
Legal debt margin	1,179,292,674	1,096,114,371	1,078,175,486	1,093,145,074
Total net debt applicable to the limit as a percentage of debt limit	21%	23%	22%	23%

Source: Carrollton-Farmers Branch ISD

Total Bonded Debt equals GO Bonds Payable plus Bond Premium plus Accreted Interest less Loss on Advanced Refunding

Legal Debt Margin Calculation for Fiscal Year 2014

Total Appraised Valuation	\$ 17,197,593,658
Less - Exemptions and Reductions in Value	<u>2,233,482,808</u>
Total Appraised Valuation for School Tax Purposes	\$ 14,964,110,850
Debt Limit Percentage	<u>10%</u>
Legal Debt Limit	<u>\$ 1,496,411,085</u>
Total Bonded Debt	\$ 325,221,645
Less - Reserve for Retirement of Bonded Debt	<u>8,103,234</u>
Net Bonded Debt Applicable to Debt Limit	<u>\$ 317,118,411</u>
Legal Debt Margin	<u><u>\$ 1,179,292,674</u></u>

TABLE XII

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 1,490,978,560	\$ 1,524,540,946	\$ 1,484,793,283	\$ 1,344,364,947	\$ 1,273,455,161	\$ 1,241,984,735
353,476,131	380,421,200	408,440,752	403,044,881	380,495,821	362,337,021
1,137,502,429	1,144,119,746	1,076,352,531	941,320,066	892,959,340	879,647,714
24%	25%	28%	30%	30%	29%



Carrollton-Farmers Branch ISD

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		Percentage of disposable personal Income	Per Capita	Per Student Enrolled
	Unlimited Tax Bonds	Total Primary Government			
2005	375,155	375,155	Not available	2,561	14,038
2006	393,918	393,918	Not available	2,604	14,546
2007	413,971	413,971	7.88%	2,463	15,467
2008	417,233	417,233	8.06%	2,484	15,581
2009	387,872	387,872	7.21%	2,251	14,573
2010	360,666	360,666	6.43%	2,048	13,719
2011	335,057	335,057	6.06%	1,829	12,354
2012	334,700	334,700	6.06%	1,856	12,004
2013	353,094	353,094	6.01%	1,869	12,556
2014	325,222	325,222	5.32%	1,681	11,559

NOTE: See TABLES XVI and XX for population and enrollment data used to calculate per capita and per student enrolled information. Unlimited Tax Bond plus Bond Premium plus Accreted Interest less Loss on Advanced Refunding.

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	TAXABLE ASSESSED VALUE	GROSS BONDED DEBT	LESS DEBT SERVICE FUNDS
2005	141,750	12,419,847,347	375,154,674	696,204
2006	141,750	12,617,718,931	393,918,274	1,062,173
2007	141,750	13,443,649,465	413,971,378	2,981,791
2008	165,556	14,847,932,832	417,232,515	2,862,959
2009	169,986	15,245,409,459	387,872,101	2,233,800
2010	173,658	14,909,785,600	360,666,009	2,118,869
2011	176,663	14,133,013,647	335,056,971	3,003,709
2012	170,886	13,889,472,257	334,700,018	6,408,260
2013	177,286	14,200,732,177	353,093,769	7,331,153
2014	181,182	14,964,110,805	325,221,645	8,103,234

Source: Carrollton-Farmers Branch ISD. Population is for Cities of Carrollton and Farmers Branch. See Table XVI for population source information.
Gross Bonded Debt equals GO Bonds Payable plus Bond Premium plus Accreted Interest less Loss on Advanced Refunding

TABLE XIV

NET BONDED DEBT	RATIO OF NET BONDED DEBT TO TAXABLE ASSESSED VALUE	NET BONDED DEBT PER CAPITA
374,458,470	3.02	2,642
392,856,101	3.11	2,771
410,989,587	3.06	2,899
414,369,556	2.79	2,503
385,638,301	2.53	2,269
358,547,140	2.40	2,065
332,053,262	2.35	1,880
328,291,758	2.36	1,921
345,762,616	2.43	1,950
317,118,411	2.12	1,750

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENT DEBT
 AS OF AUGUST 31, 2014 (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	\$ 114,650,000	4.59%	\$ 5,262,435
City of Carrollton	161,780,000	54.27%	87,798,006
City of Coppell	73,245,000	7.18%	5,258,991
City of Dallas	1,547,227,904	1.02%	15,781,725
Dallas County	111,350,000	6.28%	6,992,780
Dallas County Community College District	339,035,000	6.28%	21,291,398
Dallas County Hospital District	736,235,000	6.28%	46,235,558
Dallas County Utility & Reclamation District	251,608,019	50.03%	125,879,492
Dallas County Schools	67,265,000	6.28%	4,224,242
Denton County	614,975,000	4.75%	29,211,313
City of Farmers Branch	42,720,000	59.96%	25,614,912
City of Irving	377,340,000	25.04%	94,485,936
Irving Flood Control District III	1,460,000	66.55%	971,630
NW Dallas County Flood Control District	8,424,000	65.16%	5,489,078
Valwood Improvement Authority	8,433,083	88.65%	7,475,928
Subtotal, overlapping debt			\$ 481,973,424
Carrollton-Farmers Branch ISD - Direct Debt	\$ 325,221,645	100.00%	325,221,645
Total Direct and Overlapping Tax Supported Debt			\$ 807,195,069
Total Assessed Taxable Valuation			\$ 14,964,110,850
Total Population			181,182
Ratio of Direct and Overlapping Tax Supported Debt to Taxable Assessed Valuation			5.39%
Per Capita Total Direct and Overlapping Tax Supported Debt			\$ 4,455

Source: All information provided by Municipal Advisory Council of Texas 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. Carrollton-Farmers Branch ISD - Direct Debt equals GO Bonds Payable plus Bond Premium less Loss on Advanced Refunding.

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

Calendar Year	Population(A)	Disposable Personal Income(B)	Per Capita Disposable Personal Income(C)	Unemployment Rate(D)
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%
2011	176,663	5,329,039,395	30,165	7.46%
2012	170,886	5,230,478,688	30,608	6.35%
2013	177,286	5,510,758,024	31,084	5.41%
2014	181,182	5,722,089,922	31,582	5.16%

Notes:

- A** Population data is for Cities of Carrollton and Farmer's Branch combined.
 Source of population data was the following:
 2005 2000 Census Data
 2006 Municipal Advisory Council of Texas
 2007-2014 Claritas Market Place Survey
- B** From Official Statements of CFBISD Bond Issuance. Amounts for years 2004 and prior are City of Carrollton only.
 2007-2014 Claritas Market Place Survey-Entire School District Included.
- C** Only population of Carrollton was used to calculate per capita income figures for year 2004.
 2007-2014 Claritas Market Place Survey-Entire School District Included.
- D** From US Department of Labor, Bureau of Labor Statistics
 2007-2014 Texas Workforce Commission

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

TABLE XVII

<u>Employer</u>	<u>2014</u>			<u>2005</u>		
	<u>Approx. # Employees</u>	<u>Rank</u>	<u>Workforce Percentage</u>	<u>Approx. # Employees</u>	<u>Rank</u>	<u>Workforce Percentage</u>
Carrollton-Farmers Branch ISD	3,033	1	3.02%	3,700	1	4.00%
JP Morgan Investment Services	2,390	2	2.38%	3,641	2	3.93%
Maxim Ingetrated Products	1,352	3	1.35%			
Halliburton Energy Services	1,300	4	1.30%			
GEICO	1,200	5	1.20%			
McKesson Corp	1,000	6	1.00%			
Tuesday Morning	1,000	7	1.00%			
Telvista	950	8	0.95%			
AT&T	830	9	0.83%			
TD Industries	811	10	0.81%			
Otis Engineering				2,000	3	2.16%
SGS-Thompson				907	4	0.98%
City of Carrollton				875	5	0.95%
Westcott Communications				800	6	0.86%
T.D. Mechanical				600	7	0.65%
Omega Optical				600	8	0.65%
Foxmeyer Drug				600	9	0.65%
Home Interior & Gifts				500	10	0.54%

Total employed 2014 workforce - 100,298

Total employed 2005 workforce - 92,543

Source: Official Statement dated March 10, 2005
 Oncor Economic Development Department
 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 '05 - '14
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	
Teachers											
Pre-K & Kindergarten	167	163	164	177	173	193	187	171	166	156	7%
Elementary	626	722	720	722	712	714	725	713	745	722	-13%
Secondary	776	662	665	677	712	747	767	730	693	642	21%
All Level	70	81	85	126	130	166	169	197	189	180	-61%
Miscellaneous	-	-	-	-	-	1	-	1	-	-	-
Total Teachers	1,639	1,628	1,634	1,702	1,727	1,821	1,848	1,812	1,793	1,700	-4%
Support Staff											
Supervisors	-	-	-	-	-	-	1	9	4	3	-100%
Counselors	56	56	57	59	52	50	48	47	43	45	24%
Ed Diagnostics	32	32	32	32	33	30	31	31	31	29	10%
Librarians	39	40	39	40	41	41	38	37	38	38	3%
Nurse/Physicians	33	34	36	35	36	33	32	31	32	31	6%
Therapists	42	42	42	43	41	36	38	36	34	29	45%
Psychologists/Assoc Psych.	5	5	5	6	6	7	7	7	6	7	-29%
Other Support Staff	150	143	137	140	149	150	140	154	96	101	49%
Total Support Staff	357	352	348	355	358	347	335	352	284	283	26%
Administrators											
Admin/Instructional Officers	42	40	44	42	50	61	42	22	23	24	75%
Principals	37	36	38	40	39	38	39	39	37	37	0%
Assistant Principals	47	47	47	46	46	52	58	57	56	56	-16%
Superintendents	1	1	1	1	1	1	1	1	1	1	0%
Assistant Superintendents	4	4	2	2	3	4	4	4	4	4	0%
Total Administrators	131	128	132	131	139	156	144	123	121	122	7%
Total Professionals	2,127	2,108	2,114	2,188	2,224	2,324	2,327	2,287	2,198	2,105	1%
Educational Aides	188	186	193	220	200	262	259	231	234	224	-16%
Auxiliary Staff	718	732	756	725	777	785	781	740	723	711	1%
Total	3,033	3,026	3,063	3,133	3,201	3,371	3,367	3,258	3,155	3,040	0%

Source: Texas Education Agency (Standard Reports)



Carrollton-Farmers Branch ISD

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
2005	37,000	52,713	42,353	41,011
2006	38,500	55,453	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
2011	45,940	62,598	52,062	48,639
2012	46,340	62,198	51,882	46,340
2013	46,340	62,198	51,863	48,821
2014	47,143	63,255	52,407	49,692

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

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN 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>
2005	25,860	\$ 191,886,320	\$ 7,420		\$ 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
2011	26,159	230,143,535	8,798	-0.8%	245,393,241	9,381
2012	26,423	215,849,923	8,169	-7.1%	232,112,851	8,785
2013	26,385	212,909,323	8,069	-1.2%	230,150,552	8,723
2014	26,347	224,962,766	8,538	5.8%	242,464,197	9,203

- 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

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	1,700	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%
-0.7%	1,702	15.4	15,736	60%
-6.4%	1,634	16.2	16,420	62%
-0.7%	1,628	16.2	16,452	62%
5.5%	1,639	16.1	16,401	62%

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

Elementary Schools	Year of	2014	2013	2012	2011
	Orginal Construction				
1 Blair	2002				
Square feet		97,228	97,228	97,228	97,228
Capacity		900	900	900	900
Enrollment		691	732	760	776
2 Blanton	2007				
Square feet		75,160	75,160	75,160	75,160
Capacity		573	573	573	573
Enrollment		578	594	603	555
3 Carrollton	1951				
Square feet		83,180	83,180	83,180	83,180
Capacity		656	656	656	656
Enrollment		656	654	676	650
4 Central	1965				
Square feet		93,690	93,690	93,690	93,690
Capacity		729	729	729	729
Enrollment		745	748	734	726
5 Country Place	1982				
Square feet		64,801	64,801	64,801	64,801
Capacity		450	450	450	450
Enrollment		339	357	370	362
6 Davis	1975				
Square feet		76,485	76,485	76,485	76,485
Capacity		532	532	532	532
Enrollment		555	568	571	535
7 Farmers Branch	1968				
Square feet		72,005	72,005	72,005	72,005
Capacity		650	650	650	650
Enrollment		540	504	497	506
8 Furneaux	1982				
Square feet		59,406	59,406	59,406	59,406
Capacity		473	473	473	473
Enrollment		371	358	363	365
9 Good	2012				
Square feet		82,146	82,146	66,944	66,944
Capacity		675	675	526	526
Enrollment		615	595	499	503

Sources: Carrollton-Farmers Branch ISD

*,** - Campuses consolidated in 2013 for operating and PEIMS purposes but housed in two facilities.

TABLE XXI
CONTINUED

2010	2009	2008	2007	2006	2005
77,631	77,631	77,631	77,631	77,631	77,631
605	605	605	605	605	545
405	419	522	521	404	396
75,160	75,160	75,160	75,160	54,527	57,677
573	573	573	573	405	405
563	539	459	444	406	507
83,180	83,180	83,180	83,180	83,180	69,150
656	656	656	656	656	656
640	684	719	679	591	702
93,690	93,690	93,690	93,690	93,690	100,326
729	729	729	729	729	729
600	645	625	654	680	720
64,801	58,675	58,675	58,675	58,675	59,443
450	388	388	388	388	388
374	363	363	361	344	358
76,485	76,485	76,485	76,485	76,485	72,615
532	532	532	532	532	532
552	575	566	591	-	564
72,005	63,000	63,000	63,000	63,000	73,000
650	585	585	585	585	585
493	493	516	508	524	533
59,406	59,406	55,668	55,668	55,668	57,204
473	473	473	473	473	473
395	407	437	442	459	496
66,944	66,944	66,944	66,944	66,944	68,470
526	526	526	526	526	526
498	497	527	517	538	533

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

	Year of Original Construction	2014	2013	2012	2011
10 Stark	2006				
Square feet		83,400	83,400	83,400	83,400
Capacity		700	700	700	700
Enrollment		693	611	537	533
11 Kent	1989				
Square feet		89,742	89,742	89,742	89,742
Capacity		651	651	651	651
Enrollment		397	398	449	472
12 Landry	1996				
Square feet		73,500	73,500	73,500	73,500
Capacity		466	466	466	466
Enrollment		435	453	443	462
13 Las Colinas	1986				
Square feet		75,099	75,099	75,099	75,099
Capacity		559	559	559	559
Enrollment		526	519	504	505
14 McCoy	1979				
Square feet		65,849	65,849	65,849	65,849
Capacity		550	550	550	550
Enrollment		400	406	413	411
15 McKamy	1992				
Square feet		79,577	79,577	79,577	79,577
Capacity		599	599	599	599
Enrollment		513	577	558	575
16 McLaughlin**	1960				
Square feet		73,300	73,300	73,300	73,300
Capacity		577	577	577	577
Enrollment		-	-	392	396
17 McWhorter	2001				
Square feet		88,418	88,418	88,418	88,418
Capacity		700	700	700	700
Enrollment		770	730	653	626
18 Montgomery	1955				
Square feet		-	-	-	-
Capacity		-	-	-	-
Enrollment		-	-	-	-
19 Rainwater	1994				
Square feet		80,000	80,000	80,000	80,000
Capacity		492	492	492	492
Enrollment		408	444	454	451

Sources: Carrollton-Farmers Branch ISD

*,** - Campuses consolidated in 2013 for operating and PEIMS purposes but housed in two facilities.

TABLE XXI
CONTINUED

2010	2009	2008	2007	2006	2005
83,400	83,400	83,400	83,400	83,400	65,605
700	700	700	700	700	457
417	388	471	613	725	675
89,742	89,742	89,742	89,742	89,742	89,742
651	651	651	651	651	651
445	513	546	566	569	616
73,500	73,500	73,500	73,500	73,500	76,572
466	466	466	466	466	466
462	472	459	487	-	441
75,099	75,099	75,099	75,099	75,099	76,635
559	559	559	559	559	559
503	493	490	455	433	413
65,849	55,668	55,668	55,668	55,668	60,276
550	440	440	440	440	440
452	425	442	434	438	437
79,577	79,577	79,577	79,577	79,577	81,881
599	599	599	599	599	599
450	477	469	537	527	599
73,300	73,300	73,300	73,300	73,300	76,986
577	577	577	577	577	577
393	389	636	856	863	698
88,418	88,418	75,000	75,000	75,000	75,160
700	700	533	533	533	573
697	673	645	533	539	482
67,600	67,600	67,600	67,600	67,600	67,600
463	463	463	463	463	463
414	463	549	560	436	445
80,000	80,000	80,000	80,000	80,000	80,000
492	492	492	492	492	492
469	457	418	364	342	360

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

	Year of Original Construction	2014	2013	2012	2011
20 Riverchase	2000				
Square feet		75,160	75,160	75,160	75,160
Capacity		533	533	533	533
Enrollment		428	296	313	362
21 Rosemeade	1984				
Square feet		61,396	61,396	61,396	61,396
Capacity		500	500	500	500
Enrollment		444	429	360	338
22 Sheffield*	1989				
Square feet		66,767	66,767	66,767	66,767
Capacity		459	459	459	459
Enrollment		927	927	348	339
23 Sheffield Primary*	1985				
Square feet		59,406	59,406	59,406	59,406
Capacity		462	462	462	462
Enrollment		-	-	544	498
24 Thompson	2006				
Square feet		75,160	75,160	75,160	75,160
Capacity		573	573	573	573
Enrollment		590	589	503	515
25 Freeman	2004				
Square feet		75,160	75,160	75,160	75,160
Capacity		573	573	573	573
Enrollment		614	634	582	560
26 Kelly Pre-K Ctr	2007				
Square feet		-	-	47,513	47,513
Capacity		-	-	400	400
Enrollment		-	-	316	313
27 Pre-K Ctr (CLC)	2005				
Square feet		-	-	-	-
Capacity		-	-	-	-
Enrollment		-	-	-	-
28 La Villita	2008				
Square feet		87,787	87,787	87,787	87,787
Capacity		650	650	650	650
Enrollment		571	623	497	459
29 McLaughlin Strickland**	2008				
Square feet		77,631	77,631	77,631	77,631
Capacity		605	605	605	605
Enrollment		791	786	399	372
Total Elementary School					
Square feet		1,991,453	1,991,453	2,023,764	2,023,764
Capacity		15,287	15,287	15,538	15,538
Enrollment		13,597	13,532	13,338	13,165

Sources: Carrollton-Farmers Branch ISD

*,** - Campuses consolidated in 2013 for operating and PEIMS purposes but housed in two facilities.

TABLE XXI
CONCLUDED

2010	2009	2008	2007	2006	2005
75,160	75,160	75,000	75,000	75,000	75,160
533	533	533	533	533	533
369	388	405	398	385	403
55,668	55,668	55,668	55,668	55,668	56,436
376	376	376	376	376	376
336	365	349	342	-	354
66,767	66,767	66,767	66,767	66,767	66,767
459	459	459	459	459	459
354	383	387	399	-	445
59,406	59,406	55,668	55,668	55,668	56,436
462	462	462	462	462	462
446	419	455	414	477	470
75,160	75,160	75,160	75,160	75,160	59,100
573	573	573	573	573	461
480	490	504	501	459	405
75,160	75,160	75,160	75,160	75,160	75,160
573	573	573	573	573	573
510	503	668	550	528	438
47,513	47,513	47,513	47,513	-	-
400	400	400	400	-	-
293	366	381	-	-	-
42,906	42,906	42,906	42,906	42,906	42,906
272	272	272	272	272	272
192	204	222	346	438	-
87,787	87,787	-	-	-	-
650	650	-	-	-	-
325	296	-	-	-	-
77,631	77,631	-	-	-	-
605	605	-	-	-	-
368	368	-	-	-	-
2,108,945	2,083,633	1,897,161	1,897,161	1,829,015	1,817,938
15,854	15,617	14,195	14,195	13,627	13,252
12,895	13,154	13,230	13,072	11,105	12,490

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

	Year of Original Construction	2014	2013	2012	2011
<u>Middle Schools</u>					
1 Blalack	1986				
Square feet		171,150	171,150	171,150	171,150
Capacity		1,381	1,381	1,381	1,381
Enrollment		953	950	982	972
2 Bush	1998				
Square feet		142,000	142,000	142,000	142,000
Capacity		931	931	931	931
Enrollment		685	699	720	767
3 Long	1981				
Square feet		164,500	164,500	164,500	164,500
Capacity		1,124	1,124	1,124	1,124
Enrollment		756	760	796	796
4 Perry	1936				
Square feet		195,067	195,067	195,067	195,067
Capacity		1,000	1,000	1,000	1,000
Enrollment		999	962	942	933
5 Polk	1997				
Square feet		140,000	140,000	140,000	140,000
Capacity		1,040	1,040	1,040	1,040
Enrollment		1,082	1,065	1,090	1,042
6 Field	1959				
Square feet		182,525	182,525	182,525	182,525
Capacity		1,156	1,156	1,156	1,156
Enrollment		930	907	911	930
Total Middle School					
Square feet		995,242	995,242	995,242	995,242
Capacity		6,632	6,632	6,632	6,632
Enrollment		5,405	5,343	5,441	5,440

Sources: Carrollton-Farmers Branch ISD

TABLE XXII

2010	2009	2008	2007	2006	2005
171,150	170,150	170,150	170,150	170,150	170,150
1,381	1,381	1,381	1,381	1,381	1,381
1,064	1,120	1,141	1,152	1,116	1,147
142,000	142,000	142,000	142,000	142,000	142,000
931	931	931	931	931	931
703	654	622	616	648	630
164,500	164,500	164,500	164,500	164,500	164,560
1,124	1,124	1,124	1,124	1,124	1,124
784	850	806	861	-	961
179,467	179,467	179,467	179,467	179,467	183,307
843	843	843	843	843	843
999	968	1,010	982	980	960
140,000	140,000	140,000	140,000	140,000	140,000
1,040	1,040	1,040	1,040	1,040	1,040
1,057	1,029	1,056	970	928	933
170,789	170,789	170,789	170,789	170,789	152,828
1,156	1,156	1,156	1,156	1,156	1,156
963	999	1,014	1,087	1,102	1,086
967,906	966,906	966,906	966,906	966,906	952,845
6,475	6,475	6,475	6,475	6,475	6,475
5,570	5,620	5,649	5,668	4,774	5,717

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

	Year of Original Construction	2014	2013	2012	2011
High Schools					
1 Creekview	1998				
Square feet		368,182	368,182	368,182	368,182
Capacity		2,478	2,478	2,478	2,478
Enrollment		1,917	1,981	2,034	2,082
2 Ranchview	2002				
Square feet		250,000	250,000	250,000	250,000
Capacity		1,027	1,027	1,027	1,027
Enrollment		801	810	831	807
3 Smith	1973				
Square feet		496,782	496,782	496,782	496,782
Capacity		2,807	2,807	2,807	2,807
Enrollment		1,980	2,041	2,058	2,030
4 Turner	1960				
Square feet		564,006	564,006	564,006	564,006
Capacity		2,315	2,315	2,315	2,315
Enrollment		2,140	2,134	2,124	2,019
5 Grimes Learning Ctr	1989				
Square feet		32,700	32,700	32,700	32,700
Capacity		255	255	255	255
Enrollment		80	142	212	251
Total High School					
Square feet		1,711,670	1,711,670	1,711,670	1,711,670
Capacity		8,882	8,882	8,882	8,882
Enrollment		6,918	7,108	7,259	7,189

Sources: Carrollton-Farmers Branch ISD

TABLE XXIII

2010	2009	2008	2007	2006	2005
368,182	368,182	365,000	365,000	365,000	365,000
2,478	2,478	2,478	2,478	2,478	2,478
2,055	2,052	2,150	2,161	2,171	2,156
250,000	250,000	250,000	250,000	250,000	250,000
1,027	1,027	1,027	1,027	1,027	1,027
833	779	773	756	756	532
496,782	496,782	496,782	496,782	496,782	479,597
2,807	2,807	2,807	2,807	2,807	2,767
1,991	2,093	2,069	2,086	-	2,135
564,006	564,006	564,006	564,006	497,756	482,000
2,315	2,315	2,315	2,315	2,315	2,315
1,972	1,975	1,956	2,013	2,014	2,089
32,700	32,700	32,700	32,700	32,700	33,468
255	255	255	255	255	255
263	218	240	227	183	150
1,711,670	1,711,670	1,708,488	1,708,488	1,642,238	1,610,065
8,882	8,882	8,882	8,882	8,882	8,842
7,114	7,117	7,188	7,243	5,124	7,062

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

Other Facilities	Year of Original Construction	Square Footage			
		2014	2013	2012	2011
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/Natorium	1963	81,000	81,000	81,000	81,000
Living Materials Ctr	1950	4,500	4,500	4,500	4,500
Montgomery Building	1960	67,600	67,600	67,600	67,600
Pre-K Center (CLC)	2005	42,906	42,906	42,906	42,906
Kelly Pre-K Ctr	2007	47,513	47,513	-	-

Sources: Carrollton-Farmers Branch ISD

TABLE XXIV

Square Footage					
2010	2009	2008	2007	2006	2005
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
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-



Carrollton-Farmers Branch ISD

FEDERAL AWARDS SECTION



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*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Carrollton-Farmers Branch Independent School District, as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise Carrollton-Farmers Branch Independent School District's basic financial statements, and have issued our report dated December 12, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Hankins, Eastup, Deaton, Tonn & Seay

Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

December 12, 2014

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited Carrollton-Farmers Branch Independent School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Carrollton-Farmers Branch Independent School District's major federal programs for the year ended August 31, 2014. Carrollton-Farmers Branch Independent School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of finding and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Carrollton-Farmers Branch Independent School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Carrollton-Farmers Branch Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Carrollton-Farmers Branch Independent School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Carrollton-Farmers Branch Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2014.

Report on Internal Control Over Compliance

Management of Carrollton-Farmers Branch Independent School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Carrollton-Farmers Branch Independent School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Carrollton-Farmers Branch Independent School 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Hankins, Eastup, Deaton, Tonn & Seay

Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

December 12, 2014

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED AUGUST 31, 2014

I. Summary of the Auditors' Results:

Financial Statements

- a. An unmodified report 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 unmodified report 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:
- | | |
|----------------------------|---|
| CFDA 84.010A | ESEA, Title I, Part A - Improving Basic Programs |
| Special Education Cluster: | |
| CFDA 84.027 | IDEA - Part B, Formula |
| CFDA 84.173 | IDEA - Part B, Preschool |
| CFDA 84.367A | ESEA, Title II, Part A - Teacher/Principal Training |
- h. The dollar threshold used to distinguish between Type A and Type B programs. \$ 575,746
- 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, 2014

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

None

III. Other Findings and Findings and Questioned Costs Related to Federal Awards

None

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2014

There were no findings in the prior year.

CARROLLTON-FARMERS BRANCH ISD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2014

(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>			
*ESEA, Title I, Part A - Improving Basic Programs	84.010A	14610101057903	\$ 4,774,005
*ESEA, Title I, Part A - Improving Basic Programs	84.010A	15610101057903	141,487
Total CFDA Number 84.010A			4,915,492
Total Title I, Part A Cluster			4,915,492
*IDEA - Part B, Formula	84.027	146600010579036600	3,660,407
*IDEA - Part B, Formula	84.027	156600010579036600	181,961
Total CFDA Number 84.027			3,842,368
*IDEA - Part B, Preschool	84.173	146610010579036610	63,902
*IDEA - Part B, Preschool	84.173	156610010579036610	3,247
Total CFDA Number 84.173			67,149
Total Special Education Cluster (IDEA)			3,909,517
Carl D. Perkins Formula Grant	84.048	14420006057903	252,633
Carl D. Perkins Formula Grant	84.048	15420006057903	5,269
Total CFDA Number 84.048			257,902
Title III, Part A - English Language Acquisition	84.365A	14671001057903	619,757
Title III, Part A - English Language Acquisition	84.365A	15671001057903	47,577
Title III, Part A - Immigrant	84.365A	14671003057903	129,289
Total CFDA Number 84.365A			796,623
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	14694501057903	498,045
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	15694501057903	31,444
Total CFDA Number 84.367A			529,489
Summer School LEP	84.369A	S369A120045	22,261
Reading Recovery: Scaling up What Works	84.396A	U396A100027	11,611
Total Passed Through State Department of Education			\$ 10,442,895
TOTAL DEPARTMENT OF EDUCATION			\$ 10,442,895
 U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Dept of Human Services</u>			
Work Source Child Care and Development Fund	93.575	057903	\$ 36,681
Total Passed Through Texas Dept of Human Services			\$ 36,681
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 36,681

CARROLLTON-FARMERS BRANCH ISD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2014

(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>			
*School Breakfast Program	10.553	2014IN109946	\$ 1,303,704
*National School Lunch Program - Cash Assistance	10.555	2014IN109946	6,738,876
*National School Lunch Prog. - Non-Cash Assistance	10.555	2014IN109946	<u>669,372</u>
Total CFDA Number 10.555			<u>7,408,248</u>
Total Child Nutrition Cluster			<u>8,711,952</u>
Total Passed Through the State Department of Agriculture			<u>\$ 8,711,952</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 8,711,952</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 19,191,528</u></u>

*Clustered Programs

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2014

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 \$2,173,174, which are recorded as federal revenue in the General Fund, are not considered federal awards for purposes of this schedule. This schedule includes \$181,561 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.