

Carrollton • Farmers Branch Independent School District

2014-2015

**Comprehensive Annual Financial Report
Fiscal Year Ended August 31, 2015**



*The goal of the Carrollton-Farmers Branch Independent School District 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, 2015**

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

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Carrollton-Farmers Branch ISD

INTRODUCTORY SECTION



Carrollton-Farmers Branch ISD

CERTIFICATE OF BOARD

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

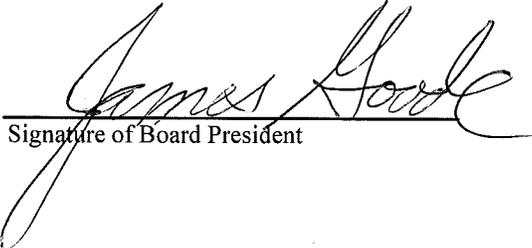
Dallas/Denton
County

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, 2015 at a meeting of the Board of Trustees of such school district on the 14th day of January, 2016.



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 11, 2015

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, 2015, 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, 2015, 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 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 24 elementary, and alternative or special program centers was 26,210 for the 2014-2015 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 128,342; Male 49.2%, Female 50.8%

Population by Race:

- White 40.8%
- Black 8.4%
- Hispanic or Latino Origin 33.6% (of any race)
- American Indian 0.2%
- Asian or Pacific Islander 15.2%
- Other Race 0.1%
- Two or more races 1.7%

Median age 35.9

- Persons under 5 years old 6.8%
- Persons over 18 years old 75.3%
- Persons 65 and over 9.7%

Economic Characteristics:

- Median household income \$69,505
- Median family income \$77,456
- Per capita income \$33,211

Housing Characteristics:

- Owner-occupied housing units 56.3%
- Renter-occupied housing units 40.5%
- Vacant housing units 3.3%

Area 36.6 square miles

Source: U.S. Census Bureau, American FactFinder, 2014 American Community Survey

City of Dallas

Population 1,281,031; Male 49.8%, Female 50.2%

Population by Race:

- White 29.2%
- Black 24.0%
- Hispanic or Latino Origin 41.4% (of any race)
- American Indian 0.2%
- Asian or Pacific Islander 3.3%
- Other Race 0.2%
- Two or more races 1.7%

Median age 32.4

- Persons under 5 years old 8.2%
- Persons over 18 years old 73.8%
- Persons 65 and over 9.4%

Economic Characteristics:

- Median household income \$43,003
- Median family income \$46,880
- Per capita income \$28,771

Housing Characteristics:

- Owner-occupied housing units 36.9%
- Renter-occupied housing units 52.7%
- Vacant housing units 10.4%

Area 384.7 square miles

Source: U.S. Census Bureau, American FactFinder, 2014 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 232,413; Male 48.7%, Female 51.3%

Population by Race:

- White 24.5%
- Black 12.5%
- Hispanic or Latino Origin 43.4% (of any race)
- American Indian 0.3%
- Asian or Pacific Islander 17.0%
- Other Race 0.0%
- Two or more races 2.3%

Median age 30.9

- Persons under 5 years old 9.5%
- Persons over 18 years old 73.1%
- Persons 65 and over 7.6%

Economic Characteristics:

- Median household income \$48,042
- Median family income \$49,995
- Per capita income \$25,058

Housing Characteristics:

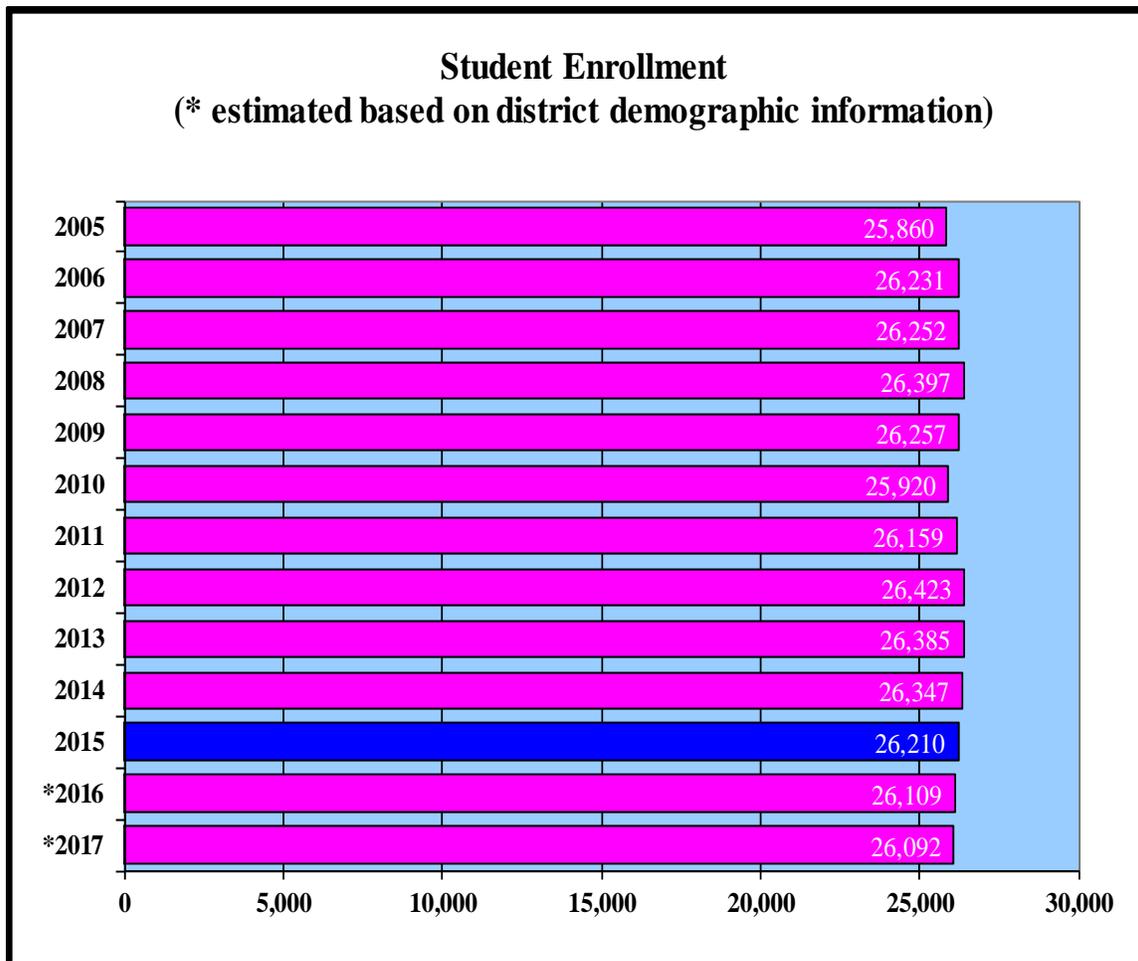
- Owner-occupied housing units 34.3%
- Renter-occupied housing units 59.1%
- Vacant housing units 6.6%

Area 67.6 square miles

Source: U.S. Census Bureau, American FactFinder, 2014 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.

In CFB, we value 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 0.77% 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. A major highway widening project is underway 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. Additional redevelopment projects are also underway on a smaller scale in both cities of Carrollton and Farmers Branch.

While actual construction has been slow to start, the last remaining large area of undeveloped land known as Mercer Crossing in the city of Farmers Branch is beginning to see activity. Several projects have been presented to the city for consideration, several multi-family projects have been completed and one commercial project is currently under construction.

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 steady increase since the District had a taxable value increase in the 2012-13 through 2014-15 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 99% or more.
- Federal revenue sources are not expected to increase significantly over current levels.
- Unless current law changes, State sources of revenue will not increase over current levels.

Future budget projections predict deficit General Fund budgets through 2016-2017. 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 2015.

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 in Phase-in I of performance standards.

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 with a weighted calculation – each student group is weighted equally regardless of number of test-takers in each 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 2015 are listed in the chart below.

SAT Results for 2015	Mean SAT Scores				
Colleger-Bound Seniors	#Tested	Reading	Math	Writing	Composite
Nation Public Schools	1,332,096	489	498	475	1,462
Texas All Schools	193,768	470	486	454	1,410
Texas Public Schools	179,131	464	482	448	1,394
District	953	480	503	468	1451
Creekview High School	278	491	516	472	1,479
Early College	85	447	461	440	1,348
Ranchview High School	119	477	508	475	1,460
Smith High School	237	502	515	491	1,508
Turner High School	234	460	490	446	1,396

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 2015 are listed in the chart below.

ACT Results for 2015	Mean ACT Scores					
	Count	English	Math	Reading	Science	Composite
Nation	1,924,436	20.4	20.8	21.4	20.9	21
Texas	124,764	19.8	21.1	21.1	21	20.9
District	393	19.5	21.8	20.89	21.5	21.1
Creekview High School	119	20.5	22.7	22.2	22.4	22.2
Early College	5	23	24	21.6	22.8	23
Ranchview High School	55	18	21.2	19.6	20.2	19.9
Smith High School	104	20.7	22.7	21.9	22.4	22.1
Turner High School	110	17.8	20.5	19.1	20.3	19.5

OTHER INFORMATION

- The District has been awarded the Certificate of Excellence in Financial Reporting by the Association of School Business Officials (ASBO) for thirty-eight 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, 2014. The District has achieved this prestigious award thirty-seven 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 2014-15 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 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 2014-15 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. At least one distinction designation was earned by 89% of campuses. Overall 32 out of 36 campuses earned a total of 107 distinctions.
- The Carrollton-Farmers Branch School District saw increased achievement including a percent increase in the graduation rate from 93% to 94%.
- 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. For 2014: C-FB ISD ranked in the top 6% of the 200 largest school districts in Texas in overall educational value. 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.



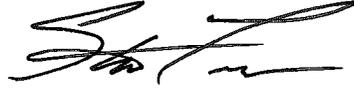
Bobby Burns, Ed.D.
Superintendent of Schools



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, 2014

Executive Director/CEO

Association of School Business Officials International

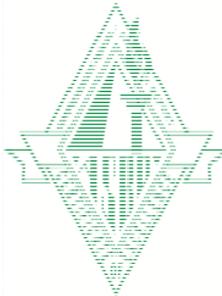


*The Certificate of Excellence in Financial Reporting Award
is presented to*

Carrollton-Farmers Branch Independent School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended August 31, 2014*

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



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President Executive Director

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA

**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	2018	Assistant Secretary	State Tax Consultant
John Mathews	2012	2018	Member	Retired Educator
Randy Schackmann	2013	2016	Member	Consultant - Non-Profit Organizations
Nancy Cline	2005	2017	Member	Civil Engineer, TX DOT

Appointed Officials

Name	Position	Years Service
Bobby Burns, Ed.D.	Superintendent of Schools * Total School district experience 35 years	27 years *
Mark Hyatt, CPA	Associate Superintendent for Administrative & Support Services * Total School district experience 34 years	30 years *
Georganne Warnock	Associate Superintendent for Educational Services * Total School district experience 16 years	2 years *

Officials Issuing Report

Mark Hyatt, CPA	Associate Superintendent for Administrative & Support Services * Total School district experience 34 years	30 years *
Tonya Tillman, CPA	Chief Financial Officer * Total School district experience 16 years	4 year *
Scott Roderick, CPA	Director of Financial Reporting * Total School district experience 11 years	8 years *
Steve Franks, CPA	Accounting Director * Total School district experience 11 years	4 year *
Vicki Pippin, CPA	Accounting Supervisor * Total School district experience 12 years	12 years *

Carrollton-Farmers Branch Independent School District

Consultants and Advisors

Architects

Stantec Architecture
7517 Legacy Drive, Suite 250
Plano, Texas 75024

Corgan Associates
401 North Houston Street
Dallas, Texas 75202

Auditors

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

Bond Counsel

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

Financial Advisor

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

General Counsel

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

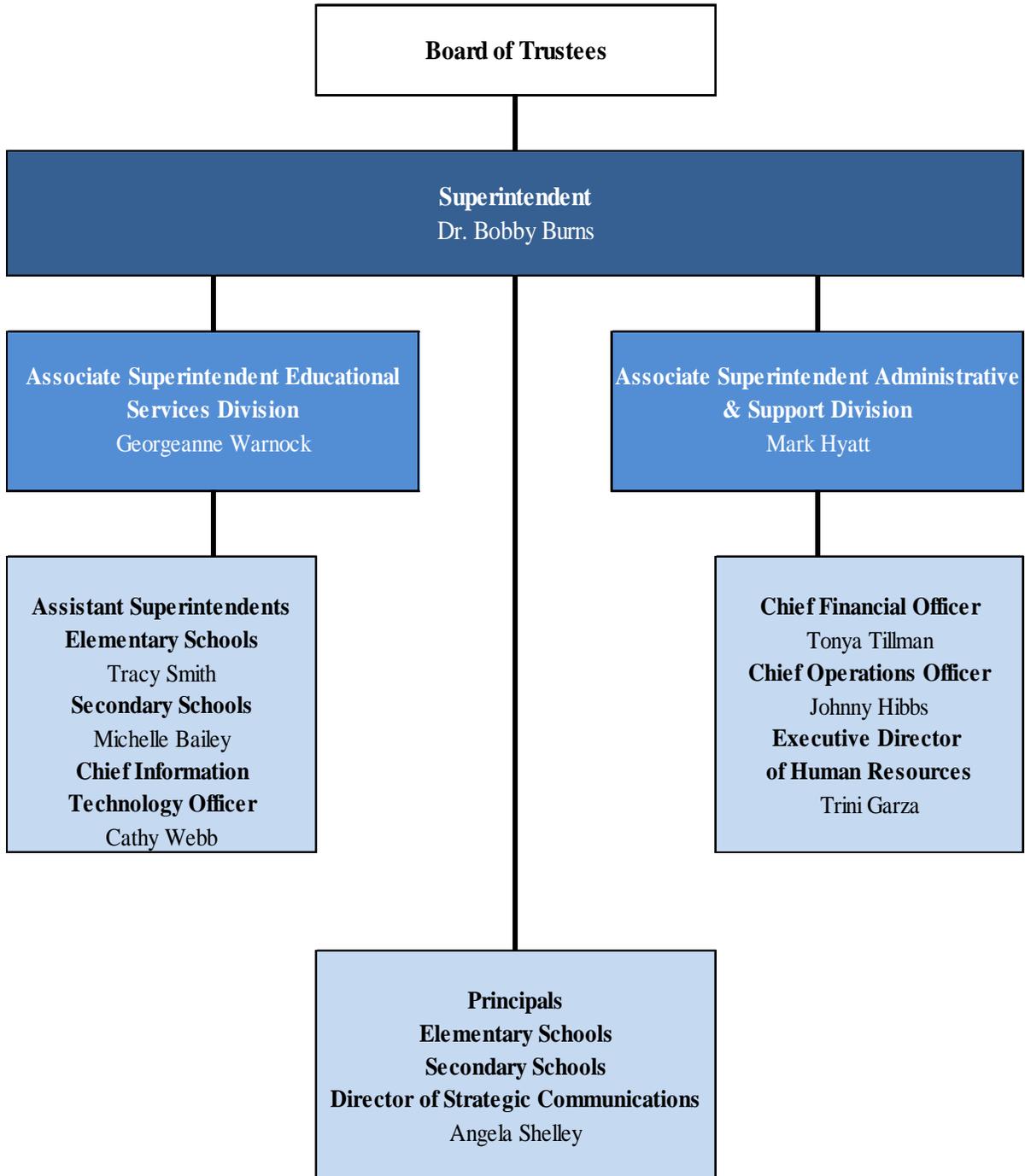
Depository Bank

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

Fiscal Agents

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

**Carrollton-Farmers Branch ISD
Organizational Chart
2014-15**





Carrollton-Farmers Branch ISD

FINANCIAL SECTION



Carrollton-Farmers Branch ISD

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

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

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

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, 2015, 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, 2015, 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.

Emphasis of Matter

As discussed in Notes 1 and 18 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, as of August 31, 2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 5 through 16, the *budgetary comparison information* on page 67, and the *pension schedules* on pages 68 through 69 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 11, 2015 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 11, 2015

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, 2015. 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 and deferred inflows of resources by \$281.6 million. The net position of the District increased by \$3.0 million during the year ended August 31, 2015. This increase is net of a \$25.3 million prior period adjustment related to new accounting standards implemented this year for the District's pension plan.
- The District's governmental funds financial statements reported combined ending fund balances of \$176.0 million. Of this amount, \$1.0 million is nonspendable fund balance, \$6.0 million is committed fund balance, \$6.9 million is assigned fund balance and \$65.5 million is unassigned fund balance in the General Fund. The remaining Fund balance of \$96.6 million is comprised of \$0.6 million in nonspendable fund balance, \$94.6 million in restricted fund balance and \$1.4 million in committed fund balance.
- Two major construction projects as well as three HVAC projects were completed during fiscal year 2014-15. A large high school addition project is expected to be completed during 2015-16. The final projects of the original 2003 bond election are in the planning stages that will include additions to elementary schools and HVAC projects. Construction related to this bond program will continue through 2017. Technology projects will continue throughout the program.
- The District implemented GASB 68 during 2014-15; a pension liability of \$22.3 million of was recorded in the government-wide financial statements for its proportionate share of the TRS's net position liability.
- The general fund reported a fund balance this year of \$79.4 million, which is an increase of \$1.2 million from the prior year fund balance of \$78.2 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.

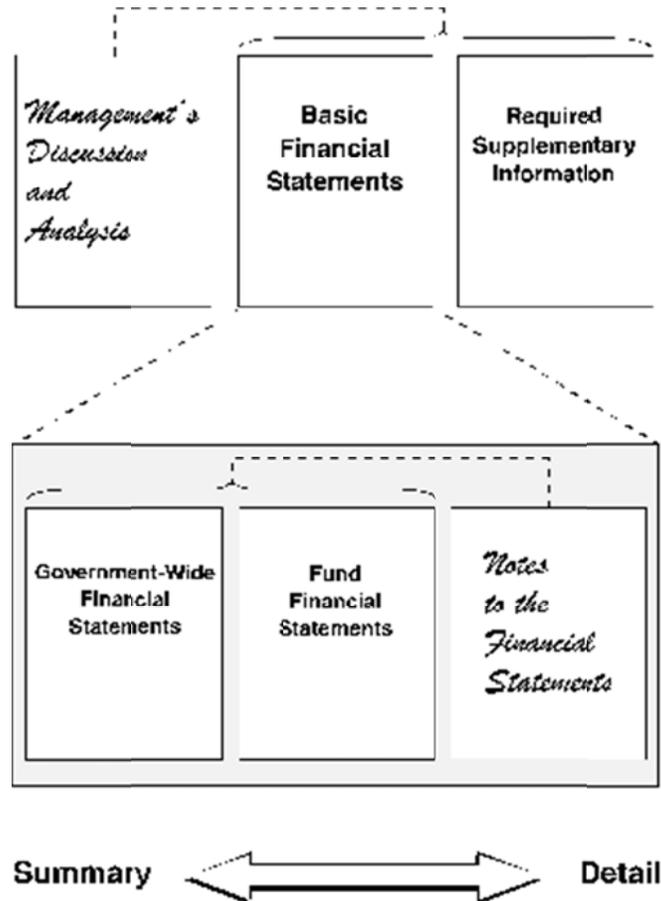
The basic financial statements include two kinds of statements that present different views of the District:

- 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 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, deferred outflows, liabilities and deferred inflows, both financial and capital, short-term and long-term	Only assets and deferred outflows expected to be used up and liabilities and deferred inflows that come due during the year or soon thereafter, no capital assets included	All assets, deferred outflows, liabilities and deferred inflows, both financial and capital, and short-term and long-term	All assets, deferred outflows, liabilities and deferred inflows, 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 and deferred inflows of resources. 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 minus deferred inflows of resources) 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- 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.

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.
 - We use *enterprise funds* to account for activities for which users are charged a fee for providing goods and services. The District's sole enterprise fund accounts for the After the Bell program which provides child care services.
- *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 2014 and 2015 – increasing by \$3.0 million or 1.1% to \$281.7 million at August 31, 2015 (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	
	2015	2014	2015	2014	2015	2014
Current & Other Assets	\$ 205.9	\$ 216.4	\$ 5.6	\$ 4.7	\$ 211.5	\$ 221.1
Capital Assets	411.7	402.0	-	-	411.7	402.0
Total Assets	\$ 617.6	\$ 618.4	\$ 5.6	\$ 4.7	\$ 623.2	\$ 623.1
Deferred Charge for Refunding	\$ 5.9	\$ 5.5	\$ -	\$ -	\$ 5.9	\$ 5.5
Deferred Outflow Related to TRS	6.0	-	-	-	6.0	-
Deferred Outflow of Resources	\$ 11.9	\$ 5.5	\$ -	\$ -	\$ 11.9	\$ 5.5
Current Liabilities	\$ 19.3	\$ 16.1	\$ 0.1	\$ 0.2	\$ 19.4	\$ 16.3
Long Term Liabilities	327.2	333.7	-	-	327.2	333.7
Total Liabilities	\$ 346.5	\$ 349.8	\$ 0.1	\$ 0.2	\$ 346.6	\$ 350.0
Deferred Inflow Related to TRS	\$ 6.8	\$ -	\$ -	\$ -	\$ 6.8	\$ -
Deferred Inflow of Resources	\$ 6.8	\$ -	\$ -	\$ -	\$ 6.8	\$ -
Net Position						
Net Investment in Capital						
Assets						
Restricted	\$ 180.7	\$ 148.0	\$ -	\$ -	\$ 180.7	\$ 148.0
Unrestricted	60.5	61.3	-	-	60.5	61.3
Total	35.0	64.8	5.5	4.5	40.5	69.3
Total Net Position	\$ 276.2	\$ 274.1	\$ 5.5	\$ 4.5	\$ 281.7	\$ 278.6

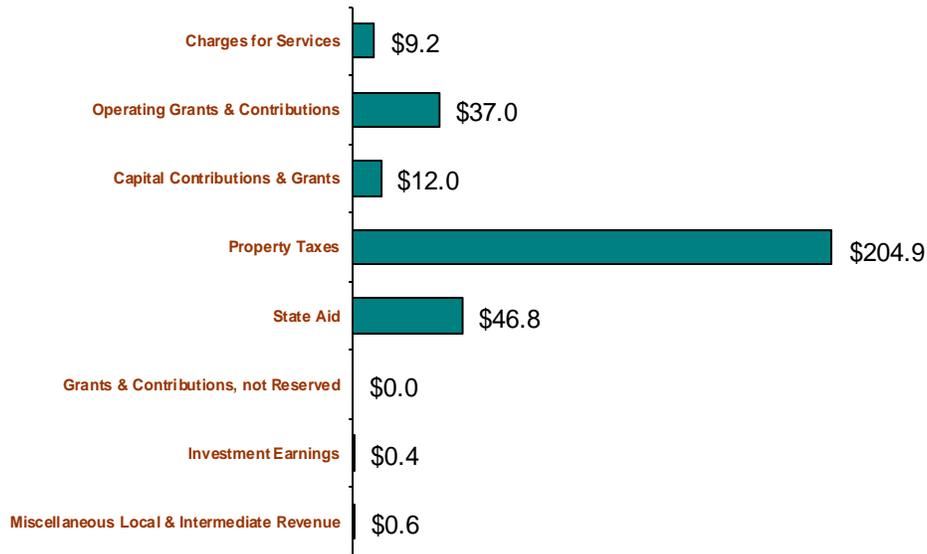
Portions of the net position are either restricted as to the purposes for which they can be used or they are net investment in capital assets. Unrestricted net position decreased by \$28.8 million. Unrestricted net position may be used to fund District programs in the next fiscal year. However, this 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 \$310.9 million representing an increase of \$16.3 million or 5.53%. The majority of this increase relates to property taxes collected due to the rise of property values located within the district. The state distributed one-time Temporary Teacher Retirement System Contribution Assistance funds to provide relief from Senate Bill 1458 that requires districts to pay an additional 1.5% retirement contribution on TRS eligible salaries. The one-time funds account for \$1.7 million of the \$3.2 million increase in Operating Grants & Contributions. The District decreased the Debt Service tax rate by \$.0202 to meet current requirements for principal and interest. A significant portion, 65.91%, of the District's revenue comes from taxes. (See Figure A-3, page 10.) Operating grants and contributions represent 11.90% while only 2.96% relates to charges for services.

The total cost of all programs and services was \$282.5 million; an increase over the previous year of \$7.1 million or 2.61%. Instructional and student services represent 56.02% of these costs, a \$5.8 million increase from the previous year. A new compensation package for all employees and a new teacher retirement contribution of 1.5% increased costs in this area. Payments to the tax increment fund increased \$2.3 million due to appreciation in property values in the Irving Tax Increment Zone. Major HVAC repairs and maintenance expenditures caused the plant maintenance & security functional area to increase \$0.9 million. Debt services decreased \$2.4 million as current and past bond refundings have reduced interest requirements.

MANAGEMENT’S DISCUSSION AND ANALYSIS

**Figure A-3 District Sources of Revenue for
Fiscal Year 2015
(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 \$0.0202 per \$100 assessed valuation. Property values increased 7.46%.

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	
	2015	2014	2015	2014	2015	2014
Revenues						
<u>Program Revenues</u>						
Charges for Services	\$ 4.9	\$ 4.6	\$ 4.3	\$ 3.9	\$ 9.2	\$ 8.5
Operating Grants & Contributions	37.0	33.8	-	-	37.0	33.8
Capital Contributions & Grants	12.0	10.5	-	-	12.0	10.5
<u>General Revenues</u>						
Property Taxes	204.9	193.9	-	-	204.9	193.9
State aid - Formula Grants	46.8	47.2	-	-	46.8	47.2
Grants & Contributions Not Restricted	-	-	-	-	-	-
Investment Earnings	0.4	0.3	-	-	0.4	0.3
Miscellaneous Local & Intermediate Revenue	0.6	0.4	-	-	0.6	0.4
Total Revenues	\$ 306.6	\$ 290.7	\$ 4.3	\$ 3.9	\$ 310.9	\$ 294.6
Expenses						
Instruction & Instructional related	\$ 158.3	\$ 152.5	\$ -	\$ -	\$ 158.3	\$ 152.5
Instructional leadership & school leadership	18.5	17.6	-	-	18.5	17.6
Guidance, social work, health & transportation	17.0	17.2	-	-	17.0	17.2
Food services	12.6	12.1	-	-	12.6	12.1
Extracurricular	6.3	6.8	-	-	6.3	6.8
General administration	6.3	6.0	-	-	6.3	6.0
Plant maintenance & security	24.6	23.7	-	-	24.6	23.7
Data processing services	5.3	6.1	-	-	5.3	6.1
Community services	0.5	0.4	-	-	0.5	0.4
Debt services	10.9	13.3	-	-	10.9	13.3
Payments to juvenile justice alternative ed programs	-	-	-	-	-	-
Payments to tax increment fund	18.0	15.7	-	-	18.0	15.7
Other Intergovernmental Charges	0.9	0.9	-	-	0.9	0.9
After the Bell Child Care	-	-	3.3	3.1	3.3	3.1
Total Expenses	\$ 279.2	\$ 272.3	\$ 3.3	\$ 3.1	\$ 282.5	\$ 275.4
Increase/(Decrease) in net position	\$ 27.4	\$ 18.4	\$ 1.0	\$ 0.8	\$ 28.4	\$ 19.2
Beginning net position	274.1	255.7	4.5	3.7	278.6	259.4
Prior Period Adjustment	(25.3)	-	-	-	(25.3)	-
Ending net position	\$ 276.2	\$ 274.1	\$ 5.5	\$ 4.5	\$ 281.7	\$ 278.6

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 \$282.5 million, an increase of \$7.2 million or 2.61% 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 \$5.8 million. The District provided a 3.0% compensation adjustment to all employees and a \$250 annual performance pay as well as a state legislative mandated 1.5% retirement contribution for TRS eligible salaries. 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 Plant Maintenance and Security increased \$0.9 million due to major HVAC repairs and maintenance.
- The amount that our taxpayers paid for these activities through property taxes was \$204.9 million.
- \$9.2 million or 2.96% of total costs were paid by those who directly benefited from the programs.
- Operating grants and contributions totaled \$37.0 million.

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

	Total Cost of Services			Net Cost of Services		
			% Change			% Change
	2015	2014		2015	2014	
Instruction	\$ 146.4	\$ 141.7	3.32%	\$ 125.3	\$ 121.7	2.96%
Instructional Resources & Media Services	5.0	4.5	11.11%	4.7	4.2	11.90%
Curriculum & Staff Development	6.9	6.3	9.52%	3.7	4.1	-9.76%
School Leadership	15.2	14.3	6.29%	14.2	13.5	5.19%
Food Service	12.6	12.1	4.13%	0.5	1.1	-54.55%
Plant maintenance and Operations	23.1	22.1	4.52%	21.8	21.0	3.81%

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 \$306.2 million, an increase of \$15.5 million from the preceding year. Property taxes were the largest source of revenue received by the District. The District’s total taxable values increased \$1.1 billion or 7.46% which resulted in an increase of property tax revenue of \$10.7 million or 5.54%. The Debt Service requirements for principal and interest decreased from the prior year and with the increase in property values in the District, the Debt Service tax rate decreased by \$.0202. State aid formula grants increased \$1.9 million due to the one-time Temporary Teacher Retirement System Contribution Assistance funds that provides relief from Senate Bill 1458 that requires districts to pay an additional 1.5% retirement contribution on TRS eligible salaries.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Expenditures for general governmental operations totaled \$319.5 million during fiscal year 2015. The total increase in expenditures was \$17.6 million. The largest increase of \$9.2 million was in the functional category of Facilities Acquisition and Construction where the District completed construction of a new elementary school and additions to a middle school and an elementary school. Construction was started on a major high school addition and is expected to be completed during the 2015-16 fiscal year. Plans are underway to provide additions for two elementary schools and a middle school. Instruction increased \$3.2 million with the approved compensation package of 3.0% for all employees and an annual performance pay of \$250. The mandated 1.5% retirement contribution increased payroll expenditures as well for the District. During the 2014-15 fiscal year, as part of a multiple phase technology initiative, the District addressed the need to upgrade the equipment in the network operations center. The technology upgrade increased Data Processing Services \$0.9 million. Payments to the Tax Increment Fund increased \$2.3 million to due to the appreciation of values in the Irving Tax Increment Zone. The largest decreases were in the following functional categories: Interest on Long-Term Debt decreased \$2.0 million as current and past bond refundings have resulted in significant interest savings; Student (Pupil) Transportation incurred savings due to the lower transportation costs associated with the lower price of oil.
- 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 completed six major projects that included a new elementary, school additions and HVAC projects. Construction has begun on additions to a high school and planning has started on multiple additions and repairs to middle and elementary schools.
- The governmental funds reported a combined fund balance of \$176.0 million, a decrease of \$13.3 million. The combined fund balance was comprised of a fund balance increase in the General Fund of \$1.2 million and a fund balance increase in the Debt Service Fund of \$0.2 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 3.0% raise for all employees and an additional mandated 1.5% retirement contribution increased District expenditures. The City of Irving TIF # 1 (Tax Increment Fund) fund balance decreased \$2.9 million due to ongoing construction for additions to a high school located within the tax increment zone. Increasing property values within the tax increment zone has continued to increase revenue to help offset construction costs. The Capital Projects Fund balance decreased \$13.4 million. The Capital Projects Fund has the completed the addition to an elementary school, an addition to a middle school, a new elementary school in the western portion of the district and multiple HVAC projects. Out of the combined fund balances, \$1.0 million constitutes nonspendable fund balance, \$6.9 million constitutes assigned fund balance, \$6.0 million has been committed in the general fund for building construction and repairs and technology capital replacement, and \$65.5 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 \$6.8 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. A portion of the technology capital

MANAGEMENT’S DISCUSSION AND ANALYSIS

replacement initiative was temporarily delayed that contributed to the positive variance. This reduced the final amended budget from the adopted budget by \$1.5 million. 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.

- Function 34, Student (Pupil) Transportation experienced a positive variance due to the depressed oil and gas market. The reduced price was passed down to the end users in the form of cheaper fuel costs which more than offset any rise in other transportation costs. The reduced costs in this category allowed the District to reduce the final budget from the adopted by \$0.3 million.
- Function 41, General Administration, experienced a positive variance even though the District experienced a rise in legal fees related to two significant lawsuits. The adopted budget over the final budget in this category increased \$0.3 million.
- Revenues available were \$5.7 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 one-time Temporary Teacher Retirement System Contribution Assistance funds.
- Data Processing Services actual expenditures were \$0.5 million below final budget amounts. The District proceeded with the upgrade of the equipment for the network operating center. The network operating center upgrade increased the final budget from the adopted budget in this functional category by \$2.2 million.

Capital Assets and Debt Administration

Capital Assets

At August 31, 2015, the District had invested \$411.7 (net of depreciation) 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 \$9.7 million or 2.41% over last year. Most of this increase was related to the costs of a high school addition, 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 49-50.

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

	Governmental Activities		Total % Change
	2015	2014	
Land	\$ 61.4	\$ 61.4	0.00%
Buildings, building improvements & land improvements (net)	323.3	315.3	2.54%
Construction in progress	24.5	22.8	7.46%
Furniture and equipment (net)	2.5	2.5	0.00%
Totals at historical costs	\$ 411.7	\$ 402.0	2.41%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt Administration

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

	Governmental		Total % Change
	2015	2014	
Bonds payable	\$ 274.8	\$ 304.5	-9.75%
Net Pension Liability	22.3	-	0.00%
Other Long Term Debt payable	30.1	29.2	3.08%
Sub-Total	\$ 327.2	\$ 333.7	-1.95%
Less Current Portion	(30.3)	(29.1)	4.12%
Total due in more than one year	\$ 296.9	\$ 304.6	-2.53%

At year-end the District had \$274.8 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 51-53.

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 2016 budget preparation increased \$1,004.1 million or 6.24% from 2015.
- General operating fund spending per student in the 2016 budget increases from \$7,921 to \$8,203 (excluding the Chapter 41 and Tax Increment Financing payments). This is a 3.57% increase.
- The District's enrollment in 2015 was 26,210, a decrease of 137.0 or -0.52% over 2014. The District is not anticipating significant student growth in 2016.
- The District's attendance rate decreased 0.2% from 95.9% for 2014 to 95.7% for 2015.

These indicators were taken into account when adopting the general fund budget for 2016. 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

MANAGEMENT'S DISCUSSION AND ANALYSIS

speech pathologists. The passage of Senate Bill 1 by the 82nd Legislature reduced the basic regular 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 and has maintained that status for 2014-15. The increase in property values caused General Fund tax revenues budgeted to increase \$7.5 million more than actual collections for fiscal year 2015. The amount of state revenue budgeted increased by \$0.2 million for fiscal year 2015-16.

General Fund expenditures are budgeted to increase 2.74% to \$238.0 million over the original 2015 budgeted amounts of \$231.6 million. The District implemented a 3.0% employee raise for fiscal year 2015-16 and authorized hiring 21 teaching units and 4 support staff to eliminate the need for classroom size waivers. The District's will move forward with the technology initiative that will address mobile devices. 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 \$6.9 million by the close of the 2016 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, 2015

EXHIBIT A-1

Data Control Codes	1	2	3
	Primary Government		
	Governmental Activities	Business Type Activities	Total
ASSETS			
1110 Cash and Cash Equivalents	\$ 197,673,015	\$ 5,533,142	\$ 203,206,157
1220 Property Taxes Receivable (Delinquent)	5,180,133	-	5,180,133
1230 Allowance for Uncollectible Taxes	(2,664,382)	-	(2,664,382)
1240 Due from Other Governments	4,048,129	-	4,048,129
1250 Accrued Interest	145,712	10,849	156,561
1260 Internal Balances	(46,709)	46,709	-
1290 Other Receivables, net	8,536	-	8,536
1300 Inventories	1,602,589	-	1,602,589
Capital Assets:			
1510 Land	61,365,108	-	61,365,108
1520 Buildings, Net	323,291,966	-	323,291,966
1530 Furniture and Equipment, Net	2,541,084	-	2,541,084
1580 Construction in Progress	24,478,664	-	24,478,664
1000 Total Assets	<u>617,623,845</u>	<u>5,590,700</u>	<u>623,214,545</u>
DEFERRED OUTFLOWS OF RESOURCES			
1701 Deferred Charge for Refunding	5,932,038	-	5,932,038
1705 Deferred Outflow Related to TRS	5,977,579	-	5,977,579
1700 Total Deferred Outflows of Resources	<u>11,909,617</u>	<u>-</u>	<u>11,909,617</u>
LIABILITIES			
2110 Accounts Payable	7,265,133	5,806	7,270,939
2140 Interest Payable	495,853	-	495,853
2150 Payroll Deductions & Withholdings	272,726	-	272,726
2160 Accrued Wages Payable	9,074,518	134,211	9,208,729
2180 Due to Other Governments	1,877,964	-	1,877,964
2300 Unearned Revenue	303,144	-	303,144
Noncurrent Liabilities			
2501 Due Within One Year	30,342,560	-	30,342,560
2502 Due in More Than One Year	274,482,868	-	274,482,868
2540 Net Pension Liability (District's Share)	22,347,945	-	22,347,945
2000 Total Liabilities	<u>346,462,711</u>	<u>140,017</u>	<u>346,602,728</u>
DEFERRED INFLOWS OF RESOURCES			
2605 Deferred Inflow Related to TRS	6,836,303	-	6,836,303
2600 Total Deferred Inflows of Resources	<u>6,836,303</u>	<u>-</u>	<u>6,836,303</u>
NET POSITION			
3200 Net Investment in Capital Assets	180,652,567	-	180,652,567
Restricted:			
3820 Restricted for Federal and State Programs	1,853,920	-	1,853,920
3850 Restricted for Debt Service	8,305,109	-	8,305,109
3890 Restricted for Other Purposes	50,364,760	-	50,364,760
3900 Unrestricted	35,058,092	5,450,683	40,508,775
3000 Total Net Position	<u>\$ 276,234,448</u>	<u>\$ 5,450,683</u>	<u>\$ 281,685,131</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, 2015

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	\$ 146,417,736	\$ 901,199	\$ 20,215,153	\$ -
12 Instructional Resources and Media Services	4,985,743	22,626	259,499	-
13 Curriculum and Staff Development	6,914,130	9,954	3,186,237	-
21 Instructional Leadership	3,337,331	-	246,362	-
23 School Leadership	15,163,309	71,639	921,359	-
31 Guidance, Counseling and Evaluation Services	10,147,756	100,377	788,766	-
32 Social Work Services	67,822	-	4,655	-
33 Health Services	2,644,044	167	178,482	-
34 Student (Pupil) Transportation	4,132,874	-	2,595	-
35 Food Services	12,626,501	2,584,412	9,528,720	-
36 Extracurricular Activities	6,282,594	704,642	20,052	-
41 General Administration	6,312,631	-	407,265	-
51 Facilities Maintenance and Operations	23,064,274	510,612	746,107	-
52 Security and Monitoring Services	1,492,686	5,465	61,031	-
53 Data Processing Services	5,266,587	1,537	172,054	-
61 Community Services	450,639	-	297,852	-
72 Debt Service - Interest on Long Term Debt	10,579,326	-	-	-
73 Debt Service - Bond Issuance Cost and Fees	303,266	-	-	-
95 Payments to Juvenile Justice Alternative Ed. Prg.	31,486	-	-	-
97 Payments to Tax Increment Fund	17,974,812	-	-	11,980,349
99 Other Intergovernmental Charges	899,649	-	-	-
[TG] Total Governmental Activities:	<u>279,095,196</u>	<u>4,912,630</u>	<u>37,036,189</u>	<u>11,980,349</u>
BUSINESS-TYPE ACTIVITIES:				
01 Enterprise Funds - After the Bell	3,398,042	4,292,661	-	-
[TB] Total Business-Type Activities:	<u>3,398,042</u>	<u>4,292,661</u>	<u>-</u>	<u>-</u>
[TP] TOTAL PRIMARY GOVERNMENT:	<u>\$ 282,493,238</u>	<u>\$ 9,205,291</u>	<u>\$ 37,036,189</u>	<u>\$ 11,980,349</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
PA	Prior Period Adjustment "Required by GASB 68"
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
\$ (125,301,384)	\$ -	\$ (125,301,384)
(4,703,618)	-	(4,703,618)
(3,717,939)	-	(3,717,939)
(3,090,969)	-	(3,090,969)
(14,170,311)	-	(14,170,311)
(9,258,613)	-	(9,258,613)
(63,167)	-	(63,167)
(2,465,395)	-	(2,465,395)
(4,130,279)	-	(4,130,279)
(513,369)	-	(513,369)
(5,557,900)	-	(5,557,900)
(5,905,366)	-	(5,905,366)
(21,807,555)	-	(21,807,555)
(1,426,190)	-	(1,426,190)
(5,092,996)	-	(5,092,996)
(152,787)	-	(152,787)
(10,579,326)	-	(10,579,326)
(303,266)	-	(303,266)
(31,486)	-	(31,486)
(5,994,463)	-	(5,994,463)
(899,649)	-	(899,649)
<u>(225,166,028)</u>	<u>-</u>	<u>(225,166,028)</u>
-	894,619	894,619
-	894,619	894,619
<u>(225,166,028)</u>	<u>894,619</u>	<u>(224,271,409)</u>
163,516,686	-	163,516,686
41,367,838	-	41,367,838
46,810,897	-	46,810,897
14,570	-	14,570
364,601	11,149	375,750
564,194	-	564,194
<u>252,638,786</u>	<u>11,149</u>	<u>252,649,935</u>
27,472,758	905,768	28,378,526
274,082,006	4,544,915	278,626,921
(25,320,316)	-	(25,320,316)
<u>\$ 276,234,448</u>	<u>\$ 5,450,683</u>	<u>\$ 281,685,131</u>

CARROLLTON-FARMERS BRANCH ISD
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2015

Data Control Codes	10 General Fund	City of Irving TIF #1	50 Debt Service Fund
ASSETS			
1110 Cash and Cash Equivalents	\$ 87,842,142	\$ 44,573,052	\$ 8,262,209
1220 Property Taxes - Delinquent	4,092,837	-	1,087,296
1230 Allowance for Uncollectible Taxes (Credit)	(2,126,120)	-	(538,262)
1240 Receivables from Other Governments	1,912,267	-	-
1250 Accrued Interest	72,466	1,644	-
1260 Due from Other Funds	1,430,858	-	-
1290 Other Receivables	1,636	-	-
1300 Inventories	1,022,819	-	-
1000 Total Assets	<u>\$ 94,248,905</u>	<u>\$ 44,574,696</u>	<u>\$ 8,811,243</u>
LIABILITIES			
2110 Accounts Payable	\$ 2,413,074	\$ 2,251,590	\$ -
2150 Payroll Deductions and Withholdings Payable	272,726	-	-
2160 Accrued Wages Payable	8,417,304	-	-
2170 Due to Other Funds	637	-	6,043
2180 Due to Other Governments	1,877,964	-	-
2300 Unearned Revenues	26,896	-	4,238
2000 Total Liabilities	<u>13,008,601</u>	<u>2,251,590</u>	<u>10,281</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	1,794,281	-	500,853
2600 Total Deferred Inflows of Resources	<u>1,794,281</u>	<u>-</u>	<u>500,853</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	1,022,819	-	-
Restricted Fund Balance:			
3450 Food Service	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	-
3480 Retirement of Long-Term Debt	-	-	8,300,109
3490 Tax Increment Zone	-	42,323,106	-
Committed Fund Balance:			
3545 Building Construction, Repairs & Renovation	3,000,000	-	-
3545 Technology Capital Replacement	3,000,000	-	-
3545 Campus Activity Funds	-	-	-
Assigned Fund Balance:			
3590 Subsequent Year's Budget Deficit	6,947,034	-	-
3600 Unassigned Fund Balance	65,476,170	-	-
3000 Total Fund Balances	<u>79,446,023</u>	<u>42,323,106</u>	<u>8,300,109</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 94,248,905</u>	<u>\$ 44,574,696</u>	<u>\$ 8,811,243</u>

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

60 Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 36,671,520	\$ 11,455,093	\$ 188,804,016
-	-	5,180,133
-	-	(2,664,382)
-	2,135,862	4,048,129
60,479	-	134,589
-	637	1,431,495
-	6,900	8,536
-	579,770	1,602,589
<u>\$ 36,731,999</u>	<u>\$ 14,178,262</u>	<u>\$ 198,545,105</u>
\$ 2,105,377	\$ 484,832	\$ 7,254,873
-	-	272,726
-	654,939	9,072,243
-	1,471,524	1,478,204
-	-	1,877,964
-	272,010	303,144
<u>2,105,377</u>	<u>2,883,305</u>	<u>20,259,154</u>
-	-	2,295,134
-	-	2,295,134
-	579,770	1,602,589
-	1,274,150	1,274,150
34,626,622	-	34,626,622
-	-	8,300,109
-	8,041,654	50,364,760
-	-	3,000,000
-	-	3,000,000
-	1,399,383	1,399,383
-	-	6,947,034
-	-	65,476,170
<u>34,626,622</u>	<u>11,294,957</u>	<u>175,990,817</u>
<u>\$ 36,731,999</u>	<u>\$ 14,178,262</u>	<u>\$ 198,545,105</u>



Carrollton-Farmers Branch ISD

CARROLLTON-FARMERS BRANCH ISD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2015

Total Fund Balances - Governmental Funds	\$ 175,990,817
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.	7,491,020
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.	741,580,699
3 Accumulated depreciation has not been included in the governmental fund financial statements.	(329,903,877)
4 Bonds payable and contractual obligations have not been included in the governmental fund financial statements.	(274,820,000)
5 Premium on issuance of debt were not recognized on the balance sheet for governmental funds.	(26,219,194)
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.	5,932,038
7 Deferred inflows reported as unavailable revenue in the governmental fund financials statements was recorded as revenue in the government-wide financial statements.	2,295,134
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.	(495,853)
9 Compensated absences are accrued in the government-financial statements but not in the governmental funds.	(2,409,667)
10 Included in the items related to government-wide long-term debt is the recognition of the District's proportionate share of the net position liability required by GASB 68 in the amount of \$22,347,945, Deferred Resource Inflows related to TRS in the amount of \$6,836,303, and Deferred Resource Outflows related to TRS in the amount of \$5,977,579. This results in a decrease in Net Position in the amount of \$23,203,669.	(23,206,669)
19 Net Position of Governmental Activities	<u>\$ 276,234,448</u>

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

CARROLLTON-FARMERS BRANCH ISD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	10 General Fund	City of Irving TIF #1	50 Debt Service Fund
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 165,134,178	\$ 11,539,467	\$ 41,267,792
5800 State Program Revenues	58,554,935	-	-
5900 Federal Program Revenues	3,090,236	-	-
5020 Total Revenues	<u>226,779,349</u>	<u>11,539,467</u>	<u>41,267,792</u>
EXPENDITURES:			
Current:			
0011 Instruction	124,693,818	-	-
0012 Instructional Resources and Media Services	3,897,565	-	-
0013 Curriculum and Instructional Staff Development	3,780,875	-	-
0021 Instructional Leadership	3,228,172	-	-
0023 School Leadership	14,195,757	-	-
0031 Guidance, Counseling and Evaluation Services	9,719,307	-	-
0032 Social Work Services	68,002	-	-
0033 Health Services	2,564,320	-	-
0034 Student (Pupil) Transportation	4,098,670	-	-
0035 Food Services	81,151	-	-
0036 Extracurricular Activities	4,365,191	-	-
0041 General Administration	5,733,153	-	-
0051 Facilities Maintenance and Operations	21,816,848	-	-
0052 Security and Monitoring Services	1,477,867	-	-
0053 Data Processing Services	6,668,538	-	-
0061 Community Services	154,868	-	-
Debt Service:			
0071 Principal on Long Term Debt	-	-	28,295,000
0072 Interest on Long Term Debt	-	-	12,446,881
0073 Bond Issuance Cost and Fees	-	-	303,266
Capital Outlay:			
0081 Facilities Acquisition and Construction	130,890	14,449,376	-
Intergovernmental:			
0095 Payments to Juvenile Justice Alternative Ed. Prg.	31,486	-	-
0097 Payments to Tax Increment Fund	17,974,812	-	-
0099 Other Intergovernmental Charges	899,649	-	-
6030 Total Expenditures	<u>225,580,939</u>	<u>14,449,376</u>	<u>41,045,147</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,198,410</u>	<u>(2,909,909)</u>	<u>222,645</u>
OTHER FINANCING SOURCES (USES):			
7901 Refunding Bonds Issued	-	-	34,725,000
7916 Premium or Discount on Issuance of Bonds	-	-	2,642,857
8940 Payment to Bond Refunding Escrow Agent (Use)	-	-	(37,393,627)
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(25,770)</u>
1200 Net Change in Fund Balances	1,198,410	(2,909,909)	196,875
0100 Fund Balance - September 1 (Beginning)	<u>78,247,613</u>	<u>45,233,015</u>	<u>8,103,234</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 79,446,023</u>	<u>\$ 42,323,106</u>	<u>\$ 8,300,109</u>

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

60 Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 91,065	\$ 4,338,584	\$ 222,371,086
-	2,753,626	61,308,561
-	19,438,711	22,528,947
91,065	26,530,921	306,208,594
-	9,709,181	134,402,999
-	79,457	3,977,022
-	3,001,278	6,782,153
-	80,806	3,308,978
-	74,174	14,269,931
-	288,468	10,007,775
-	-	68,002
-	189	2,564,509
-	2,020	4,100,690
-	10,817,100	10,898,251
-	476,025	4,841,216
-	105,551	5,838,704
-	1,280	21,818,128
-	5,339	1,483,206
-	-	6,668,538
-	270,583	425,451
-	-	28,295,000
-	-	12,446,881
-	-	303,266
13,515,297	2,000	28,097,563
-	-	31,486
-	-	17,974,812
-	-	899,649
13,515,297	24,913,451	319,504,210
(13,424,232)	1,617,470	(13,295,616)
-	-	34,725,000
-	-	2,642,857
-	-	(37,393,627)
-	-	(25,770)
(13,424,232)	1,617,470	(13,321,386)
48,050,854	9,677,487	189,312,203
\$ 34,626,622	\$ 11,294,957	\$ 175,990,817

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, 2015

Total Net Change in Fund Balances - Governmental Funds	\$ (13,321,386)
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.	(1,105,284)
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.	29,562,245
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.	(17,329,863)
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.	28,295,000
Current year bond proceeds are other financing sources in the fund financial statements, but are shown as an increase in the liabilities in the government-wide financial statements. The net proceeds of \$37,367,857 include \$34,725,000 par amount of bonds plus \$2,642,857 of premium paid.	(37,367,857)
Current year payment to escrow agent for refunded debt are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements. The net payment of \$37,393,627 included bonds of \$32,216,108(\$36,145,000 par amount of bonds plus deferred charge on refunding of \$1,071,108) plus accrued interest of \$177,519.	37,216,108
Interest is accrued on outstanding debt in the governmenta-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	73,836
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.	(412,643)
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.	2,616,852
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.	(645,614)
Revenue from property taxes is unavailable in the fund financial statements until they are	321,789

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, 2015

considered available to finance current expenditures, but such revenues are recognized when assessed net of allowance for uncollectible accounts in the government-wide statements.

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. (2,544,072)

The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 8/31/2014 caused the change in the ending net position to increase in the amount of \$4,179,320. Contributions made before the measurement were also expended and recorded as a reduction in the net pension liability for the district. These contributions were placed with the District's pension expense for the measurement year of \$2,065,673, which results in a decrease in the change in net pension. The net effect of these is to increase the change in net position by \$2,113,647. 2,113,647

Change in Net Position of Governmental Activities

\$ 27,472,758

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, 2015

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Internal Service Fund
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 5,533,142	\$ 8,868,999
Accrued Interest	10,849	11,123
Due from Other Funds	46,990	-
Total Assets	<u>5,590,981</u>	<u>8,880,122</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	5,806	10,260
Accrued Wages Payable	134,211	2,275
Due to Other Funds	281	-
Accrued Expenses	-	1,037,624
Total Current Liabilities	<u>140,298</u>	<u>1,050,159</u>
Noncurrent Liabilities:		
Bonds, Loans & Other Payable - Due Within One Year	-	338,943
Total Noncurrent Liabilities	<u>-</u>	<u>338,943</u>
Total Liabilities	<u>140,298</u>	<u>1,389,102</u>
NET POSITION		
Unrestricted Net Position	<u>5,450,683</u>	<u>7,491,020</u>
Total Net Position	<u>\$ 5,450,683</u>	<u>\$ 7,491,020</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, 2015

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Internal Service Fund
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 4,292,661	\$ 1,057,789
Total Operating Revenues	<u>4,292,661</u>	<u>1,057,789</u>
OPERATING EXPENSES:		
Payroll Costs	3,072,282	117,619
Professional and Contracted Services	85,672	48,000
Supplies and Materials	130,880	272
Other Operating Costs	109,208	2,034,753
Total Operating Expenses	<u>3,398,042</u>	<u>2,200,644</u>
Operating Income (Loss)	<u>894,619</u>	<u>(1,142,855)</u>
NONOPERATING REVENUES (EXPENSES):		
Earnings from Temporary Deposits & Investments	11,149	37,571
Total Nonoperating Revenues (Expenses)	<u>11,149</u>	<u>37,571</u>
Change in Net Position	905,768	(1,105,284)
Total Net Position - September 1 (Beginning)	<u>4,544,915</u>	<u>8,596,304</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 5,450,683</u></u>	<u><u>\$ 7,491,020</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, 2015

EXHIBIT D-3

	Business-Type Activities -	Governmental Activities -
	Total	Internal
	Enterprise Funds	Service Fund
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 4,266,844	\$ 1,057,789
Cash Payments to Employees for Services	(3,061,024)	(117,148)
Cash Payments for Insurance Claims	-	(1,681,890)
Cash Payments for Suppliers	(128,990)	(272)
Cash Payments for Other Operating Expenses	(194,880)	(43,515)
Net Cash Provided by (Used for) Operating Activities	<u>881,950</u>	<u>(785,036)</u>
<u>Cash Flows from Investing Activities:</u>		
Interest and Dividends on Investments	<u>300</u>	<u>31,187</u>
Net Increase (Decrease) in Cash and Cash Equivalents	882,250	(753,849)
Cash and Cash Equivalents at Beginning of Year	4,650,892	9,622,848
Cash and Cash Equivalents at End of Year	<u>\$ 5,533,142</u>	<u>\$ 8,868,999</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided by (Used for) Operating Activities:</u>		
Operating Income (Loss):	\$ 894,619	\$ (1,142,855)
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Receivables	(25,817)	-
Increase (decrease) in Accounts Payable	1,890	4,485
Increase (decrease) in Accrued Wages Payable	11,258	471
Increase (decrease) in Accrued Expenses	-	352,863
Net Cash Provided by (Used for) Operating Activities	<u>\$ 881,950</u>	<u>\$ (785,036)</u>

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

CARROLLTON-FARMERS BRANCH ISD
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2015

	Agency Fund
ASSETS	
Cash and Cash Equivalents	\$ 667,686
Other Receivables	1,470
Total Assets	<u>\$ 669,156</u>
LIABILITIES	
Accounts Payable	\$ 25,415
Due to Student Groups	643,741
Total Liabilities	<u>\$ 669,156</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

Proprietary 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.

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

The Proprietary Fund Types are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

Implementation of New Standards

In the current fiscal year, the District implemented the following new standards:

GASB Statement 68, *Accounting and Financial Reporting for Pensions* (“GASB”) establishes accounting and financial reporting standards for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts or similar arrangements that meet certain criteria. The Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Implementation is reflected in the financial statements, notes to the financial statements and required supplementary information.

GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* (“GASB 71”) amends the transition provisions of GASB 68. GASB 71 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability. Implementation is reflected in the financial statements and the notes to the financial statements.

Cash and Cash Equivalents

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

Interfund Receivables and Payables

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

Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which they are imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year. The assessed value of the certified roll, upon which the levy for the 2015 fiscal year was based upon, was \$16,079,853,331.

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, 2015 were 99.44% of the tax levy.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property Taxes - Continued

The tax rates assessed for the year ended August 31, 2015 to finance general fund operations and the payment of principal and interest on general obligation long-term debt were \$1.04 and \$0.2633 per \$100 valuation, respectively, for a total of \$1.3033 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.

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:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capital Assets - Continued

<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 \$2,409,667 for accumulated sick leave that is reflected in the government-wide financial statements.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Long-Term Debt - Continued

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.

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, 2015 that were in the subsequent year’s budget are:

General Fund	\$	2,411,656
Special Revenue Fund-Food Service		304,477
Capital Projects Fund		<u>5,427,983</u>
Total	\$	<u>8,144,116</u>

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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, 2015 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.

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.

NOTE 2. FUND BALANCES - CONTINUED

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, 2015 for campus activities, maintenance and technology 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, 2015 for the District’s 2016 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:

General Fund

Inventories of \$1,022,819 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 and \$3,000,000 for technology replacement. The 2015-16 adopted deficit budget of \$6,947,034 is considered assigned fund balance.

The General Fund has unassigned fund balance of \$65,476,170 at August 31, 2015.

Other Major Funds

The Debt Service Fund has restricted funds of \$8,300,109 at August 31, 2015 consisting primarily of property tax collections that are restricted for debt service payments on bonded debt. The Capital Projects Fund has restricted funds of \$34,626,622 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 \$42,323,106 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.

NOTE 2. FUND BALANCES - CONTINUED

Other Funds

Inventories of \$579,770 in the National Breakfast and Lunch Program Fund are considered non-spendable fund balance. The fund balance of \$1,399,386 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	\$ 1,274,150
City of Farmers Branch TIF #1	7,863,389
City of Farmers Branch TIF #2	<u>178,265</u>
Total	<u>\$ 9,315,804</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, 2015, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing saving accounts included in temporary investments) was \$107,675,934 and the bank balance was \$110,552,681. The District's cash deposits at August 31, 2015 and during the year ended August 31, 2015 were covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. Section 2257 of the Texas Government Code requires deposits of a public entity shall be secured by eligible securities. The total value of the eligible securities to secure a deposit of public funds must be an amount not less than the amount of the deposit of public funds, increased by the amount of any accrued interest and reduced to the extent that the United States or instrumentality of the United States insures the deposit. In certain circumstances, the total value of the eligible securities to insure a deposit of public funds of a school district must be an amount not less than 110% of the amount of the uninsured deposit. On August 18, 2015 and August 19, 2015, the required 110% collateral was \$22,823,783 and \$37,877,647 but the actual collateral pledged to the District had a market value of \$21,009,308 or 101.25% and \$35,110,232 or 101.96%.

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

- a. Depository: Bank of America.
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$123,640,583.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$108,572,901 and occurred during the month of January, 2015.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$250,000.

NOTE 3. CASH AND INVESTMENTS – CONTINUED

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.

Cash and investments as of August 31, 2015 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 203,206,157
Fiduciary Funds:	
Cash and Investments	<u>667,686</u>
Total Cash and Investments	<u><u>\$ 203,873,843</u></u>

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2015

NOTE 3. CASH AND INVESTMENTS – CONTINUED

Cash and investments as August 31, 2015 consist of the following:

Cash on Hand	\$ 22,377
Savings and Checking Accounts	44,153,906
Certificates of Deposit	3,231,000
Certificates of Deposit Account Registry Service	45,000,000
Money Markets	15,291,027
Mutual Fund	8,032,240
Lone Star	1,002,028
Texpool	86,046,311
TexStar	<u>1,094,954</u>
Total Cash and Investments	<u>\$ 203,873,843</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.

As of August 31, 2015, the District had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity</u>
Certificates of Deposit	\$ 3,231,000	209 days
Certificates of Deposit Account Registry Service	45,000,000	117 days
Mutual Fund	8,032,240	12 days
Lone Star	1,002,028	27 days
Texpool	86,046,311	47 days
TexStar	<u>1,094,954</u>	47 days
Total	<u>\$ 144,406,533</u>	

As of August 31, 2015, the District did not invest in any securities which are highly sensitive to interest rate fluctuations.

NOTE 3. CASH AND INVESTMENTS – CONTINUED

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	\$ 1,002,028	N/A	AAA
Texpool	86,046,311	N/A	AAAm
TexStar	1,094,954	N/A	AAAm
Total	<u>\$ 88,143,293</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, 2015, 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 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, 2015, 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, 2015, the components of delinquent taxes receivables are as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Delinquent Taxes	\$ 2,692,504	\$ 724,061	\$ 3,416,565
Related Penalty and Interest	1,400,333	363,235	1,763,568
	<u>\$ 4,092,837</u>	<u>\$ 1,087,296</u>	<u>\$ 5,180,133</u>

At August 31, 2015, an allowance for uncollectible taxes is provided for the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Personal Property	\$ 2,085,450	\$ 527,981	\$ 2,613,431
Real Property	40,670	10,281	50,951
	<u>\$ 2,126,120</u>	<u>\$ 538,262</u>	<u>\$ 2,664,382</u>

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, 2015, 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.

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Federal Grants	\$ 1,841,419	\$ 2,135,862	\$ 3,977,281
City of Farmers Branch	14,394	-	14,394
City of Irving	56,454	-	56,454
	<u>\$ 1,912,267</u>	<u>\$ 2,135,862</u>	<u>\$ 4,048,129</u>

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2015

NOTE 6. OTHER RECEIVABLES

Other receivables as of August 31, 2015, 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	\$ 1,636	\$ -	\$ 6,900	\$ 8,536
	<u>\$ 1,636</u>	<u>\$ -</u>	<u>\$ 6,900</u>	<u>\$ 8,536</u>

NOTE 7. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at August 31, 2015 consisted of the following individual fund receivables and payables:

	Receivables	Payables	Purpose
Major Funds:			
General Fund	\$ 1,430,858	\$ 637	Cash shortage and payroll transfers
Debt Service Fund	-	6,043	Tax revenue
Non-Major Funds:			
Federal Funds	637	1,470,253	Cash shortage and payroll transfers
Local Funds	-	1,271	Supplies purchased
Enterprise Fund	<u>46,990</u>	<u>281</u>	Supplies purchased
Total	<u>\$ 1,478,485</u>	<u>\$ 1,478,485</u>	

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

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2015

NOTE 8. CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year ended August 31, 2015, 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	22,794,447	28,388,016	-	(26,703,799)	24,478,664
Total Non-Depreciable Assets	<u>84,159,555</u>	<u>28,388,016</u>	<u>-</u>	<u>(26,703,799)</u>	<u>85,843,772</u>
Depreciable					
Land Improvements	1,482,396	22,125	-	-	1,504,521
Buildings and Improvements	609,082,708	273,465	(6,360,180)	26,703,799	629,699,792
Furniture and Equipment	23,822,632	878,639	(168,657)	-	24,532,614
Total Depreciable Assets	<u>634,387,736</u>	<u>1,174,229</u>	<u>(6,528,837)</u>	<u>26,703,799</u>	<u>655,736,927</u>
Less Accumulated Depreciation for:					
Land Improvements	666,402	75,226	-	-	741,628
Buildings and Improvements	294,578,485	16,408,342	(3,816,108)	-	307,170,719
Furniture and Equipment	21,313,892	846,295	(168,657)	-	21,991,530
Total Accumulated Depreciation	<u>316,558,779</u>	<u>17,329,863</u>	<u>(3,984,765)</u>	<u>-</u>	<u>329,903,877</u>
Total Capital Assets, Net	<u>\$ 401,988,512</u>	<u>\$ 12,232,382</u>	<u>\$ (2,544,072)</u>	<u>\$ -</u>	<u>\$ 411,676,822</u>

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2015

NOTE 8. CAPITAL ASSET ACTIVITY – CONTINUED

Depreciation expense was charged to governmental functions as follows:

<u>Governmental Function</u>	<u>Depreciation</u>
Instruction	\$ 10,545,730
Instructional Resources and Media Services	842,128
Curriculum and Instructional Staff Development	234,985
Instructional Leadership	43,335
School Leadership	822,551
Guidance, Counseling and Evaluation Services	162,026
Social Work Services	84
Health Services	66,489
Student (Pupil) Transportation	32,227
Food Services	1,470,953
Extracurricular Activities	1,403,102
General Administration	497,660
Facilities Maintenance and Operations	626,632
Security and Monitoring Service	6,796
Data Processing Services	575,165
	<hr/>
Total Depreciation Expense	<u>\$ 17,329,863</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	\$ 26,397	\$ 4,238	\$ 143,723	\$ 174,358
Fitness gram	499	-	-	499
Reading Recovery	-	-	2,360	2,360
State Textbook Fund	-	-	125,000	125,000
Mark McPhaul Full Time Full Tilt	-	-	3	3
Ralph Ellis Grant	-	-	924	924
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>\$ 26,896</u>	<u>\$ 4,238</u>	<u>\$ 272,010</u>	<u>\$ 303,144</u>

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

NOTE 10. DEBT ISSUANCE AND DEFEASED DEBT

During the 2014-15 fiscal year, the District completed two advance refundings.

In October 2014, the District issued \$11,070,000 (par value) in Unlimited Tax Refunding Bonds to advance refund \$11,070,000 (par value) of outstanding bonds. The net proceeds of \$11,006,462 (\$11,070,000 par amount of the bonds less \$63,538 of underwriting fees and issuance costs) and \$185,000 of District funds were used to purchase U.S. and State and Local Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the entire outstanding bonds were repaid from the irrevocable trust when the bonds reached their call date in November 2014.

The refunding was undertaken to reduce the District's total debt service payments by approximately \$731,728 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$528,605.

In March 2015, the District issued \$23,655,000 (par value) in Unlimited Tax Refunding Bonds to advance refund \$25,075,000 (par value) of outstanding bonds. The net proceeds of \$26,051,166 (\$23,655,000 par amount of the bonds plus \$2,642,857 of premium paid on the bonds less \$246,691 of underwriting fees and issuance costs) and \$151,000 of District funds were used to purchase U.S. and State and Local Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. The bonds will be fully repaid from the irrevocable trust when the bonds reach their call date in February 2016.

The refunding was undertaken to reduce the District's total debt service payments by approximately \$3,960,690 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$3,166,438.

On August 31, 2015, \$25,075,000 of defeased bonds remains outstanding due to the March 2015 refunding.

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2015

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, 2015 are as follows:

Purpose and Lawful Authority	Maturity Year	Interest Rate	Original Amount	Amount Outstanding 09/01/14	Issued	Retired/Refunded	Amount Outstanding 08/31/15
Unlimited Tax Refunding Bonds, Series 2004	2017	2.00% to 5.00%	23,740,000	\$ 11,070,000	-	\$ 11,070,000	-
Unlimited Tax School Building Bonds, Series 2005	2025	3.00% to 5.00%	54,810,000	2,330,000	-	2,330,000	-
Unlimited Tax School Building Bonds, Series 2006	2031	4.125% to 5.00%	41,220,000	27,335,000	-	26,180,000	1,155,000
Unlimited Tax School Building and Refunding Bonds, Series 2007	2032	4.00% to 5.00%	105,775,000	88,145,000	-	9,465,000	78,680,000
Unlimited Tax School Building and Refunding Bonds, Series 2008	2033	3.50% to 5.00%	57,435,000	22,135,000	-	935,000	21,200,000
Unlimited Tax Refunding Bonds, Series 2010	2020	3.00% to 5.00%	63,565,000	31,895,000	-	6,920,000	24,975,000
Unlimited Tax School Building and Refunding Bonds, Series 2012	2032	2.00% to 5.00%	54,965,000	52,630,000	-	2,270,000	50,360,000
Unlimited Tax School Building Bonds, Series 2013A	2033	2.00% to 5.00%	41,250,000	40,295,000	-	1,390,000	38,905,000
Unlimited Tax Refunding Bonds, Series 2013B	2025	2.00% to 5.00%	28,700,000	28,700,000	-	-	28,700,000
Unlimited Tax Refunding Bonds, Series 2014	2017	0.57% to 0.93%	11,070,000	-	11,070,000	3,880,000	7,190,000
Unlimited Tax Refunding Bonds, Series 2015	2031	2.00% to 5.00%	23,655,000	-	23,655,000	-	23,655,000
				<u>\$ 304,535,000</u>	<u>\$ 34,725,000</u>	<u>\$ 64,440,000</u>	<u>\$ 274,820,000</u>

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2015

NOTE 11. LONG-TERM DEBT - CONTINUED

Debt service requirement are as follows:

Year Ending August 31	General Obligation Principal	Interest	Total Requirement
2016	\$ 29,095,000	\$ 11,318,258	\$ 40,413,258
2017	30,310,000	10,129,788	40,439,788
2018	23,140,000	9,010,563	32,150,563
2019	24,250,000	7,991,556	32,241,556
2020	19,790,000	7,083,694	26,873,694
2021-2025	68,440,000	25,230,253	93,670,253
2026-2030	56,140,000	11,279,738	67,419,738
2031-2033	23,655,000	1,303,731	24,958,731
	<u>\$ 274,820,000</u>	<u>\$ 83,347,581</u>	<u>\$ 358,167,581</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, 2015.

Changes in Long-Term Liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 304,535,000	\$ 34,725,000	\$ 64,440,000	\$ 274,820,000	\$ 29,095,000
Premium on Bonds	26,193,189	2,642,857	2,616,852	26,219,194	-
Workers' Compensation Claims Payable	1,023,704	2,034,753	1,681,890	1,376,567	1,037,624
Accrued Compensated Absences	1,997,024	546,013	133,370	2,409,667	209,936
Long-term Liabilities	<u>\$ 333,748,917</u>	<u>\$ 39,948,623</u>	<u>\$ 68,872,112</u>	<u>\$ 304,825,428</u>	<u>\$ 30,342,560</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, 2015

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
		\$ 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	\$ 162,715,547	\$ -	\$ 41,116,671	\$ -	\$ -	\$ 203,832,218
Penalties and Interest	580,830	-	149,687	-	-	730,517
Tax Increment Fund	-	11,453,606	-	-	526,743	11,980,349
Investment Earnings	143,968	85,861	1,434	91,065	4,702	327,030
Food Sales	-	-	-	-	2,573,975	2,573,975
Tuition from Patrons	339,189	-	-	-	-	339,189
Insurance Proceeds	7,533	-	-	-	-	7,533
Co-Curricular	253,648	-	-	-	1,066,882	1,320,530
Rent	501,948	-	-	-	-	501,948
Gifts and Bequest	14,570	-	-	-	106,962	121,532
Enterprising	-	-	-	-	45,319	45,319
Other	576,945	-	-	-	14,001	590,946
	\$ 165,134,178	\$ 11,539,467	\$ 41,267,792	\$ 91,065	\$ 4,338,584	\$ 222,371,086
	\$ 165,134,178	\$ 11,539,467	\$ 41,267,792	\$ 91,065	\$ 4,338,584	\$ 222,371,086

NOTE 14. DEFINED BENEFIT PENSION PLAN

Plan Description

Carrollton-Farmers Branch ISD participates in a cost-sharing multiple employer defined benefit pension plan that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592. The information provided in the Notes to the Financial Statements in the 2014 Comprehensive Annual Financial Report for TRS provides the following information regarding the Pension Plan fiduciary net position as of August 31, 2014.

<u>Net Pension Liability</u>	<u>Total</u>
Total Pension Liability	\$ 159,496,075,886
Less: plan Fiduciary Net Position	<u>(132,779,243,085)</u>
Net Pension Liability	<u>\$ 26,716,832,801</u>
 Net Position as percentage of Total Pension Liability	 83.25%

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, for whom the average of the three highest annual salaries are used. The normal service retirement is at the age of 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at the age of 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including COLAs can be granted by the Texas State legislature as noted in the plan description above.

NOTE 14. DEFINED BENEFIT PENSION PLAN - CONTINUED

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid of members of the system during the fiscal year. Texas Government Code Section 821.006 prohibits benefits improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. It also added a 1.5% contribution for employers paying Old Age Survivor and Disability Insurance (OASDI) on certain employees effective for fiscal year 2015 as discussed in Note 1 of the TRS 2014 CAFR. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015.

Contribution Rates		
	2014	2015
Member	6.4%	6.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
Carrollton-Famres Branch ISD 2014 Employer Contributions		\$ 2,121,129
Carrollton-Famres Branch ISD 2014 Member Contributions		\$ 9,518,695
Carrollton-Famres Branch ISD 2014 NECE On-Behalf Contributions		\$ 8,075,991

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during the fiscal year reduced by the amounts described below which are paid by the employers. Employers including public schools are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding source or a privately sponsored source, from non-educational and general, or local funds.

In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

NOTE 14. DEFINED BENEFIT PENSION PLAN - CONTINUED

Actuarial Assumptions

The total pension liability in the August 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2014
Actuarial Cost Method Normal	Individual Entry Age
Amortization Method of Payroll, Open	Level Percentage of
Remaining Amortization Period	30 years
Asset Valuation Method	5 year Market Value
Discount Rate	8.00%
Long-term expected Investment Rate of Return	8.00%
Salary Increases*	4.25% to 7.25%
Weighted-Average at Valuation Date	5.55%
Payroll Growth Rate	3.50%

*Includes Inflation of 3%

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2010 and adopted on April 8, 2011. With the expectation of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the Summer of 2014, the assumptions and methods are the same as used in the prior valuation. When the mortality assumptions were adopted in 2011 they contained a significant margin for possible future mortality improvement. As of the date of the valuation there has been a significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rates for current and future retirees was decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards of Practice No. 35.

Discount Rate

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension's plan fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTE 14. DEFINED BENEFIT PENSION PLAN - CONTINUED

Discount Rate - Continued

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2014 are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return*
Global Equity			
U.S.	18%	7.0%	1.4%
Non-U.S. Developed	13%	7.3%	1.1%
Emerging Markets	9%	8.1%	0.9%
Directional Hedge Funds	4%	5.4%	0.2%
Private Equity	13%	9.2%	1.4%
Stable Value			
U.S. Treasuries	11%	2.9%	0.3%
Absolute Return	0%	4.0%	0.0%
Stable Value Hedge Funds	4%	5.2%	0.2%
Cash	1%	2.0%	0.0%
Real Return			
Global Inflation Linked	3%	3.1%	0.0%
Bonds			
Real Assets	16%	7.3%	1.5%
Energy and Natural Resources	3%	8.8%	0.3%
Commodities	0%	3.4%	0.0%
Risk Parity			
Risk Parity	5%	8.9%	0.4%
Alpha	0%		1.0%
Total	100%		8.7%

* The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2014 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8%)	1% Decrease in Discount Rate (9.0%)
Carrollton-Farmers Branch ISD's proportionate share of the net pension liability.	\$ 39,934,423	\$ 22,347,945	\$ 9,196,535

NOTE 14. DEFINED BENEFIT PENSION PLAN - CONTINUED

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At August 31, 2015, Carrollton-Farmers Branch ISD reported a liability of \$22,347,945 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to Carrollton-Farmers Branch ISD. The amount recognized by Carrollton-Farmers Branch ISD as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with Carrollton-Farmers Branch ISD were as follows:

District's Proportionate share of the collective net pension liability	\$ 22,347,945
State's Proportionate share that is associated with the District	<u>85,269,172</u>
Total	<u>\$ 107,617,117</u>

The net pension liability was measured as of August 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2013 thru August 31, 2014.

At August 31, 2014 the employer's proportion of the collective net pension liability was 0.000836645%. Since this is the first year of implementation, the District does not have the proportion measured as of August 31, 2013. The Notes to the Financial Statements for August 31, 2014 for TRS stated the change in proportion was immaterial and therefore disregarded this year.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective 09/01/2014. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

For the year ended August 31, 2015, Carrollton-Farmers Branch ISD recognized pension expense of \$7,882,976 and revenue of \$8,075,991 for support provided by the State.

NOTE 14. DEFINED BENEFIT PENSION PLAN – CONTINUED

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

At August 31, 2015, Carrollton-Farmers Branch ISD reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to pensions from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 345,618	\$ -
Changes in actuarial assumptions	1,452,641	-
Differences between projected and actual investments earnings	-	6,830,445
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	5,858
Contributions paid to TRS subsequent to the measurement date	4,179,320	-
Total	\$ 5,977,579	\$ 6,836,303

\$4,179,320 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended August 31:	Pension Expense Amount
2016	\$ (1,405,234)
2017	(1,405,234)
2018	(1,405,234)
2019	(1,405,234)
2020	302,378
2021	280,514

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.

NOTE 15. SCHOOL DISTRICT RETIREE HEALTH PLAN - CONTINUED

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 2015-2013.

Year	Contribution Rates					
	Active Member		State		School District	
	Rate	Amount	Rate	Amount	Rate	Amount
2015	0.65%	995,007	1.0%	1,530,780	0.55%	841,929
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

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 \$450,249 recognized for the year ended August 31, 2015 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.

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.

NOTE 16. RISK MANAGEMENT – CONTINUED

Workers’ Compensation Coverage - Continued

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 \$1,376,567 include incurred but not reported claims. The liability reported in the Fund at August 31, 2015 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 2015 and 2014 were:

Self-Insurance Liability	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2014-Workers' Compensation	\$ 1,195,784	\$ 830,252	\$ 1,002,332	\$ 1,023,704
2015-Workers' Compensation	\$ 1,023,704	\$ 2,034,753	\$ 1,681,890	\$ 1,376,567

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.

NOTE 17. COMMITMENTS AND CONTINGENCIES - CONTINUED

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, 2015 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

Future Construction

The funds in the Capital Projects Fund will be used for future school construction and renovation. Commitments on outstanding construction contracts for future school and renovations totaled approximately \$5.4 million at August 31, 2015.

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, 2015.

NOTE 18. PRIOR PERIOD ADJUSTMENT

In fiscal year 2015, the District implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. As such, the prior period adjustment was necessary to record the beginning pension liability of the District. The following illustrates the effect of the prior period adjustment:

Beginning Net Position - As Originally Presented	\$ 274,082,006
Restatement due to:	
Net pension liability (measurement date as of August 31, 2013)	(27,441,445)
Deferred Outflows:	
District contributions made to TRS during the fiscal year	<u>2,121,129</u>
Beginning Net Position - As Restated	<u><u>\$ 248,761,690</u></u>



Carrollton-Farmers Branch ISD

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, 2015

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	\$ 163,408,424	\$ 163,424,726	\$ 165,134,178	\$ 1,709,452
5800	State Program Revenues	55,363,493	55,364,491	58,554,935	3,190,444
5900	Federal Program Revenues	2,250,000	2,250,000	3,090,236	840,236
5020	Total Revenues	221,021,917	221,039,217	226,779,349	5,740,132
EXPENDITURES:					
Current:					
0011	Instruction	127,375,104	125,857,629	124,693,818	1,163,811
0012	Instructional Resources and Media Services	3,685,908	3,950,776	3,897,565	53,211
0013	Curriculum and Instructional Staff Development	4,980,615	4,571,089	3,780,875	790,214
0021	Instructional Leadership	3,416,912	3,401,766	3,228,172	173,594
0023	School Leadership	13,835,521	14,460,760	14,195,757	265,003
0031	Guidance, Counseling and Evaluation Services	9,620,522	9,837,165	9,719,307	117,858
0032	Social Work Services	149,208	149,208	68,002	81,206
0033	Health Services	2,651,314	2,651,637	2,564,320	87,317
0034	Student (Pupil) Transportation	5,217,140	4,920,478	4,098,670	821,808
0035	Food Services	59,500	92,900	81,151	11,749
0036	Extracurricular Activities	4,548,733	4,737,811	4,365,191	372,620
0041	General Administration	6,149,461	6,404,032	5,733,153	670,879
0051	Facilities Maintenance and Operations	23,469,853	23,182,968	21,816,848	1,366,120
0052	Security and Monitoring Services	1,525,068	1,588,249	1,477,867	110,382
0053	Data Processing Services	4,965,858	7,215,713	6,668,538	547,175
0061	Community Services	176,958	193,745	154,868	38,877
Capital Outlay:					
0081	Facilities Acquisition and Construction	98,781	173,296	130,890	42,406
Intergovernmental:					
0095	Payments to Juvenile Justice Alternative Ed. Prg.	200,000	100,000	31,486	68,514
0097	Payments to Tax Increment Fund	18,544,302	17,974,813	17,974,812	1
0099	Other Intergovernmental Charges	973,652	923,652	899,649	24,003
6030	Total Expenditures	231,644,410	232,387,687	225,580,939	6,806,748
1200	Net Change in Fund Balances	(10,622,493)	(11,348,470)	1,198,410	12,546,880
0100	Fund Balance - September 1 (Beginning)	78,247,613	78,247,613	78,247,613	-
3000	Fund Balance - August 31 (Ending)	\$ 67,625,120	\$ 66,899,143	\$ 79,446,023	\$ 12,546,880

CARROLLTON-FARMERS BRANCH ISD
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2015

	2015
District's Proportion of the Net Pension Liability (Asset)	0.000836645%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 22,347,945
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	85,269,172
Total	\$ 107,617,117
District's Covered-Employee Payroll	\$ 148,723,134
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-Employee Payroll	15.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.25%

Note: GASB 68, 81,2,a requires that the information on this schedule be data from the period corresponding with the period covered as of the measurement date of August 31, 2014 - the period from September 1, 2013 - August 31, 2014.

Note: Only one year of data is presented in accordance with GASBS #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

CARROLLTON-FARMERS BRANCH ISD
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR FISCAL YEAR 2015

EXHIBIT G-3

		2015
Contractually Required Contribution	\$	4,179,320
Contribution in Relation to the Contractually Required Contribution		(4,179,320)
		-
Contribution Deficiency (Excess)	\$	-0-
District's Covered-Employee Payroll	\$	153,063,674
Contributions as a Percentage of Covered-Employee Payroll		2.73%

Note: GASB 68, Paragraph 81,2,b requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2013 - August 31, 2014.

Note: Only one year of data is presented in accordance with GASBS #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED AUGUST 31, 2015

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	\$ (1,517,475)
Curriculum and Instructional Staff Development	(409,526)
School Leadership	625,239
Student (Pupil) Transportation	(296,662)
Data Processing Services	2,249,855
Payments to Tax Increment Fund	(569,489)

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.

Advanced Placement Incentives – Support professional development of teachers teaching advanced classes.

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

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.

Meadows 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.

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, 2015

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 Cash Equivalents	\$ -	\$ -	\$ -	\$ 1,788,354
1240	Receivables from Other Governments	715,932	855,269	13,868	279,817
1260	Due from Other Funds	-	-	-	464
1290	Other Receivables	-	-	-	406
1300	Inventories	-	-	-	579,770
1000	Total Assets	<u>\$ 715,932</u>	<u>\$ 855,269</u>	<u>\$ 13,868</u>	<u>\$ 2,648,811</u>
LIABILITIES					
2110	Accounts Payable	\$ 3,812	\$ -	\$ -	\$ 422,058
2160	Accrued Wages Payable	159,712	224,056	3,712	222,262
2170	Due to Other Funds	552,408	631,213	10,156	6,848
2300	Unearned Revenues	-	-	-	143,723
2000	Total Liabilities	<u>715,932</u>	<u>855,269</u>	<u>13,868</u>	<u>794,891</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	579,770
Restricted Fund Balance:					
3450	Food Service	-	-	-	1,274,150
3490	Tax Increment Zone	-	-	-	-
Committed Fund Balance:					
3547	Campus Activity Funds	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,853,920</u>
4000	Total Liabilities and Fund Balances	<u>\$ 715,932</u>	<u>\$ 855,269</u>	<u>\$ 13,868</u>	<u>\$ 2,648,811</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	397 Advanced Placement Incentives
\$ -	\$ -	\$ -	\$ 25,441	\$ 2,360	\$ 46,990	\$ -	\$ -
11,023	81,063	178,890	-	-	-	-	-
163	-	-	10	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 11,186</u>	<u>\$ 81,063</u>	<u>\$ 178,890</u>	<u>\$ 25,451</u>	<u>\$ 2,360</u>	<u>\$ 46,990</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 13,105	\$ 15,650	\$ -	\$ -	\$ -	\$ -	\$ -
4,705	2,814	37,678	-	-	-	-	-
6,481	65,144	125,562	25,451	-	46,990	-	-
-	-	-	-	2,360	-	-	-
<u>11,186</u>	<u>81,063</u>	<u>178,890</u>	<u>25,451</u>	<u>2,360</u>	<u>46,990</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 11,186</u>	<u>\$ 81,063</u>	<u>\$ 178,890</u>	<u>\$ 25,451</u>	<u>\$ 2,360</u>	<u>\$ 46,990</u>	<u>\$ -</u>	<u>\$ -</u>

CARROLLTON-FARMERS BRANCH ISD
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2015

Data Control Codes	410 State Textbook Fund	429 Ready to Read Grant	461 Campus Activity Funds	482 Meadows Foundation	
ASSETS					
1110	Cash and Cash Equivalents	\$ 126,103	\$ -	\$ 1,423,264	\$ -
1240	Receivables from Other Governments	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	6,494	-
1300	Inventories	-	-	-	-
1000	Total Assets	<u>\$ 126,103</u>	<u>\$ -</u>	<u>\$ 1,429,758</u>	<u>\$ -</u>
LIABILITIES					
2110	Accounts Payable	\$ 1,103	\$ -	\$ 29,104	\$ -
2160	Accrued Wages Payable	-	-	-	-
2170	Due to Other Funds	-	-	1,271	-
2300	Unearned Revenues	125,000	-	-	-
2000	Total Liabilities	<u>126,103</u>	<u>-</u>	<u>30,375</u>	<u>-</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	-
Restricted Fund Balance:					
3450	Food Service	-	-	-	-
3490	Tax Increment Zone	-	-	-	-
Committed Fund Balance:					
3547	Campus Activity Funds	-	-	1,399,383	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>1,399,383</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 126,103</u>	<u>\$ -</u>	<u>\$ 1,429,758</u>	<u>\$ -</u>

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 #3	Total Nonmajor Governmental Funds
\$ 3	\$ -	\$ 924	\$ 7,863,389	\$ 178,265	\$ 11,455,093
-	-	-	-	-	2,135,862
-	-	-	-	-	637
-	-	-	-	-	6,900
-	-	-	-	-	579,770
<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 924</u>	<u>\$ 7,863,389</u>	<u>\$ 178,265</u>	<u>\$ 14,178,262</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 484,832
-	-	-	-	-	654,939
-	-	-	-	-	1,471,524
3	-	924	-	-	272,010
<u>3</u>	<u>-</u>	<u>924</u>	<u>-</u>	<u>-</u>	<u>2,883,305</u>
-	-	-	-	-	579,770
-	-	-	-	-	1,274,150
-	-	-	7,863,389	178,265	8,041,654
-	-	-	-	-	1,399,383
-	-	-	7,863,389	178,265	11,294,957
<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 924</u>	<u>\$ 7,863,389</u>	<u>\$ 178,265</u>	<u>\$ 14,178,262</u>

CARROLLTON-FARMERS BRANCH ISD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2015

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	\$ -	\$ -	\$ -	\$ 2,584,494
5800 State Program Revenues	-	-	-	68,521
5900 Federal Program Revenues	4,544,106	3,963,967	61,543	9,412,284
5020 Total Revenues	<u>4,544,106</u>	<u>3,963,967</u>	<u>61,543</u>	<u>12,065,299</u>
EXPENDITURES:				
Current:				
0011 Instruction	2,144,662	3,884,665	61,543	-
0012 Instructional Resources and Media Services	53,529	-	-	-
0013 Curriculum and Instructional Staff Development	2,192,058	25,078	-	-
0021 Instructional Leadership	17,027	-	-	-
0023 School Leadership	3,619	-	-	-
0031 Guidance, Counseling and Evaluation Services	2,109	37,255	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	2,020	-	-	-
0035 Food Services	-	-	-	10,817,100
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	129,082	16,969	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	<u>4,544,106</u>	<u>3,963,967</u>	<u>61,543</u>	<u>10,817,100</u>
1200 Net Change in Fund Balance	-	-	-	1,248,199
0100 Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>605,721</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,853,920</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	397 Advanced Placement Incentives
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	4,308	7,228
281,072	431,807	630,505	25,451	40,966	47,010	-	-
<u>281,072</u>	<u>431,807</u>	<u>630,505</u>	<u>25,451</u>	<u>40,966</u>	<u>47,010</u>	<u>4,308</u>	<u>7,228</u>
147,089	70,175	21,923	25,451	-	-	4,226	-
-	-	-	-	-	-	-	-
1,668	233,144	491,748	-	40,385	-	82	5,848
38,891	22,937	1,951	-	-	-	-	-
-	-	-	-	-	-	-	-
93,424	-	40,096	-	581	-	-	1,380
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	105,551	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	74,787	-	-	47,010	-	-
-	-	-	-	-	-	-	-
<u>281,072</u>	<u>431,807</u>	<u>630,505</u>	<u>25,451</u>	<u>40,966</u>	<u>47,010</u>	<u>4,308</u>	<u>7,228</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, 2015

Data Control Codes	410 State Textbook Fund	429 Ready to Read Grant	461 Campus Activity Funds	482 Meadows Foundation
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 3,495	\$ -	\$ 1,214,097	\$ 2,000
5800 State Program Revenues	2,673,253	316	-	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>2,676,748</u>	<u>316</u>	<u>1,214,097</u>	<u>2,000</u>
EXPENDITURES:				
Current:				
0011 Instruction	2,676,748	-	668,111	505
0012 Instructional Resources and Media Services	-	316	25,612	-
0013 Curriculum and Instructional Staff Development	-	-	11,267	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	70,555	-
0031 Guidance, Counseling and Evaluation Services	-	-	113,623	-
0033 Health Services	-	-	189	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	475,525	500
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	1,280	-
0052 Security and Monitoring Services	-	-	5,339	-
0061 Community Services	-	-	1,740	995
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	<u>2,676,748</u>	<u>316</u>	<u>1,373,241</u>	<u>2,000</u>
1200 Net Change in Fund Balance	-	-	(159,144)	-
0100 Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>1,558,527</u>	<u>-</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,399,383</u>	<u>\$ -</u>

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 #3	Total Nonmajor Governmental Funds
\$ -	\$ 4,083	\$ -	\$ 491,617	\$ 38,798	\$ 4,338,584
-	-	-	-	-	2,753,626
-	-	-	-	-	19,438,711
-	4,083	-	491,617	38,798	26,530,921
-	4,083	-	-	-	9,709,181
-	-	-	-	-	79,457
-	-	-	-	-	3,001,278
-	-	-	-	-	80,806
-	-	-	-	-	74,174
-	-	-	-	-	288,468
-	-	-	-	-	189
-	-	-	-	-	2,020
-	-	-	-	-	10,817,100
-	-	-	-	-	476,025
-	-	-	-	-	105,551
-	-	-	-	-	1,280
-	-	-	-	-	5,339
-	-	-	-	-	270,583
-	-	-	2,000	-	2,000
-	4,083	-	2,000	-	24,913,451
-	-	-	489,617	38,798	1,617,470
-	-	-	7,373,772	139,467	9,677,487
\$ -	\$ -	\$ -	\$ 7,863,389	\$ 178,265	\$ 11,294,957



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, 2015

	BALANCE SEPTEMBER 1 2014	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2015
STUDENT ACTIVITY ACCOUNT				
Assets:				
Cash and Temporary Investments	\$ 646,450	\$ 1,718,262	\$ 1,697,026	\$ 667,686
Other Receivables	-	3,406	1,936	1,470
Total Assets	<u>\$ 646,450</u>	<u>\$ 1,721,668</u>	<u>\$ 1,698,962</u>	<u>\$ 669,156</u>
Liabilities:				
Accounts Payable	\$ 34,213	\$ 1,955,032	\$ 1,963,830	\$ 25,415
Due to Other Funds	-	11,747	11,747	-
Due to Student Groups	612,237	1,791,377	1,759,873	643,741
Total Liabilities	<u>\$ 646,450</u>	<u>\$ 3,758,156</u>	<u>\$ 3,735,450</u>	<u>\$ 669,156</u>
TOTAL AGENCY FUNDS				
Assets:				
Cash and Temporary Investments	\$ 646,450	\$ 1,718,262	\$ 1,697,026	\$ 667,686
Other Receivables	-	3,406	1,936	1,470
Total Assets	<u>\$ 646,450</u>	<u>\$ 1,721,668</u>	<u>\$ 1,698,962</u>	<u>\$ 669,156</u>
Liabilities:				
Accounts Payable	\$ 34,213	\$ 1,955,032	\$ 1,963,830	\$ 25,415
Due to Other Funds	-	11,747	11,747	-
Due to Student Groups	612,237	1,791,377	1,759,873	643,741
Total Liabilities	<u>\$ 646,450</u>	<u>\$ 3,758,156</u>	<u>\$ 3,735,450</u>	<u>\$ 669,156</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, 2015

Last Ten Years Ended August 31	(1) Tax Rates		(2)	(3)
	Maintenance	Debt Service		Net Assessed/Appraised Value for School Tax Purposes
2006 & Prior	Various	Various		Various
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	1.0400	0.2835		14,964,110,850
2015 (Current year under Audit)	1.0400	0.2633		16,079,853,331

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 09/01/14	(20) Current Year's Total Levy	(31) Maintenance Total Collections	(32) Debt Service Total Collections	(40) Entire Year's Adjustment	(50) Ending Balance 08/31/15
331,676	-	2,257	461	13	328,971
64,350	-	2,430	599	-	61,321
56,907	-	3,956	1,244	-	51,707
128,850	-	5,003	1,550	-	122,297
238,296	-	7,106	2,065	4,464	233,589
374,432	-	8,112	2,394	2,301	366,227
368,197	-	17,128	5,217	4,574	350,426
425,384	-	73,778	20,615	(18,085)	312,906
928,458	-	(237,219)	(64,665)	(795,573)	434,769
-	206,290,372	162,544,352	41,151,949	(1,442,819)	1,151,252
<u>\$ 2,916,550</u>	<u>\$ 206,290,372</u>	<u>\$ 162,426,903</u>	<u>\$ 41,121,429</u>	<u>\$ (2,245,125)</u>	<u>3,413,465</u>
					3,100
					<u>1,763,568</u>
					<u>\$ 5,180,133</u>

\$ 12,839,522

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, 2015

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	\$ 2,447,412	\$ 2,447,412	\$ 2,584,494	\$ 137,082
5800 State Program Revenues	70,000	70,000	68,521	(1,479)
5900 Federal Program Revenues	8,984,695	9,159,695	9,412,284	252,589
5020 Total Revenues	11,502,107	11,677,107	12,065,299	388,192
EXPENDITURES:				
0035 Food Services	11,502,107	11,677,107	10,817,100	860,007
6030 Total Expenditures	11,502,107	11,677,107	10,817,100	860,007
1200 Net Change in Fund Balances	-	-	1,248,199	1,248,199
0100 Fund Balance - September 1 (Beginning)	605,721	605,721	605,721	-
3000 Fund Balance - August 31 (Ending)	\$ 605,721	\$ 605,721	\$ 1,853,920	\$ 1,248,199

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, 2015

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	\$ 40,951,504	\$ 41,142,274	\$ 41,267,792	\$ 125,518
5020	Total Revenues	40,951,504	41,142,274	41,267,792	125,518
EXPENDITURES:					
Debt Service:					
0071	Principal on Long Term Debt	27,890,000	28,295,000	28,295,000	-
0072	Interest on Long Term Debt	13,056,704	12,515,164	12,446,881	68,283
0073	Bond Issuance Cost and Fees	4,800	306,340	303,266	3,074
6030	Total Expenditures	40,951,504	41,116,504	41,045,147	71,357
1100	Excess of Revenues Over Expenditures	-	25,770	222,645	196,875
OTHER FINANCING SOURCES (USES):					
7901	Refunding Bonds Issued	-	34,725,000	34,725,000	-
7916	Premium or Discount on Issuance of Bonds	-	2,642,858	2,642,857	(1)
8940	Payment to Bond Refunding Escrow Agent (Use)	-	(37,393,628)	(37,393,627)	1
7080	Total Other Financing Sources (Uses)	-	(25,770)	(25,770)	-
1200	Net Change in Fund Balances	-	-	196,875	196,875
0100	Fund Balance - September 1 (Beginning)	8,103,234	8,103,234	8,103,234	-
3000	Fund Balance - August 31 (Ending)	\$ 8,103,234	\$ 8,103,234	\$ 8,300,109	\$ 196,875

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.

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Financial Trends

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Revenue Capacity

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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..... 114

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..... 121

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. 123

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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 180,653	\$ 147,953	\$ 134,412	\$ 117,722
Restricted for				
Federal and State Programs	-	-	-	-
Food Service	1,854	606	172	374
Tax Increment Zone	50,365	52,746	42,171	32,866
Debt Service	8,305	7,933	7,042	6,296
Unrestricted	35,058	64,844	71,857	81,549
Total Governmental Activities Net Position	<u>276,235</u>	<u>274,082</u>	<u>255,654</u>	<u>238,807</u>
Business Type Activities - Unrestricted	5,451	4,545	3,652	2,691
Total Primary Government Net Position	<u>\$ 281,686</u>	<u>\$ 278,627</u>	<u>\$ 259,306</u>	<u>\$ 241,498</u>

Source: Carrollton-Farmers Branch ISD

TABLE I

2011	2010	2009	2008	2007	2006
\$ 115,312	\$ 97,751	\$ 112,265	\$ 90,998	\$ 70,518	\$ 57,950
-	-	-	-	-	-
817	669	1,567	1,461	1,837	2,322
23,639	13,579	4,901	6,579	13,701	12,385
2,522.00	1,943	2,260	1,469	-	-
67,978	76,585	45,685	45,336	48,365	38,536
<u>210,268</u>	<u>190,527</u>	<u>166,678</u>	<u>145,843</u>	<u>134,421</u>	<u>111,193</u>
2,015	1,710	1,257	716	556	-
<u>\$ 212,283</u>	<u>\$ 192,237</u>	<u>\$ 167,935</u>	<u>\$ 146,559</u>	<u>\$ 134,977</u>	<u>\$ 111,193</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)**

	2015	2014	2013	2012
Expenses				
Governmental Activities:				
Instruction	\$ 146,417,736	\$ 141,655,619	\$ 131,134,845	\$ 132,791,816
Instruction Resources and Media Services	4,985,743	4,467,237	4,571,102	4,379,728
Curriculum and Instructional Staff Development	6,914,130	6,349,383	7,085,217	7,300,486
Instructional Leadership	3,337,331	3,306,762	2,935,380	2,533,099
School Leadership	15,163,309	14,328,268	13,916,535	13,920,488
Guidance, Counseling, and Evaluation Services	10,147,756	9,804,021	8,947,154	9,261,322
Social Work Services	67,822	140,333	177,578	167,221
Health Services	2,644,044	2,621,635	2,468,811	2,549,034
Student (Pupil) Transportation	4,132,874	4,650,512	4,330,314	3,105,589
Food Service	12,626,501	12,121,742	12,267,870	11,961,743
Extracurricular Activities	6,282,594	6,813,429	6,086,152	6,012,638
General Administration	6,312,631	6,028,276	6,155,795	6,179,859
Facilities Maintenance and Operations	23,064,274	22,101,436	22,213,433	23,519,488
Security and Monitoring Services	1,492,686	1,533,648	1,446,443	1,372,730
Data Processing Services	5,266,587	6,111,082	5,895,263	6,551,630
Community Services	450,639	430,814	518,660	505,980
Debt Service - Interest on Long Term Debt	10,579,326	13,288,346	11,631,609	13,984,539
Debt Service - Bond Issuance Costs and Fees	303,266	7,800	628,270	195,034
Facilities Acquisition and Construction	-	-	-	-
Contracted Instructional Services Between Schools	-	-	-	75,536
Incremental Costs Associated with Chapter 41	-	-	-	-
Payments to Juvenile Justice Alternative Ed. Prg.	31,486	8,639	28,386	57,484
Payments to Tax Increment Fund	17,974,812	15,713,810	13,807,241	13,777,411
Other Intergovernmental Charges	899,649	889,432	886,812	898,662
Total Government Activities Expenses	279,095,196	272,372,224	257,132,870	261,101,517
Business-Type Activities (After the Bell)				
Expenses	3,398,042	3,024,824	2,907,972	2,801,626
Total Business-Type Activities	3,398,042	3,024,824	2,907,972	2,801,626
Total Primary Government Expenses	282,493,238	275,397,048	260,040,842	263,903,143
Program Revenues				
Governmental Activities				
Charges for services				
Food Service	2,584,412	2,237,355	1,984,529	2,214,248
Extracurricular Activities	704,642	873,427	786,106	834,249
Other	1,623,576	1,531,554	1,744,287	3,065,762
Operating Grants and Contributions				
Instruction	20,215,153	19,004,336	16,208,269	17,369,723
Food Service	9,528,720	8,779,747	8,625,777	8,378,836
Other	7,292,316	6,058,357	6,829,275	11,151,226
Capital Grants and Contributions	11,980,349	10,497,989	9,296,464	9,196,973
Business-Type Activities (After the Bell)				
Charges for Services	4,292,661	3,916,670	3,868,128	3,478,069
Total Primary Government Program Revenues	58,221,829	52,899,435	49,342,835	55,689,086
Net (Expense) Revenue				
Governmental Activities	(225,166,028)	(223,389,459)	(211,658,163)	(208,890,500)
Business Type Activities	894,619	891,846	960,156	676,443
Total Primary Government	\$ (224,271,409)	\$ (222,497,613)	\$ (210,698,007)	\$ (208,214,057)

Source: Carrollton-Farmers Branch ISD

TABLE II

	2011	2010	2009	2008	2007	2006
\$	141,747,420	\$ 143,091,092	\$ 144,553,419	\$ 145,823,968	\$ 127,900,101	\$ 121,376,766
	4,530,587	4,470,228	4,405,821	4,280,482	3,952,659	3,915,399
	6,557,939	5,973,731	5,876,796	6,606,195	7,228,153	6,739,846
	2,602,799	2,849,542	2,823,228	2,660,336	2,733,545	2,595,267
	14,326,723	14,406,145	14,757,245	15,206,187	14,417,520	13,282,404
	9,634,002	9,935,686	9,424,596	9,240,729	8,700,494	8,181,547
	168,258	165,704	166,991	161,566	150,757	179,471
	2,562,615	2,665,025	2,473,339	2,287,597	2,125,213	2,124,750
	3,855,752	3,101,861	2,196,934	1,866,514	2,980,445	2,493,202
	12,365,226	12,263,601	12,212,817	12,228,579	10,841,824	10,456,433
	6,179,751	6,009,078	6,047,251	5,366,881	4,957,689	4,497,921
	7,061,920	7,135,378	7,112,644	6,742,993	6,812,524	6,194,417
	24,209,153	23,043,604	23,120,351	24,244,624	22,254,946	22,580,448
	1,548,610	1,545,532	1,737,888	1,700,039	1,620,931	1,423,542
	7,391,313	7,008,219	5,900,846	5,199,687	4,848,636	4,290,867
	651,173	1,148,422	1,072,788	1,070,303	1,293,265	1,310,476
	15,992,914	17,350,391	18,082,051	18,943,254	18,044,502	17,139,405
	212,351	79,532	74,485	30,597	35,028	327,679
	1,191,981	1,331,904	1,916,924	4,319,852	4,414,665	3,070,261
	-	-	17,898,472	12,636,919	27,662,926	35,669,887
	-	-	16,283	12,705	104,486	128,755
	143,124	159,550	136,225	196,409	170,387	154,466
	15,139,211	12,995,177	12,414,532	9,039,482	4,418,075	3,971,007
	937,593	963,230	1,159,125	936,315	-	-
	<u>279,010,415</u>	<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>2,838,839</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>2,838,839</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>281,849,254</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>
	2,386,913	2,733,819	3,089,933	3,222,640	2,942,060	3,078,361
	913,649	854,839	913,801	904,564	975,337	1,434,319
	1,804,636	1,985,881	1,593,357	1,675,286	1,520,787	716,224
	21,343,507	23,522,054	18,446,999	17,412,108	14,489,313	17,383,420
	8,144,101	8,170,342	8,120,150	7,406,640	6,369,623	6,085,282
	15,368,331	14,295,414	7,003,487	6,479,373	6,849,849	7,606,052
	10,085,250	8,664,218	8,165,396	5,726,158	2,949,542	2,656,078
	<u>3,144,010</u>	<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>63,190,397</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>
	(218,964,028)	(217,466,065)	(248,247,928)	(247,975,444)	(241,572,260)	(233,144,480)
	305,171	567,575	541,501	266,552	555,655	682,737
\$	<u>(218,658,857)</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>

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

	2015	2014	2013	2012
Net (Expense)/Revenue				
Governmental Activities	\$ (225,166,028)	\$ (223,389,459)	\$ (211,658,163)	\$ (208,890,500)
Business-Type Activities	894,619	891,846	960,156	676,443
Total Primary Government Net Expense	<u>(224,271,409)</u>	<u>(222,497,613)</u>	<u>(210,698,007)</u>	<u>(208,214,057)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for General Purposes	163,516,686	152,386,767	145,022,771	142,069,891
Property Taxes Levied for Capital Projects	41,367,838	41,515,082	40,495,796	43,220,140
State Aid - Formula Grants	46,810,897	47,193,293	44,267,986	50,585,614
Grants & Contributions -Not Restricted	14,570	16,358	29,252	36,963
Investment Earnings	364,601	322,677	337,789	206,371
Miscellaneous Local and Intermediate Revenues	564,194	382,556	180,356	1,311,059
Loss on Asset Disposal	-	-	-	-
Transfers	-	-	-	-
Total Governmental Activities	<u>252,638,786</u>	<u>241,816,733</u>	<u>230,333,950</u>	<u>237,430,038</u>
Business-Type Activities:				
Investment Earnings	11,149	1,465	201	-
Transfers	-	-	-	-
Total Business-Type Activities	<u>11,149</u>	<u>1,465</u>	<u>201</u>	<u>-</u>
Total General Revenues- Primary Government	<u>\$ 252,649,935</u>	<u>\$ 241,818,198</u>	<u>\$ 230,334,151</u>	<u>\$ 237,430,038</u>
Change in Net Position				
Net Position- Beginning	\$ 278,626,921	\$ 259,306,336	\$ 239,670,192	\$ 212,282,484
Prior Period Adjustments	(25,320,316)	-	-	-
Governmental Activities	27,472,758	18,427,274	18,675,787	28,539,538
Business-Type Activities	905,768	893,311	960,357	676,443
Total Change in Net Position-Primary Government	<u>28,378,526</u>	<u>19,320,585</u>	<u>19,636,144</u>	<u>29,215,981</u>
Net Position- Ending	<u>\$ 281,685,131</u>	<u>\$ 278,626,921</u>	<u>\$ 259,306,336</u>	<u>\$ 241,498,465</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

2011	2010	2009	2008	2007	2006
\$ (218,964,028)	\$ (217,466,065)	\$ (248,247,928)	\$ (247,975,444)	\$ (241,572,260)	\$ (233,144,480)
305,171	567,575	541,501	266,552	555,655	682,737
<u>(218,658,857)</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>
143,955,421	151,034,569	154,202,554	148,626,083	179,624,950	187,618,767
42,420,096	44,073,412	47,774,102	46,549,170	44,042,078	40,805,823
51,675,059	47,117,639	65,071,101	56,524,499	30,233,635	12,377,716
25,468	31,612	-	75,485	89,463	46,988
204,213	255,723	1,912,509	7,456,490	11,854,553	9,638,251
423,408	165,609	122,192	59,554	5,169	67,062
-	-	-	-	(1,048,068)	(1,506,908)
-	115,350	-	106,300	-	682,737
<u>238,703,665</u>	<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>
-	-	-	-	-	-
-	(115,350)	-	(106,300)	-	(682,737)
-	(115,350)	-	(106,300)	-	(682,737)
<u>\$ 238,703,665</u>	<u>\$ 242,678,564</u>	<u>\$ 269,082,458</u>	<u>\$ 259,291,281</u>	<u>\$ 264,801,780</u>	<u>\$ 249,047,699</u>
\$ 192,237,676	\$ 167,935,712	\$ 146,559,681	\$ 134,977,292	\$ 111,192,117	\$ 94,606,161
-	(1,478,110)	-	-	-	-
19,739,637	25,327,849	20,834,530	11,422,137	23,229,520	16,585,956
305,171	452,225	541,501	160,252	555,655	-
<u>20,044,808</u>	<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>\$ 212,282,484</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>

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

General Fund
 Reserved
 Unreserved
 Total General Fund

Other Governmental Funds
 Reserved, Reported In
 Federal Special Revenue Fund
 Debt Service Fund
 Capital Projects Fund
 Non-Major Funds
 Unreserved, Reported In
 Special Revenue Funds
 Total Other Governmental Funds

Total Governmental Funds

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund					
Nonspendable Fund Balance	\$ 1,022,819	\$ 1,007,591	\$ 979,474	\$ 898,744	\$ 982,936
Committed Fund Balance	6,000,000	3,000,000	8,000,000	-	-
Assigned Fund Balance	6,947,034	10,622,493	7,667,451	10,098,666	9,728,966
Unassigned Fund Balance	<u>65,476,170</u>	<u>63,617,529</u>	<u>65,505,268</u>	<u>71,563,413</u>	<u>62,238,430</u>
Total General Fund	<u>79,446,023</u>	<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	8,300,109	8,103,234	7,331,153	6,408,260	3,003,709
Capital Projects					
Nonspendable Fund Balance	-	-	-	121,386	121,386
Restricted Fund Balance	34,626,622	48,050,854	67,327,617	27,777,993	20,934,175
City of Irving TIF #1					
Restricted Fund Balance	42,323,106	45,233,015	35,128,911	26,276,644	17,470,353
Special Revenue Funds					
Nonspendable Fund Balance	579,770	450,362	171,557	373,942	550,605
Restricted Fund Balance	9,315,804	7,668,598	7,042,533	6,589,672	6,434,812
Committed Fund Balance	<u>1,399,383</u>	<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>96,544,794</u>	<u>111,064,590</u>	<u>118,406,845</u>	<u>68,912,780</u>	<u>49,839,166</u>
Total Governmental Funds	<u>\$ 175,990,817</u>	<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 Nonspendable, 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

2010	2009	2008	2007	2006
\$ 2,120,977	\$ 2,823,462	\$ 2,420,355	\$ 4,507,401	\$ 2,786,579
<u>68,710,221</u>	<u>60,223,200</u>	<u>60,068,817</u>	<u>60,506,233</u>	<u>52,669,444</u>
<u>70,831,198</u>	<u>63,046,662</u>	<u>62,489,172</u>	<u>65,013,634</u>	<u>55,456,023</u>
-	-	-	-	2,321,891
2,118,869	2,233,800	2,862,959	2,981,791	1,062,173
27,072,635	44,744,168	71,840,434	84,307,143	82,571,758
14,994,769	6,468,410	8,040,306	15,538,041	12,384,590
<u>1,263,598</u>	<u>1,217,257</u>	<u>2,024,174</u>	<u>1,815,537</u>	<u>1,032,054</u>
<u>45,449,871</u>	<u>54,663,635</u>	<u>84,767,873</u>	<u>104,642,512</u>	<u>99,372,466</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>

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Federal Sources:				
Federal Grants	\$ 13,116,663	\$ 12,652,750	\$ 12,740,974	\$ 15,323,392
Food Services	9,412,284	8,711,952	8,557,652	8,307,475
Total Federal Sources	<u>22,528,947</u>	<u>21,364,702</u>	<u>21,298,626</u>	<u>23,630,867</u>
State Sources:				
State Education Finance Program	46,750,710	40,852,694	44,267,986	50,585,614
Food Services	68,521	67,795	68,125	71,361
State Grants and Other	14,489,330	18,431,176	10,265,524	13,169,326
Total State Sources	<u>61,308,561</u>	<u>59,351,665</u>	<u>54,601,635</u>	<u>63,826,301</u>
Local Sources:				
Property Taxes	204,562,735	193,825,686	186,179,321	185,379,324
Tax Increment fund	11,980,349	10,497,989	9,290,227	9,196,973
Investment Earnings	327,030	294,949	314,480	192,418
Food Sales	2,573,975	2,235,028	1,983,638	2,214,248
Other	2,926,997	3,125,588	2,808,937	5,276,264
Total Local Sources	<u>222,371,086</u>	<u>209,979,240</u>	<u>200,576,603</u>	<u>202,259,227</u>
Total Revenues	<u>\$ 306,208,594</u>	<u>\$ 290,695,607</u>	<u>\$ 276,476,864</u>	<u>\$ 289,716,395</u>

Source: Carrollton-Farmers Branch ISD

TABLE V

2011	2010	2009	2008	2007	2006
\$ 24,172,684	\$ 24,619,190	\$ 11,602,399	\$ 10,151,724	\$ 10,874,882	\$ 9,712,707
8,070,064	8,088,131	8,033,902	7,327,119	6,292,642	5,922,740
<u>32,242,748</u>	<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>
51,700,557	45,863,374	65,099,747	56,429,787	29,525,407	12,377,716
74,037	82,181	82,738	79,522	76,981	75,996
<u>12,913,357</u>	<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>64,687,951</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>
186,436,925	195,521,777	201,138,295	195,801,542	224,251,444	226,851,949
10,085,250	8,664,218	8,259,752	6,018,641	2,949,542	2,646,566
190,054	235,098	1,808,888	7,073,097	11,258,859	9,082,260
2,386,913	2,733,820	3,089,933	3,222,640	2,942,060	3,078,361
<u>3,140,291</u>	<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>202,239,433</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>\$ 299,170,132</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>

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Non Capital -Operational Expenditures			
Instruction	\$ 134,360,814	\$ 131,182,934	\$ 121,032,451
Instruction Resources and Media Services	3,977,022	3,691,566	3,792,431
Curriculum and Instructional Staff Development	6,771,313	6,110,563	6,842,750
Instructional Leadership	3,308,978	3,260,714	2,885,915
School Leadership	14,245,536	13,561,867	13,138,204
Guidance, Counseling, and Evaluation Services	10,007,775	9,640,823	8,776,199
Social Work Services	68,002	140,089	177,134
Health Services	2,564,509	2,560,099	2,405,032
Student (Pupil) Transportation	4,100,690	4,604,813	4,284,614
Food Services	10,888,917	10,709,563	10,823,054
Extracurricular Activities	4,745,706	4,974,562	4,739,800
General Administration	5,838,704	5,523,801	5,662,062
Facilities Maintenance and Operations	21,425,814	21,219,761	21,179,495
Security and Monitoring Services	1,477,345	1,450,385	1,425,974
Data Processing Services	4,697,539	5,206,568	4,988,480
Community Services	425,451	413,811	486,474
Facilities Acquisition and Construction	1,086,756	710,847	269,254
Total Non-Capital Operational Expenditures	<u>229,990,871</u>	<u>224,962,766</u>	<u>212,909,323</u>
Intergovernmental			
Contracted Instructional Services Between Schools	-	-	-
Incremental Costs Associated with Chapter 41	-	-	-
Payments to Juvenile Justice Alternative Ed. Prg.	31,486	8,639	28,386
Payments to Tax Increment Fund	17,974,812	15,713,810	13,807,241
Other Intergovernmental Charges	899,649	889,432	886,812
Total Intergovernmental	<u>18,905,947</u>	<u>16,611,881</u>	<u>14,722,439</u>
Capital Outlay			
Facilities Acquisition/Construction	27,010,807	18,206,883	5,671,720
Other Capital Outlay	2,551,438	926,011	252,377
Total Capital Outlay	<u>29,562,245</u>	<u>19,132,894</u>	<u>5,924,097</u>
Debt service			
Principal	28,295,000	26,755,000	25,770,000
Interest	12,446,881	14,472,101	13,361,108
Fiscal Charges	303,266	7,800	628,270
Total Debt Service Expenditures	<u>41,045,147</u>	<u>41,234,901</u>	<u>39,759,378</u>
Total Expenditures	<u>319,504,210</u>	<u>301,942,442</u>	<u>273,315,237</u>
Total Expenditures less Expenditures for Capital Outlay	<u>\$ 289,941,965</u>	<u>\$ 282,809,548</u>	<u>\$ 267,391,140</u>
Debt Service as a Percentage of			
Non-Capital Expenditures	14.1%	14.6%	14.6%

Source: Carrollton-Farmers Branch ISD.

TABLE VI

2012	2011	2010	2009	2008	2007	2006
\$ 123,399,140	\$ 132,258,151	\$ 134,293,425	\$ 136,193,647	\$ 136,897,403	\$ 120,680,762	\$ 115,428,607
3,643,675	3,800,545	3,801,974	3,784,040	3,674,620	3,449,049	3,464,287
7,077,709	6,342,801	5,746,605	5,648,031	6,354,518	6,982,699	6,507,867
2,491,049	2,564,724	2,806,506	2,779,530	2,603,462	2,676,997	2,525,331
13,221,260	13,653,148	13,765,565	14,145,284	14,527,383	13,874,345	12,839,605
9,123,532	9,513,995	9,806,918	9,297,327	9,054,514	8,551,727	8,071,066
167,352	168,735	165,773	166,968	160,431	149,906	162,375
2,493,562	2,512,408	2,615,065	2,427,488	2,225,210	2,077,334	2,084,708
3,059,904	3,809,657	3,055,499	2,150,573	1,819,301	2,939,301	2,452,058
10,653,874	11,130,552	11,058,241	11,096,529	11,067,175	9,886,344	9,688,739
4,626,211	4,810,349	4,634,702	4,599,543	4,035,248	3,814,607	3,615,566
5,699,552	6,590,978	6,652,399	6,350,194	6,219,424	6,294,370	5,823,489
21,869,694	23,826,841	22,176,196	22,205,857	23,115,268	21,235,262	21,818,620
1,362,871	1,544,788	1,516,063	1,706,477	1,649,729	1,569,960	1,395,133
5,288,192	5,725,371	5,319,490	4,495,388	3,899,270	3,894,697	3,828,733
524,261	698,199	1,150,079	1,074,251	1,057,839	1,286,398	1,298,877
1,148,085	1,192,293	1,331,987	1,916,961	4,413,340	4,770,012	3,173,860
<u>215,849,923</u>	<u>230,143,535</u>	<u>229,896,487</u>	<u>230,038,088</u>	<u>232,774,135</u>	<u>214,133,770</u>	<u>204,178,921</u>
75,536	-	-	17,898,472	12,636,919	27,662,926	35,669,887
-	-	-	16,283	12,705	104,486	128,755
5,484	143,124	159,550	136,225	196,409	170,387	154,466
13,777,411	15,139,211	12,995,177	12,414,532	9,039,482	4,418,075	3,971,007
898,662	937,593	963,230	1,159,125	936,315	-	-
<u>14,757,093</u>	<u>16,219,928</u>	<u>14,117,957</u>	<u>31,624,637</u>	<u>22,821,830</u>	<u>32,355,874</u>	<u>39,924,115</u>
15,206,940	4,289,341	16,161,616	33,334,206	49,793,086	42,900,560	47,883,084
336,487	968,979	333,338	1,837,829	671,771	333,351	902,439
<u>15,543,427</u>	<u>5,258,320</u>	<u>16,494,954</u>	<u>35,172,035</u>	<u>50,464,857</u>	<u>43,233,911</u>	<u>48,785,523</u>
25,555,000	27,415,000	27,060,000	28,648,711	23,667,961	18,656,322	22,695,230
13,681,847	14,543,756	17,265,964	19,586,494	23,177,464	23,349,859	18,300,959
785,110	261,369	3,825	3,498	74,019	485,611	3,650
<u>40,021,957</u>	<u>42,220,125</u>	<u>44,329,789</u>	<u>48,238,703</u>	<u>46,919,444</u>	<u>42,491,792</u>	<u>40,999,839</u>
<u>286,172,400</u>	<u>293,841,908</u>	<u>304,839,187</u>	<u>345,073,463</u>	<u>352,980,266</u>	<u>332,215,347</u>	<u>333,888,398</u>
<u>\$ 270,628,973</u>	<u>\$ 288,583,588</u>	<u>\$ 288,344,233</u>	<u>\$ 309,901,428</u>	<u>\$ 302,515,409</u>	<u>\$ 288,981,436</u>	<u>\$ 285,102,875</u>
14.5%	14.5%	15.4%	15.6%	15.5%	14.5%	14.4%

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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (13,295,616)	\$ (11,246,835)	\$ 3,161,627	\$ 3,491,995
Other Financing Sources (Uses)				
Refunding Bonds Issued	34,725,000	-	28,700,000	33,085,000
Capital-Related Debt Issued (Regular Bonds)	-	-	41,250,000	21,880,000
Sale of Real or Personal Property	-	-	-	-
Transfers In	-	539,647	-	-
Premium or Discount on Issuance of Bonds	2,642,857	-	8,779,939	8,425,470
Transfers Out	-	(539,647)	-	-
Payment to Bond Refunding Escrow Agent (Use)	(37,393,627)	-	(32,806,131)	(38,198,360)
Other (Uses)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(25,770)</u>	<u>-</u>	<u>45,923,808</u>	<u>25,192,110</u>
Special Item	-	-	-	-
Net Change in Fund Balances	(13,321,386)	(11,246,835)	49,085,435	28,684,105
Beginning Fund Balance -Sept 1	<u>189,312,203</u>	<u>200,559,038</u>	<u>151,473,603</u>	<u>122,789,498</u>
Ending Fund Balance - Aug 31	<u>\$ 175,990,817</u>	<u>\$ 189,312,203</u>	<u>\$ 200,559,038</u>	<u>\$ 151,473,603</u>

Source: Carrollton-Farmers Branch ISD

TABLE VII

	2011	2010	2009	2008	2007	2006
\$	5,328,224	\$ (2,827,084)	\$ (29,622,791)	\$ (50,649,067)	\$ (30,280,266)	\$ (45,335,278)
	63,565,000	-	-	27,435,000	60,775,000	-
	-	-	-	30,000,000	45,000,000	41,220,000
	363,964	-	76,043	29,747	53,712	43,371
	911,452	354,755	25,059	236,495	1,160,684	1,074,819
	6,914,124	-	-	1,292,287	3,564,464	206,100
	(377,814)	(239,405)	(25,059)	(1,830,195)	(1,160,684)	(392,082)
	(70,196,521)	-	-	(28,913,368)	(64,285,253)	-
	-	1,282,506	-	-	-	-
	<u>1,180,205</u>	<u>1,397,856</u>	<u>76,043</u>	<u>28,249,966</u>	<u>45,107,923</u>	<u>42,152,208</u>
	-	-	-	-	-	-
	6,508,429	(1,429,228)	(29,546,748)	(22,399,101)	14,827,657	(3,183,070)
	<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>158,011,559</u>
\$	<u>122,789,498</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>



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			
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	6,532,761	7,544,528	3,120,305	2,233,483	14,964,111	1.3235
2015	7,022,124	8,158,376	3,227,722	2,328,369	16,079,853	1.3033

Notes: Assessed value = actual value

Source: County Property Tax Appraiser

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

Fiscal Year	Direct District Rates			Overlapping Rates				
	Maintenance	Debt		Town of Addision	City of Carrollton	City of Coppell	City of Dallas	City of Farmers Branch
		Service	Total					
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
2015	1.0400	0.2633	1.3033	0.562	0.615	0.606	0.797	0.602

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	0.247	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
0.594	0.272	0.243	0.286	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
2005	226,478,279	226,195,686	99.9%	(46,378)	226,149,308	99.85%
2006	223,255,525	221,175,531	99.1%	2,018,673	223,194,204	99.97%
2007	195,655,990	193,698,097	99.0%	1,906,186	195,604,283	99.97%
2008	202,093,926	200,374,994	99.1%	1,596,635	201,971,629	99.94%
2009	195,089,302	193,396,978	99.1%	1,458,735	194,855,713	99.88%
2010	186,476,139	184,834,361	99.1%	1,275,551	186,109,912	99.80%
2011	185,082,381	183,761,421	99.3%	970,534	184,731,955	99.81%
2012	185,400,956	184,316,782	99.4%	771,268	185,088,050	99.83%
2013	193,864,815	192,936,357	99.5%	493,689	193,430,046	99.78%
2014	204,847,553	203,696,301	99.4%	-	203,696,301	99.44%

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	2015			2006		
		TAXABLE ASSESSED VALUATION	Percent of Total Assessed Taxable Value	Rank	Taxable Value	Percent of Total Assessed Taxable Value	Rank
Piedmont Operating Partners	Rental Property	\$ 124,378,540	0.77%	1	\$ 176,868,590	1.37%	1
Walmart/Sam's	Retail	117,279,790	0.73%	2	103,152,730	0.80%	5
AT&T/Southwestern Bell	Telephone Utility	111,591,820	0.69%	3	105,467,210	0.82%	4
Oncor Electric Delivery	Power Utility	102,814,228	0.64%	4	92,669,270	0.72%	7
Verizon/GTE	Telephone Utility	102,575,435	0.64%	5			
Citicorp Credit Services	Rental Property	82,373,870	0.51%	6	61,626,160	0.48%	9
Haliburton Company Inc.	Oil Services	80,572,362	0.50%	7			
Exxon/Mobil Corp.	Industrial/Petroleum	78,123,213	0.49%	8	122,119,316	0.95%	3
Wells REIT II	Rental Property	77,631,720	0.48%	9			
Nokia	Electronics	73,444,180	0.46%	10			
ST Microelectronics Inc.	Semiconductor Manufacturing				125,748,267	0.97%	2
AmlI Southwest Res Ltd	Rental Property				98,010,480	0.76%	6
Las Colinas Land	Rental Property				63,803,120	0.49%	8
Associates Bancorp Inc.	Telephone Utility				55,853,760	0.43%	10
TOTAL		<u>\$ 950,785,158</u>	<u>5.91%</u>		<u>\$ 1,005,318,903</u>	<u>7.79%</u>	
Total Taxable Assessed Value		<u>\$ 16,079,853,331</u>			<u>\$ 12,734,551,613</u>		

Source: District Tax Office

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 LEGAL DEBT MARGIN
 LAST TEN FISCAL YEARS
 AUGUST 31, 2015 (UNAUDITED)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt limit	\$ 1,607,985,333	\$ 1,496,411,085	\$ 1,420,073,218	\$ 1,388,947,226
Total net debt applicable to limit	286,807,047	317,118,411	323,958,847	310,771,740
Legal debt margin	1,321,178,286	1,179,292,674	1,096,114,371	1,078,175,486
Total net debt applicable to the limit as a percentage of debt limit	18%	21%	23%	22%

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 2015

Total Appraised Valuation	\$ 18,408,221,868
Less - Exemptions and Reductions in Value	<u>2,328,368,537</u>
Total Appraised Valuation for School Tax Purposes	\$ 16,079,853,331
Debt Limit Percentage	<u>10%</u>
Legal Debt Limit	<u>\$ 1,607,985,333</u>
Total Bonded Debt	\$ 295,107,156
Less - Reserve for Retirement of Bonded Debt	<u>8,300,109</u>
Net Bonded Debt Applicable to Debt Limit	<u>\$ 286,807,047</u>
Legal Debt Margin	<u>\$ 1,321,178,286</u>

TABLE XII

2011	2010	2009	2008	2007	2006
\$ 1,413,301,365	\$ 1,490,978,560	\$ 1,524,540,946	\$ 1,484,793,283	\$ 1,344,364,947	\$ 1,273,455,161
320,156,291	353,476,131	380,421,200	408,440,752	403,044,881	380,495,821
1,093,145,074	1,137,502,429	1,144,119,746	1,076,352,531	941,320,066	892,959,340
23%	24%	25%	28%	30%	30%



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			
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
2015	295,107	295,107	4.65%	1,518	10,485

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
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
2015	181,013	16,079,853,331	295,139,156	8,300,109

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
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
286,839,047	1.78	1,585

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENT DEBT
 AS OF AUGUST 31, 2015 (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	\$ 108,085,000	5.83%	\$ 6,301,356
City of Carrollton	162,600,000	53.41%	86,844,660
City of Coppell	66,740,000	6.96%	4,645,104
City of Dallas	1,700,336,063	1.04%	17,683,495
Dallas County	84,725,000	6.51%	5,515,598
Dallas County Community College District	321,510,000	6.51%	20,930,301
Dallas County Hospital District	728,005,000	6.51%	47,393,126
Dallas County Utility & Reclamation District	248,760,380	52.13%	129,678,786
Dallas County Schools	60,215,000	6.51%	3,919,997
Denton County	634,275,000	4.59%	29,113,223
City of Farmers Branch	39,720,000	57.24%	22,735,728
City of Irving	384,645,000	26.13%	100,507,739
Irving Flood Control District III	1,130,000	67.65%	764,445
NW Dallas County Flood Control District	8,424,000	69.13%	5,823,511
Valwood Improvement Authority	18,778,049	91.77%	17,232,616
Subtotal, overlapping debt			\$ 499,089,682
Carrollton-Farmers Branch ISD - Direct Debt	\$ 295,107,156	100.00%	295,107,156
Total Direct and Overlapping Tax Supported Debt			\$ 794,196,838
Total Assessed Taxable Valuation			\$ 16,079,853,331
Total Population			181,013
Ratio of Direct and Overlapping Tax Supported Debt to Taxable Assessed Valuation			4.94%
Per Capita Total Direct and Overlapping Tax Supported Debt			\$ 4,388

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)
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%
2015	181,013	5,908,807,359	32,643	3.42%

Notes:

- A** Population data is for Cities of Carrollton and Farmer's Branch combined.
 Source of population data was the following:
 2006 Municipal Advisory Council of Texas
 2007-2015 Claritas Market Place Survey
- B** 2007-2015 Claritas Market Place Survey-Entire School District Included.
- C** 2007-2015 Claritas Market Place Survey-Entire School District Included.
- D** From US Department of Labor, Bureau of Labor Statistics
 2006-2015 Texas Workforce Commission

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

TABLE XVII

<u>Employer</u>	<u>2015</u>			<u>2006</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	3,071	1	3.05%	3,219	1	3.48%
JP Morgan Investment Services	2,390	2	2.38%			
Maxim Ingetrated Products	1,352	3	1.34%			
Halliburton Energy Services	1,300	4	1.29%	1,300	3	1.40%
GEICO	1,200	5	1.19%			
McKesson Corp	1,000	6	0.99%	1,000	4	1.08%
Tuesday Morning	1,000	7	0.99%			
Telvista	950	8	0.94%			
AT&T	830	9	0.83%			
TD Industries	811	10	0.81%			
ST Microelectronics				1,400	2	1.51%
City of Carrollton				757	5	0.82%
Trinity Medical Center				725	6	0.78%
General Aluminum Corp				600	7	0.65%
Western Extrusion Corp				600	8	0.65%
Accor North America				500	9	0.54%
Realpage				500	10	0.54%

Total employed 2015 workforce - 100,599

Total employed 2006 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 '06 - '15
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	
Teachers											
Pre-K & Kindergarten	162	167	163	164	177	173	193	187	171	166	-2%
Elementary	625	626	722	720	722	712	714	725	713	745	-16%
Secondary	819	776	662	665	677	712	747	767	730	693	18%
All Level	54	70	81	85	126	130	166	169	197	189	-71%
Miscellaneous	-	-	-	-	-	-	1	-	1	-	-
Total Teachers	1,660	1,639	1,628	1,634	1,702	1,727	1,821	1,848	1,812	1,793	-7%
Support Staff											
Supervisors	-	-	-	-	-	-	-	1	9	4	-100%
Counselors	57	56	56	57	59	52	50	48	47	43	33%
Ed Diagnostics	33	32	32	32	32	33	30	31	31	31	6%
Librarians	40	39	40	39	40	41	41	38	37	38	5%
Nurse/Physicians	33	33	34	36	35	36	33	32	31	32	3%
Therapists	43	42	42	42	43	41	36	38	36	34	26%
Psychologists/Assoc Psych.	6	5	5	5	6	6	7	7	7	6	0%
Other Support Staff	160	150	143	137	140	149	150	140	154	96	67%
Total Support Staff	372	357	352	348	355	358	347	335	352	284	31%
Administrators											
Admin/Instructional Officers	39	42	40	44	42	50	61	42	22	23	70%
Principals	37	37	36	38	40	39	38	39	39	37	0%
Assistant Principals	49	47	47	47	46	46	52	58	57	56	-13%
Superintendents	1	1	1	1	1	1	1	1	1	1	0%
Assistant Superintendents	4	4	4	2	2	3	4	4	4	4	0%
Total Administrators	130	131	128	132	131	139	156	144	123	121	7%
Total Professionals	2,162	2,127	2,108	2,114	2,188	2,224	2,324	2,327	2,287	2,198	-2%
Educational Aides	186	188	186	193	220	200	262	259	231	234	-21%
Auxiliary Staff	723	718	732	756	725	777	785	781	740	723	0%
Total	3,071	3,033	3,026	3,063	3,133	3,201	3,371	3,367	3,258	3,155	-3%

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
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
2015	48,300	65,153	53,428	50,715

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

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

Fiscal Year	Average Daily Enrollment	Direct Operating Expenditures (A)	Cost per Pupil	Percentage Change from PY	Direct Operating Expenses (B)	Cost per Pupil
2006	26,231	\$ 204,178,921	\$ 7,784		\$ 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
2015	26,210	229,990,871	8,775	2.8%	249,306,657	9,512

- 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	1,793	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%
3.4%	1,660	15.8	16,920	65%

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

Elementary Schools	Year of	2015	2014	2013	2012
	Orginal Construction				
1 Blair	2002				
Square feet		97,228	97,228	97,228	97,228
Capacity		900	900	900	900
Enrollment		691	691	732	760
2 Blanton	2007				
Square feet		75,160	75,160	75,160	75,160
Capacity		573	573	573	573
Enrollment		555	578	594	603
3 Carrollton	1951				
Square feet		83,180	83,180	83,180	83,180
Capacity		656	656	656	656
Enrollment		640	656	654	676
4 Central	1965				
Square feet		93,690	93,690	93,690	93,690
Capacity		729	729	729	729
Enrollment		668	745	748	734
5 Country Place	1982				
Square feet		64,801	64,801	64,801	64,801
Capacity		450	450	450	450
Enrollment		327	339	357	370
6 Davis	1975				
Square feet		76,485	76,485	76,485	76,485
Capacity		532	532	532	532
Enrollment		586	555	568	571
7 Farmers Branch	1968				
Square feet		72,005	72,005	72,005	72,005
Capacity		650	650	650	650
Enrollment		566	540	504	497
8 Furmeaux	1982				
Square feet		59,406	59,406	59,406	59,406
Capacity		473	473	473	473
Enrollment		375	371	358	363
9 Good	2012				
Square feet		82,146	82,146	82,146	66,944
Capacity		675	675	675	526
Enrollment		592	615	595	499

Sources: Carrollton-Farmers Branch ISD

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

TABLE XXI
CONTINUED

2011	2010	2009	2008	2007	2006
97,228	77,631	77,631	77,631	77,631	77,631
900	605	605	605	605	605
776	405	419	522	521	404
75,160	75,160	75,160	75,160	75,160	54,527
573	573	573	573	573	405
555	563	539	459	444	406
83,180	83,180	83,180	83,180	83,180	83,180
656	656	656	656	656	656
650	640	684	719	679	591
93,690	93,690	93,690	93,690	93,690	93,690
729	729	729	729	729	729
726	600	645	625	654	680
64,801	64,801	58,675	58,675	58,675	58,675
450	450	388	388	388	388
362	374	363	363	361	344
76,485	76,485	76,485	76,485	76,485	76,485
532	532	532	532	532	532
535	552	575	566	591	-
72,005	72,005	63,000	63,000	63,000	63,000
650	650	585	585	585	585
506	493	493	516	508	524
59,406	59,406	59,406	55,668	55,668	55,668
473	473	473	473	473	473
365	395	407	437	442	459
66,944	66,944	66,944	66,944	66,944	66,944
526	526	526	526	526	526
503	498	497	527	517	538

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

	Year of Orginal Construction	2015	2014	2013	2012
10 Stark	2006				
Square feet		83,400	83,400	83,400	83,400
Capacity		700	700	700	700
Enrollment		692	693	611	537
11 Kent	1989				
Square feet		89,742	89,742	89,742	89,742
Capacity		651	651	651	651
Enrollment		398	397	398	449
12 Landry	1996				
Square feet		73,500	73,500	73,500	73,500
Capacity		466	466	466	466
Enrollment		466	435	453	443
13 Las Colinas	1986				
Square feet		89,000	75,099	75,099	75,099
Capacity		662	559	559	559
Enrollment		592	526	519	504
14 McCoy	1979				
Square feet		65,849	65,849	65,849	65,849
Capacity		550	550	550	550
Enrollment		422	400	406	413
15 McKamy	1992				
Square feet		79,577	79,577	79,577	79,577
Capacity		599	599	599	599
Enrollment		513	513	577	558
16 McLaughlin**	1960				
Square feet		73,300	73,300	73,300	73,300
Capacity		577	577	577	577
Enrollment		-	-	-	392
17 McWhorter	2001				
Square feet		88,418	88,418	88,418	88,418
Capacity		700	700	700	700
Enrollment		717	770	730	653
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		419	408	444	454

Sources: Carrollton-Farmers Branch ISD

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

TABLE XXI
CONTINUED

2011	2010	2009	2008	2007	2006
83,400	83,400	83,400	83,400	83,400	83,400
700	700	700	700	700	700
533	417	388	471	613	725
89,742	89,742	89,742	89,742	89,742	89,742
651	651	651	651	651	651
472	445	513	546	566	569
73,500	73,500	73,500	73,500	73,500	73,500
466	466	466	466	466	466
462	462	472	459	487	-
75,099	75,099	75,099	75,099	75,099	75,099
559	559	559	559	559	559
505	503	493	490	455	433
65,849	65,849	55,668	55,668	55,668	55,668
550	550	440	440	440	440
411	452	425	442	434	438
79,577	79,577	79,577	79,577	79,577	79,577
599	599	599	599	599	599
575	450	477	469	537	527
73,300	73,300	73,300	73,300	73,300	73,300
577	577	577	577	577	577
396	393	389	636	856	863
88,418	88,418	88,418	75,000	75,000	75,000
700	700	700	533	533	533
626	697	673	645	533	539
-	67,600	67,600	67,600	67,600	67,600
-	463	463	463	463	463
-	414	463	549	560	436
80,000	80,000	80,000	80,000	80,000	80,000
492	492	492	492	492	492
451	469	457	418	364	342

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

	Year of Original Construction	2015	2014	2013	2012
20 Riverchase	2000				
Square feet		75,160	75,160	75,160	75,160
Capacity		533	533	533	533
Enrollment		365	428	296	313
21 Rosemeade	1984				
Square feet		61,396	61,396	61,396	61,396
Capacity		500	500	500	500
Enrollment		444	444	429	360
22 Sheffield*	1989				
Square feet		66,767	66,767	66,767	66,767
Capacity		459	459	459	459
Enrollment		958	927	927	348
23 Sheffield Primary*	1985				
Square feet		59,406	59,406	59,406	59,406
Capacity		462	462	462	462
Enrollment		-	-	-	544
24 Thompson	2006				
Square feet		75,160	75,160	75,160	75,160
Capacity		573	573	573	573
Enrollment		604	590	589	503
25 Freeman	2004				
Square feet		85,426	75,160	75,160	75,160
Capacity		651	573	573	573
Enrollment		541	614	634	582
26 Kelly Pre-K Ctr	2007				
Square feet		-	-	-	47,513
Capacity		-	-	-	400
Enrollment		-	-	-	316
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		584	571	623	497
29 McLaughlin Strickland**	2008				
Square feet		77,631	77,631	77,631	77,631
Capacity		605	605	605	605
Enrollment		719	791	786	399
Total Elementary School					
Square feet		2,015,620	1,991,453	1,991,453	2,023,764
Capacity		15,468	15,287	15,287	15,538
Enrollment		13,434	13,597	13,532	13,338

Sources: Carrollton-Farmers Branch ISD

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

TABLE XXI
CONCLUDED

2011	2010	2009	2008	2007	2006
75,160	75,160	75,160	75,000	75,000	75,000
533	533	533	533	533	533
362	369	388	405	398	385
61,396	55,668	55,668	55,668	55,668	55,668
500	376	376	376	376	376
338	336	365	349	342	-
66,767	66,767	66,767	66,767	66,767	66,767
459	459	459	459	459	459
339	354	383	387	399	-
59,406	59,406	59,406	55,668	55,668	55,668
462	462	462	462	462	462
498	446	419	455	414	477
75,160	75,160	75,160	75,160	75,160	75,160
573	573	573	573	573	573
515	480	490	504	501	459
75,160	75,160	75,160	75,160	75,160	75,160
573	573	573	573	573	573
560	510	503	668	550	528
47,513	47,513	47,513	47,513	47,513	-
400	400	400	400	400	-
313	293	366	381	-	-
-	42,906	42,906	42,906	42,906	42,906
-	272	272	272	272	272
-	192	204	222	346	438
87,787	87,787	87,787	-	-	-
650	650	650	-	-	-
459	325	296	-	-	-
77,631	77,631	77,631	-	-	-
605	605	605	-	-	-
372	368	368	-	-	-
2,023,764	2,108,945	2,083,633	1,897,161	1,897,161	1,829,015
15,538	15,854	15,617	14,195	14,195	13,627
13,165	12,895	13,154	13,230	13,072	11,105

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

	Year of Original Construction	2015	2014	2013	2012
<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		942	953	950	982
2 Bush	1998				
Square feet		142,000	142,000	142,000	142,000
Capacity		931	931	931	931
Enrollment		672	685	699	720
3 Long	1981				
Square feet		164,500	164,500	164,500	164,500
Capacity		1,124	1,124	1,124	1,124
Enrollment		718	756	760	796
4 Perry	1936				
Square feet		195,067	195,067	195,067	195,067
Capacity		1,000	1,000	1,000	1,000
Enrollment		1,049	999	962	942
5 Polk	1997				
Square feet		159,578	140,000	140,000	140,000
Capacity		1,185	1,040	1,040	1,040
Enrollment		1,100	1,082	1,065	1,090
6 Field	1959				
Square feet		182,525	182,525	182,525	182,525
Capacity		1,156	1,156	1,156	1,156
Enrollment		971	930	907	911
Total Middle School					
Square feet		1,014,820	995,242	995,242	995,242
Capacity		6,777	6,632	6,632	6,632
Enrollment		5,452	5,405	5,343	5,441

Sources: Carrollton-Farmers Branch ISD

TABLE XXII

2011	2010	2009	2008	2007	2006
171,150	171,150	170,150	170,150	170,150	170,150
1,381	1,381	1,381	1,381	1,381	1,381
972	1,064	1,120	1,141	1,152	1,116
142,000	142,000	142,000	142,000	142,000	142,000
931	931	931	931	931	931
767	703	654	622	616	648
164,500	164,500	164,500	164,500	164,500	164,500
1,124	1,124	1,124	1,124	1,124	1,124
796	784	850	806	861	-
195,067	179,467	179,467	179,467	179,467	179,467
1,000	843	843	843	843	843
933	999	968	1,010	982	980
140,000	140,000	140,000	140,000	140,000	140,000
1,040	1,040	1,040	1,040	1,040	1,040
1,042	1,057	1,029	1,056	970	928
182,525	170,789	170,789	170,789	170,789	170,789
1,156	1,156	1,156	1,156	1,156	1,156
930	963	999	1,014	1,087	1,102
995,242	967,906	966,906	966,906	966,906	966,906
6,632	6,475	6,475	6,475	6,475	6,475
5,440	5,570	5,620	5,649	5,668	4,774

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

	Year of Original Construction	2015	2014	2013	2012
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		1,964	1,917	1,981	2,034
2 Ranchview	2002				
Square feet		282,445	250,000	250,000	250,000
Capacity		1,160	1,027	1,027	1,027
Enrollment		843	801	810	831
3 Smith	1973				
Square feet		496,782	496,782	496,782	496,782
Capacity		2,807	2,807	2,807	2,807
Enrollment		1,973	1,980	2,041	2,058
4 Turner	1960				
Square feet		564,006	564,006	564,006	564,006
Capacity		2,315	2,315	2,315	2,315
Enrollment		2,072	2,140	2,134	2,124
5 Grimes Learning Ctr	1989				
Square feet		32,700	32,700	32,700	32,700
Capacity		255	255	255	255
Enrollment		70	80	142	212
Total High School					
Square feet		1,744,115	1,711,670	1,711,670	1,711,670
Capacity		9,015	8,882	8,882	8,882
Enrollment		6,922	6,918	7,108	7,259

Sources: Carrollton-Farmers Branch ISD

TABLE XXIII

2011	2010	2009	2008	2007	2006
368,182	368,182	368,182	365,000	365,000	365,000
2,478	2,478	2,478	2,478	2,478	2,478
2,082	2,055	2,052	2,150	2,161	2,171
250,000	250,000	250,000	250,000	250,000	250,000
1,027	1,027	1,027	1,027	1,027	1,027
807	833	779	773	756	756
496,782	496,782	496,782	496,782	496,782	496,782
2,807	2,807	2,807	2,807	2,807	2,807
2,030	1,991	2,093	2,069	2,086	-
564,006	564,006	564,006	564,006	564,006	497,756
2,315	2,315	2,315	2,315	2,315	2,315
2,019	1,972	1,975	1,956	2,013	2,014
32,700	32,700	32,700	32,700	32,700	32,700
255	255	255	255	255	255
251	263	218	240	227	183
1,711,670	1,711,670	1,711,670	1,708,488	1,708,488	1,642,238
8,882	8,882	8,882	8,882	8,882	8,882
7,189	7,114	7,117	7,188	7,243	5,124

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

Other Facilities	Year of Original Construction	Square Footage			
		2015	2014	2013	2012
Family Center	1994	2,197	2,197	2,197	2,197
Academic Character Training	1993	32,400	32,400	32,400	32,400
Administration	1982	28,000	28,000	28,000	28,000
Student Services	1971	13,824	13,824	13,824	13,824
Agriculture Site	1981	16,188	16,188	16,188	16,188
PSA Building	1990	38,756	38,756	38,756	38,756
SFC	2005	16,687	16,687	16,687	16,687
CLC Sanctuary and Support	1990	14,000	14,000	14,000	14,000
Wesley Building	1985	24,700	24,700	24,700	24,700
Counseling Ctr	1985	2,341	2,341	2,341	2,341
Technology Learning Ctr	1985	62,000	62,000	62,000	62,000
Kelly Field House	1996	6,740	6,740	6,740	6,740
Service Ctr	1972	88,560	88,560	88,560	88,560
Stadium/Natatorium	1963	81,000	81,000	81,000	81,000
Living Materials Ctr	1950	4,500	4,500	4,500	4,500
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	47,513	-

Sources: Carrollton-Farmers Branch ISD

TABLE XXIV

Square Footage					
2011	2010	2009	2008	2007	2006
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
67,600	-	-	-	-	-
42,906	-	-	-	-	-
-	-	-	-	-	-



Carrollton-Farmers Branch ISD

FEDERAL AWARDS SECTION



Carrollton-Farmers Branch ISD

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

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

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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, 2015, 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 11, 2015.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2015-001.

District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 11, 2015

Members:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
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TEXAS SOCIETY OF CERTIFIED
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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, 2015. 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, 2015.

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 11, 2015

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED AUGUST 31, 2015

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 84.048 | Career and Technical - Basic Grant - Carl D. Perkins |
| CFDA 84.365A | Title III, Part A - English Language Acquisition |
| Child Nutrition Cluster: | |
| CFDA 10.553 | School Breakfast Program |
| CFDA 10.555 | National School Lunch Program - Cash Assistance |
| CFDA 10.555 | National School Lunch Program - Non-Cash Assistance |
- h. The dollar threshold used to distinguish between Type A and Type B programs. \$ 588,420
- 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, 2015

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

Finding 2015-001 –Pledged collateral less than required amount

Criteria: The Texas Public Funds Investment Act requires the District’s depository bank to pledge securities or letters of credit to the District to fully secure any bank balances that exceed the FDIC deposit insurance coverage on District bank balances. When certain securities are pledged, the value of the pledged collateral must equal 110% of uninsured deposits.

Condition: On two days in August 2015, the required 110% was not met. The market value of pledged collateral was 101.25% and 101.96 of the District’s uninsured deposits.

Questioned Costs: None

Cause: The District monitors the level of deposits and pledged securities on a daily basis but the District recently switched depository banks. The calculation of the required collateral is slightly different and caused a miscalculation on two days. On the days in question, a miscalculation of required collateral was made resulting in a short-fall in collateral.

Effect: Pledged collateral was less than the required amount for two days during the fiscal year. On those days, the market value of securities pledged as collateral by the depository bank was \$1,814,475 and \$2,767,415 less than the amount required.

Recommendation: The District has procedures in place to monitor balances and pledged securities on a daily basis. The District should review and modify its procedures for monitoring pledged collateral to insure all calculations are accurate.

CORRECTIVE ACTION PLAN:

Finding 2015-001 –Pledged collateral less than required amount

The District will continue to monitor its cash balances and securities pledged on a daily basis. Additional procedures for monitoring balances and collateral were implemented by the District in August 2015.

Contact Person: Tonya Tillman, CPA, Chief Financial Officer

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2015

There were no findings in the prior year.

CARROLLTON-FARMERS BRANCH ISD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2015

(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	15610101057903	\$ 4,449,448
ESEA, Title I, Part A - Improving Basic Programs	84.010A	16610101057903	177,361
Total CFDA Number 84.010A			4,626,809
*IDEA - Part B, Formula	84.027	156600010579036600	3,807,978
*IDEA - Part B, Formula	84.027	166600010579036600	228,133
Total CFDA Number 84.027			4,036,111
*IDEA - Part B, Preschool	84.173	156610010579036610	58,883
*IDEA - Part B, Preschool	84.173	166610010579036610	3,780
Total CFDA Number 84.173			62,663
Total Special Education Cluster (IDEA)			4,098,774
Career and Technical - Basic Grant	84.048	15420006057903	270,050
Career and Technical - Basic Grant	84.048	16420006057903	11,022
Total CFDA Number 84.048			281,072
Title III, Part A - English Language Acquisition	84.365A	15671001057903	590,685
Title III, Part A - English Language Acquisition	84.365A	16671001057903	47,862
Title III, Part A - Immigrant	84.365A	16671003057903	3,433
Total CFDA Number 84.365A			641,980
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	15694501057903	410,317
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	16694501057903	29,349
Total CFDA Number 84.367A			439,666
Summer School LEP	84.369A	S369A130045	25,451
Reading Recovery: Scaling Up What Works	84.396A	U396A100027	40,966
Total Passed Through State Department of Education			\$ 10,154,718
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ 10,154,718
 U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through State Department of Education</u>			
Work Source Child Care and Development Fund	93.575	057903	\$ 47,010
Total Passed Through State Department of Education			\$ 47,010
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 47,010
 U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	2015IN109946	\$ 1,403,975
*National School Lunch Program - Cash Assistance	10.555	2015IN109946	7,141,005
*National School Lunch Prog. - Non-Cash Assistance	10.555	2015IN109946	859,236
Total CFDA Number 10.555			8,000,241
Total Child Nutrition Cluster			9,404,216

CARROLLTON-FARMERS BRANCH ISD
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2015

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
2014 NSLP School Food Equipment Grant	10.579	6TX310385	7,484
2015 Direct Certification Award	10.589	057903	584
Total Passed Through the State Department of Agriculture			\$ 9,412,284
TOTAL U.S. DEPARTMENT OF AGRICULTURE			\$ 9,412,284
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 19,614,012

*Clustered Programs

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2015

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 \$2,914,935, which are recorded as federal revenue in the General Fund, are not considered federal awards for purposes of this schedule. This schedule includes \$175,301 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.