

**CARROLLTON-FARMERS BRANCH
INDEPENDENT SCHOOL DISTRICT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
AUGUST 31, 2017**

Prepared By:
Division of Business Services
Tonya Tillman
Associate Superintendent
for Business Services

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



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INTRODUCTORY SECTION




CERTIFICATE OF BOARD

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

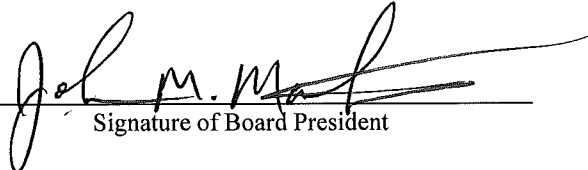
Dallas/Denton
County

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, 2017 at a meeting of the Board of Trustees of such school district on the 18th day of January, 2018.



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)





December 15, 2017

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, 2017, 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, 2017, 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 25,276 for the 2016-2017 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 - 133,351; Male 47.6%, Female 52.4%

Population by Race:

- ❖ White 40.8%
- ❖ Black 9.3%
- ❖ Hispanic or Latino Origin 32.9% (of any race)
- ❖ American Indian 0.3%
- ❖ Asian or Pacific Islander 14.8%
- ❖ Other Race 0.0%
- ❖ Two or more races 1.9%

Median age - 36.2

- Persons under 5 years old 5.8%
- Persons over 18 years old 76.3%
- Persons 65 and over 10.9%

Economic Characteristics:

- Median household income \$70,673
- Median family income \$84,076
- Per capita income \$33,565

Housing Characteristics:

- ✓ Owner-occupied housing units 58.4%
- ✓ Renter-occupied housing units 41.6%
- ✓ Vacant housing units 3.2%

Area - 36.6 square miles

Source: U.S. Census Bureau, American FactFinder, 2016 American Community Survey

City of Dallas

Population - 1,317,942; Male 49.7%, Female 50.3%

Population by Race:

- ❖ White 28.7%
- ❖ Black 24.4%
- ❖ Hispanic or Latino Origin 41.4% (of any race)
- ❖ American Indian 0.1%
- ❖ Asian or Pacific Islander 3.5%
- ❖ Other Race 0.2%
- ❖ Two or more races 1.7%

Median age - 32.7

- Persons under 5 years old 7.7%
- Persons over 18 years old 75.1%
- Persons 65 and over 10.0%

Economic Characteristics:

- Median household income \$47,243
- Median family income \$51,388
- Per capita income \$30,739

Housing Characteristics:

- ✓ Renter-occupied housing units 59.2%
- ✓ Vacant housing units 9.6%

Area - 384.7 square miles

Source: U.S. Census Bureau, American FactFinder, 2016 American Community Survey

City of Farmers Branch

Population - 31,052; Male 48.4%, Female 51.6%

Population by Race:

- ❖ White 45.2%
- ❖ Black 3.4%
- ❖ Hispanic or Latino Origin 43.4% (of any race)
- ❖ American Indian 0.1%
- ❖ Asian or Pacific Islander 5.6%
- ❖ Other Race 0.1%
- ❖ Two or more races 2.2%

Median age - 36.7

- Persons under 5 years old 6.3%
- Persons over 18 years old 76.4%
- Persons 65 and over 13.6%

Economic Characteristics:

- Median household income \$60,973
- Median family income \$64,962
- Per capita income \$30,054

Housing Characteristics:

- ✓ Owner-occupied housing units 58.3%
- ✓ Renter-occupied housing units 41.7%
- ✓ Vacant housing units 8.2%

Area - 12.1 square miles

Source: U.S. Census Bureau, American FactFinder, 2011-15 American Community Survey

City of Irving

Population - 238,284; Male 49.2%, Female 50.8%

Population by Race:

- ❖ White 21.7%
- ❖ Black 13.0%
- ❖ Hispanic or Latino Origin 43.6% (of any race)
- ❖ American Indian 0.3%
- ❖ Asian or Pacific Islander 19.5%
- ❖ Other Race 0.1%
- ❖ Two or more races 1.8%

Median age - 32.0

- Persons under 5 years old 7.6%
- Persons over 18 years old 73.8%
- Persons 65 and over 8.2%

Economic Characteristics:

- Median household income \$61,362
- Median family income \$68,367
- Per capita income \$28,568

City of Irving - continued

Housing Characteristics:

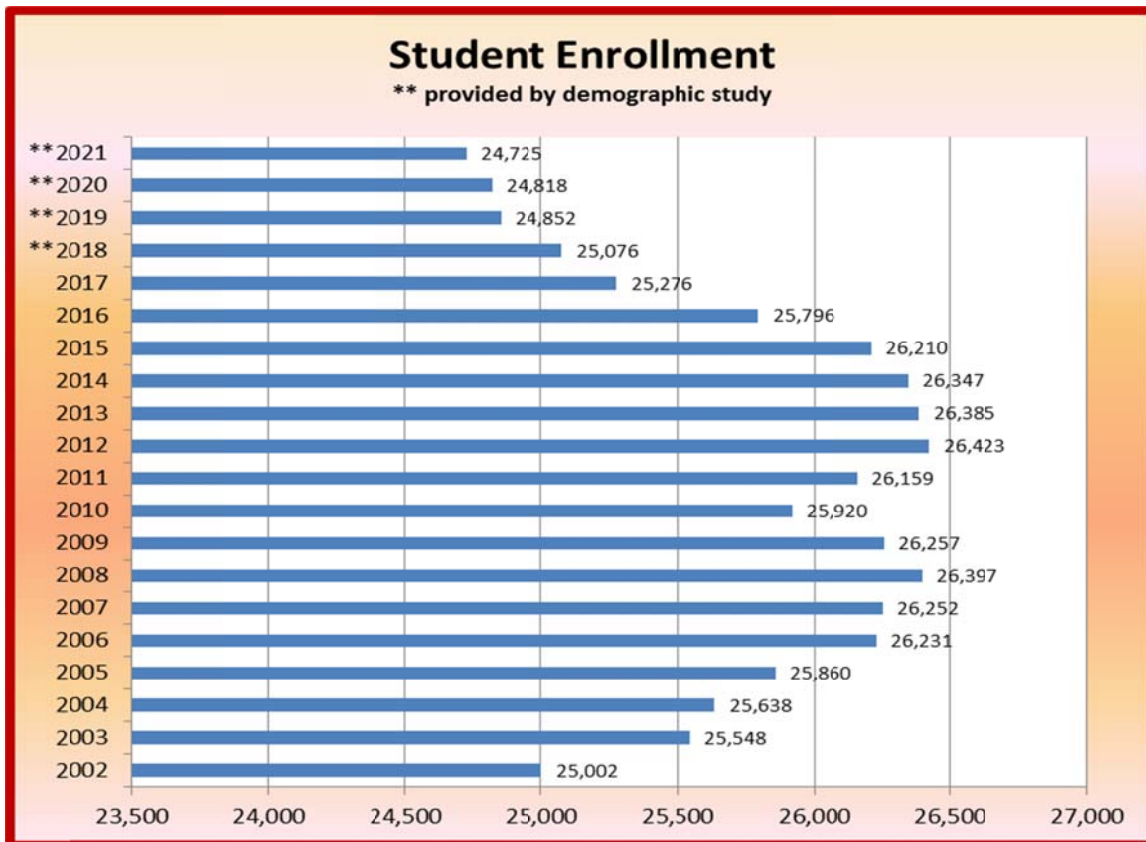
- ✓ Owner-occupied housing units 38.3%
- ✓ Renter-occupied housing units 61.7%
- ✓ Vacant housing units 6.7%

Area - 67.6 square miles

Source: U.S. Census Bureau, American FactFinder, 2016 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, 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 for 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 INITIATIVES

Capital Projects Since 1990, in four separate elections, the voters of the Carrollton-Farmers Branch Independent School District have authorized over \$600 million in general obligation bonds. The most recent election in 2003 was for \$300.165 million alone and passed by more than 78 percent of the votes. The District has issued all the outstanding bonds from the 2003 bond election. The scheduled remaining projects include additions and repairs to elementary schools, additions to middle schools and 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.

MAJOR INITIATIVES – continued

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 *Learn More. Achieve More.*

The mission of the Carrollton-Farmers Branch Independent School district is *Continuous Improvement.*

The goal of the Carrollton-Farmers Branch ISD is *high achievement for each student.*

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

- Continuously improve student learning;
- 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 C-FB, we value the Principles of Teaching, Learning, and Curriculum and the Principles of Best Practice.

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 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 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 Driven by Data Protocol. 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 strong in the Dallas-Fort Worth area. 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 itself is a primary warehousing and distribution center. 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 0.97% of the taxable value of the district. This lack of dependence on a single employer or business segment means that the loss of even a large business will not have a significant negative impact on the education of children, or imperil the future payment of obligations.

The location of the District along Interstate 35, Interstate 635, Bush Tollway and the Dallas North Tollway together with its proximity to the Dallas-Fort Worth International Airport (approximately eight miles from the District), has provided a major impetus for growth in the northwest quadrant of Dallas County and the school district. The upgrading of the road system within the metroplex continues to be a plus for the District. A combination of interstate highways, state highways, a light rail system and toll roads ensures 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. The Dallas Area Rapid Transit (DART) light rail system has major stops in the District. The Cities of Carrollton and Farmers Branch have initiated plans in these transit areas for high-density housing, retail, restaurants and offices in a quality urban environment. These projects are underway in various areas of the cities. A major highway widening project is nearing completion for Interstate 35, 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 former 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. While construction has been sporadic, there has been significant new activity in both commercial and residential projects.

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

ECONOMIC CONDITIONS AND OUTLOOK – continued

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 and replaced with a complete new urban environment. This development includes 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. Additional redevelopment projects are also underway on a smaller scale in both the 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; the latest plan includes 656 single family and 1,750 multi-family units as well as an amenity center, amphitheater, senior living, hotel and commercial buildings. The development project has moved out of the planning stage into the early construction phase. Construction is expected to continue over the coming years. Several other multi-family projects have been completed along with one commercial project.

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 2016-17 budget years.
- In an election held on November 8, 2016, voters residing in the District passed a Tax Ratification election which increased the District's maintenance and operations tax rate from \$1.04 per \$100 of taxable property to \$1.17 per \$100 of taxable value. Unless current law changes, the District will be held to a General Fund tax rate cap of \$1.17/\$100 assessed value.
- 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.

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

The Texas Education Agency is charged with assessing public school students on what they have learned and determining district and school accountability ratings. Since 2013, campuses and districts can earn one of two ratings: Met Standard or Improvement Required.

For the fifth consecutive year, the district earned a rating of ‘Met Standard’. In 2017, 34 out of 36 campuses also earned the ‘Met Standard’ rating.

In 2017, campuses and districts had to meet target scores on three indexes: Index 1 or Index 2 and Index 3 and Index 4 to earn a rating of Met Standard. These same requirements were in place for 2015 and 2016 academic school years.

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 new Progressive 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 Final 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. New SAT format is now comprised of Evidence-based Reading and Writing (EBRW) and Mathematics. SAT mean scores for the graduating class of 2017 surpassed the state average in all areas.

SAT Results for 2017	Mean SAT Scores			
College-Bound Seniors	#Tested	EBRW	Math	Total
National	1,826,137	538	533	1071
State	201,000	512	507	1019
District	910	528	530	1058
Creekview High School	263	546	547	1093
Early College	57	530	537	1067
Ranchview High School	142	523	525	1047
Smith High School	215	524	523	1048
Turner High School	232	515	518	1033

American College Test (ACT)

The American College Test (ACT) is an achievement test with four content exams including English, reading, mathematics, and science, plus an optional writing test and is used as a college entrance exam. ACT scores range from 1-36. ACT mean scores for the 2017 graduating class surpassed the state and national averages in Math and Science.

ACT Results for 2017	Count	Mean ACT Scores				
		English	Math	Reading	Science	Composite
National	2,030,038	20.3	20.7	21.4	21.0	21.0
State	146,608	19.5	20.7	21.1	20.9	20.7
District	439	19.6	21.2	21.0	21.1	20.8
Creekview	125	21.0	22.3	22.9	22.1	22.2
ECHS	53	18.0	20.7	20.3	20.9	20.1
Ranchview	77	18.5	20.0	19.5	20.1	19.6
Smith	67	20.9	22.3	21.5	22.0	21.8
Turner	117	18.6	20.6	20.0	20.1	19.9

OTHER INFORMATION


- The District has been awarded the Certificate of Excellence in Financial Reporting by the Association of School Business Officials (ASBO) for forty 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, 2016. The District has achieved this prestigious award thirty-nine 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 2016-17 Budget Document, produced by the Finance Department, received two awards: the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) of the United States and Canada and the Meritorious Budget Award for excellence from the Association of School Business Officials (ASBO) International.
- In 1999, the 76th Texas Legislature approved legislation requiring the commissioner of education in consultation with the comptroller of public accounts to develop a rating system for school district financial accountability. The 77th Texas Legislature in 2001 subsequently adopted rules for the implementation and administration of the financial accountability rating system known as School FIRST, Financial Integrity Rating System of Texas. The financial accountability rating system benefits the public by having in place a system to ensure that school districts will be held accountable for the quality of their financial management practices and achieve improved performance in the management of their financial management practices and achieve improved performance in the management of their financial resources. The Carrollton-Farmers Branch Independent School District has received a Superior Achievement rating since the implementation of the rating system in the 2002-03 fiscal year.

OTHER INFORMATION – continued

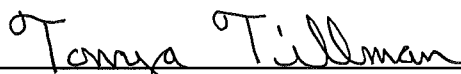
- Carrollton-Farmers Branch Independent School District has one goal: “high achievement for each student.” For the 2016-17 school year C-FB ISD received the highest rating under the state’s accountability system. C-FB ISD campuses also received distinction designations in all areas measured by the state: Reading/English Language Arts, Mathematics and Student progress.
- The Carrollton-Farmers Branch School District graduation rate exceeds the State of Texas (88%) by 6% with a rate of 94.3%.
- In C-FB ISD, high school students have the opportunity to graduate with certifications through our high school academies preparing them for a career right out of high school. In 2017, 253 students earned employable certifications in a career and technology field of study.
- The Carrollton-Farmers Branch ISD was named one of the 100 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 10th 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 Michelle Seese, Director of Accounting; Vicki Pippin, CPA-Director of Financial Reporting; and Scott Roderick, CPA-Chief Financial Officer; 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



Tonya Tillman, CPA
Associate Superintendent for Business Services



Scott Roderick, CPA
Chief Financial Officer



Michele Seese,
Director of Accounting



Vicki Pippin, 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, 2016

Christopher P. Morill

Executive Director/CEO



**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

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

**Carrollton-Farmers Branch
Independent School District**

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended August 31, 2016.**

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 'Anthony N. Dragona'.

Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in black ink, appearing to read 'John D. Musso'.

John D. Musso, CAE
Executive Director

**Carrollton-Farmers Branch
Independent School District**

Principal Officials

Board of Trustees

Board Member	Service Began	Service Expires	Position	Occupation
John Mathews	2015	2018	President	Retired Educator
Nancy Cline	2017	2020	Vice-President	Civil Engineer, TX DOT
Guillermo William Ramos	2016	2019	Secretary	Attorney
Randy Schackmann	2016	2019	Member	Consultant – Non-Profit Organizations
Richard Fleming	2015	2018	Member	State Tax Consultant
Tara Hrbacek	2017	2019	Member	Manager of Financial Operations
Candace Valenzuela	2017	2020	Member	College Application Consultant

Appointed Officials

Name	Position	Years of Service
Bobby Burns, Ed.D.	Superintendent of Schools * Total School district experience 37 years	29 years *
Tonya Tillman, CPA	Associate Superintendent for Business Services * Total School district experience 18 years	5 years *
Georganne Warnock	Associate Superintendent for Educational Services * Total School district experience 18 years	3 years *

Officials Issuing Report

Name	Position	Years of Service
Tonya Tillman, CPA	Associate Superintendent for Business Services * Total School district experience 18 years	5 years *
Scott Roderick, CPA	Chief Financial Officer * Total School district experience 13 years	10 years *
Vicki Pippin, CPA	Director of Financial Reporting * Total School district experience 14 years	14 years *
Michele, Seese	Director of Accounting * Total School district experience 13 years	1 year *

**Carrollton-Farmers Branch
Independent School District**

Consultants and Advisors

Architects

Stantec Architecture
5717 Legacy Drive, Suite 250
Plano, Texas 75024

Corgan Associates
401 North Houston Street
Dallas, Texas 75202

Huckabee and Associates
1755 Wittington Place, Suite 100
Farmers Branch, Texas 75234

Engineers

Estes McClure and Associates
3608 West Way
Tyler, Texas 75703

Bond Counsel

Norton Rose Fulbright US, LLP
2200 Ross Avenue, Suite 2800
Dallas, Texas 75201

Financial Advisor

First Southwest, A Division of Hilltop Securities, Inc.
777 Main Street, Suite 1200
Fort Worth, Texas 76102

General Counsel

Walsh Gallegos Trevino Russo
& Kyle P.C.
105 Decker Court, Suite 600
Irving, Texas 75062

Depository Bank

Wells Fargo Bank, N.A.
1445 Ross Avenue
Dallas, Texas 75202

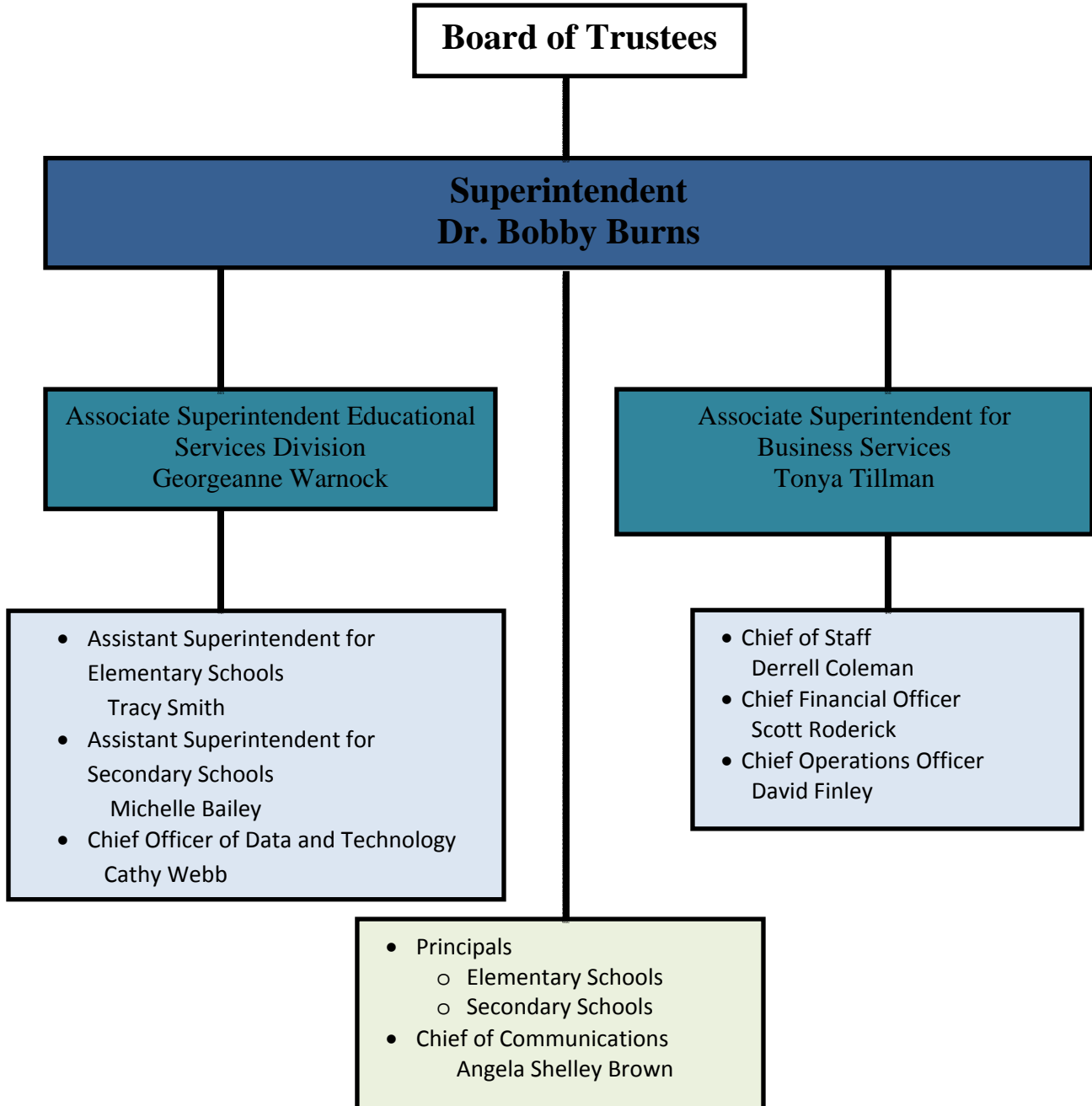
Fiscal Agents

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

Auditors

Hankins, Eastup, Deaton, Tonn & Seay
902 North Locust
Denton, Texas 76202

**Carrollton-Farmers Branch ISD
Organizational Chart
2016-2017**





FINANCIAL SECTION



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

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, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 16 and budgetary comparison information and pension information on pages 65 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 the 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 Uniform Guidance, 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, 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 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 15, 2017 on our consideration of the 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 the District's internal control over financial reporting and compliance.

Hankins, Eastup, Deaton, Tonn & Seay

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

December 15, 2017

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, 2017. 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 17.

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 \$351.8 million. The net position of the District increased by \$41.8 million during the year ended August 31, 2017. This increase does not include a \$1.8 million prior period adjustment related to an increase in prior year State Foundation revenue resulting from a State property value audit.
- The District’s governmental funds financial statements reported combined ending fund balances of \$184.0 million. Of this amount, \$1.0 million is nonspendable fund balance, \$9.0 million is committed fund balance, and \$76.4 million is unassigned fund balance in the General Fund. The remaining fund balance of \$97.6 million is comprised of \$0.5 million in nonspendable fund balance, \$91.8 million in restricted fund balance, \$1.3 million in committed fund balance, and \$4.0 million in assigned fund balance.
- One major middle school renovation project, one middle school addition, an elementary school addition project, and several sound system projects at multiple campuses were completed during fiscal year 2016-17. At year-end, a major HVAC and renovation was underway at the District’s Natatorium. The final projects of the original 2003 bond election are in the planning stages that will include additions to elementary schools and other repairs and projects. Construction related to this bond program will continue through 2018. Technology projects will continue throughout the program.
- The District implemented GASB 68 during 2014-15. A pension liability of \$58.7 million was recorded in the 2016-17 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 \$86.4 million, which is an increase of \$7.0 million from the prior year fund balance of \$79.4 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:

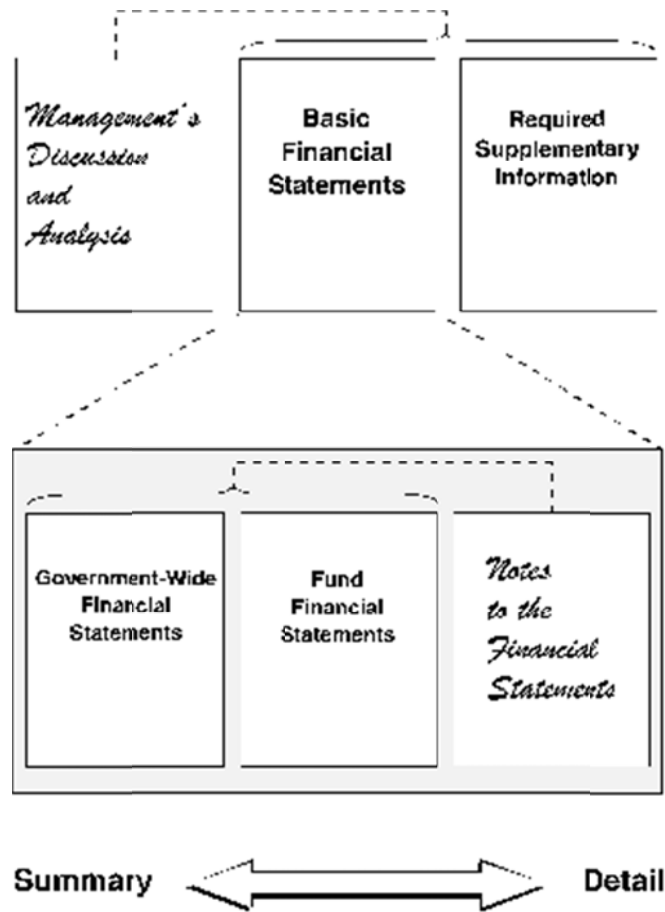
- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, to whom the resources shown belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. The federal financial assistance (federal awards) section includes the schedule of expenditures of federal awards, the 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.
- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's tax base and state funding structure.

MANAGEMENT’S DISCUSSION AND ANALYSIS

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

Fund Financial Statements

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

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

The District has three kinds of funds:

- Governmental funds - Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information (reconciliations) that explain the relationship (or differences) between them.
- Proprietary funds - Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information.
 - We use *internal service funds* to report activities that provide supplies and services for the District’s other programs and activities-such as the District’s Workers’ Compensation Self-Insurance Fund.
 - 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.

MANAGEMENT’S DISCUSSION AND ANALYSIS

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 2016 and 2017 – increasing by \$43.5 million or 14.1% to \$351.8 million at August 31, 2017 (see Table A-1).

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

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current & Other Assets	\$ 215.4	\$ 198.6	\$ 7.1	\$ 6.4	\$ 222.5	\$ 205.0
Capital Assets	418.6	421.5	-	-	418.6	421.5
Total Assets	\$ 634.0	\$ 620.1	\$ 7.1	\$ 6.4	\$ 641.1	\$ 626.5
Deferred Charge for Refunding	\$ 4.6	\$ 5.7	\$ -	\$ -	\$ 4.6	\$ 5.7
Deferred Outflow Related to TRS	36.4	26.9	-	-	36.4	26.90
Deferred Outflow of Resources	\$ 41.0	\$ 32.6	\$ -	\$ -	\$ 41.0	\$ 32.6
Current Liabilities	\$ 19.7	\$ 22.2	\$ 0.2	\$ 0.1	\$ 19.9	\$ 22.3
Long Term Liabilities	300.7	324.7	-	-	300.7	324.7
Total Liabilities	\$ 320.4	\$ 346.9	\$ 0.2	\$ 0.1	\$ 320.6	\$ 347.0
Deferred Inflow Related to TRS	\$ 9.7	\$ 3.7	\$ -	\$ -	\$ 9.7	\$ 3.7
Deferred Inflow of Resources	\$ 9.7	\$ 3.7	\$ -	\$ -	\$ 9.7	\$ 3.7
Net Position						
Net Investment in Capital						
Assets	\$ 230.7	\$ 213.1	\$ -	\$ -	\$ 230.7	\$ 213.1
Restricted	79.3	60.6	-	-	79.3	60.6
Unrestricted	34.9	28.4	6.9	6.2	41.8	34.6
Total Net Position	\$ 344.9	\$ 302.1	\$ 6.9	\$ 6.2	\$ 351.8	\$ 308.3

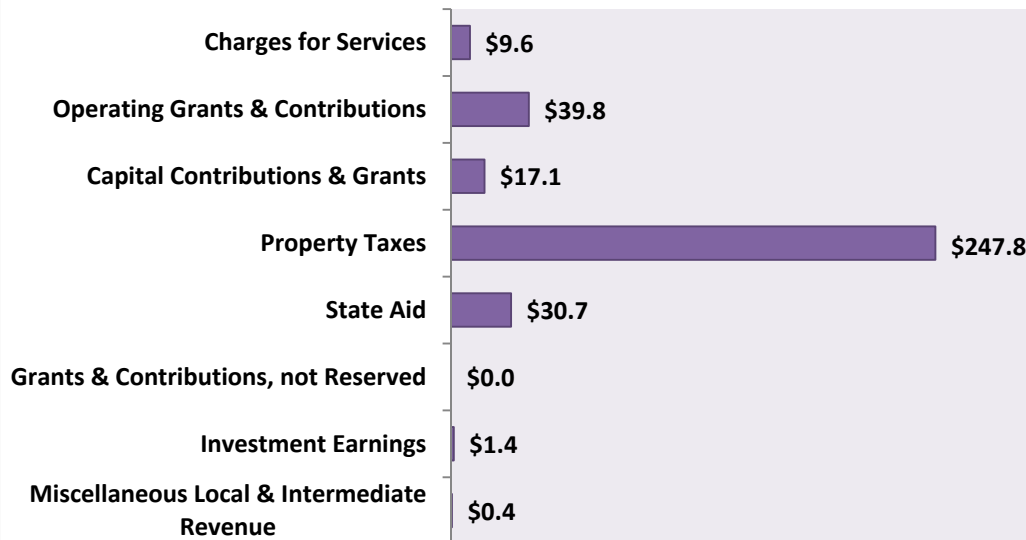
Portions of the net position are either restricted as to the purposes for which they can be used or they are net investment in capital assets. Unrestricted net position increased by \$7.2 million. Unrestricted net position may be used to fund District programs in the next fiscal year. However, this does 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 \$346.8 million representing an increase of \$19.2 million or 5.86%. The majority of this increase relates to property taxes collected due to the rise of property values located within the district. The District decreased the Debt Service tax rate by \$.02 to meet current requirements for principal and interest and increased the Maintenance and Operation tax rate by \$.13 due to voter approval in November 2016. A significant portion, 71.45%, of the District’s revenue comes from taxes. (See Figure A-3, page 10.) Operating grants and contributions represent 11.48% while only 2.77% relates to charges for services.

The total cost of all programs and services was \$305.2 million; an increase over the previous year of \$4.8 million or 1.6%. Instructional and student services represent 53.54% of these costs, a \$3.0 million decrease from the previous year. Payments to the tax increment fund increased \$3.3 million due to appreciation in property values in the Irving Tax Increment Zone. In the plant maintenance & security functional area, expenses decreased by \$0.5 million. Debt services decreased \$1.5 million as current and past bond refundings have reduced interest requirements. In the data processing services functional area, expenses increased by 11.67% or \$0.7 million due to the District’s technology initiative.

MANAGEMENT’S DISCUSSION AND ANALYSIS

**Figure A-3 District Sources of Revenue for
Fiscal Year 2017
(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 \$0.02 per \$100 assessed valuation. In November of 2016, the voters approved a Tax Ratification Election (TRE) and the Maintenance and Operation Tax rate was increased \$0.13 from \$1.04 to \$1.17 per \$100 assessed valuation. Property values increased 7.9%.

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	
	2017	2016	2017	2016	2017	2016
Revenues						
<u>Program Revenues</u>						
Charges for Services	\$ 5.0	\$ 5.1	\$ 4.6	\$ 4.3	\$ 9.6	\$ 9.4
Operating Grants & Contributions	39.8	43.2	-	-	39.8	43.2
Capital Contributions & Grants	17.1	15.0	-	-	17.1	15.0
<u>General Revenues</u>						
Property Taxes	247.8	214.3	-	-	247.8	214.3
State aid - Formula Grants	30.7	44.8	-	-	30.7	44.8
Grants & Contributions Not Restricted	-	-	-	-	-	-
Investment Earnings	1.4	0.6	-	-	1.4	0.6
Miscellaneous Local & Intermediate Revenue	0.4	0.3	-	-	0.4	0.3
Total Revenues	\$ 342.2	\$ 323.3	\$ 4.6	\$ 4.3	\$ 346.8	\$ 327.6
Expenses						
Instruction & Instructional Related	\$ 163.4	\$ 166.4	\$ -	\$ -	\$ 163.4	\$ 166.4
Instructional Leadership and School Leadership	20.3	20.0	-	-	20.3	20.0
Guidance, Social Work, Health & Transportation	18.9	18.8	-	-	18.9	18.8
Food Services	12.5	13.0	-	-	12.5	13.0
Extracurricular	6.6	6.7	-	-	6.6	6.7
General Administration	6.8	6.9	-	-	6.8	6.9
Plant Maintenance & Security	24.9	25.4	-	-	24.9	25.4
Data Processing Services	6.7	6.0	-	-	6.7	6.0
Community Services	0.3	0.4	-	-	0.3	0.4
Debt Services	8.2	9.7	-	-	8.2	9.7
Contracted Instructional Services Between Schools	5.9	-	-	-	5.9	-
Payments to Tax Increment Fund	25.9	22.6	-	-	25.9	22.6
Other Intergovernmental Charges After the Bell Child Care	0.9	0.9	-	-	0.9	0.9
	-	-	3.9	3.6	3.9	3.6
Total Expenses	\$ 301.3	\$ 296.8	\$ 3.9	\$ 3.6	\$ 305.2	\$ 300.4
Increase/(Decrease) in net position	\$ 40.9	\$ 26.5	\$ 0.7	\$ 0.7	\$ 41.6	\$ 27.2
Beginning net position	302.1	276.2	6.2	5.5	308.3	281.7
Prior Period Adjustment	1.9	(0.6)	-	-	1.9	(0.6)
Ending net position	\$ 344.9	\$ 302.1	\$ 6.9	\$ 6.2	\$ 351.8	\$ 308.3

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 \$305.2 million, an increase of \$4.8 million or 1.6% over the prior year. Most functional categories did not encounter significant changes from the prior year. The functional categories attributed to Plant Maintenance and Security increased \$0.8 million due to major HVAC repairs and maintenance. Data Processing and Services increased \$0.7 million due to the removal of old cabling and the installation of new, network equipment upgrades, and the purchase of backup power equipment for 21 campus locations. The District strives to reduce costs through continued evaluation of processes to gain efficiencies where possible.
- The amount that our taxpayers paid for these activities through property taxes was \$247.8 million.
- \$9.6 million were paid by those who directly benefited from the programs.
- Operating grants and contributions totaled \$39.8 million.

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

	<u>Total Cost of</u>			<u>Net Cost of</u>		
	<u>Services</u>		<u>% Change</u>	<u>Services</u>		<u>% Change</u>
	<u>2017</u>	<u>2016</u>		<u>2017</u>	<u>2016</u>	
11 Instruction	\$ 151.1	\$ 154.0	-1.88%	\$ 127.2	\$ 127.9	-0.55%
13 Curriculum & Staff Development	7.5	7.6	-1.32%	\$ 4.1	\$ 4.4	-6.82%
23 School Leadership	16.5	16.3	1.23%	\$ 15.5	\$ 14.9	4.03%
31 Guidance, Counseling, & Evaluation	11.0	10.0	10.00%	\$ 10.0	\$ 9.7	3.09%
35 Food Service	12.5	13.0	-3.85%	\$ 0.7	\$ 0.9	-22.22%
51 Plant maintenance and Operations	23.2	23.8	-2.52%	\$ 22.0	\$ 22.3	-1.35%
53 Data Processing Services	6.7	6.0	11.67%	\$ 6.4	\$ 5.8	10.34%

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 \$339.8 million, an increase of \$23.2 million from the preceding year. Property taxes were the largest source of revenue received by the District. The District’s total taxable values increased \$1.3 billion or 7.9% which resulted in an increase of property tax revenue of \$33.4 million or 15.57%. 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 \$.02.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Expenditures for general governmental operations totaled \$323.5 million during fiscal year 2017. The total decrease in expenditures was \$3.4 million. The largest increase in expenditures was \$5.9 million in the functional category of Payment for Contracted Instructional Services Between Schools which is also known as a Chapter 41 recapture payment. Due to the \$.13 increase in the District's tax rate as a result of the Tax Ratification election (TRE) and a reduction in the District's equalized wealth level, the school finance system recaptures funds in excess of the allowable amount to assist with the funding of public education in property poor school districts. Payments to the Tax Increment Fund increased \$3.3 million due to the appreciation of values in the Irving Tax Increment Zone. Data Processing Services increased by \$2.3 million due to the replacement of aging network switch equipment in 21 campuses across the District. The largest decreases were in Debt Service by \$1.0 million due to current and past bond refundings and Facilities Acquisition and Construction by \$15.2 million as major construction projects were completed and fewer major projects were initiated.
- 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 has completed several major projects that include: a new elementary, school additions and renovations, a renovation of the District Natatorium, and several HVAC projects. Planning has started on remaining repairs to middle and elementary schools.
- The governmental funds reported a combined fund balance of \$184.0 million, an increase of \$18.6 million. The combined fund balance was comprised of a fund balance increase in the General Fund of \$7.0 million and a fund balance increase in the Debt Service Fund of \$0.7 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 3.5% raise for all employees increased District expenditures. The City of Irving TIF # 1 (Tax Increment Fund) fund balance increased \$15.1 million due to the completion of an addition to a high school located within the tax increment zone and no additional large projects started before year-end. Increasing property values within the tax increment zone has continued to increase revenue to help offset construction costs. The Capital Projects Fund balance decreased \$10.3 million. The Capital Projects Fund has completed the additions to a high school and an elementary school addition in the western portion of the district and multiple HVAC projects. Out of the combined fund balances, \$1.1 million constitutes nonspendable fund balance, \$9.0 million has been committed in the general fund for building construction and repairs and technology capital replacement, and \$76.4 million constitutes unassigned fund balance available for the general operations of the District. The remainders of the fund balances are either restricted, committed, or assigned 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 \$10.3 million below final budget amounts. The most significant positive variance resulted in Instruction. Several factors contributed to the positive variance in the Instruction functional area. In an effort to reduce positions, the District has made a concerted effort to reduce costs in all areas such as increased secondary class size and/or teaching load to 28 as well as consolidating personnel in areas where student performance would be least affected. The District did not expend the full amount that was budgeted for substitutes for instructional staff and there was no performance pay awarded during 2016-17. Another significant variance was in Facilities Maintenance and Operations in the amount of \$2.2 million. This variance can be attributed to the new utility rates the District has in place and also an effort to reduce costs in all areas.
- 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.
- Function 41, General Administration experienced a positive variance due to lower than expected legal fees.

MANAGEMENT’S DISCUSSION AND ANALYSIS

- Revenues available were \$1.2 million under the final budget amount. The District experienced a greater than expected decline in student enrollment which reduced State program revenues.
- Data Processing Services actual expenditures were \$0.2 million below final budget amounts. The District proceeded with the upgrade of network equipment used to enhance and maintain the foundation of the District’s technology infrastructure to connect all of the wired and wireless technology. A reduction in overtime compensation contributed to the positive variance in this functional area.

Capital Assets and Debt Administration

Capital Assets

At August 31, 2017, the District had invested \$418.6 (net of depreciation) million in a broad range of capital assets, including land, buildings, equipment, and vehicles. (See Table A-4.) This amount represents a net decrease (including additions and deductions) of \$2.9 million or .7% over last year. Most of this decrease was due to a reduced number of construction projects in 2017 from prior years and increased depreciation expense due to the completion of those projects that were in progress at the end of the previous fiscal year. Additional information regarding Capital Assets is available in the Notes to the Financial Statements, page 49.

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

	Governmental Activities		Total % Change
	2017	2016	
Land	\$ 61.4	\$ 61.4	0.00%
Buildings, building improvements & land improvements (net)	340.0	337.8	0.65%
Construction in progress	8.3	16.7	-50.30%
Furniture and equipment (net)	8.9	5.6	58.93%
Totals at historical costs	\$ 418.6	\$ 421.5	-0.69%

MANAGEMENT’S DISCUSSION AND ANALYSIS

Debt Administration

At year-end, the District had \$211.8 million in bonds and notes outstanding due in more than one year. (See below Table A-5.) More detailed information about the District’s debt is presented in the Notes to the Financial Statements, pages 50-52.

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

	Governmental		Total % Change
	<u>2017</u>	<u>2016</u>	
Bonds Payable	\$ 211.8	\$ 244.6	-13.41%
Net Pension Liability	58.7	49.9	17.64%
Other Long Term Debt payable	30.2	30.2	0.00%
Sub-Total	<u>\$ 300.7</u>	<u>\$ 324.7</u>	-7.39%
Less Current Portion	(34.1)	(31.6)	7.91%
Total due in more than one year	<u><u>\$ 266.6</u></u>	<u><u>\$ 293.1</u></u>	-9.04%

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 2018 budget preparation increased \$1,454.0 million or 7.9% from 2017.
- General operating fund spending per student in the 2018 budget increases from \$8,464 to \$8,961 (excluding the Chapter 41 and Tax Increment Financing payments). This is a 5.87% increase.
- The District’s enrollment in 2017 was 25,276, a decrease of 520 or -2.02% from 2016. The District is not anticipating significant student growth in 2018.
- The District’s attendance rate decreased 0.1% from 95.8% for 2016 to 95.7% for 2017.

These indicators were taken into account when adopting the general fund budget for 2018. The State funding formulas have changed significantly with the passage of House Bill 1 (80th Legislature) and the target revenue

MANAGEMENT’S DISCUSSION AND ANALYSIS

concept. Although the 83rd Texas Legislature altered some of the state funding formulas, the target revenue system remains in place. House Bill 1 funding mechanism is designed to keep the revenue per weighted average daily attendance flat from one year to the next; this is called a target revenue model. Although House Bill 3646 (passed in 2009) adjusted the target revenue amount by \$120 per student, most of this increase was used for a mandated raise for teachers, librarians, counselors, nurses and speech pathologists. The passage of Senate Bill 1 by the 82nd Legislature reduced the basic regular 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 2016-17.

General Fund expenditures are budgeted to increase 2.89% to \$263.3 million over the original 2017 budgeted amounts of \$256.0 million. For 2017-18, the District implemented a 4.0% pay adjustment for all teachers and auxiliary staff and a 3.0% pay adjustment for professional staff at Pay grade PA4 and above. Adjustments were also made to masters, doctorate, and bilingual stipends. The District has set aside funds to purchase new buses to help replace the aging fleet. The District will move forward with the technology initiative that will address mobile devices and upgrades of campus network operating centers. 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 not projected to increase or decrease by the close of the 2018 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, Vicki Pippin, at 1445 N. Perry Road, Carrollton, Texas 75011-5186, (972) 968-6115, e-mail pippinv@cfbisd.edu.

BASIC FINANCIAL STATEMENTS



CARROLLTON-FARMERS BRANCH ISD
STATEMENT OF NET POSITION
AUGUST 31, 2017

EXHIBIT A-1

Data Control Codes	1	2	3
	Primary Government		
	Governmental Activities	Business Type Activities	Total
ASSETS			
1110 Cash and Cash Equivalents	\$ 206,166,167	\$ 6,991,404	\$ 213,157,571
1220 Property Taxes Receivable (Delinquent)	6,574,507	-	6,574,507
1230 Allowance for Uncollectible Taxes	(3,698,279)	-	(3,698,279)
1240 Due from Other Governments	4,502,329	-	4,502,329
1250 Accrued Interest	143,318	-	143,318
1260 Internal Balances	1,129	(1,129)	-
1290 Other Receivables, net	195,060	97,296	292,356
1300 Inventories	1,592,047	-	1,592,047
Capital Assets:			
1510 Land	61,365,108	-	61,365,108
1520 Buildings, Net	340,038,349	-	340,038,349
1530 Furniture and Equipment, Net	8,868,085	-	8,868,085
1580 Construction in Progress	8,295,356	-	8,295,356
1000 Total Assets	<u>634,043,176</u>	<u>7,087,571</u>	<u>641,130,747</u>
DEFERRED OUTFLOWS OF RESOURCES			
1701 Deferred Charge for Refunding	4,608,017	-	4,608,017
1705 Deferred Outflow Related to TRS	36,401,947	-	36,401,947
1700 Total Deferred Outflows of Resources	<u>41,009,964</u>	<u>-</u>	<u>41,009,964</u>
LIABILITIES			
2110 Accounts Payable	5,433,637	2,750	5,436,387
2140 Interest Payable	296,371	-	296,371
2150 Payroll Deductions & Withholdings	5,373	-	5,373
2160 Accrued Wages Payable	8,431,354	161,938	8,593,292
2180 Due to Other Governments	4,791,527	-	4,791,527
2300 Unearned Revenue	737,787	-	737,787
Noncurrent Liabilities			
2501 Due Within One Year	34,066,951	-	34,066,951
2502 Due in More Than One Year	207,921,241	-	207,921,241
2540 Net Pension Liability (District's Share)	58,699,831	-	58,699,831
2000 Total Liabilities	<u>320,384,072</u>	<u>164,688</u>	<u>320,548,760</u>
DEFERRED INFLOWS OF RESOURCES			
2605 Deferred Inflow Related to TRS	9,724,667	-	9,724,667
2600 Total Deferred Inflows of Resources	<u>9,724,667</u>	<u>-</u>	<u>9,724,667</u>
NET POSITION			
3200 Net Investment in Capital Assets	230,706,784	-	230,706,784
Restricted:			
3820 Restricted for Federal and State Programs	3,370,594	-	3,370,594
3850 Restricted for Debt Service	10,050,706	-	10,050,706
3890 Restricted for Other Purposes	65,868,256	-	65,868,256
3900 Unrestricted	34,948,061	6,922,883	41,870,944
3000 Total Net Position	<u>\$ 344,944,401</u>	<u>\$ 6,922,883</u>	<u>\$ 351,867,284</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, 2017

Data Control Codes	Program Revenues				
	1 Expenses	3 Charges for Services	4 Operating Grants and Contributions	5 Capital Grants and Contributions	
Primary Government:					
GOVERNMENTAL ACTIVITIES:					
11	Instruction	\$ 151,133,616	\$ 976,206	\$ 22,912,340	\$ -
12	Instructional Resources and Media Services	4,776,539	15,195	217,100	-
13	Curriculum and Staff Development	7,517,763	5,021	3,395,394	-
21	Instructional Leadership	3,765,386	-	265,841	-
23	School Leadership	16,499,869	46,563	999,627	-
31	Guidance, Counseling and Evaluation Services	10,973,460	97,777	836,555	-
32	Social Work Services	71,490	-	4,792	-
33	Health Services	2,918,559	132	183,732	-
34	Student (Pupil) Transportation	4,820,832	-	3,109	-
35	Food Services	12,455,369	2,529,948	9,189,051	-
36	Extracurricular Activities	6,612,848	839,519	37,961	-
41	General Administration	6,814,081	-	416,305	-
51	Facilities Maintenance and Operations	23,206,837	454,696	734,171	-
52	Security and Monitoring Services	1,720,154	3,039	63,118	-
53	Data Processing Services	6,694,892	-	260,027	-
61	Community Services	294,543	661	250,668	-
72	Debt Service - Interest on Long Term Debt	7,869,469	-	-	-
73	Debt Service - Bond Issuance Cost and Fees	342,306	-	-	-
91	Contracted Instructional Services Between Schools	5,945,227	-	-	-
95	Payments to Juvenile Justice Alternative Ed. Prg.	5,166	-	-	-
97	Payments to Tax Increment Fund	25,873,965	-	-	17,061,745
99	Other Intergovernmental Charges	965,009	-	-	-
	[TG] Total Governmental Activities:	<u>301,277,380</u>	<u>4,968,757</u>	<u>39,769,791</u>	<u>17,061,745</u>
BUSINESS -TYPE ACTIVITIES:					
01	Enterprise Funds - After the Bell	<u>3,863,885</u>	<u>4,563,194</u>	<u>-</u>	<u>-</u>
	[TB] Total Business-Type Activities:	<u>3,863,885</u>	<u>4,563,194</u>	<u>-</u>	<u>-</u>
	[TP] TOTAL PRIMARY GOVERNMENT:	<u>\$ 305,141,265</u>	<u>\$ 9,531,951</u>	<u>\$ 39,769,791</u>	<u>\$ 17,061,745</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
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
\$ (127,245,070)	-	\$ (127,245,070)
(4,544,244)	-	(4,544,244)
(4,117,348)	-	(4,117,348)
(3,499,545)	-	(3,499,545)
(15,453,679)	-	(15,453,679)
(10,039,128)	-	(10,039,128)
(66,698)	-	(66,698)
(2,734,695)	-	(2,734,695)
(4,817,723)	-	(4,817,723)
(736,370)	-	(736,370)
(5,735,368)	-	(5,735,368)
(6,397,776)	-	(6,397,776)
(22,017,970)	-	(22,017,970)
(1,653,997)	-	(1,653,997)
(6,434,865)	-	(6,434,865)
(43,214)	-	(43,214)
(7,869,469)	-	(7,869,469)
(342,306)	-	(342,306)
(5,945,227)	-	(5,945,227)
(5,166)	-	(5,166)
(8,812,220)	-	(8,812,220)
(965,009)	-	(965,009)
(239,477,087)	-	(239,477,087)
-	699,309	699,309
-	699,309	699,309
(239,477,087)	699,309	(238,777,778)
208,294,110	-	208,294,110
39,525,673	-	39,525,673
30,744,891	-	30,744,891
42,997	-	42,997
1,426,840	37,736	1,464,576
407,144	-	407,144
280,441,655	37,736	280,479,391
40,964,568	737,045	41,701,613
302,139,812	6,185,838	308,325,650
1,840,021	-	1,840,021
\$ 344,944,401	\$ 6,922,883	\$ 351,867,284

CARROLLTON-FARMERS BRANCH ISD
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2017

Data Control Codes	10 General Fund	City of Irving TIF #1	50 Debt Service Fund
ASSETS			
1110 Cash and Investments	\$ 97,231,402	\$ 55,685,004	\$ 9,673,552
1220 Property Taxes - Delinquent	5,215,038	-	1,359,469
1230 Allowance for Uncollectible Taxes (Credit)	(3,109,145)	-	(589,134)
1240 Receivables from Other Governments	2,897,680	-	-
1250 Accrued Interest	129,923	-	-
1260 Due from Other Funds	4,779,039	-	-
1290 Other Receivables	37,862	-	5,816
1300 Inventories	1,090,146	-	-
1000 Total Assets	<u>\$ 108,271,945</u>	<u>\$ 55,685,004</u>	<u>\$ 10,449,703</u>
LIABILITIES			
2110 Accounts Payable	\$ 3,572,466	\$ 156,145	\$ -
2150 Payroll Deductions and Withholdings Payable	5,373	-	-
2160 Accrued Wages Payable	7,717,903	-	-
2170 Due to Other Funds	3,798,522	-	85,856
2180 Due to Other Governments	4,782,649	-	8,878
2300 Unearned Revenues	34,679	-	7,892
2000 Total Liabilities	<u>19,911,592</u>	<u>156,145</u>	<u>102,626</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	1,918,113	-	720,136
2600 Total Deferred Inflows of Resources	<u>1,918,113</u>	<u>-</u>	<u>720,136</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	1,090,146	-	-
Restricted Fund Balance:			
3450 Food Service	-	-	-
3470 Capital Acquisition & Contractual Obligation	-	-	-
3480 Retirement of Long-Term Debt	-	-	9,626,941
3490 Tax Increment Zone	-	55,528,859	-
Committed Fund Balance:			
3540 Building Construction, Repairs, and	3,000,000	-	-
3545 Technology Capital Replacement	3,000,000	-	-
3545 Transportation Upgrades	3,000,000	-	-
3545 Campus Activity Funds	-	-	-
Assigned Fund Balance:			
3590 Education, Technology, & Operational Funds	-	-	-
3600 Unassigned Fund Balance	76,352,094	-	-
3000 Total Fund Balances	<u>86,442,240</u>	<u>55,528,859</u>	<u>9,626,941</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 108,271,945</u>	<u>\$ 55,685,004</u>	<u>\$ 10,449,703</u>

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

60 Capital Projects	Other Funds	Total Governmental Funds
\$ 14,201,716	\$ 20,046,841	\$ 196,838,515
-	-	6,574,507
-	-	(3,698,279)
-	1,604,649	4,502,329
7,986	-	137,909
-	4,441	4,783,480
-	1,360	45,038
-	501,901	1,592,047
<u>\$ 14,209,702</u>	<u>\$ 22,159,192</u>	<u>\$ 210,775,546</u>
\$ 818,574	\$ 886,452	\$ 5,433,637
-	-	5,373
-	710,917	8,428,820
-	897,973	4,782,351
-	-	4,791,527
-	695,216	737,787
<u>818,574</u>	<u>3,190,558</u>	<u>24,179,495</u>
-	-	2,638,249
-	-	2,638,249
-	501,901	1,592,047
-	2,868,693	2,868,693
13,391,128	-	13,391,128
-	-	9,626,941
-	10,339,397	65,868,256
-	-	3,000,000
-	-	3,000,000
-	-	3,000,000
-	1,258,532	1,258,532
-	4,000,111	4,000,111
-	-	76,352,094
<u>13,391,128</u>	<u>18,968,634</u>	<u>183,957,802</u>
<u>\$ 14,209,702</u>	<u>\$ 22,159,192</u>	<u>\$ 210,775,546</u>



CARROLLTON-FARMERS BRANCH ISD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2017

Total Fund Balances - Governmental Funds	\$ 183,957,802
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 net position.	7,628,884
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.	785,493,419
3 Accumulated depreciation has not been included in the governmental fund financial statements.	(366,926,521)
4 Bonds payable and contractual obligations have not been included in the governmental fund financial statements.	(211,775,000)
5 Premium on issuance of debt were not recognized on the balance sheet for governmental funds.	(26,147,994)
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.	4,608,017
7 Deferred inflows reported as unavailable revenue in the governmental fund financial statements were recorded as revenue in the government-wide financial statements.	2,638,249
8 Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements an interest expense is reported when due.	(296,371)
9 Compensated absences are accrued in the government-wide financial statements but not in the governmental fund financial statements.	(2,213,533)
10 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68 in the amount of \$58,699,831 a Deferred Resource Inflow related to TRS in the amount of \$9,724,667 and a Deferred Resource Outflow related to TRS in the amount of \$36,401,947. This amounted to a decrease in Net Position in the amount of \$32,022,551.	(32,022,551)
19 Net Position of Governmental Activities	<u>\$ 344,944,401</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, 2017

Data Control Codes	10 General Fund	City of Irving TIF #1	50 Debt Service Fund
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 210,421,797	\$ 15,970,014	\$ 39,465,845
5800 State Program Revenues	39,852,231	-	658,579
5900 Federal Program Revenues	4,550,671	-	-
5020 Total Revenues	<u>254,824,699</u>	<u>15,970,014</u>	<u>40,124,424</u>
EXPENDITURES:			
Current:			
0011 Instruction	124,797,595	3,186	-
0012 Instructional Resources and Media Services	3,742,594	-	-
0013 Curriculum and Instructional Staff Development	3,960,398	-	-
0021 Instructional Leadership	3,529,168	-	-
0023 School Leadership	14,977,200	-	-
0031 Guidance, Counseling and Evaluation Services	10,119,897	-	-
0032 Social Work Services	68,530	-	-
0033 Health Services	2,743,026	-	-
0034 Student (Pupil) Transportation	4,785,729	-	-
0035 Food Services	75,368	-	-
0036 Extracurricular Activities	4,721,834	-	-
0041 General Administration	6,025,530	2,512	-
0051 Facilities Maintenance and Operations	22,884,486	-	-
0052 Security and Monitoring Services	1,738,794	-	-
0053 Data Processing Services	8,488,361	-	-
0061 Community Services	57,194	-	-
Debt Service:			
0071 Principal on Long Term Debt	-	-	30,310,000
0072 Interest on Long Term Debt	-	-	9,141,542
0073 Bond Issuance Cost and Fees	-	-	342,306
Capital Outlay:			
0081 Facilities Acquisition and Construction	262,543	865,313	-
Intergovernmental:			
0091 Contracted Instructional Services Between Schools	5,945,227	-	-
0095 Payments to Juvenile Justice Alternative Ed. Prg.	5,166	-	-
0097 Payments to Tax Increment Fund	25,873,965	-	-
0099 Other Intergovernmental Charges	965,009	-	-
6030 Total Expenditures	<u>245,767,614</u>	<u>871,011</u>	<u>39,793,848</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,057,085</u>	<u>15,099,003</u>	<u>330,576</u>
OTHER FINANCING SOURCES (USES):			
7901 Refunding Bonds Issued	-	-	48,420,000
7912 Sale of Real and Personal Property	100,062	-	-
7915 Transfers In	-	-	7,017
7916 Premium or Discount on Issuance of Bonds	-	-	4,592,084
8911 Transfers Out (Use)	(4,000,000)	-	-
8949 Payment to Bond Refunding Escrow Agent (Use)	-	-	(52,677,214)
7080 Total Other Financing Sources (Uses)	<u>(3,899,938)</u>	<u>-</u>	<u>341,887</u>
1200 Net Change in Fund Balances	5,157,147	15,099,003	672,463
0100 Fund Balance - September 1 (Beginning)	79,445,072	40,429,856	8,954,478
1300 Prior Period Adjustment	1,840,021	-	-
3000 Fund Balance - August 31 (Ending)	<u>\$ 86,442,240</u>	<u>\$ 55,528,859</u>	<u>\$ 9,626,941</u>

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

60 Capital Projects	Other Funds	Total Governmental Funds
\$ 136,776	\$ 5,426,191	\$ 271,420,623
-	2,226,561	42,737,371
-	21,130,642	25,681,313
136,776	28,783,394	339,839,307
-	10,850,817	135,651,598
-	27,662	3,770,256
-	3,224,900	7,185,298
-	83,742	3,612,910
-	68,755	15,045,955
-	301,798	10,421,695
-	-	68,530
-	160	2,743,186
-	2,520	4,788,249
-	11,168,975	11,244,343
-	472,916	5,194,750
-	115,618	6,143,660
-	1,092	22,885,578
-	3,062	1,741,856
-	89,511	8,577,872
-	250,255	307,449
-	-	30,310,000
-	-	9,141,542
-	-	342,306
10,421,823	-	11,549,679
-	-	5,945,227
-	-	5,166
-	-	25,873,965
-	-	965,009
10,421,823	26,661,783	323,516,079
(10,285,047)	2,121,611	16,323,228
-	-	48,420,000
-	-	100,062
-	4,000,000	4,007,017
-	-	4,592,084
(7,017)	-	(4,007,017)
-	-	(52,677,214)
(7,017)	4,000,000	434,932
(10,292,064)	6,121,611	16,758,160
23,683,192	12,847,023	165,359,621
-	-	1,840,021
\$ 13,391,128	\$ 18,968,634	\$ 183,957,802

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, 2017

Total Net Change in Fund Balances - Governmental Funds	\$ 16,758,160
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.	370,848
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 2017 capital outlays is to increase net position.	16,324,819
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.	(19,227,681)
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.	30,310,000
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 \$53,012,084 include \$48,420,000 par amount of bonds plus \$4,592,084 of premium paid.	(53,012,084)
Current year payment to escrow agent for refunded debt are other uses in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements. The net payment of \$52,677,214 included bonds of \$50,960,000 (par amount) plus accrued interest of \$1,717,214.	50,960,000
Interest is accrued on outstanding debt in the government-wide financial statements whereas in the fund financial statements, interest expenditures are reported when due.	147,506
The liability for accrued compensated absences is not recognized in the governmental funds. The effect of recording the current year's liability is to increase net position.	560,588
Amortization 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.	3,983,562
Amortization of deferred charges on bond refundings is not recognized in the governmental funds. The effect of recording current year's amortization is to decrease net position.	(1,141,781)

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, 2017

<p>Revenue from property taxes is unavailable in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed net of allowance for uncollectible accounts in the government-wide statements.</p>	245,892
<p>The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred outflows of resources. Pension contributions made after the measurement date of August 31, 2016, caused the change in the ending net position to increase by \$155,964. Additional pension expense recorded in the government-wide financial statements under GASB 68 caused a decrease in the change in net position of \$5,471,225. The net effect of these items is to decrease the change in net position by \$5,315,261.</p>	(5,315,261)
<p>Change in Net Position of Governmental Activities</p>	<hr style="border: 0.5px solid black;"/> \$ 40,964,568 <hr style="border: 0.5px solid black;"/>

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, 2017

EXHIBIT D-1

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Internal Service Fund
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 6,991,404	\$ 9,327,652
Accrued Interest	-	5,409
Due from Other Funds	150	-
Other Receivables	97,296	150,022
Total Assets	7,088,850	9,483,083
LIABILITIES		
Current Liabilities:		
Accounts Payable	2,750	-
Accrued Wages Payable	161,938	2,534
Due to Other Funds	1,279	-
Accrued Expenses	-	1,092,833
Total Current Liabilities	165,967	1,095,367
Noncurrent Liabilities:		
Other Long-Term Debt - Due in More than One Year	-	758,832
Total Noncurrent Liabilities	-	758,832
Total Liabilities	165,967	1,854,199
NET POSITION		
Unrestricted Net Position	6,922,883	7,628,884
Total Net Position	\$ 6,922,883	\$ 7,628,884

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, 2017

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Internal Service Fund
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 4,563,194	\$ 1,284,310
Total Operating Revenues	<u>4,563,194</u>	<u>1,284,310</u>
OPERATING EXPENSES:		
Payroll Costs	3,449,782	124,815
Professional and Contracted Services	143,005	48,000
Supplies and Materials	172,535	-
Other Operating Costs	98,563	801,654
Total Operating Expenses	<u>3,863,885</u>	<u>974,469</u>
Operating Income	<u>699,309</u>	<u>309,841</u>
NONOPERATING REVENUES (EXPENSES):		
Earnings from Temporary Deposits & Investments	<u>37,736</u>	<u>61,007</u>
Total Nonoperating Revenues (Expenses)	<u>37,736</u>	<u>61,007</u>
Change in Net Position	737,045	370,848
Total Net Position - September 1 (Beginning)	<u>6,185,838</u>	<u>7,258,036</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 6,922,883</u></u>	<u><u>\$ 7,628,884</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, 2017

EXHIBIT D-3

	Business-Type Activities	Governmental Activities -
	Total	Internal
	Enterprise	Service Fund
	Funds	Service Fund
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 4,465,571	\$ 1,284,288
Cash Payments to Employees for Services	(3,446,490)	(124,696)
Cash Payments for Insurance Claims	-	(796,081)
Cash Payments for Suppliers	(178,629)	-
Cash Payments for Other Operating Expenses	(241,568)	(96,306)
Net Cash Provided by Operating Activities	<u>598,884</u>	<u>267,205</u>
<u>Cash Flows from Investing Activities:</u>		
Interest and Dividends on Investments	<u>48,667</u>	<u>63,053</u>
Net Increase in Cash and Cash Equivalents	647,551	330,258
Cash and Cash Equivalents at Beginning of Year	<u>6,343,853</u>	<u>8,997,394</u>
Cash and Cash Equivalents at End of Year	<u>\$ 6,991,404</u>	<u>\$ 9,327,652</u>
<u>Reconciliation of Operating Income to Net Cash</u>		
<u>Provided by Operating Activities:</u>		
Operating Income:	\$ 699,309	\$ 309,841
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Receivables	(178)	-
Increase (decrease) in Accounts Payable	(6,094)	(48,306)
Increase (decrease) in Accrued Wages Payable	3,292	119
Increase (decrease) in RevTrak	(97,445)	5,573
Increase (decrease) in Receivables	-	(22)
Net Cash Provided by Operating Activities	<u>\$ 598,884</u>	<u>\$ 267,205</u>

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

CARROLLTON-FARMERS BRANCH ISD
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
AUGUST 31, 2017

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 817,881
Other Receivables	2,913
Total Assets	<u>\$ 820,794</u>
LIABILITIES	
Accounts Payable	\$ 32,314
Due to Other Governments	58,006
Due to Student Groups	730,474
Total Liabilities	<u>\$ 820,794</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.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are 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 Fund (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 two agency funds are the Student Activity Fund and the Educational Purchasing Cooperative of North Texas (EPCNT) fund.

Cash and Cash Equivalents

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

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 2017 fiscal year was based upon, was \$18,432,923,622.

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, 2017 were 99.51% of the tax levy.

The tax rates assessed for the year ended August 31, 2017 to finance general fund operations and the payment of principal and interest on general obligation long-term debt were \$1.17 and \$0.2217 per \$100 valuation, respectively, for a total of \$1.3917 per \$100 valuation.

Investments

The District’s general policy is to report money market investments and short-term participating interest-earning investments contracts at amortized cost and to report nonparticipating interest-earning contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term “short-term” refers to investments, which have a remaining term of one year or less at time of purchase. The term “nonparticipating” means that the investment’s value does not vary with market interest rate changes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Inventories

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 \$2,213,533 for accumulated sick leave that is reflected in the government-wide financial statements.

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

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

Long-Term Debt

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

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

Net Position and Fund Balance

Government-Wide Financial Statements

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Government Wide Financial Statements - Continued

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 be canceled or appropriately provided for in the subsequent year’s budget. Encumbrances outstanding at August 31, 2017 that were in the subsequent year’s budget are:

General Fund	\$ 3,556,410
Special Revenue Fund-Food Service	798,704
Capital Projects Fund	<u>2,259,340</u>
Total	<u>\$ 6,614,455</u>

Data Codes

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

Estimates

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

The amount of state foundation revenue a school district earns for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimates as of August 31, 2017 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 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. TIF funds are to be used to fund capital projects within the TIF zones. Debt service resources are to be used for future servicing of the District's bonded debt and are restricted through debt covenants. Capital projects fund resources are to be used for future construction and renovation projects and are restricted through bond orders and constitutional law. Food service and other Federal and State grant resources are restricted because their use is restricted pursuant to the mandates of the National School Lunch and Breakfast Program or other grant requirements.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action to the District's Board of Trustees. The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This can also be done through adoption and amendment of the budget. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board of Trustees has committed resources as of August 31, 2017 for campus activities, construction, maintenance, transportation upgrades, 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

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 a 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 a 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.

NOTE 2. FUND BALANCES - CONTINUED

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

General Fund

Inventories of \$1,090,146 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, \$3,000,000 for technology capital replacements, and \$3,000,000 for transportation upgrades.

The General Fund has unassigned fund balance of \$76,352,094 at August 31, 2017.

Other Major Funds

The Debt Service Fund has restricted funds of \$9,626,941 at August 31, 2017 consisting primarily of property tax collections that are restricted for debt service payments on bonded debt. The Capital Projects Fund has restricted funds of \$13,391,128 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 \$55,528,859 consisting of property taxes collected for the zone to pay for District projects identified in the project plan to be constructed in the zone for educational facilities and maintenance for operating such facilities.

Other Funds

Inventories of \$501,901 in the National Breakfast and Lunch Program Fund are considered non-spendable fund balance. The fund balance of \$1,258,532 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	\$ 2,868,693
City of Farmers Branch TIF #1	9,838,537
City of Farmers Branch TIF #2	<u>500,860</u>
Total	<u>\$ 13,208,090</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, 2017, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing saving accounts included in temporary investments) was \$76,525,972 and the bank balance was \$79,515,053. The District's cash deposits at August 31, 2017 and during the year ended August 31, 2017 were entirely 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

NOTE 3. CASH AND INVESTMENTS - CONTINUED

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.

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

- a. Depository: Wells Fargo;
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$72,308,585;
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$46,498,029 and occurred during the month of December, 2016;
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$250,000.

Legal and contractual provisions governing deposits and investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity, allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	* 2 years	None	None
U.S. Agencies Securities	* 2 years	None	None
Letters of Credit	* 2 years	None	None
Certificates of Deposit	* 2 years	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	* 2 years	None	None
Investment Pools	-	None	None

*based on more restrictive local policy

NOTE 3. CASH AND INVESTMENTS – CONTINUED

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, 2017 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 213,157,571
Fiduciary Funds:	
Cash and Investments	<u>817,881</u>
Total Cash and Investments	<u>\$ 213,975,452</u>

Cash and investments at August 31, 2017 consist of the following:

Cash and Investments as of August 31, 2017 consist of the following:

Cash on Hand	\$ 56,106
Savings and Checking Accounts	16,643,476
U.S. Government Agencies	1,998,540
Certificates of Deposit	36,738,000
Money Markets	23,144,496
Lone Star	1,010,946
Texpool	133,278,682
TexStar	<u>1,105,206</u>
Total Cash and Investments	<u>\$ 213,975,452</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, 2017, the District did not invest in any securities which are highly sensitive to interest rate fluctuations.

As of August 31, 2017, the District had the following investments:

NOTE 3. CASH AND INVESTMENTS – CONTINUED

Investment Type	Amount	Weighted Average Maturity
Certificates of Deposit	\$ 36,738,000	170 days
U.S. Government Agencies	1,998,540	330 days
Lone Star	1,010,946	22 days
Texpool	133,278,682	32 days
TexStar	1,105,206	33 days
Total	<u>\$ 174,131,374</u>	

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	\$ 1,010,946	N/A	AAA
Texpool	133,278,682	N/A	AAAm
TexStar	1,105,206	N/A	AAAm
Total	<u>\$ 135,394,834</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, 2017, other than external investment pools, and Certificates of Deposits 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.

NOTE 3. CASH AND INVESTMENTS – CONTINUED

As of August 31, 2017, the District deposits with financial institutions in excess of federal depository insurance limits were fully collateralized. All certificates of deposits are fully covered by Letters of Credit.

The District is a voluntary participant in Lone Star, 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.

Fair Value Measurements

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or it’s equivalent) as a practical expedient are not classified in the fair value hierarchy below.

Instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

<u>Investments by Fair Value level:</u>	<u>Balance at 8/31/2017</u>	<u>Assets (Level 1)</u>	<u>Inputs (Level 2)</u>	<u>Inputs (Level 3)</u>
Certificates of Deposit	\$ 36,738,000	\$ -	\$ 36,738,000	\$ -
U.S. Government Agencies	1,998,540	-	1,998,540	-
Total	<u>\$ 38,736,540</u>	<u>\$ -</u>	<u>\$ 38,736,540</u>	<u>\$ -</u>

The fair value of the certificates of deposit and U.S. Government Agency Bonds at August 31, 2017 was determined based on level 2 inputs. The District estimates the fair value of these investments using inputs such as interest rates that are observable at commonly quoted intervals.

The District’s investment in State Investment Pools (statewide 2a7-like external investment pools) are not required to be measured at fair value but are measured at amortized cost.

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2017

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, 2017, the components of delinquent taxes receivables are as follows:

	General Fund	Debt Service Fund	Total
Delinquent Taxes	\$ 3,345,969	\$ 837,769	\$ 4,183,738
Related Penalty and Interest	1,869,069	521,700	2,390,768
	<u>\$ 5,215,038</u>	<u>\$ 1,359,469</u>	<u>\$ 6,574,506</u>

At August 31, 2017, an allowance for uncollectible taxes is provided for the following:

	General Fund	Debt Service Fund	Total
Personal Property	\$ 3,054,671	\$ 578,822	\$ 3,633,493
Real Property	54,474	10,312	64,786
	<u>\$ 3,109,145</u>	<u>\$ 589,134</u>	<u>\$ 3,698,279</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, 2017, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Receivables from Other Governments. Furthermore, there are times whenever overpayment is received from a State Agency and money may be due to other governments.

	General Fund	Nonmajor Governmental Funds	Total
Federal Grants	\$ 2,885,358	\$ 1,604,649	\$ 4,490,007
City of Farmers Branch	3,766	-	3,766
City of Irving	8,556	-	8,556
	<u>\$ 2,897,680</u>	<u>\$ 1,604,649</u>	<u>\$ 4,502,329</u>

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2017

NOTE 6. OTHER RECEIVABLES

Other receivables as of August 31, 2017, for the District's individual major funds, nonmajor, and internal service fund in the aggregate are as follows:

	General Fund	Debt Service Funds	Capital Projects Funds	Nonmajor Governmental Funds	Total
NSF Checks	\$ 480	\$ -	\$ -	\$ -	\$ 480
Other	<u>37,382</u>	<u>5,816</u>	<u>-</u>	<u>1,360</u>	<u>44,558</u>
	<u>\$ 37,862</u>	<u>\$ 5,816</u>	<u>\$ -</u>	<u>\$ 1,360</u>	<u>\$ 45,038</u>

NOTE 7. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at August 31, 2017 consisted of the following individual fund receivables and payables:

	Receivables	Payables	Purpose
Major Funds:			
General Fund	\$ 4,779,039	\$ 3,798,523	Cash shortage and payroll transfers
Debt Service Fund	-	85,856	Tax revenue
Non-Major Funds:			
Federal Funds	4,441	894,705	Cash shortage and payroll transfers
Local Funds	-	3,267	Supplies purchased
Internal Service Fund	-	1,279	Payroll transfer
Enterprise Fund	<u>150</u>	<u>-</u>	Payroll transfer
Total	<u>\$ 4,783,630</u>	<u>\$ 4,783,630</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, 2017

NOTE 8. CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year ended August 31, 2017, 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	16,679,240	10,618,023	-	(19,001,907)	8,295,356
Total Non-Depreciable Assets	<u>78,044,348</u>	<u>10,618,023</u>	<u>-</u>	<u>(19,001,907)</u>	<u>69,660,464</u>
Depreciable					
Land Improvements	1,537,578	-	-	-	1,537,578
Buildings and Improvements	661,268,928	684,375	-	19,001,907	680,955,210
Furniture and Equipment	28,453,463	5,022,421	(135,717)	-	33,340,167
Total Depreciable Assets	<u>691,259,969</u>	<u>5,706,796</u>	<u>(135,717)</u>	<u>19,001,907</u>	<u>715,832,955</u>
Less Accumulated Depreciation for:					
Land Improvements	818,507	76,879	-	-	895,386
Buildings and Improvements	324,150,574	17,408,479	-	-	341,559,053
Furniture and Equipment	22,865,476	1,742,323	(135,717)	-	24,472,082
Total Accumulated Depreciation	<u>347,834,557</u>	<u>19,227,681</u>	<u>(135,717)</u>	<u>-</u>	<u>366,926,521</u>
Total Capital Assets, Net	<u>\$ 421,469,760</u>	<u>\$ (2,902,862)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 418,566,898</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Function	Depreciation	
Instruction	\$ 11,126,839	11
Instructional Resources and Media Services	883,652	12
Curriculum and Instructional Staff Development	231,188	13
Instructional Leadership	43,335	21
School Leadership	878,763	23
Guidance, Counseling and Evaluation Services	171,856	31
Social Work Services	84	32
Health Services	65,217	33
Student (Pupil) Transportation	32,227	34
Food Services	1,550,361	35
Extracurricular Activities	1,570,024	36
General Administration	503,531	41
Facilities Maintenance and Operations	719,848	51
Security and Monitoring Service	4,661	52
Data Processing Services	1,446,095	53
Total Depreciation Expense	<u>\$ 19,227,681</u>	

NOTE 9. UNEARNED REVENUE

Unearned revenue at year end consisted of the following:

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Other Receipts	\$ 34,679	\$ 7,892	\$ 539,249	\$ 581,820
State Textbook Fund	-	-	155,967	155,967
	<u>\$ 34,679</u>	<u>\$ 7,892</u>	<u>\$ 695,216</u>	<u>\$ 737,787</u>

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

NOTE 10. DEBT ISSUANCE AND DEFEASED DEBT

During the 2016-17 fiscal year, the District completed one advance refunding.

In November 2016, the District issued \$48,420,000 (par value) in Unlimited Tax Refunding Bonds to advance refund \$50,960,000 (par value) of outstanding bonds. The net proceeds of \$52,677,213 (\$48,420,000 par amount of the bonds plus \$4,592,084 of premium paid on the bonds less \$334,871 of underwriting fees and issuance costs) 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 dates in February 2018.

The refunding was undertaken to reduce the District's total debt service payments by approximately \$12,837,993 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$8,944,830.

On August 31, 2017, \$16,845,000 of defeased bonds remain outstanding due to the November 2016 refunding.

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.

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2017

NOTE 11. LONG-TERM DEBT – CONTINUED

Unlimited Tax Bonds - Continued

Unlimited tax bonds outstanding as of August 31, 2017 are as follows:

Purpose and Lawful Authority	Maturity Year	Interest Rate	Original Amount	Amount Outstanding 09/01/16	Issued	Retired/ Refunded	Amount Outstanding 08/31/17
Unlimited Tax School Building and Refunding Bonds, Series 2007	2032	4.00% to 5.00%	105,775,000	44,565,000	-	44,565,000	-
Unlimited Tax School Building and Refunding Bonds, Series 2008	2033	3.50% to 5.00%	57,435,000	20,235,000	-	17,850,000	2,385,000
Unlimited Tax Refunding Bonds, Series 2010	2020	3.00% to 5.00%	63,565,000	17,705,000	-	7,635,000	10,070,000
Unlimited Tax School Building and Refunding Bonds, Series 2012	2032	2.00% to 5.00%	54,965,000	48,010,000	-	2,445,000	45,565,000
Unlimited Tax School Building Bonds, Series 2013A	2033	2.00% to 5.00%	41,250,000	37,475,000	-	1,480,000	35,995,000
Unlimited Tax Refunding Bonds, Series 2013B	2025	2.00% to 5.00%	28,700,000	26,290,000	-	2,495,000	23,795,000
Unlimited Tax Refunding Bonds, Series 2014	2017	0.57% to 0.93%	11,070,000	3,625,000	-	3,625,000	-
Unlimited Tax Refunding Bonds, Series 2015	2031	2.00% to 5.00%	23,655,000	23,655,000	-	1,175,000	22,480,000
Unlimited Tax Refunding Bonds, Series 2015A	2032	2.00% to 5.00%	23,495,000	23,065,000	-	-	23,065,000
Unlimited Tax Refunding Bonds, Series 2016	2027	3.00% to 5.00%	48,420,000	-	48,420,000	-	48,420,000
				<u>\$ 244,625,000</u>	<u>\$ 48,420,000</u>	<u>\$ 81,270,000</u>	<u>\$ 211,775,000</u>

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2017

NOTE 11. LONG-TERM DEBT - CONTINUED

Debt service requirements are as follows:

Year Ending August 31	General Obligation Principal	Interest	Total Requirement
2018	\$ 32,800,000	\$ 8,403,256	\$ 41,203,256
2019	26,765,000	7,231,800	33,996,800
2020	20,735,000	6,262,975	26,997,975
2021	17,575,000	5,420,631	22,995,631
2022	14,440,000	4,659,500	19,099,500
2023-2027	57,155,000	14,780,781	71,935,781
2028-2032	39,125,000	4,314,919	43,439,919
2033	3,180,000	63,975	3,243,975
	<u>\$ 211,775,000</u>	<u>\$ 51,137,838</u>	<u>\$ 262,912,838</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, 2017.

Changes in Long-Term Liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 244,625,000	\$ 48,420,000	\$ 81,270,000	\$ 211,775,000	\$ 32,800,000
Premium on Bonds	25,539,472	4,592,084	3,983,562	26,147,994	-
Workers' Compensation Claims Payable	1,846,092	804,354	798,781	1,851,665	1,092,833
Accrued Compensated Absences	2,774,121	(335,643)	224,945	2,213,533	174,118
Long-term Liabilities	<u>\$ 274,784,685</u>	<u>\$ 53,480,795</u>	<u>\$ 86,277,288</u>	<u>\$ 241,988,192</u>	<u>\$ 34,066,951</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, 2017

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	\$ 4,339,084
Indirect Cost Reimbursement	84.010A	88,224
Indirect Cost Reimbursement	84.027	98,973
Indirect Cost Reimbursement	84.173	1,162
Indirect Cost Reimbursement	84.365A	14,767
Indirect Cost Reimbursement	84.367A	8,415
Indirect Cost Reimbursement	84.424A	46
		\$ 4,550,671

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	\$ 207,550,685	\$ -	\$ 39,242,925	\$ -	\$ -	\$ 246,793,610
Penalties and Interest	648,819	-	131,462	-	-	780,282
Tax Increment Fund	-	15,675,739	-	-	1,386,007	17,061,746
Investment Earnings	754,718	294,276	91,458	136,776	88,604	1,365,832
Food Sales	-	-	-	-	2,522,933	2,522,933
Tuition from Patrons	307,693	-	-	-	-	307,693
Insurance Proceeds	3,675	-	-	-	-	3,675
Co-Curricular	342,390	-	-	-	1,224,861	1,567,251
Rent	449,964	-	-	-	-	449,964
Gifts and Bequest	42,998	-	-	-	158,020	201,018
Enterprising	-	-	-	-	26,297	26,297
Other	320,857	-	-	-	19,468	340,324
	\$ 210,421,797	\$ 15,970,014	\$ 39,465,845	\$ 136,776	\$ 5,426,190	\$ 271,420,623

NOTE 14. DEFINED BENEFIT PENSION PLAN

Plan Description

Carrollton-Farmers Branch Independent School District participates in a cost-sharing multiple-employer defined benefit pension 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, Section 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.texas.gov/TRS%20Documents/cafr_2016.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

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, the three highest annual salaries are used. The normal service retirement is at age 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 age 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 ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

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 to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit 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.

NOTE 14. DEFINED BENEFIT PENSION PLAN - CONTINUED

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. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

Contribution Rates		
	2016	2017
Member	7.2%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
Carrollton-Farmers Branch ISD 2017 Employer Contributions		\$ 5,257,678
Carrollton-Farmers Branch ISD 2017 Member Contributions		\$ 12,540,689
Carrollton-Farmers Branch ISD 2017 NECE On-Behalf Contributions		\$ 7,773,144

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including the TRS. In each respective role, 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, there are two additional surcharges an employer is subject to.

- 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.
- When a school district does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

NOTE 14. DEFINED BENEFIT PENSION PLAN - CONTINUED

Actuarial Assumptions

The total pension liability in the August 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2016
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term expected Investment Rate of Return	8.00%
Inflation	2.50%
Salary Increases Including Inflation	3.50% to 9.50%
Payroll Growth Rate	2.50%
Benefit Changes During the Year	None
Ad hoc Post Employment Benefit Changes	None

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2014 and adopted on September 24, 2015.

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 plan's 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. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2016 are summarized as shown:

NOTE 14. DEFINED BENEFIT PENSION PLAN – CONTINUED

Discount Rate - Continued

Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return*
Global Equity			
U.S.	18%	4.6%	1.0%
Non-U.S. Developed	13%	5.1%	0.8%
Emerging Markets	9%	5.9%	0.7%
Directional Hedge Funds	4%	3.2%	0.1%
Private Equity	13%	7.0%	1.1%
Stable Value			
U.S. Treasuries	11%	0.7%	0.1%
Absolute Return	0%	1.8%	0.0%
Stable Value Hedge Funds	4%	3.0%	0.1%
Cash	1%	-0.2%	0.0%
Real Return			
Global Inflation Linked Bonds	3%	0.9%	0.0%
Real Assets	16%	5.1%	1.1%
Energy and Natural Resources	3%	6.6%	0.2%
Commodities	0%	1.2%	0.0%
Risk Parity			
Risk Parity	5%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha	<u>0%</u>		<u>1.0%</u>
Total	<u>100%</u>		<u>8.7%</u>

* 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 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
Carrollton-Farmers Branch ISD's proportionate share of the net pension liability:	\$90,847,551	\$58,699,831	\$31,432,054

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, 2017, Carrollton-Farmers Branch Independent School District reported a liability of \$58,699,831 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 Independent School District 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	\$ 58,699,831
State's Proportionate share that is associated with the District	<u>92,266,022</u>
Total	<u>\$ 150,965,853</u>

The net pension liability was measured as of August 31, 2016 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, 2015 thru August 31, 2016.

At August 31, 2016 the employer's proportion of the collective net pension liability was .1553378%, an increase of .0141914% from its proportionate share of 0.1411464% at August 31, 2015..

Changes Since the Prior Actuarial Valuation – There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period:

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

For the year ended August 31, 2017, Carrollton-Farmers Branch ISD recognized pension expense of \$1,995,680 and revenue of \$1,995,680 for support provided by the State.

At August 31, 2017, 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 sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 920,402	\$ 1,752,743
Changes in actuarial assumptions	1,789,066	1,627,081
Differences between projected and actual investments earnings	11,311,538	6,340,957
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	17,123,263	3,886
Contributions paid to TRS subsequent to the measurement date	5,257,678	-
Total	\$ 36,401,947	\$ 9,724,667

NOTE 14. DEFINED BENEFIT PENSION PLAN – CONTINUED

Changes Since the Prior Actuarial Valuation – Continued

The \$5,257,678 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 August 31, 2018. 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
2018	\$ 3,761,358
2019	3,761,358
2020	6,931,836
2021	3,517,742
2022	2,548,733
Thereafter	\$ 898,575

NOTE 15. SCHOOL DISTRICT RETIREE HEALTH PLAN

Plan Description

The Carrollton-Farmers Branch ISD contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS-Care provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The Teacher Retirement System of Texas issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS Web site at www.trs.state.tx.us under the [TRS Publications](#) heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701.

Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. Contribution rates and amounts are shown in the table below for fiscal years 2015-2017.

Year	Contribution Rates					
	Active Member		State		School District	
	Rate	Amount	Rate	Amount	Rate	Amount
2015	0.65%	994,901	1.0%	1,438,037	0.55%	934,442
2016	0.65%	1,027,088	1.0%	1,466,686	0.55%	967,276
2017	0.65%	1,058,634	1.0%	1,500,612	0.55%	1,004,827

NOTE 15. SCHOOL DISTRICT RETIREE HEALTH PLAN - CONTINUED

Medicare Part D – On-Behalf Payments

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective on 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 \$755,272 recognized for the year ended August 31, 2017 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.

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 with an annual aggregate retention amount of \$2,053,583. Payments exceeding the aggregate retention are reimbursable up to the aggregate limit of liability amount of \$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 \$1,851,665 include incurred but not reported claims. The liability reported in the Fund at August 31, 2017 is 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

NOTE 16. RISK MANAGEMENT – CONTINUED

Workers’ Compensation Coverage - Continued

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 re-evaluated 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 2016 and 2017 were:

Self-Insurance Liability	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2016-Workers' Compensation	\$ 1,376,567	\$ 1,252,787	\$ 783,262	\$ 1,846,092
2017-Workers' Compensation	\$ 1,846,092	\$ 804,354	\$ 798,781	\$ 1,851,665

NOTE 17. COMMITMENTS AND CONTINGENCIES

Litigation

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

Grants Programs

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at August 31, 2017 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 \$2.3 million at August 31, 2017.

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, 2017.

NOTE 18. PRIOR PERIOD ADJUSTMENT

The District has recorded a \$1,840,021 prior period adjustment that increased beginning fund balance in the General Fund and beginning net position in the government-wide financial statements. The prior period adjustment was recorded to reflect the following adjustments of prior year amounts:

Increase in prior year State Foundation revenue resulting from a State property value audit	\$ 1,936,864
Increase in prior year expenditures for fees associated with the property value audit	<u>(96,843)</u>
Net prior period adjustment	<u>\$ 1,840,021</u>

REQUIRED SUPPLEMENTARY INFORMATION



CARROLLTON-FARMERS BRANCH ISD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2017

EXHIBIT G-1

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	\$ 210,730,340	\$ 210,765,282	\$ 210,421,797	\$ (343,485)
5800	State Program Revenues	41,177,530	41,177,530	39,852,231	(1,325,299)
5900	Federal Program Revenues	4,050,000	4,080,000	4,550,671	470,671
5020	Total Revenues	255,957,870	256,022,812	254,824,699	(1,198,113)
EXPENDITURES:					
Current:					
0011	Instruction	133,858,900	129,455,516	124,797,595	4,657,921
0012	Instructional Resources and Media Services	3,847,108	3,878,798	3,742,594	136,204
0013	Curriculum and Instructional Staff Development	4,373,528	4,106,266	3,960,398	145,868
0021	Instructional Leadership	3,924,925	3,654,717	3,529,168	125,549
0023	School Leadership	15,016,544	15,066,323	14,977,200	89,123
0031	Guidance, Counseling and Evaluation Services	10,616,266	10,608,765	10,119,897	488,868
0032	Social Work Services	74,126	75,686	68,530	7,156
0033	Health Services	2,748,020	2,804,074	2,743,026	61,048
0034	Student (Pupil) Transportation	5,482,940	5,313,354	4,785,729	527,625
0035	Food Services	146,016	146,161	75,368	70,793
0036	Extracurricular Activities	4,886,803	5,081,811	4,721,834	359,977
0041	General Administration	6,452,357	6,660,324	6,025,530	634,794
0051	Facilities Maintenance and Operations	24,466,222	25,041,889	22,884,486	2,157,403
0052	Security and Monitoring Services	1,701,492	1,800,428	1,738,794	61,634
0053	Data Processing Services	4,922,613	8,727,615	8,488,361	239,254
0061	Community Services	122,536	118,511	57,194	61,317
Capital Outlay:					
0081	Facilities Acquisition and Construction	105,269	299,769	262,543	37,226
Intergovernmental:					
0091	Contracted Instructional Services Between Schools	5,789,005	5,973,005	5,945,227	27,778
0095	Payments to Juvenile Justice Alternative Ed. Prg.	200,000	200,000	5,166	194,834
0097	Payments to Tax Increment Fund	26,238,200	26,024,800	25,873,965	150,835
0099	Other Intergovernmental Charges	985,000	985,000	965,009	19,991
6030	Total Expenditures	255,957,870	256,022,812	245,767,614	10,255,198
1100	Excess of Revenues Over Expenditures	-	-	9,057,085	9,057,085
OTHER FINANCING SOURCES (USES):					
7912	Sale of Real and Personal Property	-	-	100,062	100,062
8911	Transfers Out (Use)	-	(4,000,000)	(4,000,000)	-
7080	Total Other Financing Sources (Uses)	-	(4,000,000)	(3,899,938)	100,062
1200	Net Change in Fund Balances	-	(4,000,000)	5,157,147	9,157,147
0100	Fund Balance - September 1 (Beginning)	79,445,072	79,445,072	79,445,072	-
1300	Prior Period Adjustment	-	-	1,840,021	1,840,021
3000	Fund Balance - August 31 (Ending)	\$ 79,445,072	\$ 75,445,072	\$ 86,442,240	\$ 10,997,168

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2017

	2017	2016	2015
District's Proportion of the Net Pension Liability (Asset)	0.1553378%	0.1411464%	0.0836645%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 58,699,831	\$ 49,893,374	\$ 22,347,945
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	92,266,022	98,316,315	85,269,172
Total	<u>\$ 150,965,853</u>	<u>\$ 148,209,689</u>	<u>\$ 107,617,117</u>
District's Covered-Employee Payroll	\$ 158,015,677	\$ 153,063,374	\$ 148,723,134
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	37.15%	32.60%	15.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.00%	78.43%	83.25%

Note: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2016 for Year 2017, August 31, 2015 for Year 2016 and August 31, 2014 for 2015.

Note: In accordance with GASB 68, Paragraph 138, only three years of data are presented this reporting period. "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 2017

EXHIBIT G-3

	2017	2016	2015
Contractually Required Contribution	\$ 5,257,678	\$ 5,101,714	\$ 4,179,320
Contribution in Relation to the Contractually Required Contribution	(5,257,678)	(5,101,714)	(4,179,320)
Contribution Deficiency (Excess)	\$ -0-	\$ -0-	\$ -0-
District's Covered-Employee Payroll	\$ 162,866,070	\$ 158,015,677	\$ 153,063,674
Contributions as a Percentage of Covered-Employee Payroll	3.23%	3.20%	2.73%

Note: GASB 68, Paragraph 81 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 for the respective fiscal years.

Note: In accordance with GASB 68, Paragraph 138, the years of data presented this reporting period are those for which data is available. "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, 2017

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:

<u>Function</u>	<u>Increase (Decrease)</u>
Curriculum and Staff Development	\$ (273,182)
Instructional Leadership	(213,918)
General Administration	200,667
Facilities Maintenance and Operations	575,667
Data Processing Services	\$ 3,805,002

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.

NOTE 2. PENSION INFORMATION

Changes of benefit terms.

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

Changes of assumptions.

There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period:



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 – 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 summer 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.

Work Source Child Care and Development Fund – Provides funds to enhance tutoring at elementary schools in Dallas County.

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

Advanced Placement Test Fee Program – A program designed to increase the number of low-income students who take advanced placement tests and receive scores for which college academic credit is awarded. The funds enable schools to pay all or a portion of advanced placement test fees on behalf of eligible low-income students who (1) are enrolled in an advanced placement course and (2) plan to take an advanced placement test.

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

Combined State Grants – Includes: Ready to Read Grant and Teacher Stipend Program for Math and Literacy Achievement Academies.

Pre-K Grant – Provides educational services aimed at improving the quality of prekindergarten education to qualifying students.

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

Meadows Foundation – Supports 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

Metrocrest Hospital Authority – Supports our certification programs to further student preparation for college and/or career.

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.

Digital Promise –A Technology and Learning Coaching Fellowship Program launched, with the support from Google, to support middle schools with a full-time technology and learning coach. The one-year fellowship program includes engagement with a national cohort and additional support that will enable teachers in each fellow’s school to more powerfully use technology for learning.

City of Farmers Branch TIF #1 – Reports 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 education facilities and maintenance for operating such facilities.

City of Farmers Branch TIF #2 – Reports 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 education facilities and maintenance for operating such facilities.

Education, Technology, & Operational Fund – Funds identified to provide staff with the necessary tools to meet the goal “High Achievement for Each Student”. Significant items or projects will be identified and be differentiated from those normal operational expenditures.

CARROLLTON-FARMERS BRANCH ISD
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2017

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program	
ASSETS					
1110	Cash and Investments	\$ -	\$ -	\$ -	\$ 3,910,918
1240	Receivables from Other Governments	428,703	729,773	8,948	181,061
1260	Due from Other Funds	507	-	-	3,232
1290	Other Receivables	-	-	-	89
1300	Inventories	-	-	-	501,901
1000	Total Assets	<u>\$ 429,210</u>	<u>\$ 729,773</u>	<u>\$ 8,948</u>	<u>\$ 4,597,201</u>
LIABILITIES					
2110	Accounts Payable	\$ 565	\$ -	\$ -	\$ 751,485
2160	Accrued Wages Payable	141,445	282,755	3,518	205,269
2170	Due to Other Funds	287,200	447,018	5,430	5,314
2300	Unearned Revenues	-	-	-	264,539
2000	Total Liabilities	<u>429,210</u>	<u>729,773</u>	<u>8,948</u>	<u>1,226,607</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	501,901
Restricted Fund Balance:					
3450	Food Service	-	-	-	2,868,693
3490	Tax Increment Zone	-	-	-	-
Committed Fund Balance:					
3547	Campus Activity Funds	-	-	-	-
Assigned Fund Balance:					
3590	Education, Technology, & Operational Funds	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,370,594</u>
4000	Total Liabilities and Fund Balances	<u>\$ 429,210</u>	<u>\$ 729,773</u>	<u>\$ 8,948</u>	<u>\$ 4,597,201</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.	288 Work Source Child Care & Development	289 Title IV Part A-Stud. Supp/Enrchmnt	385 Visually Impaired SSVI	397 AP/IB Test Fee Subsidies
\$ -	\$ -	\$ -	\$ -	\$ 150	\$ -	\$ -	\$ -
22,025	84,263	98,449	-	-	2,523	-	-
-	-	702	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 22,025</u>	<u>\$ 84,263</u>	<u>\$ 99,151</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 2,523</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12,086	11,394	32,366	-	-	2,523	-	-
9,939	72,869	66,785	-	150	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>22,025</u>	<u>84,263</u>	<u>99,151</u>	<u>-</u>	<u>150</u>	<u>2,523</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 22,025</u>	<u>\$ 84,263</u>	<u>\$ 99,151</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 2,523</u>	<u>\$ -</u>	<u>\$ -</u>

CARROLLTON-FARMERS BRANCH ISD
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2017

Data Control Codes	410 State Textbook Fund	427 Combined State Grants	429 Pre-K Grant Program	461 Campus Activity Funds	
ASSETS					
1110	Cash and Investments	\$ 185,111	\$ -	\$ -	\$ 1,316,199
1240	Receivables from Other Governments	-	-	48,904	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	1,271
1300	Inventories	-	-	-	-
1000	Total Assets	<u>\$ 185,111</u>	<u>\$ -</u>	<u>\$ 48,904</u>	<u>\$ 1,317,470</u>
LIABILITIES					
2110	Accounts Payable	\$ 29,145	\$ -	\$ 46,030	\$ 58,627
2160	Accrued Wages Payable	-	-	-	-
2170	Due to Other Funds	-	-	2,874	311
2300	Unearned Revenues	155,966	-	-	-
2000	Total Liabilities	<u>185,111</u>	<u>-</u>	<u>48,904</u>	<u>58,938</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	-	-	-	1,258,532
Assigned Fund Balance:					
3590	Education, Technology, & Operational Funds	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,258,532</u>
4000	Total Liabilities and Fund Balances	<u>\$ 185,111</u>	<u>\$ -</u>	<u>\$ 48,904</u>	<u>\$ 1,317,470</u>

482 Meadows Foundation	484 Metrocrest Hospital Authority	485 Fuel Up To Play 60	489 Digtl Promise Coaching Fellowship	492 City of Farmers Branch TIF #1	493 City of Farmers Branch TIF #2	494 Education Technology & Operational	Total Nonmajor Governmental Funds
\$ 83	\$ 95,628	\$ 20	\$ 199,224	\$ 9,838,537	\$ 500,860	\$ 4,000,111	\$ 20,046,841
-	-	-	-	-	-	-	1,604,649
-	-	-	-	-	-	-	4,441
-	-	-	-	-	-	-	1,360
-	-	-	-	-	-	-	501,901
<u>\$ 83</u>	<u>\$ 95,628</u>	<u>\$ 20</u>	<u>\$ 199,224</u>	<u>\$ 9,838,537</u>	<u>\$ 500,860</u>	<u>\$ 4,000,111</u>	<u>\$ 22,159,192</u>
\$ -	\$ 580	\$ 20	\$ -	\$ -	\$ -	\$ -	\$ 886,452
-	2,662	-	16,899	-	-	-	710,917
83	-	-	-	-	-	-	897,973
-	92,386	-	182,325	-	-	-	695,216
<u>83</u>	<u>95,628</u>	<u>20</u>	<u>199,224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,190,558</u>
-	-	-	-	-	-	-	501,901
-	-	-	-	-	-	-	2,868,693
-	-	-	-	9,838,537	500,860	-	10,339,397
-	-	-	-	-	-	-	1,258,532
-	-	-	-	-	-	4,000,111	4,000,111
-	-	-	-	9,838,537	500,860	4,000,111	18,968,634
<u>\$ 83</u>	<u>\$ 95,628</u>	<u>\$ 20</u>	<u>\$ 199,224</u>	<u>\$ 9,838,537</u>	<u>\$ 500,860</u>	<u>\$ 4,000,111</u>	<u>\$ 22,159,192</u>

CARROLLTON-FARMERS BRANCH ISD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2017

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	\$ -	\$ -	\$ -	\$ 2,548,483
5800 State Program Revenues	-	-	-	69,309
5900 Federal Program Revenues	4,848,058	5,438,062	63,866	9,189,051
5020 Total Revenues	4,848,058	5,438,062	63,866	11,806,843
EXPENDITURES:				
Current:				
0011 Instruction	2,383,540	5,334,378	63,866	-
0012 Instructional Resources and Media Services	12,064	-	-	-
0013 Curriculum and Instructional Staff Development	2,273,624	-	-	-
0021 Instructional Leadership	3,682	-	-	-
0023 School Leadership	29,641	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	75,478	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	2,520	-	-	-
0035 Food Services	-	-	-	11,134,785
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	142,987	28,206	-	-
6030 Total Expenditures	4,848,058	5,438,062	63,866	11,134,785
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	672,058
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	672,058
0100 Fund Balance - September 1 (Beginning)	-	-	-	2,698,536
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ 3,370,594

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.	288 Work Source Child Care & Development	289 Title IV Part A-Stud. Supp/Enrchmnt	385 Visually Impaired SSVI	397 AP/IB Test Fee Subsidies
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	3,891	18,598
284,639	462,355	816,450	20,968	3,175	2,523	-	1,495
284,639	462,355	816,450	20,968	3,175	2,523	3,891	20,093
154,669	114,480	168,735	20,968	-	-	3,891	-
-	-	-	-	-	-	-	-
-	206,717	525,614	-	-	-	-	17,908
48,362	25,540	6,158	-	-	-	-	-
-	-	-	-	-	-	-	-
81,608	-	40,742	-	-	2,523	-	2,185
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	115,618	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	75,201	-	3,175	-	-	-
284,639	462,355	816,450	20,968	3,175	2,523	3,891	20,093
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CARROLLTON-FARMERS BRANCH ISD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes	410 State Textbook Fund	427 Combined State Grants	429 Pre-K Grant Program	461 Campus Activity Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 9,673	\$ -	\$ -	\$ 1,334,133
5800 State Program Revenues	1,634,348	19,275	481,140	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	1,644,021	19,275	481,140	1,334,133
EXPENDITURES:				
Current:				
0011 Instruction	1,388,480	-	468,993	693,362
0012 Instructional Resources and Media Services	-	375	-	15,223
0013 Curriculum and Instructional Staff Development	166,030	18,900	11,103	5,004
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	39,114
0031 Guidance, Counseling and Evaluation Services	-	-	1,044	98,218
0033 Health Services	-	-	-	160
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	471,916
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	1,092
0052 Security and Monitoring Services	-	-	-	3,062
0053 Data Processing Services	89,511	-	-	-
0061 Community Services	-	-	-	686
6030 Total Expenditures	1,644,021	19,275	481,140	1,327,837
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	6,296
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	6,296
0100 Fund Balance - September 1 (Beginning)	-	-	-	1,252,236
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ 1,258,532

482 Meadows Foundation	484 Metrocrest Hospital Authority	485 Fuel Up To Play 60	489 Digtl Promise Coaching Fellowship	492 City of Farmers Branch TIF #1	493 City of Farmers Branch TIF #2	494 Education Technology & Operational	Total Nonmajor Governmental Funds
\$ 1,000	\$ 7,615	\$ 65,130	\$ 16,900	\$ 1,248,950	\$ 194,196	\$ 111	5,426,191
-	-	-	-	-	-	-	2,226,561
-	-	-	-	-	-	-	21,130,642
1,000	7,615	65,130	16,900	1,248,950	194,196	111	28,783,394
-	7,615	30,940	16,900	-	-	-	10,850,817
-	-	-	-	-	-	-	27,662
-	-	-	-	-	-	-	3,224,900
-	-	-	-	-	-	-	83,742
-	-	-	-	-	-	-	68,755
-	-	-	-	-	-	-	301,798
-	-	-	-	-	-	-	160
-	-	-	-	-	-	-	2,520
-	-	34,190	-	-	-	-	11,168,975
1,000	-	-	-	-	-	-	472,916
-	-	-	-	-	-	-	115,618
-	-	-	-	-	-	-	1,092
-	-	-	-	-	-	-	3,062
-	-	-	-	-	-	-	89,511
-	-	-	-	-	-	-	250,255
1,000	7,615	65,130	16,900	-	-	-	26,661,783
-	-	-	-	1,248,950	194,196	111	2,121,611
-	-	-	-	-	-	4,000,000	4,000,000
-	-	-	-	1,248,950	194,196	4,000,111	6,121,611
-	-	-	-	8,589,587	306,664	-	12,847,023
\$ -	\$ -	\$ -	\$ -	\$ 9,838,537	\$ 500,860	\$ 4,000,111	\$ 18,968,634



AGENCY FUNDS

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

Education Purchasing CO-OP of North Texas (EPCNT) – Used to procure educational products and services.



CARROLLTON-FARMERS BRANCH ISD
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE SEPTEMBER 1 2016	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2017
STUDENT ACTIVITY ACCOUNT				
Assets:				
Cash and Temporary Investments	\$ 726,506	\$ 1,746,689	\$ 1,713,320	\$ 759,875
Other Receivables	2,815	927	829	2,913
Total Assets	<u>\$ 729,321</u>	<u>\$ 1,747,616</u>	<u>\$ 1,714,149</u>	<u>\$ 762,788</u>
Liabilities:				
Accounts Payable	\$ 33,227	\$ 2,031,368	\$ 2,032,281	\$ 32,314
Due to Other Funds	-	3,539	3,539	-
Due to Student Groups	696,094	1,916,727	1,882,347	730,474
Total Liabilities	<u>\$ 729,321</u>	<u>\$ 3,951,634</u>	<u>\$ 3,918,167</u>	<u>\$ 762,788</u>
LOCALLY DEFINED AGENCY FUNDS				
Assets:				
Cash and Temporary Investments	\$ 50,513	\$ 9,900	\$ 2,407	\$ 58,006
Liabilities:				
Accounts Payable	\$ -	\$ 2,407	\$ 2,407	\$ -
Due to Other Governments	50,513	9,900	2,407	58,006
Total Liabilities	<u>\$ 50,513</u>	<u>\$ 12,307</u>	<u>\$ 4,814</u>	<u>\$ 58,006</u>
TOTAL AGENCY FUNDS				
Assets:				
Cash and Temporary Investments	\$ 777,019	\$ 1,756,589	\$ 1,715,727	\$ 817,881
Other Receivables	2,815	927	829	2,913
Total Assets	<u>\$ 779,834</u>	<u>\$ 1,757,516</u>	<u>\$ 1,716,556</u>	<u>\$ 820,794</u>
Liabilities:				
Accounts Payable	\$ 33,227	\$ 2,033,775	\$ 2,034,688	\$ 32,314
Due to Other Funds	-	3,539	3,539	-
Due to Other Governments	50,513	9,900	2,407	58,006
Due to Student Groups	696,094	1,916,727	1,882,347	730,474
Total Liabilities	<u>\$ 779,834</u>	<u>\$ 3,963,941</u>	<u>\$ 3,922,981</u>	<u>\$ 820,794</u>



**REQUIRED
TEXAS EDUCATION AGENCY
SCHEDULES**

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED AUGUST 31, 2017

Last Ten Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Net Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2008 & Prior	Various	Various	Various
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	1.0400	0.2633	16,079,853,331
2016	1.0400	0.2417	17,083,929,532
2017 (Current year under Audit)	1.1700	0.2217	18,432,923,622

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 09/01/15	(20) Current Year's Total Levy	(31) Maintenance Total Collections	(32) Debt Service Total Collections	(40) Entire Year's Adjustment	(50) Ending Balance 08/31/16
434,529	-	20,548	3,617	552	410,917
114,976	-	1,397	433	247	113,393
226,108	-	3,055	888	-	222,163
362,136	-	3,588	1,059	-	357,489
336,993	-	(9,100)	(2,772)	(22,065)	326,800
269,677	-	(7,009)	(1,958)	(17,101)	261,543
341,330	-	16,156	4,404	(15,878)	304,892
530,521	-	52,027	13,172	(26,194)	439,128
1,133,712	-	(283,778)	(65,951)	(943,792)	539,649
-	250,074,723	207,367,870	39,293,677	(2,208,214)	1,204,962
<u>\$ 3,749,982</u>	<u>\$ 250,074,723</u>	<u>\$ 207,164,752</u>	<u>\$ 39,246,567</u>	<u>\$ (3,232,446)</u>	<u>4,180,940</u>
					2,798
					<u>2,390,768</u>
					<u>\$ 6,574,506</u>
		<u>\$ 18,509,829</u>			

CARROLLTON-FARMERS BRANCH ISD
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
 FOR THE YEAR ENDED AUGUST 31, 2017

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	\$ 2,813,264	\$ 2,813,264	\$ 2,548,483	\$ (264,781)
5800 State Program Revenues	70,000	70,000	69,309	(691)
5900 Federal Program Revenues	9,807,555	9,807,555	9,189,051	(618,504)
5020 Total Revenues	<u>12,690,819</u>	<u>12,690,819</u>	<u>11,806,843</u>	<u>(883,976)</u>
EXPENDITURES:				
0035 Food Services	<u>12,690,819</u>	<u>13,035,819</u>	<u>11,134,785</u>	<u>1,901,034</u>
6030 Total Expenditures	<u>12,690,819</u>	<u>13,035,819</u>	<u>11,134,785</u>	<u>1,901,034</u>
1200 Net Change in Fund Balances	-	(345,000)	672,058	1,017,058
0100 Fund Balance - September 1 (Beginning)	<u>-</u>	<u>2,698,536</u>	<u>2,698,536</u>	<u>-</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ 2,353,536</u>	<u>\$ 3,370,594</u>	<u>\$ 1,017,058</u>

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, 2017

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	\$ 39,726,008	\$ 39,726,008	\$ 39,465,845	\$ (260,163)
5800	State Program Revenues	640,792	640,792	658,579	17,787
5020	Total Revenues	40,366,800	40,366,800	40,124,424	(242,376)
EXPENDITURES:					
Debt Service:					
0071	Principal on Long Term Debt	30,310,000	30,310,000	30,310,000	-
0072	Interest on Long Term Debt	10,046,800	10,046,800	9,141,542	905,258
0073	Bond Issuance Cost and Fees	10,000	344,871	342,306	2,565
6030	Total Expenditures	40,366,800	40,701,671	39,793,848	907,823
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(334,871)	330,576	665,447
OTHER FINANCING SOURCES (USES):					
7901	Refunding Bonds Issued	-	48,420,000	48,420,000	-
7915	Transfers In	-	-	7,017	7,017
7916	Premium or Discount on Issuance of Bonds	-	4,592,085	4,592,084	(1)
8949	Payment to Bond Refunding Escrow Agent (Use)	-	(52,677,214)	(52,677,214)	-
7080	Total Other Financing Sources (Uses)	-	334,871	341,887	7,016
1200	Net Change in Fund Balances	-	-	672,463	672,463
0100	Fund Balance - September 1 (Beginning)	-	8,954,478	8,954,478	-
3000	Fund Balance - August 31 (Ending)	\$ -	\$ 8,954,478	\$ 9,626,941	\$ 672,463

STATISTICAL SECTION

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

Contents	Page
Financial Trends	
These schedules contain trend information to help understand how the government’s financial performance and well-being have changed over time.....	94
Revenue Capacity	
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax	109
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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 230,707	\$ 213,130	\$ 180,653	\$ 147,953
Restricted for				
Federal and State Programs	-	-	-	-
Food Service	3,370	2,217	1,854	606
Tax Increment Zone	65,868	49,326	50,365	52,746
Debt Service	10,051	9,079	8,305	7,933
Unrestricted	<u>34,948</u>	<u>28,388</u>	<u>35,058</u>	<u>64,844</u>
Total Governmental Activities Net Position	<u>344,944</u>	<u>302,140</u>	<u>276,235</u>	<u>274,082</u>
Business Type Activities - Unrestricted	6,923	6,186	5,451	4,545
Total Primary Government Net Position	<u><u>\$ 351,867</u></u>	<u><u>\$ 308,326</u></u>	<u><u>\$ 281,686</u></u>	<u><u>\$ 278,627</u></u>

Source: Carrollton-Farmers Branch ISD

TABLE I

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 134,412	\$ 117,722	\$ 115,312	\$ 97,751	\$ 112,265	\$ 90,998
-	-	-	-	-	-
172	374	817	669	1,567	1,461
42,171	32,866	23,639	13,579	4,901	6,579
7,042	6,296	2,522.00	1,943	2,260	1,469
71,857	81,549	67,978	76,585	45,685	45,336
<u>255,654</u>	<u>238,807</u>	<u>210,268</u>	<u>190,527</u>	<u>166,678</u>	<u>145,843</u>
3,652	2,691	2,015	1,710	1,257	716
<u>\$ 259,306</u>	<u>\$ 241,498</u>	<u>\$ 212,283</u>	<u>\$ 192,237</u>	<u>\$ 167,935</u>	<u>\$ 146,559</u>

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses				
Governmental Activities:				
Instruction	\$ 151,133,616	\$ 154,001,200	\$ 146,417,736	\$ 141,655,619
Instruction Resources and Media Services	4,776,539	4,799,069	4,985,743	4,467,237
Curriculum and Instructional Staff Development	7,517,763	7,629,342	6,914,130	6,349,383
Instructional Leadership	3,765,386	3,663,945	3,337,331	3,306,762
School Leadership	16,499,869	16,317,979	15,163,309	14,328,268
Guidance, Counseling, and Evaluation Services	10,973,460	10,831,434	10,147,756	9,804,021
Social Work Services	71,490	72,597	67,822	140,333
Health Services	2,918,559	2,961,040	2,644,044	2,621,635
Student (Pupil) Transportation	4,820,832	4,814,908	4,132,874	4,650,512
Food Service	12,455,369	12,983,764	12,626,501	12,121,742
Extracurricular Activities	6,612,848	6,718,153	6,282,594	6,813,429
General Administration	6,814,081	6,889,090	6,312,631	6,028,276
Facilities Maintenance and Operations	23,206,837	23,823,404	23,064,274	22,101,436
Security and Monitoring Services	1,720,154	1,624,672	1,492,686	1,533,648
Data Processing Services	6,694,892	5,984,160	5,266,587	6,111,082
Community Services	294,543	374,596	450,639	430,814
Debt Service - Interest on Long Term Debt	7,869,469	9,441,313	10,579,326	13,288,346
Debt Service - Bond Issuance Costs and Fees	342,306	229,630	303,266	7,800
Facilities Acquisition and Construction	-	-	-	-
Contracted Instructional Services Between Schools	5,945,227	-	-	-
Incremental Costs Associated with Chapter 41	-	-	-	-
Payments to Juvenile Justice Alternative Ed. Prg.	5,166	39,869	31,486	8,639
Payments to Tax Increment Fund	25,873,965	22,623,080	17,974,812	15,713,810
Other Intergovernmental Charges	965,009	932,440	899,649	889,432
Total Government Activities Expenses	<u>301,277,380</u>	<u>296,755,685</u>	<u>279,095,196</u>	<u>272,372,224</u>
Business-Type Activities (After the Bell)				
Expenses	<u>3,863,885</u>	<u>3,617,325</u>	<u>3,398,042</u>	<u>3,024,824</u>
Total Business-Type Activities	<u>3,863,885</u>	<u>3,617,325</u>	<u>3,398,042</u>	<u>3,024,824</u>
Total Primary Government Expenses	<u>305,141,265</u>	<u>300,373,010</u>	<u>282,493,238</u>	<u>275,397,048</u>
Program Revenues				
Governmental Activities				
Charges for services				
Food Service	2,529,948	2,546,323	2,584,412	2,237,355
Extracurricular Activities	839,519	854,792	704,642	873,427
Other	1,599,290	1,628,486	1,623,576	1,531,554
Operating Grants and Contributions				
Instruction	22,912,340	25,137,292	20,215,153	19,004,336
Food Service	9,189,051	9,519,622	9,528,720	8,779,747
Other	7,668,400	8,520,222	7,292,316	6,058,357
Capital Grants and Contributions	17,061,745	14,978,161	11,980,349	10,497,989
Business-Type Activities (After the Bell)				
Charges for Services	<u>4,563,194</u>	<u>4,331,493</u>	<u>4,292,661</u>	<u>3,916,670</u>
Total Primary Government Program Revenues	<u>66,363,487</u>	<u>67,516,391</u>	<u>58,221,829</u>	<u>52,899,435</u>
Net (Expense) Revenue				
Governmental Activities	(239,477,087)	(233,570,787)	(225,166,028)	(223,389,459)
Business Type Activities	699,309	714,168	894,619	891,846
Total Primary Government	<u>\$ (238,777,778)</u>	<u>\$ (232,856,619)</u>	<u>\$ (224,271,409)</u>	<u>\$ (222,497,613)</u>

Source: Carrollton-Farmers Branch ISD

TABLE II

	2013	2012	2011	2010	2009	2008
\$	131,134,845	\$ 132,791,816	\$ 141,747,420	\$ 143,091,092	\$ 144,553,419	\$ 145,823,968
	4,571,102	4,379,728	4,530,587	4,470,228	4,405,821	4,280,482
	7,085,217	7,300,486	6,557,939	5,973,731	5,876,796	6,606,195
	2,935,380	2,533,099	2,602,799	2,849,542	2,823,228	2,660,336
	13,916,535	13,920,488	14,326,723	14,406,145	14,757,245	15,206,187
	8,947,154	9,261,322	9,634,002	9,935,686	9,424,596	9,240,729
	177,578	167,221	168,258	165,704	166,991	161,566
	2,468,811	2,549,034	2,562,615	2,665,025	2,473,339	2,287,597
	4,330,314	3,105,589	3,855,752	3,101,861	2,196,934	1,866,514
	12,267,870	11,961,743	12,365,226	12,263,601	12,212,817	12,228,579
	6,086,152	6,012,638	6,179,751	6,009,078	6,047,251	5,366,881
	6,155,795	6,179,859	7,061,920	7,135,378	7,112,644	6,742,993
	22,213,433	23,519,488	24,209,153	23,043,604	23,120,351	24,244,624
	1,446,443	1,372,730	1,548,610	1,545,532	1,737,888	1,700,039
	5,895,263	6,551,630	7,391,313	7,008,219	5,900,846	5,199,687
	518,660	505,980	651,173	1,148,422	1,072,788	1,070,303
	11,631,609	13,984,539	15,992,914	17,350,391	18,082,051	18,943,254
	628,270	195,034	212,351	79,532	74,485	30,597
	-	-	1,191,981	1,331,904	1,916,924	4,319,852
	-	75,536	-	-	17,898,472	12,636,919
	-	-	-	-	16,283	12,705
	28,386	57,484	143,124	159,550	136,225	196,409
	13,807,241	13,777,411	15,139,211	12,995,177	12,414,532	9,039,482
	886,812	898,662	937,593	963,230	1,159,125	936,315
	<u>257,132,870</u>	<u>261,101,517</u>	<u>279,010,415</u>	<u>277,692,632</u>	<u>295,581,051</u>	<u>290,802,213</u>
	<u>2,907,972</u>	<u>2,801,626</u>	<u>2,838,839</u>	<u>2,414,999</u>	<u>2,241,841</u>	<u>2,418,236</u>
	<u>2,907,972</u>	<u>2,801,626</u>	<u>2,838,839</u>	<u>2,414,999</u>	<u>2,241,841</u>	<u>2,418,236</u>
	<u>260,040,842</u>	<u>263,903,143</u>	<u>281,849,254</u>	<u>280,107,631</u>	<u>297,822,892</u>	<u>293,220,449</u>
	1,984,529	2,214,248	2,386,913	2,733,819	3,089,933	3,222,640
	786,106	834,249	913,649	854,839	913,801	904,564
	1,744,287	3,065,762	1,804,636	1,985,881	1,593,357	1,675,286
	16,208,269	17,369,723	21,343,507	23,522,054	18,446,999	17,412,108
	8,625,777	8,378,836	8,144,101	8,170,342	8,120,150	7,406,640
	6,829,275	11,151,226	15,368,331	14,295,414	7,003,487	6,479,373
	9,296,464	9,196,973	10,085,250	8,664,218	8,165,396	5,726,158
	<u>3,868,128</u>	<u>3,478,069</u>	<u>3,144,010</u>	<u>2,982,574</u>	<u>2,783,342</u>	<u>2,684,788</u>
	<u>49,342,835</u>	<u>55,689,086</u>	<u>63,190,397</u>	<u>63,209,141</u>	<u>50,116,465</u>	<u>45,511,557</u>
	(211,658,163)	(208,890,500)	(218,964,028)	(217,466,065)	(248,247,928)	(247,975,444)
	<u>960,156</u>	<u>676,443</u>	<u>305,171</u>	<u>567,575</u>	<u>541,501</u>	<u>266,552</u>
\$	<u>(210,698,007)</u>	<u>(208,214,057)</u>	<u>(218,658,857)</u>	<u>(216,898,490)</u>	<u>(247,706,427)</u>	<u>(247,708,892)</u>

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net (Expense)/Revenue				
Governmental Activities	\$ (239,477,087)	\$ (233,570,787)	\$ (225,166,028)	\$ (223,389,459)
Business-Type Activities	699,309	714,168	894,619	891,846
Total Primary Government Net Expense	<u>(238,777,778)</u>	<u>(232,856,619)</u>	<u>(224,271,409)</u>	<u>(222,497,613)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for General Purposes	208,294,110	173,900,373	163,516,686	152,386,767
Property Taxes Levied for Capital Projects	39,525,673	40,416,054	41,367,838	41,515,082
State Aid - Formula Grants	30,744,891	44,808,454	46,810,897	47,193,293
Grants & Contributions -Not Restricted	42,997	18,852	14,570	16,358
Investment Earnings	1,426,840	644,069	364,601	322,677
Miscellaneous Local and Intermediate Revenues	407,144	311,742	564,194	382,556
Loss on Asset Disposal	-	-	-	-
Transfers	-	-	-	-
Total Governmental Activities	<u>280,441,655</u>	<u>260,099,544</u>	<u>252,638,786</u>	<u>241,816,733</u>
Business-Type Activities:				
Investment Earnings	37,736	20,987	11,149	1,465
Transfers	-	-	-	-
Total Business-Type Activities	<u>37,736</u>	<u>20,987</u>	<u>11,149</u>	<u>1,465</u>
Total General Revenues- Primary Government	<u>\$ 280,479,391</u>	<u>\$ 260,120,531</u>	<u>\$ 252,649,935</u>	<u>\$ 241,818,198</u>
Change in Net Position				
Net Position- Beginning	\$ 308,325,650	\$ 281,685,131	\$ 278,626,921	\$ 259,306,336
Prior Period Adjustments	1,840,021	(623,393)	(25,320,316)	-
Governmental Activities	40,964,568	26,528,757	27,472,758	18,427,274
Business-Type Activities	737,045	735,155	905,768	893,311
Total Change in Net Position-Primary Government	<u>41,701,613</u>	<u>27,263,912</u>	<u>28,378,526</u>	<u>19,320,585</u>
Net Position- Ending	<u>\$ 351,867,284</u>	<u>\$ 308,325,650</u>	<u>\$ 281,685,131</u>	<u>\$ 278,626,921</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

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ (211,658,163)	\$ (208,890,500)	\$ (218,964,028)	\$ (217,466,065)	\$ (248,247,928)	\$ (247,975,444)
960,156	676,443	305,171	567,575	541,501	266,552
<u>(210,698,007)</u>	<u>(208,214,057)</u>	<u>(218,658,857)</u>	<u>(216,898,490)</u>	<u>(247,706,427)</u>	<u>(247,708,892)</u>
145,022,771	142,069,891	143,955,421	151,034,569	154,202,554	148,626,083
40,495,796	43,220,140	42,420,096	44,073,412	47,774,102	46,549,170
44,267,986	50,585,614	51,675,059	47,117,639	65,071,101	56,524,499
29,252	36,963	25,468	31,612	-	75,485
337,789	206,371	204,213	255,723	1,912,509	7,456,490
180,356	1,311,059	423,408	165,609	122,192	59,554
-	-	-	-	-	-
-	-	-	115,350	-	106,300
<u>230,333,950</u>	<u>237,430,038</u>	<u>238,703,665</u>	<u>242,793,914</u>	<u>269,082,458</u>	<u>259,397,581</u>
201	-	-	-	-	-
-	-	-	(115,350)	-	(106,300)
<u>201</u>	<u>-</u>	<u>-</u>	<u>(115,350)</u>	<u>-</u>	<u>(106,300)</u>
\$ 230,334,151	\$ 237,430,038	\$ 238,703,665	\$ 242,678,564	\$ 269,082,458	\$ 259,291,281
\$ 239,670,192	\$ 212,282,484	\$ 192,237,676	\$ 167,935,712	\$ 146,559,681	\$ 134,977,292
-	-	-	(1,478,110)	-	-
18,675,787	28,539,538	19,739,637	25,327,849	20,834,530	11,422,137
960,357	676,443	305,171	452,225	541,501	160,252
<u>19,636,144</u>	<u>29,215,981</u>	<u>20,044,808</u>	<u>25,780,074</u>	<u>21,376,031</u>	<u>11,582,389</u>
<u>\$ 259,306,336</u>	<u>\$ 241,498,465</u>	<u>\$ 212,282,484</u>	<u>\$ 192,237,676</u>	<u>\$ 167,935,712</u>	<u>\$ 146,559,681</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund					
Nonspendable Fund Balance	\$ 1,090,146.00	\$ 973,654	\$ 1,022,819	\$ 1,007,591	\$ 979,474
Committed Fund Balance	9,000,000	10,500,000	6,000,000	3,000,000	8,000,000
Assigned Fund Balance	-	-	6,947,034	10,622,493	7,667,451
Unassigned Fund Balance	<u>76,352,094</u>	<u>67,971,418</u>	<u>65,476,170</u>	<u>63,617,529</u>	<u>65,505,268</u>
Total General Fund	<u>86,442,240</u>	<u>79,445,072</u>	<u>79,446,023</u>	<u>78,247,613</u>	<u>82,152,193</u>
Other Governmental Funds					
Debt Service					
Restricted Fund Balance	9,626,941	8,954,478	8,300,109	8,103,234	7,331,153
Capital Projects					
Nonspendable Fund Balance	-	-	-	-	-
Restricted Fund Balance	13,391,128	23,683,192	34,626,622	48,050,854	67,327,617
City of Irving TIF #1					
Restricted Fund Balance	55,528,859	40,429,856	42,323,106	45,233,015	35,128,911
Special Revenue Funds					
Nonspendable Fund Balance	501,901	481,906	579,770	450,362	171,557
Restricted Fund Balance	13,208,090	11,112,881	9,315,804	7,668,598	7,042,533
Committed Fund Balance	1,258,532	1,252,236	1,399,383	1,558,527	1,405,074
Assigned Fund Balance	<u>4,000,111</u>	<u>4,000,111</u>	<u>4,000,111</u>	<u>4,000,111</u>	<u>4,000,111</u>
Total Other Governmental Funds	<u>97,515,562</u>	<u>85,914,549</u>	<u>96,544,794</u>	<u>111,064,590</u>	<u>118,406,845</u>
Total Governmental Funds	<u>\$ 183,957,802</u>	<u>\$ 165,359,621</u>	<u>\$ 175,990,817</u>	<u>\$ 189,312,203</u>	<u>\$ 200,559,038</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

		<u>2010</u>	<u>2009</u>	<u>2008</u>
	\$	2,120,977	\$ 2,823,462	\$ 2,420,355
		<u>68,710,221</u>	<u>60,223,200</u>	<u>60,068,817</u>
		<u>70,831,198</u>	<u>63,046,662</u>	<u>62,489,172</u>
		-	-	-
		2,118,869	2,233,800	2,862,959
		27,072,635	44,744,168	71,840,434
		14,994,769	6,468,410	8,040,306
		<u>1,263,598</u>	<u>1,217,257</u>	<u>2,024,174</u>
		<u>45,449,871</u>	<u>54,663,635</u>	<u>84,767,873</u>
	\$	<u>116,281,069</u>	<u>\$ 117,710,297</u>	<u>\$ 147,257,045</u>
<u>2012</u>	<u>2011</u>			
\$	\$	898,744	982,936	
		-	-	
		10,098,666	9,728,966	
		<u>71,563,413</u>	<u>62,238,430</u>	
		<u>82,560,823</u>	<u>72,950,332</u>	
		6,408,260	3,003,709	
		121,386	121,386	
		27,777,993	20,934,175	
		26,276,644	17,470,353	
		373,942	550,605	
		6,589,672	6,434,812	
		1,364,883	1,324,126	
		<u>68,912,780</u>	<u>49,839,166</u>	
\$	\$	<u>151,473,603</u>	<u>122,789,498</u>	

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Federal Sources:				
Federal Grants	\$ 16,492,262	\$ 15,402,800	\$ 13,116,663	\$ 12,652,750
Food Services	9,189,051	9,519,622	9,412,284	8,711,952
Total Federal Sources	<u>25,681,313</u>	<u>24,922,422</u>	<u>22,528,947</u>	<u>21,364,702</u>
State Sources:				
State Education Finance Program	29,961,151	43,994,523	46,750,710	40,852,694
Food Services	69,308	71,048	68,521	67,795
State Grants and Other	12,706,912	12,524,233	14,489,330	18,431,176
Total State Sources	<u>42,737,371</u>	<u>56,589,804</u>	<u>61,308,561</u>	<u>59,351,665</u>
Local Sources:				
Property Taxes	247,573,892	214,219,204	204,562,735	193,825,686
Tax Increment fund	17,061,746	14,978,161	11,980,349	10,497,989
Investment Earnings	1,365,832	611,614	327,030	294,949
Food Sales	2,522,933	2,530,761	2,573,975	2,235,028
Other	2,896,220	2,839,250	2,926,997	3,125,588
Total Local Sources	<u>271,420,623</u>	<u>235,178,990</u>	<u>222,371,086</u>	<u>209,979,240</u>
Total Revenues	<u>\$ 339,839,307</u>	<u>\$ 316,691,216</u>	<u>\$ 306,208,594</u>	<u>\$ 290,695,607</u>

Source: Carrollton-Farmers Branch ISD

TABLE V

2013	2012	2011	2010	2009	2008
\$ 12,740,974	\$ 15,323,392	\$ 24,172,684	\$ 24,619,190	\$ 11,602,399	\$ 10,151,724
8,557,652	8,307,475	8,070,064	8,088,131	8,033,902	7,327,119
<u>21,298,626</u>	<u>23,630,867</u>	<u>32,242,748</u>	<u>32,707,321</u>	<u>19,636,301</u>	<u>20,345,442</u>
44,267,986	50,585,614	51,700,557	45,863,374	65,099,747	56,429,787
68,125	71,361	74,037	82,181	82,738	79,522
<u>10,265,524</u>	<u>13,169,326</u>	<u>12,913,357</u>	<u>12,704,390</u>	<u>13,095,873</u>	<u>13,008,829</u>
<u>54,601,635</u>	<u>63,826,301</u>	<u>64,687,951</u>	<u>58,649,945</u>	<u>78,278,358</u>	<u>22,686,444</u>
186,179,321	185,379,324	186,436,925	195,521,777	201,138,295	195,801,542
9,290,227	9,196,973	10,085,250	8,664,218	8,259,752	6,018,641
314,480	192,418	190,054	235,098	1,808,888	7,073,097
1,983,638	2,214,248	2,386,913	2,733,820	3,089,933	3,222,640
<u>2,808,937</u>	<u>5,276,264</u>	<u>3,140,291</u>	<u>10,381,100</u>	<u>1,037,350</u>	<u>32,269,984</u>
<u>200,576,603</u>	<u>202,259,227</u>	<u>202,239,433</u>	<u>217,536,013</u>	<u>215,334,218</u>	<u>244,385,904</u>
<u>\$ 276,476,864</u>	<u>\$ 289,716,395</u>	<u>\$ 299,170,132</u>	<u>\$ 308,893,279</u>	<u>\$ 313,248,877</u>	<u>\$ 287,417,790</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>2017</u>	<u>2016</u>	<u>2015</u>
Non Capital -Operational Expenditures			
Instruction	\$ 135,627,861	\$ 135,563,390	\$ 134,360,814
Instruction Resources and Media Services	3,770,256	3,783,233	3,977,022
Curriculum and Instructional Staff Development	7,185,298	7,110,229	6,771,313
Instructional Leadership	3,612,910	3,470,417	3,308,978
School Leadership	15,039,960	14,677,203	14,245,536
Guidance, Counseling, and Evaluation Services	10,421,695	10,160,081	10,007,775
Social Work Services	68,530	68,949	68,002
Health Services	2,743,186	2,755,728	2,564,509
Student (Pupil) Transportation	4,788,249	4,782,167	4,100,690
Food Services	10,926,917	11,289,326	10,888,917
Extracurricular Activities	5,043,976	5,146,104	4,745,706
General Administration	6,130,729	6,135,117	5,838,704
Facilities Maintenance and Operations	21,682,453	21,631,996	21,425,814
Security and Monitoring Services	1,680,685	1,573,084	1,477,345
Data Processing Services	5,146,521	5,025,831	4,697,539
Community Services	307,449	329,441	425,451
Facilities Acquisition and Construction	431,370	1,259,658	1,086,756
Total Non-Capital Operational Expenditures	<u>234,608,045</u>	<u>234,761,954</u>	<u>229,990,871</u>
Intergovernmental			
Contracted Instructional Services Between Schools	5,945,227	-	-
Incremental Costs Associated with Chapter 41	-	-	-
Payments to Juvenile Justice Alternative Ed. Prg.	5,166	39,869	31,486
Payments to Tax Increment Fund	25,873,965	22,623,080	17,974,812
Other Intergovernmental Charges	965,009	932,440	899,649
Total Intergovernmental	<u>32,789,367</u>	<u>23,595,389</u>	<u>18,905,947</u>
Capital Outlay			
Facilities Acquisition/Construction	11,118,309	25,492,075	27,010,807
Other Capital Outlay	5,206,510	2,434,200	2,551,438
Total Capital Outlay	<u>16,324,819</u>	<u>27,926,275</u>	<u>29,562,245</u>
Debt service			
Principal	30,310,000	29,525,000	28,295,000
Interest	9,141,542	10,887,351	12,446,881
Fiscal Charges	342,306	229,630	303,266
Total Debt Service Expenditures	<u>39,793,848</u>	<u>40,641,981</u>	<u>41,045,147</u>
Total Expenditures	<u>323,516,079</u>	<u>326,925,599</u>	<u>319,504,210</u>
Total Expenditures less Expenditures for Capital Outlay	<u>\$ 307,191,260</u>	<u>\$ 298,999,324</u>	<u>\$ 289,941,965</u>
Debt Service as a Percentage of Non-Capital Expenditures	12.8%	13.5%	14.1%

Source: Carrollton-Farmers Branch ISD.

TABLE VI

	2014	2013	2012	2011	2010	2009	2008
\$	131,182,934	\$ 121,032,451	\$ 123,399,140	\$ 132,258,151	\$ 134,293,425	\$ 136,193,647	\$ 136,897,403
	3,691,566	3,792,431	3,643,675	3,800,545	3,801,974	3,784,040	3,674,620
	6,110,563	6,842,750	7,077,709	6,342,801	5,746,605	5,648,031	6,354,518
	3,260,714	2,885,915	2,491,049	2,564,724	2,806,506	2,779,530	2,603,462
	13,561,867	13,138,204	13,221,260	13,653,148	13,765,565	14,145,284	14,527,383
	9,640,823	8,776,199	9,123,532	9,513,995	9,806,918	9,297,327	9,054,514
	140,089	177,134	167,352	168,735	165,773	166,968	160,431
	2,560,099	2,405,032	2,493,562	2,512,408	2,615,065	2,427,488	2,225,210
	4,604,813	4,284,614	3,059,904	3,809,657	3,055,499	2,150,573	1,819,301
	10,709,563	10,823,054	10,653,874	11,130,552	11,058,241	11,096,529	11,067,175
	4,974,562	4,739,800	4,626,211	4,810,349	4,634,702	4,599,543	4,035,248
	5,523,801	5,662,062	5,699,552	6,590,978	6,652,399	6,350,194	6,219,424
	21,219,761	21,179,495	21,869,694	23,826,841	22,176,196	22,205,857	23,115,268
	1,450,385	1,425,974	1,362,871	1,544,788	1,516,063	1,706,477	1,649,729
	5,206,568	4,988,480	5,288,192	5,725,371	5,319,490	4,495,388	3,899,270
	413,811	486,474	524,261	698,199	1,150,079	1,074,251	1,057,839
	710,847	269,254	1,148,085	1,192,293	1,331,987	1,916,961	4,413,340
	<u>224,962,766</u>	<u>212,909,323</u>	<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>
	-	-	75,536	-	-	17,898,472	12,636,919
	-	-	-	-	-	16,283	12,705
	8,639	28,386	5,484	143,124	159,550	136,225	196,409
	15,713,810	13,807,241	13,777,411	15,139,211	12,995,177	12,414,532	9,039,482
	889,432	886,812	898,662	937,593	963,230	1,159,125	936,315
	<u>16,611,881</u>	<u>14,722,439</u>	<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>
	18,206,883	5,671,720	15,206,940	4,289,341	16,161,616	33,334,206	49,793,086
	926,011	252,377	336,487	968,979	333,338	1,837,829	671,771
	<u>19,132,894</u>	<u>5,924,097</u>	<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>
	26,755,000	25,770,000	25,555,000	27,415,000	27,060,000	28,648,711	23,667,961
	14,472,101	13,361,108	13,681,847	14,543,756	17,265,964	19,586,494	23,177,464
	7,800	628,270	785,110	261,369	3,825	3,498	74,019
	<u>41,234,901</u>	<u>39,759,378</u>	<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>301,942,442</u>	<u>273,315,237</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>282,809,548</u>	<u>\$ 267,391,140</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>
	14.6%	14.6%	14.5%	14.5%	15.4%	15.6%	15.5%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 16,323,228	\$ (10,234,383)	\$ (13,295,616)	\$ (11,246,835)
Other Financing Sources (Uses)				
Refunding Bonds Issued	48,420,000	23,495,000	34,725,000	-
Capital-Related Debt Issued (Regular Bonds)	-	-	-	-
Sale of Real or Personal Property	100,062	-	-	-
Transfers In	4,007,017	-	-	539,647
Premium or Discount on Issuance of Bonds	4,592,084	2,371,708	2,642,857	-
Transfers Out	(4,007,017)	-	-	(539,647)
Payment to Bond Refunding Escrow Agent (Use)	(52,677,214)	(25,640,128)	(37,393,627)	-
Other (Uses)	-	-	-	-
Total Other Financing Sources (Uses)	<u>434,932</u>	<u>226,580</u>	<u>(25,770)</u>	<u>-</u>
Special Item		-	-	-
Net Change in Fund Balances	16,758,160	(10,007,803)	(13,321,386)	(11,246,835)
Beginning Fund Balance -Sept 1	165,359,621	175,990,817	189,312,203	200,559,038
Prior Period Adjustment	1,840,021	(623,393)		
Ending Fund Balance - Aug 31	<u>\$ 183,957,802</u>	<u>\$ 165,359,621</u>	<u>\$ 175,990,817</u>	<u>\$ 189,312,203</u>

Source: Carrollton-Farmers Branch ISD

TABLE VII

2013	2012	2011	2010	2009	2008
\$ 3,161,627	\$ 3,491,995	\$ 5,328,224	\$ (2,827,084)	\$ (29,622,791)	\$ (50,649,067)
28,700,000	33,085,000	63,565,000	-	-	27,435,000
41,250,000	21,880,000	-	-	-	30,000,000
-	-	363,964	-	76,043	29,747
-	-	911,452	354,755	25,059	236,495
8,779,939	8,425,470	6,914,124	-	-	1,292,287
-	-	(377,814)	(239,405)	(25,059)	(1,830,195)
(32,806,131)	(38,198,360)	(70,196,521)	-	-	(28,913,368)
-	-	-	1,282,506	-	-
<u>45,923,808</u>	<u>25,192,110</u>	<u>1,180,205</u>	<u>1,397,856</u>	<u>76,043</u>	<u>28,249,966</u>
-	-	-	-	-	-
49,085,435	28,684,105	6,508,429	(1,429,228)	(29,546,748)	(22,399,101)
151,473,603	122,789,498	116,281,069	117,710,297	147,257,045	169,656,146
<u>\$ 200,559,038</u>	<u>\$ 151,473,603</u>	<u>\$ 122,789,498</u>	<u>\$ 116,281,069</u>	<u>\$ 117,710,297</u>	<u>\$ 147,257,045</u>



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			
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	2,328,368	16,079,854	1.3033
2016	7,629,074	8,742,363	3,565,744	2,853,252	17,083,930	1.2817
2017	8,331,271	9,438,717	3,693,247	3,030,312	18,432,924	1.3917

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				City of Farmers Branch
	Maintenance	Debt		Town of Addision	City of Carrollton	City of Coppell	City of Dallas	
		Service	Total					
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
2016	1.0400	0.2417	1.2817	0.579	0.613	0.584	0.797	0.602
2017	1.1700	0.2217	1.3917	0.560	0.604	0.580	0.782	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
0.541	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
0.594	0.262	0.243	0.286	0.124
0.594	0.248	0.243	0.279	0.123

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
2007	195,655,990	193,698,097	99.0%	1,546,976	195,245,073	99.79%
2008	202,093,926	200,374,994	99.1%	1,605,539	201,980,533	99.94%
2009	195,089,302	193,396,978	99.1%	1,470,158	194,867,136	99.89%
2010	186,476,139	184,834,361	99.1%	1,284,289	186,118,650	99.81%
2011	185,082,381	183,761,421	99.3%	994,160	184,755,581	99.82%
2012	185,400,956	184,316,782	99.4%	822,631	185,139,413	99.86%
2013	193,864,815	192,936,357	99.5%	623,566	193,559,923	99.84%
2014	204,847,553	203,696,301	99.4%	712,124	204,408,425	99.79%
2015	213,856,595	212,722,883	99.5%	594,063	213,316,946	99.75%
2016	247,866,509	246,661,547	99.5%	-	246,661,547	99.51%

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	2017			2008		
		TAXABLE ASSESSED VALUATION	Percent of Total Assessed Taxable Value	Rank	Taxable Value	Percent of Total Assessed Taxable Value	Rank
Piedmont Operating Partners	Rental Property	\$ 152,064,840	0.82%	1	\$ -		
AT&T/Southwestern Bell	Telephone Utility	110,724,070	0.60%	2	131,770,420	0.89%	2
Oncor Electric Delivery	Power Utility	109,611,434	0.59%	3	110,872,044	0.75%	4
Walmart/Sam's	Retail	109,532,546	0.59%	4	98,171,783	0.66%	6
Wells REIT II	Rental Property	96,200,000	0.52%	5			
Citicorp Credit Services	Rental Property	91,914,660	0.50%	6			
Glazers Distributors of Texas	Wholesale Distributors	87,043,540	0.47%	7			
Halliburton Company Inc.	Oil Services	84,152,670	0.46%	8			
Texas Proton Therapy Center	Medical Offices	82,101,510	0.45%	9			
Fior LLC	Rental Property-Apartments	77,600,000	0.42%	10			
Wells Operating PS LTD	Electronics				189,423,120	1.28%	1
TCI Park West	Rental Property				122,338,140	0.82%	3
Exxon/Mobil Corp.	Industrial/Petroleum				100,874,505	0.68%	5
Nokia/ISTAR	Electronics				95,910,590	0.65%	7
Verizon/GTE	Telephone Utility				85,959,296	0.58%	8
Triden Village	Residential Apartments				84,186,746	0.57%	9
Cobalt Industrial/REIT	Rental Property				81,067,890	0.55%	10
TOTAL		<u>\$ 1,000,945,270</u>	<u>5.42%</u>		<u>\$ 1,100,574,534</u>	<u>7.43%</u>	
Total Taxable Assessed Value		<u>\$ 18,432,923,622</u>			<u>\$ 14,847,932,832</u>		

Source: District Tax Office

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 LEGAL DEBT MARGIN
 LAST TEN FISCAL YEARS
 AUGUST 31, 2017 (UNAUDITED)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt limit	\$ 1,843,292,362	\$ 1,708,392,953	\$ 1,607,985,333	\$ 1,496,411,085
Total net debt applicable to limit	223,688,036	261,209,994	286,807,047	317,118,411
Legal debt margin	1,619,604,326	1,447,182,959	1,321,178,286	1,179,292,674
Total net debt applicable to the limit as a percentage of debt limit	12%	15%	18%	21%

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 2017

	<u>2017</u>
Total Appraised Valuation	\$ 21,463,235,295
Less - Exemptions and Reductions in Value	<u>3,030,311,673</u>
Total Appraised Valuation for School Tax Purposes	\$ 18,432,923,622
Debt Limit Percentage	10%
Legal Debt Limit	<u>\$ 1,843,292,362</u>
Total Bonded Debt	\$ 233,314,977
Less - Reserve for Retirement of Bonded Debt	<u>9,626,941</u>
Net Bonded Debt Applicable to Debt Limit	<u>\$ 223,688,036</u>
Legal Debt Margin	<u>\$ 1,619,604,326</u>

TABLE XII

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 1,420,073,218	\$ 1,388,947,226	\$ 1,413,301,365	\$ 1,490,978,560	\$ 1,524,540,946	\$ 1,484,793,283
323,958,847	310,771,740	320,156,291	353,476,131	380,421,200	408,440,752
1,096,114,371	1,078,175,486	1,093,145,074	1,137,502,429	1,144,119,746	1,076,352,531
23%	22%	23%	24%	25%	28%



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			
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	359,064	359,064	6.01%	1,869	12,556
2014	330,728	330,728	5.32%	1,681	11,559
2015	301,039	301,039	4.65%	1,518	10,485
2016	270,164	270,164	3.95%	1,319	9,483
2017	237,923	237,923	3.27%	1,123	8,379

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 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
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	359,063,862	7,331,153
2014	181,182	14,964,110,805	330,728,189	8,103,234
2015	181,013	16,079,853,331	301,071,194	8,300,109
2016	185,438	17,083,929,532	270,164,472	8,954,478
2017	188,612	18,432,923,622	237,922,994	9,626,941

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
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
351,732,709	2.48	1,984
322,624,955	2.16	1,781
292,771,085	1.82	1,617
261,209,994	1.53	1,409
228,296,053	1.24	1,210

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENT DEBT
 AS OF AUGUST 31, 2017 (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	\$ 91,100,000	5.85%	\$ 5,329,350
City of Carrollton	170,030,000	53.13%	90,336,939
City of Coppell	63,740,000	6.29%	4,009,246
City of Dallas	1,632,595,997	1.07%	17,468,777
Dallas County	199,545,000	6.37%	12,711,017
Dallas County Community College District	263,140,000	6.37%	16,762,018
Dallas County Hospital District	703,770,000	6.37%	44,830,149
Dallas County Utility & Reclamation District	208,550,000	50.84%	106,026,820
Dallas County Schools	52,172,000	6.37%	3,323,356
Denton County	645,305,000	2.88%	18,584,784
City of Farmers Branch	35,850,000	58.05%	20,810,925
City of Irving	440,055,000	26.08%	114,766,344
Irving Flood Control District III	420,000	69.32%	291,144
NW Dallas County Flood Control District	15,835,000	64.28%	10,178,738
Valwood Improvement Authority	15,032,760	94.80%	14,251,056
Subtotal, overlapping debt			\$ 479,680,664
Carrollton-Farmers Branch ISD - Direct Debt	\$ 233,314,977	100.00%	233,314,977
Total Direct and Overlapping Tax Supported Debt			\$ 712,995,641
Total Assessed Taxable Valuation			\$ 18,432,923,622
Total Population			188,612
Ratio of Direct and Overlapping Tax Supported Debt to Taxable Assessed Valuation			3.87%
Per Capita Total Direct and Overlapping Tax Supported Debt			\$ 3,780

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.

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)
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%
2016	185,438	6,190,105,878	33,381	3.70%
2017	188,612	6,484,103,336	34,378	3.62%

Notes:

- A** Population data is for Cities of Carrollton and Farmer's Branch combined.
 Source of population data was the following:
 2008-2017 Claritas Market Place Survey
- B** 2008-2017 Claritas Market Place Survey-Entire School District Included.
- C** 2008-2017 Claritas Market Place Survey-Entire School District Included.
- D** From US Department of Labor, Bureau of Labor Statistics
 2008-2017 Texas Workforce Commission

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

TABLE XVII

<u>Employer</u>	<u>2017</u>			<u>2008</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	3,112	1	2.93%	3,258	1	3.37%
JP Morgan Investment Services	2,390	2	2.25%			
Maxim Ingetrated Products	1,352	3	1.28%			
Halliburton Energy Services	1,300	4	1.23%	1,250	3	1.29%
GEICO	1,200	5	1.13%			
McKesson Corp	1,000	6	0.94%	1,000	5	1.03%
Tuesday Morning	1,000	7	0.94%			
Telvista	950	8	0.90%			
AT&T	830	9	0.78%			
TD Industries	811	10	0.76%			
ST Microelectronics				1,363	2	1.41%
TAC Tour Andover Corp				1,045	4	1.08%
Hilton Reservations Worldwide				850	6	0.88%
City of Carrollton				757	7	0.78%
Trinity Medical Center				725	8	0.75%
General Aluminum Corp				600	9	0.62%
				600	10	0.62%

Total employed 2017 workforce - 106,031

Total employed 2008 workforce - 97,028

Source: Oncor Economic Development Department
 2008 City of Carrollton
 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 '08 - '17
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	
Teachers											
Pre-K & Kindergarten	157	157	162	167	163	164	177	173	193	187	-16%
Elementary	645	643	625	626	722	720	722	712	714	725	-11%
Secondary	837	828	819	776	662	665	677	712	747	767	9%
All Level	35	35	54	70	81	85	126	130	166	169	-79%
Miscellaneous	-	-	-	-	-	-	-	-	1	-	-
Total Teachers	1,674	1,664	1,660	1,639	1,628	1,634	1,702	1,727	1,821	1,848	-9%
Support Staff											
Supervisors	-	-	-	-	-	-	-	-	-	1	-100%
Counselors	56	56	57	56	56	57	59	52	50	48	17%
Ed Diagnostics	34	33	33	32	32	32	32	33	30	31	11%
Librarians	40	40	40	39	40	39	40	41	41	38	5%
Nurse/Physicians	33	33	33	33	34	36	35	36	33	32	3%
Therapists	46	44	43	42	42	42	43	41	36	38	20%
Psychologists/Assoc Psych.	7	6	6	5	5	5	6	6	7	7	-6%
Other Support Staff	160	162	160	150	143	137	140	149	150	140	15%
Total Support Staff	376	375	372	357	352	348	355	358	347	335	12%
Administrators											
Admin/Instructional Officers	43	42	39	42	40	44	42	50	61	42	2%
Principals	37	37	37	37	36	38	40	39	38	39	-5%
Assistant Principals	52	49	49	47	47	47	46	46	52	58	-10%
Superintendents	1	1	1	1	1	1	1	1	1	1	0%
Assistant Superintendents	4	4	4	4	4	2	2	3	4	4	0%
Total Administrators	137	134	130	131	128	132	131	139	156	144	-5%
Total Professionals	2,187	2,172	2,162	2,127	2,108	2,114	2,188	2,224	2,324	2,327	-6%
Educational Aides	215	196	186	188	186	193	220	200	262	259	-17%
Auxiliary Staff	710	729	723	718	732	756	725	777	785	781	-9%
Total	3,112	3,097	3,071	3,033	3,026	3,063	3,133	3,201	3,371	3,367	-8%

Source: Texas Education Agency (Standard Reports)



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
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
2016	49,400	66,252	54,375	51,892
2017	50,750	67,909	55,746	52,525

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
2008	26,397	214,133,770	8,112	4.3%	244,686,680	9,269
2009	26,257	232,774,135	8,865	9.3%	243,882,954	9,288
2010	25,920	230,038,088	8,875	0.1%	244,812,848	9,445
2011	26,159	229,896,487	8,788	-1.0%	245,393,241	9,381
2012	26,423	230,143,535	8,710	-0.9%	232,112,851	8,785
2013	26,385	215,849,923	8,181	-6.1%	230,150,552	8,723
2014	26,347	212,909,323	8,081	-1.2%	242,464,197	9,203
2015	26,210	229,990,871	8,775	8.6%	249,306,657	9,512
2016	25,796	234,761,954	9,101	3.7%	263,489,353	10,214
2017	25,276	234,608,046	9,282	2.0%	260,276,238	10,297

- 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
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%
7.4%	1,664	15.5	16,676	65%
0.8%	1,674	15.1	16,271	64%

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

	Year of Original Construction	2017	2016	2015	2014
Elementary Schools					
1 Blair	2002				
Square feet		97,228	97,228	97,228	97,228
Capacity		994	994	994	994
Enrollment		588	672	691	691
2 Blanton	2007				
Square feet		75,160	75,160	75,160	75,160
Capacity		654	654	654	654
Enrollment		447	512	555	578
3 Carrollton	1951				
Square feet		83,180	83,180	83,180	83,180
Capacity		680	680	680	680
Enrollment		627	647	640	656
4 Central	1965				
Square feet		93,690	93,690	93,690	93,690
Capacity		848	848	848	848
Enrollment		620	622	668	745
5 Country Place	1982				
Square feet		64,801	64,801	64,801	64,801
Capacity		492	492	492	492
Enrollment		411	362	327	339
6 Davis	1975				
Square feet		76,485	76,485	76,485	76,485
Capacity		635	635	635	635
Enrollment		592	579	586	555
7 Farmers Branch	1968				
Square feet		72,005	72,005	72,005	72,005
Capacity		749	749	749	749
Enrollment		556	557	566	540
8 Furneaux	1982				
Square feet		59,406	59,406	59,406	59,406
Capacity		559	559	559	559
Enrollment		420	346	375	371
9 Good	2012				
Square feet		82,146	82,146	82,146	82,146
Capacity		892	892	892	892
Enrollment		557	545	592	615

Sources: Carrollton-Farmers Branch ISD

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

TABLE XXI
CONTINUED

2013	2012	2011	2010	2009	2008
97,228	97,228	97,228	77,631	77,631	77,631
994	994	994	605	605	605
732	760	776	405	419	522
75,160	75,160	75,160	75,160	75,160	75,160
654	654	654	654	654	654
594	603	555	563	539	459
83,180	83,180	83,180	83,180	83,180	83,180
680	680	680	680	680	680
654	676	650	640	684	719
93,690	93,690	93,690	93,690	93,690	93,690
848	848	848	848	848	848
748	734	726	600	645	625
64,801	64,801	64,801	64,801	58,675	58,675
492	492	492	492	388	388
357	370	362	374	363	363
76,485	76,485	76,485	76,485	76,485	76,485
635	635	635	635	635	635
568	571	535	552	575	566
72,005	72,005	72,005	72,005	63,000	63,000
749	749	749	749	585	585
504	497	506	493	493	516
59,406	59,406	59,406	59,406	59,406	55,668
559	559	559	559	559	473
358	363	365	395	407	437
82,146	66,944	66,944	66,944	66,944	66,944
892	526	526	526	526	526
595	499	503	498	497	527

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

	Year of Original Construction	2017	2016	2015	2014
10 Stark	2006				
Square feet		83,400	83,400	83,400	83,400
Capacity		892	892	892	892
Enrollment		732	719	692	693
11 Kent	1989				
Square feet		89,742	89,742	89,742	89,742
Capacity		729	729	729	729
Enrollment		386	397	398	397
12 Landry	1996				
Square feet		73,500	73,500	73,500	73,500
Capacity		698	698	698	698
Enrollment		396	457	466	435
13 Las Colinas	1986				
Square feet		89,000	89,000	89,000	75,099
Capacity		760	760	760	559
Enrollment		506	542	592	526
14 McCoy	1979				
Square feet		65,849	65,849	65,849	65,849
Capacity		619	619	619	619
Enrollment		436	435	422	400
15 McKamy	1992				
Square feet		79,577	79,577	79,577	79,577
Capacity		673	673	673	673
Enrollment		483	497	513	513
16 McLaughlin**	1960				
Square feet		73,300	73,300	73,300	73,300
Capacity		589	589	589	589
Enrollment		-	-	-	-
17 McWhorter	2001				
Square feet		88,418	88,418	88,418	88,418
Capacity		802	802	802	802
Enrollment		647	676	717	770
18 Montgomery	1955				
Square feet		-	-	-	-
Capacity		-	-	-	-
Enrollment		-	-	-	-
19 Rainwater	1994				
Square feet		80,000	80,000	80,000	80,000
Capacity		557	557	557	557
Enrollment		347	392	419	408

Sources: Carrollton-Farmers Branch ISD

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

TABLE XXI
CONTINUED

2013	2012	2011	2010	2009	2008
83,400	83,400	83,400	83,400	83,400	83,400
892	892	892	892	892	892
611	537	533	417	388	471
89,742	89,742	89,742	89,742	89,742	89,742
729	729	729	729	729	729
398	449	472	445	513	546
73,500	73,500	73,500	73,500	73,500	73,500
698	698	698	698	698	698
453	443	462	462	472	459
75,099	75,099	75,099	75,099	75,099	75,099
559	559	559	559	559	559
519	504	505	503	493	490
65,849	65,849	65,849	65,849	55,668	55,668
619	619	619	619	440	440
406	413	411	452	425	442
79,577	79,577	79,577	79,577	79,577	79,577
673	673	673	673	673	673
577	558	575	450	477	469
73,300	73,300	73,300	73,300	73,300	73,300
589	589	589	589	589	589
-	392	396	393	389	636
88,418	88,418	88,418	88,418	88,418	75,000
802	802	802	802	802	533
730	653	626	697	673	645
-	-	-	67,600	67,600	67,600
-	-	-	463	463	463
-	-	-	414	463	549
80,000	80,000	80,000	80,000	80,000	80,000
557	557	557	557	557	557
444	454	451	469	457	418

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

	Year of Original Construction	2017	2016	2015	2014
20 Riverchase	2000				
Square feet		75,160	75,160	75,160	75,160
Capacity		587	587	587	587
Enrollment		384	407	365	428
21 Rosemeade	1984				
Square feet		61,396	61,396	61,396	61,396
Capacity		622	622	622	622
Enrollment		423	441	444	444
22 Sheffield*	1989				
Square feet		66,767	66,767	66,767	66,767
Capacity		532	532	532	532
Enrollment		815	896	958	927
23 Sheffield Primary*	1985				
Square feet		59,406	59,406	59,406	59,406
Capacity		536	536	536	536
Enrollment		-	-	-	-
24 Thompson	2006				
Square feet		75,160	75,160	75,160	75,160
Capacity		712	712	712	712
Enrollment		530	547	604	590
25 Freeman	2004				
Square feet		85,426	85,426	85,426	75,160
Capacity		783	783	783	573
Enrollment		551	490	541	614
26 Kelly Pre-K Ctr	2007				
Square feet		-	-	-	-
Capacity		-	-	-	-
Enrollment		-	-	-	-
27 Pre-K Ctr (CLC)	2005				
Square feet		-	-	-	-
Capacity		-	-	-	-
Enrollment		-	-	-	-
28 La Villita	2008				
Square feet		102,308	102,308	87,787	87,787
Capacity		932	932	650	650
Enrollment		635	585	584	571
29 McLaughlin Strickland**	2008				
Square feet		77,631	77,631	77,631	77,631
Capacity		618	618	618	618
Enrollment		658	736	719	791
Total Elementary School					
Square feet		2,030,141	2,030,141	2,015,620	1,991,453
Capacity		18,144	15,468	17,862	17,451
Enrollment		12,747	13,059	13,434	13,597

Sources: Carrollton-Farmers Branch ISD

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

TABLE XXI
CONCLUDED

2013	2012	2011	2010	2009	2008
75,160	75,160	75,160	75,160	75,160	75,000
587	587	587	587	587	533
296	313	362	369	388	405
61,396	61,396	61,396	55,668	55,668	55,668
622	622	622	376	376	376
429	360	338	336	365	349
66,767	66,767	66,767	66,767	66,767	66,767
532	532	532	532	532	532
927	348	339	354	383	387
59,406	59,406	59,406	59,406	59,406	55,668
536	536	536	536	536	462
-	544	498	446	419	455
75,160	75,160	75,160	75,160	75,160	75,160
712	712	712	712	712	712
589	503	515	480	490	504
75,160	75,160	75,160	75,160	75,160	75,160
573	573	573	573	573	573
634	582	560	510	503	668
-	47,513	47,513	47,513	47,513	47,513
-	400	400	400	400	400
-	316	313	293	366	381
-	-	-	42,906	42,906	42,906
-	-	-	272	272	272
-	-	-	192	204	222
87,787	87,787	87,787	87,787	87,787	-
650	650	650	650	650	-
623	497	459	325	296	-
77,631	77,631	77,631	77,631	77,631	-
618	618	618	618	618	-
786	399	372	368	368	-
1,991,453	2,023,764	2,023,764	2,108,945	2,083,633	1,897,161
17,451	17,485	17,485	17,585	17,138	15,387
13,532	13,338	13,165	12,895	13,154	13,230

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

	Year of Original Construction	2017	2016	2015	2014
<u>Middle Schools</u>					
1 Blalack	1986				
Square feet		171,150	171,150	171,150	171,150
Capacity		1,426	1,426	1,426	1,426
Enrollment		934	918	942	953
2 Bush	1998				
Square feet		160,155	160,155	142,000	142,000
Capacity		1,128	1,128	931	931
Enrollment		663	696	672	685
3 Long	1981				
Square feet		164,500	164,500	164,500	164,500
Capacity		1,038	1,038	1,038	1,038
Enrollment		641	686	718	756
4 Perry	1936				
Square feet		195,067	195,067	195,067	195,067
Capacity		1,367	1,367	1,367	1,367
Enrollment		1,074	1,017	1,049	999
5 Polk	1997				
Square feet		159,578	159,578	159,578	140,000
Capacity		1,343	1,343	1,343	1,040
Enrollment		1,041	1,060	1,100	1,082
6 Field	1959				
Square feet		182,525	182,525	182,525	182,525
Capacity		1,427	1,427	1,427	1,427
Enrollment		1,003	1,007	971	930
Total Middle School					
Square feet		1,032,975	1,032,975	1,014,820	995,242
Capacity		7,729	7,729	7,532	7,229
Enrollment		5,356	5,384	5,452	5,405

Sources: Carrollton-Farmers Branch ISD

TABLE XXII

2013	2012	2011	2010	2009	2008
171,150	171,150	171,150	171,150	170,150	170,150
1,426	1,426	1,426	1,426	1,426	1,426
950	982	972	1,064	1,120	1,141
142,000	142,000	142,000	142,000	142,000	142,000
931	931	931	931	931	931
699	720	767	703	654	622
164,500	164,500	164,500	164,500	164,500	164,500
1,038	1,038	1,038	1,038	1,038	1,038
760	796	796	784	850	806
195,067	195,067	195,067	179,467	179,467	179,467
1,367	1,367	1,367	843	843	843
962	942	933	999	968	1,010
140,000	140,000	140,000	140,000	140,000	140,000
1,040	1,040	1,040	1,040	1,040	1,040
1,065	1,090	1,042	1,057	1,029	1,056
182,525	182,525	182,525	170,789	170,789	170,789
1,427	1,427	1,427	1,156	1,156	1,156
907	911	930	963	999	1,014
995,242	995,242	995,242	967,906	966,906	966,906
7,229	7,229	7,229	6,434	6,434	6,434
5,343	5,441	5,440	5,570	5,620	5,649

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

	Year of Original Construction	2017	2016	2015	2014
High Schools					
1 Creekview	1998				
Square feet		368,182	368,182	368,182	368,182
Capacity		2,578	2,578	2,578	2,578
Enrollment		1,900	1,974	1,964	1,917
2 Ranchview	2002				
Square feet		371,632	371,632	282,445	250,000
Capacity		1,680	1,680	1,160	1,027
Enrollment		887	864	843	801
3 Smith	1973				
Square feet		496,782	496,782	496,782	496,782
Capacity		3,379	3,379	3,379	3,379
Enrollment		1,935	1,909	1,973	1,980
4 Turner	1960				
Square feet		414,288	414,288	564,006	564,006
Capacity		2,967	2,967	2,315	2,315
Enrollment		2,044	2,096	2,072	2,140
5 Grimes Learning Ctr	1989				
Square feet		32,700	32,700	32,700	32,700
Capacity		255	255	255	255
Enrollment		53	88	70	80
Total High School					
Square feet		1,683,584	1,683,584	1,744,115	1,711,670
Capacity		10,859	10,859	9,687	9,554
Enrollment		6,819	6,931	6,922	6,918

Sources: Carrollton-Farmers Branch ISD

TABLE XXIII

2013	2012	2011	2010	2009	2008
368,182	368,182	368,182	368,182	368,182	365,000
2,578	2,578	2,578	2,578	2,578	2,478
1,981	2,034	2,082	2,055	2,052	2,150
250,000	250,000	250,000	250,000	250,000	250,000
1,027	1,027	1,027	1,027	1,027	1,027
810	831	807	833	779	773
496,782	496,782	496,782	496,782	496,782	496,782
3,379	3,379	3,379	3,379	3,379	3,379
2,041	2,058	2,030	1,991	2,093	2,069
564,006	564,006	564,006	564,006	564,006	564,006
2,315	2,315	2,315	2,315	2,315	2,315
2,134	2,124	2,019	1,972	1,975	1,956
32,700	32,700	32,700	32,700	32,700	32,700
255	255	255	255	255	255
142	212	251	263	218	240
1,711,670	1,711,670	1,711,670	1,711,670	1,711,670	1,708,488
9,554	9,554	9,554	9,554	9,554	9,454
7,108	7,259	7,189	7,114	7,117	7,188

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

Other Facilities	Year of Original Construction	Square Footage			
		2017	2016	2015	2014
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	27,210	27,210	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	47,513

Sources: Carrollton-Farmers Branch ISD

TABLE XXIV

Square Footage					
2013	2012	2011	2010	2009	2008
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	67,600	67,600	-	-	-
42,906	42,906	42,906	-	-	-
47,513	-	-	-	-	-



FEDERAL AWARDS SECTION



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**HANKINS, EASTUP, DEATON,
TONN & SEAY**
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902 NORTH LOCUST
P.O. BOX 977
DENTON, TX 76202-0977

TEL. (940) 387-8563
FAX (940) 383-4746

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

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

We have audited, 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 (the District), as of and for the year ended August 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2017.

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

Compliance and Other Matters

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

Purpose of this Report

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

Hankins, Eastup, Deaton, Tonn & Seay

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

December 15, 2017

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DENTON, TX 76202-0977
TEL. (940) 387-8563
FAX (940) 383-4746

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM
GUIDANCE

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 (the District) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2017. The 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 the 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 Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the 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, 2017.

Report on Internal Control Over Compliance

Management of the 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 the 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Hankins, Eastup, Deaton, Tonn & Seay

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

December 15, 2017

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED AUGUST 31, 2017

I. Summary of the Auditors' Results:

Financial Statements

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

Federal Awards

- d. Internal control over major federal 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 opinion was issued on compliance for major federal programs.
- f. Any audit findings disclosed that were required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No
- g. Identification of major programs:
- | | |
|----------------------------|-------------------------------|
| Child Nutrition Cluster: | |
| CFDA 10.553 | School Breakfast Program |
| CFDA 10.555 | National School Lunch Program |
| | |
| Special Education Cluster: | |
| CFDA 84.027 | IDEA - Part B, Formula |
| CFDA 84.173 | IDEA - Part B, Preschool |
- h. The dollar threshold used to distinguish between Type A and Type B programs. \$ 750,000
- 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, 2017

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

None

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

None

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2017

Finding 2016-001 – Pledged collateral less than required amount

Finding: Collateral pledged by the District's depository bank was less than the required amount for one day in December 2015.

Status: The District and its depository bank changed the bank's procedures so that the bank will not release any pledged collateral without the prior approval of the District. The bank also agreed to maintain a minimum level of pledged collateral of \$35.0 million at all times. The District's deposits at its depository bank were fully collateralized throughout the fiscal year ended August 31, 2017.

CARROLLTON-FARMERS BRANCH ISD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2017

(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	17610101057903	\$ 4,771,715
ESEA, Title I, Part A - Improving Basic Programs	84.010A	18610101057903	164,567
Total CFDA Number 84.010A			4,936,282
*IDEA - Part B, Formula	84.027	176600010579036600	5,242,733
*IDEA - Part B, Formula	84.027	186600010579036600	294,302
Total CFDA Number 84.027			5,537,035
*IDEA - Part B, Preschool	84.173	176610010579036610	61,446
*IDEA - Part B, Preschool	84.173	186610010579036610	3,582
Total CFDA Number 84.173			65,028
Total Special Education Cluster (IDEA)			5,602,063
Career and Technical - Basic Grant	84.048	17420006057903	268,992
Career and Technical - Basic Grant	84.048	18420006057903	15,647
Total CFDA Number 84.048			284,639
Title III, Part A - English Language Acquisition	84.365A	17671001057903	683,115
Title III, Part A - English Language Acquisition	84.365A	18671001057903	46,373
Title III, Part A - Immigrant	84.365A	17671003057903	91,198
Title III, Part A - Immigrant	84.365A	18671003057903	5,464
Title III, A ELA Grant for UC & Y	84.365A	156711037110008	5,067
Total CFDA Number 84.365A			831,217
Title IV, Part A, Stud Support-Academic Enrichment	84.424A	18680101057903	2,569
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	17694501057903	431,103
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	18694501057903	39,667
Total CFDA Number 84.367A			470,770
Summer School LEP	84.369A	S369A150045	20,968
AP/IB Test Fee Subsidies	84.330B	S330B120064	1,495
Total Passed Through State Department of Education			\$ 12,150,003
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ 12,150,003
 U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Workforce Commission</u>			
Work Source Child Care and Development Fund	93.575	057903	\$ 3,175
Total Passed Through Texas Workforce Commission			\$ 3,175
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 3,175

CARROLLTON-FARMERS BRANCH ISD
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2017

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	71401701	\$ 1,324,695
*National School Lunch Program - Cash Assistance	10.555	71301701	6,946,266
*National School Lunch Prog. - Non-Cash Assistance	10.555	71301701	918,090
Total CFDA Number 10.555			<u>7,864,356</u>
Total Child Nutrition Cluster			<u>9,189,051</u>
Total Passed Through the State Department of Agriculture			\$ 9,189,051
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>\$ 9,189,051</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 21,342,229</u>

*Clustered Programs

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

CARROLLTON-FARMERS BRANCH INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2017

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 Uniform Guidance.

NOTE 4. School Health and Related Services-NHIC reimbursements of \$4,339,084, which are recorded as federal revenue in the General Fund, are not considered federal awards for purposes of this schedule. This schedule includes \$211,587 of indirect cost recorded in the General Fund.