



**Comprehensive Annual Financial Report
Crowley Independent School District**

Crowley, Texas

For the Fiscal Year Ended June 30, 2018

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Crowley Independent School District
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2018
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Introductory Section



CROWLEY
INDEPENDENT SCHOOL DISTRICT

512 Peach Street
Crowley, TX 76036-0688
817-297-5800
www.crowleyisdtx.org

October 25, 2018

Board of Trustee Members
Crowley Independent School District
512 Peach Street
Crowley, Texas 76036

Dear Members of the Board:

The Comprehensive Annual Financial Report (CAFR) of the Crowley Independent School District (Crowley ISD) for the year ended June 30, 2018 is hereby submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. In our opinion, the data, as presented, is accurate in all material aspects; is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included in this report.

Management's Discussion and Analysis (MD&A) immediately follows the report of the independent auditors and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

THE REPORTING ENTITY AND ITS SERVICES

The Crowley Independent School District is one of 1,219 public and charter school districts in the State of Texas. Crowley ISD covers approximately 54.6 square miles in the south central portion of Tarrant County and approximately 4 square miles in the north central portion of Johnson County. The District's boundaries encompass the City of Crowley and portions of the cities of Fort Worth and Edgecliff Village along with many acres of ranch and farmland. The 2016 population estimate for the District is 96,804.

Located in the southern Tarrant County Highway 121 growth corridor, the District is experiencing enrollment growth and has yet to see gains in assessed valuations due to the new construction. The District is located over the Barnett Shale gas reserves.

The District has a vibrant, diversified student population, an excellent array of programs, strong curriculum, access to an array of intellectual resources and taxpayers who support both growth and innovation. A dedicated School Board, a skilled administration and a professional, dedicated and resourceful staff, as well as an involved community, make Crowley ISD an educational district of choice. In 2017-2018 the District employed more than 1,800 professional and support personnel.

Crowley ISD is committed to being an excellent district, constantly improving and refining both instructional programs and managerial operations in the interest of effectiveness, productivity, transparency, and economy. Our standards for students and staff members are high, and we strive constantly to raise them higher. Our intent is to play a decisive role in ensuring the future success of the dynamic community we service.

ECONOMIC CONDITION AND OUTLOOK

Crowley ISD has a vibrant student population, an excellent array of programs, a strong curriculum, access to an array of intellectual resources and an innovative atmosphere.

District curriculum is vertically aligned throughout all grade levels and based on the Texas Essential Knowledge and Skills (TEKS). A dedicated School Board, a skilled administration and a professional, dedicated and inventive staff, as well as an involved community, make Crowley ISD an outstanding school district.

The District is continuing with programs for both staff and students to increase self-discipline and positive character at the campus level. The District has also implemented a strategic plan with five measurable goals of:

- Improve student achievement for all
- Provide safe, secure and nurturing schools
- Support parent and community partnerships
- Provide a quality workforce in a positive work environment
- Ensure effective and efficient use of resources

The Board of Trustees has approved the performance objectives for each of these goals and the staff has provided performance measurement indicators. All district activities are tied to these goals.

District stakeholders passed a \$416,800,000 bond program in May of 2007 for both renovations/new construction and innovative program offerings including a career and technology center, and upgraded fine arts and athletics facilities. Land for future school sites was also included in the bond.

The District completed what was planned as their fourth middle school and opened it in 2010-2011 as a Career and Technology Facility. In 2013, another \$25 million in bonds were issued as a part of the 2007 program for the construction of security vestibules in some schools and the construction of elementary school #15 on donated land, just to the west of the newly constructed State Highway 121. In 2015, another \$35 million in bonds were issued as part of the 2007 program for the campus improvements needed district wide. In 2017, the District sold another \$100 million to continue with elementary #15, begin a Career and Technology Facility and return that campus back to the original middle school, and to begin construction on a new maintenance facility.

In September 2012, Crowley ISD voters approved a tax referendum adding 13 cents per \$100 property valuation, raising the maintenance and operating tax rate to \$1.17 per \$100 property valuation. The school board also approved a 1/2 cent increase in interest and sinking taxes, raising that rate to \$0.50 per \$100 property valuation. The local tax base has afforded the District some growth in our tax rate.

The current tax rate for the year ending June 2018 was \$0.50 per \$100 property valuation. The school board maintains a 10% local option property tax exemption for homestead owners.

Recently, State Highway 121 was opened and is running north to south the length of the school district on the western side of the district. The Chisholm Trail Parkway, as it is called, is a major toll way linking Fort Worth to Cleburne. Several thousand acres of residential, commercial and light industrial property is expected to be developed along the toll way.

FINANCIAL INFORMATION

District Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are 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; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit - As a recipient of state and federal financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the District. As a part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

The results of the District's single audit for the fiscal year ended June 30, 2018 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Accounting System and Budgetary Control

The School District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board on governmental accounting in its 1998 Codification of Government Accounting and Financial Reporting Standards, and subsequent statements and interpretations. The District's accounting records for general governmental operations are maintained on a modified accrual basis as prescribed by the Texas Education Agency Financial Accountability System Resource Guide.

In developing and evaluating the District's accounting system, consideration is given to the adequacy of internal accounting structure. The internal accounting structure is designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and

maintaining accountability for assets. All internal control evaluations occur within the above framework. We believe that the District's internal accounting structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

Budgetary control is initiated at the onset when the Board of Trustees adopts the annual appropriated budget. To ensure budgetary compliance, the Texas Education Agency (TEA) and the District have established spending regulations and policies. For all administrators with line item or program responsibility, TEA regulations set the level of budgetary control at the major functional expenditure level. Budgetary control is more restrictive at the District level where administrators are held responsible for maintaining and managing their budgets at the detail line item level. All revisions at the function level are approved by the Board of Trustees.

Cash Management

The District has a cash management program to maximize the use of the District's cash resources. The cash management policy of the District is to ensure the availability of cash to meet operational needs and to invest surplus cash in a manner to preserve and protect capital but also provide adequate liquidity and earn a market rate of return. Surplus cash on hand was either deposited in the District's depository bank or invested in one of three local government investment pools pursuant to the Interlocal Cooperation Act of 1989.

Deposits with the depository bank were in accounts secured at the balance sheet date by FDIC coverage. The deposits were deemed collateralized under Texas Law and the Texas Education Agency.

The District complies with the School Depository Act by executing a depository agreement with a banking institution for a period of two fiscal years plus two optional two-year extensions. Local banks in the immediate surrounding area are given preference. Competitive proposals are taken with state law setting the general terms of the request for proposal.

ACKNOWLEDGEMENTS

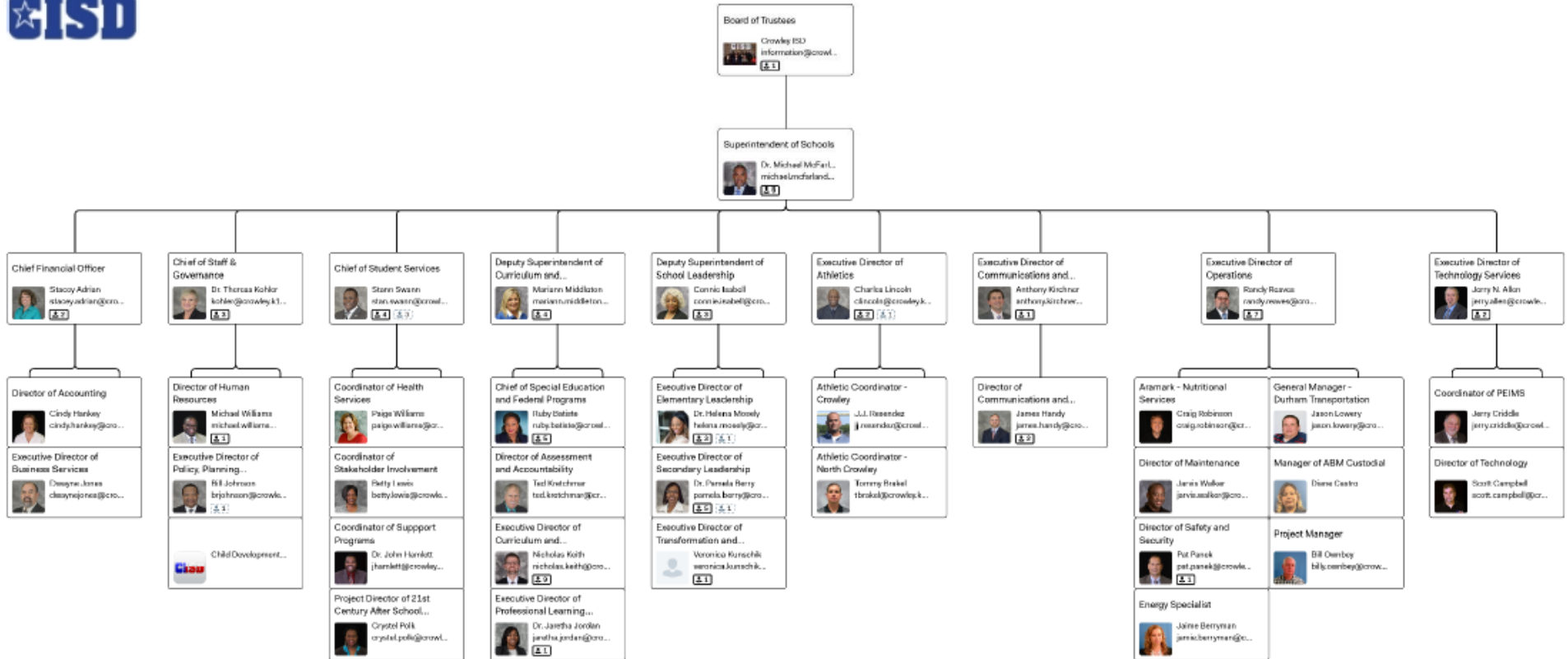
The preparation of this report could not have been accomplished without the services of the entire staff of the finance department. In addition, the Board of Trustees should be commended for its continued support and leadership.

Respectfully submitted,



Dr. Michael D. McFarland

Superintendent of Schools



Crowley Independent School District

Principal Officials

October 25, 2018

Elected Officials..... Position

June Davis..... President
Mia Hall..... Vice-President
Lyndase Benton..... Secretary
Gary Grassia..... Assistant Secretary
Ryan Ray..... Board Member
Nedra Robinson..... Board Member
Dr. La Tonya Woodson-Mayfield..... Board Member

Appointed Officials Position

Dr. Michael McFarland..... Superintendent
Connie Isabell..... Deputy Superintendent of School Leadership
Mariann Middleton..... Deputy Superintendent of Curriculum and Instruction
Dr. Theresa Kohler..... Chief of Staff
Stan Swann..... Chief of Student Services
Stacey Adrian..... Chief Financial Officer
Ruby Batiste..... Chief of Special Education and Federal Programs
Jerry Allen..... Executive Director of Technology Services
Dr. Pam Berry..... Executive Director of Secondary Leadership
Dr. Helena Mosely..... Executive Director of Elementary Leadership
Anthony Kirchner..... Executive Director of Communications and Marketing
Randy Reaves..... Executive Director of Operations
Dwayne Jones..... Executive Director of Business Services
Charles Lincoln..... Executive Director of Athletics
Daryle Moffett..... Crowley High School
Daryl Porter..... North Crowley High School
Rashad Muhammad..... Crowley Learning Center
Markeba Warfield..... Bill R. Johnson CTEC
Chris White..... Crowley 9th Grade Campus
Camcea Stapinski..... North Crowley 9th Grade Campus
Kimberly Buckhalton..... HF Stevens Middle School
Omarian Brown..... Crowley Middle School
Cayla Grossman..... Summer Creek Middle School
Dr. Arthurlyn Morgan..... Sue Crouch Intermediate
Deidra Castro..... SH Crowley Intermediate
Melanie Randall..... David L. Walker Intermediate
Clarence Williams..... Mary Harris Intermediate
Holly Anderson..... Bess Race Elementary
Rebekah Hunt..... Sycamore Elementary
Malisa Horton..... Deer Creek Elementary
Tonya Coleman..... Meadowcreek Elementary
Paula Brooks..... Jackie Carden Elementary
Roslyn Bell..... Parkway Elementary
Dr. Kim Scoggins..... Oakmont Elementary
Kevin Hunt..... Dallas Park Elementary
Kimberly Sherfield..... JA Hargrave Elementary
Shaketa Traylor..... Poynter Elementary

Certificate of Board


Crowley Independent School District
Name of School District

Tarrant
County

220-912
Co. Dist. Num

We, the undersigned, clarify that the attached annual financial reports of the above nam school district were reviewed and (check one) approved _____ disapproved for the ye ended June 30, 2018, at a meeting of the Board of Trustees of such school district on the 25th day October, 2018.

Signature: 
Board President

Signature: 
Board Secretary

If the Board of Trustees disapproved of the auditors' report, the reason(s) for disapproving it is (are):



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Crowley Independent School District
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

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Financial Section

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Independent Auditor's Report

To the Board of Trustees of
Crowley Independent School District

Report on the Financial Statements

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 Crowley Independent School District (the District), as of and for the year ended June 30, 2018, 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 Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 entity'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 the District, as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Other Post-Employment Benefits*, (OPEB) as of June 30, 2018. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the District's proportionate share of the net pension and other post OPEB liability, and schedule of District contributions for pensions and OPEB on pages 7-12 and 58-62 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, combining nonmajor fund financial statements, Texas Education Agency required 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, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements, Texas Education Agency required 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.

The Board of Trustees of
Crowley Independent School District

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 combining nonmajor fund financial statements, Texas Education Agency required 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 and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the District's 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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
October 25, 2018

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Management's Discussion and Analysis (Unaudited)

This section of the Crowley Independent School District (the District) financial report, presents our discussion and analysis of the District's financial performance for the year ended June 30, 2018. It should be read in conjunction with the District's financial statements.

Financial Highlights

Liabilities of the District exceeded assets by \$56,896,305 for governmental activities and assets exceeded liabilities by \$151,438 for business-type activities. Restricted net position consists of \$27,459,867 for debt service, and \$2,853,719 for grant funds. Assigned fund balance consists of \$1,500,000 for general fund.

At fiscal year end, the unassigned fund balance in the General Fund was \$34,556,527. Non-spendable fund balance for inventories and prepaids was \$438,077 and assigned for one-time, non-recurring instructional and extra-curricular expenses and District strategic initiatives was \$1.5 million. The District reported an increase to fund balance in the general fund of \$2,393,606 due to conservative spending and Texas Education Agency reviews to receive more state funding.

The fund balance in the Debt Service Fund increased to \$36,243,674, which still provides for a debt service payment of \$27.5 million in the 2018 fiscal year. The Capital Projects Fund reported a fund balance of \$118,465,775, which was an increase primarily due to issuance of bonds.

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) Management's Discussion and Analysis, 2) the basic financial statements, and 3) required supplemental information. The basic statements include two kinds of statements that present different views of the District.

The first two statements are *Government-wide Financial Statements*, the *Statement of Net Position* and the *Statement of Activities*, which provide both long-term and short-term information about the District's overall financial status reflect.

The remaining statements are *fund financial statements* that report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The *governmental funds statements* tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. *Proprietary fund statements* offer short and long-term financial information about the activities the government operates like businesses, such as self-insurance services. *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 in question belong.

The financial statements also include *notes* that explain some of the information in the financial statements and provide additional data needed for full disclosure in the government-wide statements or the fund financial statements. The notes are followed by a section of *required supplementary information* and *other supplementary information* that further explains and supports the information in the basic financial statements. The section labeled *other supplementary information* contains data used by the Texas Education Agency (TEA) and other monitoring or regulatory agencies.

Government-wide Financial 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 District's assets and liabilities. All of the current period's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

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

Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the District, one needs to consider additional non-financial factors such as changes in the District's tax base, staffing patterns, enrollment and attendance.

The government-wide financial statements of the District are divided into two categories:

Governmental Activities. Most of the District's basic services are reported here, including instruction, instructional support, instructional leadership, school leadership, student transportation, food service, extracurricular activities, general administration, maintenance, and so forth. Property taxes, state foundation funds, tuitions, fees, and state and federal grants are the major source of financing for these activities.

In fiscal year 2018, the District adopted the Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions – which superseded GASB Statement No. 45.*

Statement No. 75 establishes financial reporting standards and/or accounting standards for state and local government defined benefit OPEB plans and defined contribution OPEB plans. Statement No. 75 requires that, at transition, a government recognizes a beginning deferred outflow of resources for its OPEB contributions, if any, made subsequent to the measurement date of the beginning net OPEB liability. The effects of the adoption of this statement has no impact on the District's governmental fund financial statements. However, adoption has resulted in certain changes to the presentation of the financial statements of the District's government-wide financial statements. More information on the adoption of this statement and the District's OPEB plan is available in Note 1. E. and Note 4.D., respectively.

Business-type Activities. The District charges a fee to "customers" to help cover all or most of the cost of services it provides for community education.

Fund Financial Statements. Fund financial statements provide a detailed short-term view of the most significant funds-not the District as a whole. Laws and contracts require the District to establish some funds while the District's administration establishes other funds to help control and manage money for particular purposes. The District's three kinds of funds use different accounting approaches.

Governmental Funds. Most of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

Proprietary Funds. The District maintains two proprietary fund types. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for worker's compensation. The internal service funds are included within *governmental activities* in the government-wide financial statements.

Fiduciary Funds. The District is the trustee, or fiduciary, for resources held for the benefit of others such as the student activities fund. Fiduciary activities are reported in a separate statement of *fiduciary net position* and a *statement of changes in fiduciary net position*. The resources accounted for in these funds are not available to finance the District's operations and are thus excluded from the District's government-wide financial statements.

Government-Wide Financial Analysis

Statement of Net Position

Net position of the District's governmental and business-type activities increased from a deficit of \$80.4 million (as restated) to \$56.7 million. The increase in net position was primarily due to a decrease in net pension and OPEB liability and increase in capital assets. Current assets primarily increased due to issuance of debt and an increase in unspent bond proceeds.

	Governmental Activities Activities		Business Type Activities		Total Activities		Total Change
	2018	2017	2018	2017	2018	2017	2018-2017
Current assets	\$ 225,104,823	\$ 136,502,045	\$ 153,102	\$ 136,527	\$ 225,257,925	\$ 136,638,572	\$ 88,619,353
Capital assets	302,853,902	292,436,969	-	-	302,853,902	292,436,969	10,416,933
Total assets	527,958,725	428,939,014	153,102	136,527	528,111,827	429,075,541	99,036,286
Deferred outflow of resources	26,878,014	28,172,499	-	-	26,878,014	28,172,499	(1,294,485)
Total deferred outflow of resources	26,878,014	28,172,499	-	-	26,878,014	28,172,499	(1,294,485)
Current liabilities	32,868,081	26,865,236	1,664	-	32,869,745	26,865,236	6,004,509
Long-term liabilities	554,132,978	508,969,564	-	-	554,132,978	508,969,564	45,163,414
Total liabilities	587,001,059	535,834,800	1,664	-	587,002,723	535,834,800	51,167,923
Deferred inflow of resources	24,731,985	1,810,689	-	-	24,731,985	1,810,689	22,921,296
Total deferred inflow of resources	24,731,985	1,810,689	-	-	24,731,985	1,810,689	22,921,296
Net position:							
Investment in capital assets	(4,501,384)	(2,360,141)	-	-	(4,501,384)	(2,360,141)	(2,141,243)
Restricted - Debt service	27,459,867	23,885,222	-	-	27,459,867	23,885,222	3,574,645
Restricted - Grants	2,853,719	2,953,070	-	-	2,853,719	2,953,070	(99,351)
Unrestricted	(82,708,507)	(105,012,127)	151,438	136,527	(82,557,069)	(104,875,600)	22,318,531
Total net position	\$ (56,896,305)	\$ (80,533,976)	\$ 151,438	\$ 136,527	\$ (56,744,867)	\$ (80,397,449)	\$ 23,652,582

Statement of Activities

The following table summarizes the change in the District's net position from its activities for the fiscal years ended June 30, 2018 and June 30, 2017.

	Governmental Activities		Business Type		Total		Total
	Activities		Activities		Activities		Change
	2018	2017	2018	2017	2018	2017	2018-2017
Revenues							
Program revenues:							
Charges for services	\$ 2,334,323	\$ 2,240,222	\$ 71,810	\$ 111,165	\$ 2,406,133	\$ 2,351,387	\$ 54,746
Operating grants and contributions	(50,343)	25,798,678	-	-	(50,343)	25,798,678	(25,849,021)
General revenues							
Maintenance and operations taxes	68,698,527	61,654,489	-	-	68,698,527	61,654,489	7,044,038
Debt service taxes	29,371,302	25,285,029	-	-	29,371,302	25,285,029	4,086,273
State aid - formula grants	62,931,943	62,926,080	-	-	62,931,943	62,926,080	5,863
Investment earnings	2,351,254	575,431	-	-	2,351,254	575,431	1,775,823
Other revenue	605,229	1,810,776	-	-	605,229	1,810,776	(1,205,547)
Total revenues	166,242,235	180,290,705	71,810	111,165	166,314,045	180,401,870	(14,087,825)
Expenses							
Instruction	69,273,508	97,943,389	-	-	69,273,508	97,943,389	(28,669,881)
Instructional and school leadership	10,193,947	14,321,843	-	-	10,193,947	14,321,843	(4,127,896)
Student support	12,137,572	12,846,476	-	-	12,137,572	12,846,476	(708,904)
Food services	7,242,426	7,078,058	-	-	7,242,426	7,078,058	164,368
Cocurricular activities	3,484,754	4,198,028	-	-	3,484,754	4,198,028	(713,274)
General and administration	3,863,888	4,953,826	-	-	3,863,888	4,953,826	(1,089,938)
Plant maintenance/ security/data	15,018,743	17,697,980	-	-	15,018,743	17,697,980	(2,679,237)
Community services	-	5,782	56,899	101,476	56,899	107,258	(50,359)
Debt service taxes	15,603,747	10,836,737	-	-	15,603,747	10,836,737	4,767,010
Other activities	5,785,979	10,741,279	-	-	5,785,979	10,741,279	(4,955,300)
Total Expenses	142,604,564	180,623,398	56,899	101,476	142,661,463	180,724,874	(38,063,411)
Change in Net Position	23,637,671	(332,693)	14,911	9,689	23,652,582	(323,004)	23,975,586
Beginning Net Position							
Before Restatement	4,466,151	4,798,844	136,527	126,838	4,602,678	4,925,682	(323,004)
Change in accounting principle	(85,000,127)	(85,000,127)	-	-	(85,000,127)	(85,000,127)	-
Ending Net Position	\$ (56,896,305)	\$ (80,533,976)	\$ 151,438	\$ 136,527	\$ (56,744,867)	\$ (80,397,449)	\$ 23,652,582

The District's statement of governmental activities reflects total revenues for the year ended June 30, 2018 of \$166.2 million, a decrease of \$14.1 million and the total cost of all programs and services of \$142.6 million, a decrease of \$38 million. The net result is an increase in net position of \$23.6 million. The following impacted total expenses and revenues:

- A negative contribution from the State for OPEB of \$24.5 million which was also credited among the expenses.
- Net decrease in OPEB and pension liability and deferred inflows and outflows of \$15,837,185 which reduced expenses.
- Higher property tax revenues of \$7 million due to higher appraised values.

The cost of all governmental activities this year was \$142.6 million. However, as shown in the Statement of Activities, the amount that taxpayers ultimately financed for these activities was \$98.1 million because some of the costs were paid by those who directly benefited from the programs (\$2.4 million) and by grants and contributions (primarily State funding) not restricted to specific programs (\$62.9 million). The negative operating grants and contributions of (\$50,343) includes a negative state contribution of \$24,484,895 for the District's OPEB liability which is also netted within total expenses.

The District's statement of activities for business-type reflects charges for services of \$71,810. With community education costs of \$56,899, the net activity for business-type activities increased \$14,911 for ending net position of \$151,438.

The District's Funds

As the District completed the year, its governmental funds reported a combined fund balance of \$194.6 million, which is an increase of \$82,544,324 million from last year's total of \$112.1 million. The increase is composed of the following: The General Fund balance increased \$2.4 million from \$34.1 million to \$36.5 million from regular operations. The fund balance in the Debt Service Fund increased \$4.4 million to \$36.2 million as a result of an increased tax base. The Capital Projects Funds increased \$75.8 million from \$42.6 million to \$118.5 million as a result of issuance of bonds for future capital projects and Other Governmental Funds balance was consistent with a slight decrease of \$39,690.

General Fund Budgetary Highlights

Over the course of the year, the Board of Trustees revised the District's budget from time to time. Budget amendments included adjustments to revenues totaling \$5 million to reflect changed revenue estimates in all areas. Expenditure budgets increased \$5.2 million. Changes included increases due to one-time expenditures approved by the Board of Trustees and other minor adjustments throughout the year. At year end, there were no significant budgetary variances between the final amended budget and actual results. Overall revenue was slightly lower than projected at 99.89%. There were no overages by function level for the expenditure side of the budget. Overall the expenditures were slightly lower than the original budget at 99.4%.

Capital Asset and Debt Administration

Capital Assets. At the end of 2018, the District had \$302.9 million invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. Net increases (decreases) for the year were as follows:

Land	\$	10,000
Sale of land		(26,506)
Construction in progress		10,432,296
Building and improvements		5,652,747
Furniture and equipment		2,298,799
Accumulated depreciation		(7,950,403)

The District had the following major capital asset additions:

- Construction in progress of an elementary school of \$3.9 million
- New construction for a Career and Technical Education building for \$1.6 million
- High school renovation improvements of \$4.1 million
- Canopies for multiple campuses for \$2.7 million
- A baseball fieldhouse for \$2.6 million

More detailed information about the District's capital assets is presented in Note III. B. to the financial statements.

Debt. At year-end, the District had \$394.6 million in bonds outstanding versus \$317.5 million last year, an increase of \$77.1 million which was due to issuance of bond series 2017 for \$88.1 million. The District paid down debt principal of \$11 million. More detailed information about the District's long-term liabilities is presented in Note III. C. to the financial statements.

Economic Factors and Next Year' S Budgets and Rates

General Fund local property tax revenues are budgeted at \$69.9 million using a collection rate of 98% and state funding is budgeted to slightly decrease due to the District's flat ADA projections and an increased tax base.

A 3% general pay increase was submitted and approved by the Board for the 2018-19 school year.

With the expansion of the Chisholm Trail Parkway in the western edge of Crowley ISD, the District is building a new elementary campus. The District will closely monitor the growth in the District to carefully reconsider any rezoning that will need to take place.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the District's finances and to show 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 business office at Crowley Independent School District, 512 Peach Street, Crowley, TX 76036, (817) 297-5800.

Basic Financial Section

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Crowley Independent School District
Statement of Net Position
June 30, 2018

Exhibit A-1

Data Control Codes		1 Governmental Activities	2 Business-type Activities	Total
	ASSETS			
1110	Cash and cash equivalents	\$ 202,838,023	\$ 141,654	\$ 202,979,677
1220	Property taxes receivable	3,231,362	-	3,231,362
1230	Allowance for uncollectible taxes	(780,838)	-	(780,838)
1240	Due from other governments	19,151,814	-	19,151,814
1290	Other receivables	225,185	-	225,185
1300	Inventories	21,263	-	21,263
1410	Prepays	418,014	11,448	429,462
		225,104,823	153,102	225,257,925
	Capital assets:			
1510	Land	22,175,522	-	22,175,522
1520	Buildings and improvements, net	262,296,740	-	262,296,740
1530	Furniture and equipment, net	7,067,706	-	7,067,706
1580	Construction in progress	11,313,934	-	11,313,934
		527,958,725	153,102	528,111,827
1000	Total assets			
	DEFERRED OUTFLOW OF RESOURCES			
1700	Deferred charges on refunding	15,026,621	-	15,026,621
1997	Deferred resource outflow - TRS Pensions	11,147,752	-	11,147,752
1997	Deferred resource outflow - TRS Care OPEB	703,641	-	703,641
	Total deferred outflow of resources	26,878,014	-	26,878,014
	LIABILITIES			
2110	Accounts payable	7,412,549	1,664	7,414,213
2140	Interest payable	9,512,245	-	9,512,245
2165	Accrued liabilities	15,898,931	-	15,898,931
2180	Due to other governments	10,882	-	10,882
2300	Unearned revenue	33,474	-	33,474
		32,868,081	1,664	32,869,745
	Noncurrent liabilities:			
2501	Long-term liabilities due within one year	11,213,597	-	11,213,597
2502	Long-term liabilities due in more than one year	465,204,345	-	465,204,345
2540	Net pension liability	29,298,526	-	29,298,526
2540	OPEB Liability	48,416,510	-	48,416,510
		587,001,059	1,664	587,002,723
2000	Total liabilities			
	DEFERRED INFLOWS OF RESOURCES			
	Deferred resource inflows - TRS Pensions	4,479,268	-	4,479,268
	Deferred resource inflows - TRS Care OPEB	20,252,717	-	20,252,717
	Total deferred outflow of resources	24,731,985	-	24,731,985
	NET POSITION			
3200	Net investment in capital assets	(4,501,384)	-	(4,501,384)
	Restricted for:			
3850	Debt service	27,459,867	-	27,459,867
3890	Grants	2,853,719	-	2,853,719
3900	Unrestricted	(82,708,507)	151,438	(82,557,069)
		(56,896,305)	151,438	(56,744,867)
3000	TOTAL NET POSITION	\$ (56,896,305)	\$ 151,438	\$ (56,744,867)

The Notes to the Financial Statements are an integral part of this statement.

Crowley Independent School District
Statement of Activities
For the Fiscal Year Ended June 30, 2018

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues	
			3 Charges for Services	4 Operating Grants and Contributions
	Governmental activities:			
11	Instruction	\$ 68,947,123	\$ 268,255	\$ (7,111,899)
12	Instructional resources and media services	326,385	-	(92,432)
13	Curriculum/instructional staff development	904,616	-	330,090
21	Instructional leadership	2,623,912	-	(240,935)
23	School leadership	6,665,419	-	(1,957,855)
31	Guidance, counseling, evaluation services	3,761,740	-	1,185,989
33	Health services	779,279	-	(294,687)
34	Student (pupil) transportation	7,596,553	-	-
35	Food services	7,242,426	1,785,025	7,682,023
36	Extracurricular activities	3,484,754	198,321	918,772
41	General administration	3,863,888	-	(523,040)
51	Plant maintenance and operations	11,672,304	82,722	(727,738)
52	Security and monitoring services	1,360,809	-	(75,402)
53	Data processing services	1,985,630	-	469,591
72	Debt service - interest	15,603,747	-	-
81	Facilities maintenance	5,415,734	-	(47,798)
93	Payments to fiscal agent/member districts of SSA	370,245	-	434,978
	Total governmental activities	142,604,564	2,334,323	(50,343)
	Business-type activities:			
01	Community education	56,899	71,810	-
	Total business-type activities	56,899	71,810	-
TP	TOTAL	\$ 142,661,463	\$ 2,406,133	\$ (50,343)
	General revenues:			
MT	Property taxes, levied for general purposes			
DT	Property taxes, levied for debt service			
GC	Grants and contributions not restricted			
GC	for specific programs			
IE	Investment earnings			
MI	Miscellaneous local and intermediate revenue			
TR	Total general revenues			
CN	Change in net position			
NB	Net position - beginning			
	Implementation of change in accounting principle			
NE	NET POSITION - ENDING			

The Notes to the Financial Statements are an integral part of this statement.

<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>6</u>	<u>7</u>	<u>8</u>
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (75,790,767)	\$ -	\$ (75,790,767)
(418,817)	-	(418,817)
(574,526)	-	(574,526)
(2,864,847)	-	(2,864,847)
(8,623,274)	-	(8,623,274)
(2,575,751)	-	(2,575,751)
(1,073,966)	-	(1,073,966)
(7,596,553)	-	(7,596,553)
2,224,622	-	2,224,622
(2,367,661)	-	(2,367,661)
(4,386,928)	-	(4,386,928)
(12,317,320)	-	(12,317,320)
(1,436,211)	-	(1,436,211)
(1,516,039)	-	(1,516,039)
(15,603,747)	-	(15,603,747)
(5,463,532)	-	(5,463,532)
64,733	-	64,733
(140,320,584)	-	(140,320,584)
-	14,911	14,911
-	14,911	14,911
(140,320,584)	14,911	(140,305,673)
68,698,527	-	68,698,527
29,371,302	-	29,371,302
62,931,943	-	62,931,943
2,351,254	-	2,351,254
605,229	-	605,229
163,958,255	-	163,958,255
23,637,671	14,911	23,652,582
4,466,151	136,527	4,602,678
(85,000,127)	-	(85,000,127)
<u>\$ (56,896,305)</u>	<u>\$ 151,438</u>	<u>\$ (56,744,867)</u>

Crowley Independent School District
 Balance Sheet – Governmental Funds
 June 30, 2018

Data Control Codes		10	50
		General	Debt Service
ASSETS			
1110	Cash and cash equivalents	\$ 34,078,609	\$ 35,940,060
1220	Taxes receivable	2,347,132	884,230
1230	Allowance for uncollectible taxes	(625,046)	(155,792)
1240	Due from other governments	18,155,246	-
1260	Due from other funds	1,021,613	303,614
1290	Other receivables	225,185	-
1300	Inventories	21,263	-
1410	Prepaid items	416,814	-
1000	TOTAL ASSETS	\$ 55,640,816	\$ 36,972,112
LIABILITIES			
2110	Accounts payable	\$ 1,221,582	\$ -
2160	Accrued wages and benefits payable	15,898,931	-
2170	Due to other funds	303,614	-
2180	Due to other governments	-	-
2300	Unearned revenue	-	-
2000	Total liabilities	17,424,127	-
DEFERRED INFLOWS OF RESOURCES			
2600	Unavailable revenue - property taxes	1,722,085	728,438
	Total deferred inflows of resources	1,722,085	728,438
FUND BALANCES			
Non-spendable:			
3410	Inventories	21,263	-
3430	Prepaid items	416,814	-
Restricted:			
3450	Grant funds	-	-
3470	Capital acquisitions and contracts	-	-
3480	Debt service	-	36,243,674
Committed:			
3545	Local activity	-	-
Assigned:			
3570	Capital acquisitions and contracts	1,500,000	-
3600	Unassigned	34,556,527	-
3000	Total fund balances	36,494,604	36,243,674
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 55,640,816	\$ 36,972,112

The Notes to the Financial Statements are an integral part of this statement.

60	Other Governmental Funds	98 Total Governmental Funds
Capital Projects		
\$ 124,369,676	\$ 3,548,727	\$ 197,937,072
-	-	3,231,362
-	-	(780,838)
-	996,568	19,151,814
-	2,285	1,327,512
-	-	225,185
-	-	21,263
-	1,200	418,014
<u>\$ 124,369,676</u>	<u>\$ 4,548,780</u>	<u>\$ 221,531,384</u>
\$ 5,903,901	\$ 48,080	\$ 7,173,563
-	-	15,898,931
-	1,023,898	1,327,512
-	10,882	10,882
-	33,474	33,474
5,903,901	1,116,334	24,444,362
-	-	2,450,523
-	-	2,450,523
-	-	21,263
-	1,200	418,014
-	2,852,516	2,852,516
118,465,775	-	118,465,775
-	-	36,243,674
-	578,730	578,730
-	-	1,500,000
-	-	34,556,527
<u>118,465,775</u>	<u>3,432,446</u>	<u>194,636,499</u>
<u>\$ 124,369,676</u>	<u>\$ 4,548,780</u>	<u>\$ 221,531,384</u>

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Crowley Independent School District**Exhibit C-1R**Reconciliation of the Governmental Funds Balance Sheet to
the Statement of Net Position
June 30, 2018

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS (C-1)	\$ 194,636,499
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.	412,153,750
Accumulated depreciation, including current year depreciation expense of \$7,950,403, is not reported in the fund financial statements.	(109,299,848)
Long-term liabilities including bonds payable, premiums and accreted interest are not included in the fund financial statements.	(476,417,942)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(9,512,245)
Deferred outflows of resources on issuances of debt were not recognized on the balance sheet for governmental funds.	15,026,621
Deferred outflows of resources for pension and OPEB related items were not recognized on the balance sheet for governmental funds.	11,851,393
Long-term liabilities associated with the District's net pension and OPEB liability are not included in the fund financial statements.	(77,715,036)
Internal service funds are used 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.	4,661,965
Deferred inflows of resources for property taxes are recognized as revenue in the government-wide financial statements.	2,450,523
Deferred inflows of resources for pension and OPEB related liabilities are recognized only in the government-wide financial statements.	<u>(24,731,985)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (A-1)	<u>\$ (56,896,305)</u>

Crowley Independent School District
Statement of Revenues, Expenditures, and Changes
in Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2018

Data Control Codes		10	50
		General	Debt Service
REVENUES			
5700	Local, intermediate, and out-of-state	\$ 70,384,086	\$ 29,736,588
5800	State program revenues	67,315,885	1,236,708
5900	Federal program revenues	2,404,761	-
5020	Total revenues	140,104,732	30,973,296
EXPENDITURES			
Current:			
0011	Instruction	85,587,702	-
0012	Instructional resources/media services	512,395	-
0013	Curriculum and staff development	722,127	-
0021	Instructional leadership	3,654,519	-
0023	School leadership	10,727,562	-
0031	Guidance, counseling, and evaluation services	3,508,153	-
0033	Health services	1,392,030	-
0034	Student (pupil) transportation	7,521,812	-
0035	Food service	-	-
0036	Extracurricular activities	2,792,588	-
0041	General administration	4,946,133	-
0051	Plant maintenance and operations	12,858,312	-
0052	Security and monitoring services	1,514,964	-
0053	Data processing services	1,999,335	-
Debt service:			
0071	Principal	-	11,022,640
0072	Interest	-	18,582,788
0073	Bond issuance costs and fees	-	-
Capital outlay:			
0081	Facilities acquisition and construction	-	-
Intergovernmental:			
0093	Shared service arrangements	-	-
6030	Total expenditures	137,737,632	29,605,428
1100	Excess (deficiency) of revenues over (under) expenditures	2,367,100	1,367,868
OTHER FINANCING SOURCES (USES)			
7911	Issuance of bonds	-	-
7912	Sale of real or personal property	26,506	-
7915	Transfers In (Out)	-	3,004,811
7916	Premium/discount on bonds	-	-
7080	Total other financing sources (uses)	26,506	3,004,811
1200	Change in net fund balances	2,393,606	4,372,679
0100	Net fund balances - beginning	34,100,998	31,870,995
3000	TOTAL NET FUND BALANCES - ENDING	\$ 36,494,604	\$ 36,243,674

The Notes to the Financial Statements are an integral part of this statement.

60	Other Governmental Funds	98 Total Governmental Funds
Capital Projects		
\$ 1,472,746	\$ 4,085,386	\$ 105,678,806
12,919	2,572,358	71,137,870
-	14,078,532	16,483,293
<hr/>	<hr/>	<hr/>
1,485,665	20,736,276	193,299,969
-	7,496,662	93,084,364
-	-	512,395
-	355,317	1,077,444
-	407,513	4,062,032
-	-	10,727,562
-	1,546,239	5,054,392
-	-	1,392,030
-	-	7,521,812
-	8,119,528	8,119,528
-	1,191,159	3,983,747
-	-	4,946,133
-	374,241	13,232,553
-	-	1,514,964
-	915,062	2,914,397
-	-	11,022,640
-	-	18,582,788
788,276	-	788,276
22,663,125	-	22,663,125
-	370,245	370,245
<hr/>	<hr/>	<hr/>
23,451,401	20,775,966	211,570,427
<hr/>	<hr/>	<hr/>
(21,965,736)	(39,690)	(18,270,458)
88,090,000	-	88,090,000
-	-	26,506
(3,004,811)	-	-
12,698,276	-	12,698,276
<hr/>	<hr/>	<hr/>
97,783,465	-	100,814,782
<hr/>	<hr/>	<hr/>
75,817,729	(39,690)	82,544,324
42,648,046	3,472,136	112,092,175
<hr/>	<hr/>	<hr/>
\$ 118,465,775	\$ 3,432,446	\$ 194,636,499
<hr/>	<hr/>	<hr/>

Crowley Independent School District**Exhibit C-2R**

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2018

TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS (C-2)	\$ 82,544,324
Internal service funds are used to charge the costs of certain activities to individual funds. The net income of internal service funds are reported with governmental activities, so the net effect is to increase net position.	921,627
Current year capital additions of \$18,393,842 are expenditures in the fund financial statements but appear as increases in capital assets in the government-wide financial statements. The net effect of the capital additions and disposals of \$26,506 increased net position.	18,367,336
Depreciation is not expensed in fund financial statements because it does not require the use of current financial resources. The effect of current year depreciation is to decrease net position.	(7,950,403)
Current year principal payments on noncurrent liabilities are expenditures in the fund financial statements, whereas they are reported as reductions of non-current liabilities in the government-wide financial statements. The net effect of current year principal paid on bonds payable is to increase net position.	11,022,640
Premiums on bonds payable are reported as other sources of funds in the fund financial statements when the bonds are issued. Deferred charges on refunding are presented as deferred outflows of resources on the government-wide statements and amortized over the life of the related debt. Amounts are reported net of amortization on the government-wide financial statements. The net effect of these items is to increase net position.	1,389,729
Current year bond proceeds and premium proceeds are other financing sources to fund financial statements, whereas they are reported as additions of noncurrent liabilities in the government-wide financial statements. The net effect of current year bond and premium proceeds is a decrease in net position.	(100,788,276)
Changes in the net pension and other post employment benefit liability, and related deferred inflows and outflows not recognized on the fund financial statements under the modified accrual basis are recognized on the accrual basis in the government-wide financial statements. The effect of the change is to increase net position.	15,837,185
Revenue not recognized on the fund financial statements under the modified accrual basis are recognized on the accrual basis in the government-wide financial statements. The effect of the change in deferred outflow of resources is to decrease net position.	(84,079)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements an interest expenditure is reported when due. The net effect of recording changes in accreted interest and accrued interest is to increase net position.	<u>2,377,588</u>
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES (B-1)	<u>\$ 23,637,671</u>

The Notes to the Financial Statements are an integral part of this statement.

Crowley Independent School District
 Statements of Net Position
 Proprietary Fund
 June 30, 2018

Exhibit D-1

<u>Data Control Codes</u>		<u>Business-type Activities - Enterprise Community Education</u>	<u>Governmental Activities - Internal Service Funds</u>
	ASSETS		
	Current assets:		
1110	Cash and cash equivalents	\$ 141,654	\$ 4,900,951
1410	Prepaid expenses	11,448	-
		<hr/>	<hr/>
1000	Total assets	153,102	4,900,951
	LIABILITIES		
	Current liabilities:		
2110	Accounts payable	1,664	238,986
		<hr/>	<hr/>
2000	Total liabilities	1,664	238,986
	NET POSITION		
3900	Unrestricted	151,438	4,661,965
		<hr/>	<hr/>
3000	TOTAL NET POSITION	<u>\$ 151,438</u>	<u>\$ 4,661,965</u>

The Notes to the Financial Statements are an integral part of this statement.

Crowley Independent School District
 Statements of Revenues, Expenses, and Changes
 in Fund Net Position – Proprietary Fund
 For the Fiscal Year Ended June 30, 2018

Exhibit D-2

<u>Data Control Codes</u>		<u>Business-type Activities - Enterprise Community Education</u>	<u>Governmental Activities - Internal Service Funds</u>
	OPERATING REVENUES		
5700	Local and intermediate sources	\$ 71,810	\$ 1,202,569
5020	Total operating revenues	71,810	1,202,569
	OPERATING EXPENSES		
6100	Payroll cost	5,958	19,718
6200	Contractual services	37,039	261,224
6300	Supplies	13,902	-
6030	Total operating expenses	56,899	280,942
	Income before contribution and transfers	14,911	921,627
1300	Change in net position	14,911	921,627
0100	Net position - beginning	136,527	3,740,338
3300	TOTAL NET POSITION - ENDING	<u>\$ 151,438</u>	<u>\$ 4,661,965</u>

Crowley Independent School District
Statements of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2018

Exhibit D-3

	<u>Business-type Activities - Enterprise Community Education</u>	<u>Governmental Activities - Internal Service Funds</u>
CASH FLOWS OPERATING ACTIVITIES		
Cash received from customers	\$ 71,810	\$ 1,202,569
Cash payments to suppliers	(46,822)	(313,709)
Cash payments to employees	(5,958)	(19,718)
	<u>19,030</u>	<u>869,142</u>
Net cash provided by operating activities	19,030	869,142
Net change in cash and cash equivalents	19,030	869,142
Cash and cash equivalents at beginning of year	<u>122,624</u>	<u>4,031,809</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 141,654</u>	<u>\$ 4,900,951</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 14,911	\$ 921,627
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in assets and liabilities:		
(Increase) decrease in prepaids	2,455	-
Increase (decrease) in accounts payable	1,664	(52,485)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 19,030</u>	<u>\$ 869,142</u>

The Notes to the Financial Statements are an integral part of this statement.

Crowley Independent School District
 Statements of Fiduciary Net Position
 Fiduciary Fund
 June 30, 2018

Exhibit E-1

<u>Data Control Codes</u>		<u>Private Purpose Trust</u>	<u>Agency</u>
	ASSETS		
1110	Cash and cash equivalents	\$ 396	\$ 209,191
	TOTAL ASSETS	<u>\$ 396</u>	<u>\$ 209,191</u>
	LIABILITIES		
2190	Due to student groups	\$ -	\$ 209,191
2000	Total liabilities	<u>-</u>	<u>\$ 209,191</u>
3000	TOTAL NET POSITION	<u>\$ 396</u>	

Crowley Independent School District
 Statement of Changes in Fiduciary Net Position
 Fiduciary Fund
 For the Fiscal Year Ended June 30, 2018

Exhibit E-2

	<u>Private Purpose Trust</u>
ADDITIONS	
Local and intermediate sources	\$ -
	<hr/>
Total additions	-
DEDUCTIONS	
Supplies and materials	-
	<hr/>
Total deductions	-
	<hr/>
Change in net position	-
Net position - beginning	396
	<hr/>
TOTAL NET POSITION - ENDING	<u>\$ 396</u>

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Crowley Independent School District

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

Crowley Independent School District (the District) is a public educational agency operating under the applicable laws and regulations of the State of Texas. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and it complies with the requirements of the appropriate version of Texas Education Agency's (TEA) *Financial Accountability System Resource Guide* (the Resource Guide) and the requirements of contracts and grants of agencies from which it receives funds.

The District is an independent political subdivision of the State of Texas governed by the Board of Trustees, a seven member group, elected by the public. It has the authority to make decisions, appoint administrators and managers, and significantly influence operations and is considered a primary government. As required by generally accepted accounting principles, these financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations or functions as part of the District's financial reporting entity. No other entities have been included in the District's reporting entity. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity, which is in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as revised by GASB Statement No. 39 and GASB Statement No. 61.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information about the District as a whole. These statements include all activities of the primary government. The effect of interfund activity has been removed from these statements.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs and grants that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, such as taxes and investment earnings, are presented as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. In the fund financial statements, the accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity.

The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance or net position, as appropriate, revenues, and expenditures or expenses, as appropriate. Following is a description of the various funds:

Crowley Independent School District

Notes to the Financial Statements

Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed.

General Fund. The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund is considered a major fund for reporting purposes.

Debt Service Fund. The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest on all long-term debt of the District. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

Capital Projects Funds. The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The capital projects fund is considered a major fund for reporting purposes.

Special Revenue Funds. The special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The restricted or committed proceeds of specific revenue sources comprise a substantial portion of the inflows of these special revenue funds. Most federal and some state financial assistance are accounted for in special revenue funds.

Proprietary Funds

The proprietary funds account for services that are generally fully supported by user fees. The District has the following types of proprietary funds:

Enterprise Funds. The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are reported as "Business-type Activities" in the government-wide financial statements. The District uses this fund to account for its community education programs because the community education programs are self-supporting and do not require subsidies from the general fund.

Internal Service Funds. The internal service funds are used to account for revenues and expenses related to services provided to parties inside the District. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements. The District has internal service funds for its worker's compensation and health self-insurance plans.

Fiduciary Funds

Agency Funds. The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for the District's student activity funds and donations.

Private Purpose Trust Funds. The District uses these funds to account for donations received from private individuals and foundations which have the stipulation that the funds be used for a specific purpose. These funds are not budgeted.

Crowley Independent School District

Notes to the Financial Statements

C. New Accounting Standards Adopted

In fiscal year 2018, the District adopted Governmental Accounting Standards Board Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions – which supersedes GASB Statement No. 45*.

The requirements of Statement No. 75 apply to the financial statements of all state and local government employers whose employees are provided postemployment benefits other than pensions that are administered through trusts or equivalent arrangements, and to the financial statements of state and local government in which the non-employer contributing entity (State) and District have a legal obligation to make contributions directly to such OPEB plan. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to the OPEB plan. Note disclosure and RSI requirements about the OPEB plan also are addressed. The adoption of Statement No. 75 has no impact on the District's governmental fund financial statements, which continue to report expenditures in the contribution amount determined legislatively. The calculation of OPEB contributions is unaffected by the change. However, the adoption has resulted in the restatement of the District's beginning net position for the fiscal year 2018 government-wide financial statements to reflect the reporting of net OPEB liability and deferred inflows of resources and deferred outflows of resources for its qualified OPEB plan and the recognition of OPEB expense in accordance with the provisions of GASB 75. Net position as of July 1, 2017 was decreased by \$85,000,127 to reflect the cumulative effect of adoption. An aggregate net OPEB liability of \$85,476,903 offset by aggregate deferred outflows of resources of \$476,776 at June 30, 2017 were reported as a prior period adjustment to the net position on July 1, 2017. Refer to Note 4.E for more information regarding the District's OPEB plan.

D. Measurement Focus and Basis of Accounting

The government-wide statements and the proprietary fund statements are accounted for using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operations of these activities are included on the statement of net position. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing resources) and decreases (i.e., expenditures and other financing uses) in fund balance.

The District utilizes the modified accrual basis of accounting in the governmental fund statements. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they are susceptible to accrual (i.e., when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues available if they are collected within 60 days of the end of the current period. Revenues susceptible to accrual include charges for services and interest on temporary investments.

Property taxes and interest associated with the current period are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Other receipts and other taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Crowley Independent School District

Notes to the Financial Statements

Grant funds are considered to be earned when all eligibility requirements have been met, (including time requirements) to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received in advance, they are recorded as unearned revenues until earned. 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.

Using the modified accrual basis of accounting, expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for interest on long-term debt, which is recognized when due.

The Private Purpose Trust funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. Reporting is oriented towards providing accountability for the sources, uses, and balances of resources held in trust for others, therefore, the additions and deductions in fiduciary balances are reported.

E. Assets, Liabilities, and Net Position or Fund Balance

1. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The District reports all investments at fair value, except for money market investments and investment pools. Investment positions in external investment pools that meet specific criteria are reported using the pools' share price, which generally maintains a stable \$1 per share value. A board of directors comprised of local government officers, including participants of the pools, performs regulatory oversight to the external investment pools.

The District has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Governmental Code. In summary, the District is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Government investment pools and commercial paper

Crowley Independent School District

Notes to the Financial Statements

2. *Receivables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as due to/from other funds.

Due from other governments is primarily comprised of amounts to be received related to federal and state funding sources, and is considered entirely collectible.

3. *Property Taxes*

All taxes due to the District on real or personal property are payable at the Office of the Tax Assessor-Collector and may be paid at any time after the tax rolls for the year have been completed and approved, which is no later than October 1. Taxes are due by January 31, and all taxes not paid prior to this date are deemed delinquent and are subject to such penalty and interest. Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied on October 1 and are payable prior to the next February 1. District property tax revenues are recognized when collected.

4. *Inventories*

The costs of governmental fund type inventories are recorded as expenditures when consumed (i.e., the consumption method). Inventory is recorded at average cost.

5. *Capital Assets*

Capital assets, which include land, buildings, furniture, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation unless received through a service concession arrangement, in which case they are recorded at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Description Useful Life</u>	<u>Estimated</u>
Buildings and improvements	15-30 years
Furniture and equipment	3-15 years

6. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/ expenditure) until then. In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Crowley Independent School District

Notes to the Financial Statements

7. Pensions

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 benefit terms. Investments are reported at fair value.

8. Other Post-Employment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan 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 OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

9. Fund Balance

Fund balances in governmental funds are classified as follows:

Nonspendable – Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact (such as principal of a permanent fund).

Restricted – Represents amounts that are constrained by external parties, constitutional provisions, or enabling legislation.

Committed – Represents amounts that can only be used for a specific purpose because of a formal action by the District's Board of Trustees (the Board). Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of formal action. Commitments are approved through the adoption and amendment of the District's budget or a formal resolution stating the commitment. The commitment must be made prior to yearend.

Assigned – Represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board or by an official or body to which the Board delegates the authority. The Board has retained this authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself. Assignments can be made at any time.

Unassigned – Represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed, then assigned funds, and finally unassigned funds.

Crowley Independent School District

Notes to the Financial Statements

Net Position

The District classifies net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of constraints placed on net position used through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – Consists of net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

F. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles (GAAP), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

G. Data Control Codes

The data control codes refer to the account code structure prescribed by TEA in the Resource Guide. The TEA requires school districts to display these codes in the financial statements filed with the TEA in order to insure accuracy in building a statewide database for policy development and funding plans.

H. Future Accounting Pronouncements

In June 2018 the GASB released GASB statement No. 87, *Leases*. This statement was issued to increase the usefulness of governmental entities' financial statements by requiring recognition of certain lease assets and liabilities that were previously accounted for as operating leases. It establishes a single model for lease accounting based on the principle that leases are a financing of the right to use an underlying asset. Under this statement a lessee is required to recognize a lease liability and an intangible right-to-use asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources. This statement is effective for the District for the year ended June 30, 2021 and the District is currently evaluating the impact of this standard on its financial statements.

Crowley Independent School District

Notes to the Financial Statements

Note 2. Stewardship, Compliance, and Accountability

Annual budgets are adopted on a basis consistent with GAAP. The original budget is adopted by the District prior to the beginning of the year. The legal level of control is the function code stated in the approved budget. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year.

Note 3. Detailed Notes on All Funds

A. Deposits and Investments

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure the District's deposits may not be returned to it. The District's investment policy requires funds on deposit at the depository bank to be collateralized. As of year-end, checking and time deposits were entirely insured or collateralized with securities as provided by State laws and regulations and FDIC insurance. At year-end, the carrying amount of the District's deposits were \$11,339,643, and the bank balance was \$13,794,160, of which \$13,544,160 exceeded FDIC limits and was collateralized by securities held in the District's name.

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.

At year end, the District's investments were as follows:

<u>Investments</u>	<u>Maturity</u>	<u>Amount</u>	<u>Rating</u>
Lone Star Investment Pool	25 days	\$ 186,344,721	AAA
MBIA Texas Class Investment Pool	49 days	<u>5,504,900</u>	AAAm
Total investments		<u>\$ 191,849,621</u>	

The Lone Star Investment Pool (the Pool) is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Pool is governed by an 11 member Board of Trustees, consisting of individuals representing entities participating in the Pool. The fair value of the District's position in the Pool is the same as the value of the Pool shares.

The MBIA Texas Investment Pool (the TexClass) is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. TexClass is governed by a 5 member Board of Trustees, consisting of individuals representing entities participating in the Pool. The fair value of the District's position in the Pool is the same as the value of the TexClass shares.

Crowley Independent School District

Notes to the Financial Statements

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the District was not exposed to custodial credit risk. All of the investment pools are rated AAA or better by Standard and Poor's Rating Services as of year-end.

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. By policy the District shall use final and weighted-average maturity limits and diversification to reduce exposure to changes in interest rates. One of the ways that the District manages its exposure to interest rate risk is 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.

Concentration of Credit Risk. The District's investment policy limits investments in money market mutual funds rated as to investment quality not less than AAA by Standard & Poor's.

There are no limits in investments for one issuer per instrument type allowed by the District's policy as long as the individual investment type is under maximum limits. The following maximum limits, by instrument, are established for the District's total portfolio:

1. U.S. Treasury Securities	100%
2. Agencies and instrumentalities	85%
3. Certificate of Deposit	100%
4. Repurchase Agreements*	20%
5. Money Market Mutual Funds	50%

*Excluding flexible repurchase agreements for bond proceeds investments.

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.

The Lone Star and TexClass investment pools are external investment pools measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. Investment pools measured at amortized cost are exempt from the fair value reporting requirements of GASB Statement No. 72, *Fair Value Measurement*. Both Lone Star and TexClass maintain requirements that no more than 5% of their portfolios can be held with one issuer with the exception of the United States Government. Both also have one day notice periods and no maximum transaction amounts. Restrictions on redemptions may only be imposed in the event of a general suspension on trading in a major securities market, general banking moratorium or a state or federal emergency that impacts the liquidity of the portfolio.

Crowley Independent School District
Notes to the Financial Statements

B. Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

Governmental activities	Beginning Balances	Increases	Transfers	Decreases	Ending Balances
Capital assets not being depreciated:					
Land	\$ 22,192,028	\$ 10,000	\$ -	\$ (26,506)	\$ 22,175,522
Construction in progress	881,638	10,805,979	(373,683)	-	11,313,934
Total capital assets not being depreciated	23,073,666	10,815,979	(373,683)	(26,506)	33,489,456
Other capital assets:					
Buildings and improvements	353,633,121	5,279,064	373,683	-	359,285,868
Furniture and equipment	17,079,627	2,298,799	-	-	19,378,426
Total other capital assets	370,712,748	7,577,863	373,683	-	378,664,294
Less accumulated depreciation for:					
Buildings and improvements	(89,777,395)	(7,211,733)	-	-	(96,989,128)
Furniture and equipment	(11,572,050)	(738,670)	-	-	(12,310,720)
Total accumulated depreciation	(101,349,445)	(7,950,403)	-	-	(109,299,848)
Other capital assets, net	-	-	-	-	-
Capital assets, net	\$ 292,436,969	\$ 10,443,439	\$ -	\$ (26,506)	\$ 302,853,902

Depreciation was charged to governmental functions as follows:

	Governmental Activities
11 Instruction	\$ 7,359,897
12 Instructional resources/media services	9,719
23 School leadership	7,277
31 Guidance, counseling, and evaluation services	2,486
33 Health services	1,129
34 Student (pupil) transportation	74,741
35 Food services	48,551
36 Extracurricular activities	164,109
41 General administration	7,324
51 Plant maintenance and operations	275,170
Totals	\$ 7,950,403

Crowley Independent School District
Notes to the Financial Statements

C. Long-term Liabilities

The following is a summary of changes in the District's total governmental long-term liabilities for the year. In general, the District uses the debt service fund to liquidate governmental long-term liabilities.

	Beginning Balances	Additions	Reductions	Ending Balances	Amounts Due Within One Year
Governmental activities:					
Bonds payable					
Series 1993 Refunding	\$ 2,794,051	\$ -	\$ 507,314	\$ 2,286,737	\$ 466,102
Series 2002 Refunding	774,812	-	-	774,812	-
Series 2006	4,475,000	-	-	4,475,000	-
Series 2007	3,385,000	-	3,385,000	-	-
Series 2008	6,571	-	3,313	3,258	2,013
Series 2010 Refunding	17,590,002	-	260,000	17,330,002	270,000
Series 2010	3,814,998	-	1,230,000	2,584,998	1,270,000
Series 2011 Refunding	7,914,997	-	60,000	7,854,997	60,000
Series 2012 Refunding	8,730,000	-	-	8,730,000	-
Series 2013 Refunding	20,600,452	-	215,000	20,385,452	452
Series 2013	24,375,000	-	400,000	23,975,000	550,000
Series 2014 Refunding	20,550,000	-	2,090,000	18,460,000	785,000
Series 2014 - B Refunding	15,415,000	-	710,000	14,705,000	720,000
Series 2015 - A Refunding	29,525,000	-	1,095,000	28,430,000	1,120,000
Series 2015B-Refunding	29,729,990	-	-	29,729,990	18,521
Series 2015C	30,640,729	-	37,013	30,603,716	-
Series 2016- A	21,125,000	-	-	21,125,000	-
Series 2016-B Refunding	76,070,000	-	-	76,070,000	-
Series 2017	-	88,090,000	1,030,000	87,060,000	-
	<u>317,516,602</u>	<u>88,090,000</u>	<u>11,022,640</u>	<u>394,583,962</u>	<u>5,262,088</u>
Other liabilities:					
Bond premiums	35,798,673	12,698,276	2,233,228	46,263,721	2,281,695
Accreted interest	38,729,786	2,373,593	5,533,120	35,570,259	3,669,814
	<u>38,729,786</u>	<u>2,373,593</u>	<u>5,533,120</u>	<u>35,570,259</u>	<u>3,669,814</u>
Total government activities					
long-term liabilities	<u>\$ 392,045,061</u>	<u>\$ 103,161,869</u>	<u>\$ 18,788,988</u>	<u>\$ 476,417,942</u>	<u>\$ 11,213,597</u>

These bonds were issued as school building bonds or refunding bonds, and have interest rates ranging from 0.40% to 5.5%. There are a number of limitations and restrictions contained in the various general obligation bonds indentures. The District is in compliance with all significant limitations and restrictions at year end. Certain series of bonds were issued as refunding bonds as noted in the table above. As of June 30, 2018, \$147,950,000 of previously defeased bonds are still outstanding but are not recognized as liabilities in the District's financial statements. During fiscal year 2018 The District issued series 2017 bonds for \$88,090,000 in face value and a total premium of \$12,698,276. The proceeds of the bonds will be used for construction and for payment of offering costs associated with the bonds.

Crowley Independent School District
Notes to the Financial Statements

Debt service requirements by fiscal year on the District's outstanding bonds were as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2019	\$ 5,262,088	\$ 22,829,388	\$ 28,091,476
2020	7,194,359	21,390,730	28,585,089
2021	7,630,301	21,132,563	28,762,864
2022	7,970,068	20,913,446	28,883,514
2023	9,082,142	19,820,209	28,902,351
2024-2028	65,444,845	80,415,310	145,860,155
2029-2033	51,445,159	94,412,078	145,857,237
2034-2038	97,310,000	45,643,933	142,953,933
2039-2043	81,100,000	23,660,181	104,760,181
2044 and thereafter	62,145,000	7,161,250	69,306,250
Totals	\$ 394,583,962	\$ 357,379,088	\$ 751,963,050

D. Interfund Transactions

The interfund balances and transfers were as follows:

Due to	Due from	Amount	Purpose
General	Special revenue	\$ 1,021,613	Short term loans
Special revenue	Special revenue	2,285	Short term loans
Debt service	General fund	303,614	Short term loans

The District's capital projects fund transferred unspent bond proceeds of \$3,004,811 to the debt service fund to make early principal payments on the bond series 2007.

Note 4. Other Information

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District purchases commercial insurance to cover general liabilities insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Workers' Compensation Insurance

During the fiscal year ended June 30, 2018, employees of the District were covered by a workers' compensation insurance plan (the plan). Contributions are made based upon rates established for the District's various types of employees.

Crowley Independent School District

Notes to the Financial Statements

The contract between the District and the third party administrator, Alamo Insurance Group (AIG), is renewable annually, and the terms of coverage and costs are included in the contractual provisions. The District is protected against unanticipated catastrophic individual loss by stop-loss coverage carried through a commercial insurer licensed to do business in Texas in accordance with the Texas Insurance Code. Stop-loss coverage is in effect for specific occurrences exceeding \$300,000 and an aggregate limit of \$1,000,000.

AIG has performed an evaluation of claims submitted for incidents occurring prior to June 30, 2018, and has projected open claims and incurred but not reported claims will cost \$238,986. The following is a reconciliation of changes in the aggregate liabilities for claims for the last three fiscal years:

<u>Fiscal Year</u>	<u>Beginning of Year Accrual</u>	<u>Current Year Estimates</u>	<u>Claims Payments</u>	<u>End of Year Accrual</u>
2016	\$ 129,418	\$ 357,060	\$ 147,037	\$ 339,441
2017	339,441	350,624	398,594	291,471
2018	291,471	280,942	333,427	238,986

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors.

C. Other Liabilities

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed or not performed correctly, it could result in a substantial liability to the District. The District engages an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations.

D. Defined Benefit Pension Plans

Plan Description

The 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). It is a defined benefit pension plan 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.

Crowley Independent School District

Notes to the Financial Statements

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

Pension Plan Fiduciary Net Position

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

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.

Crowley Independent School District

Notes to the Financial Statements

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 2016 thru 2018. The 85th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017. Rates for such plan fiscal years are as follows:

	Contribution Rates		
	2016	2017	2018
Member	7.20%	7.70%	7.70%
Non-employer contributing entity (state)	6.80%	6.80%	6.80%
Employers	6.80%	6.80%	6.80%

The contribution amounts for the District's fiscal year 2017 are as follows:

Employer contributions	\$	3,003,116
Member contributions		2,971,173
NECE on-behalf contributions		4,359,191

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 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 and junior colleges, 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 that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical 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 sources, a privately sponsored source, from non-educational and general, or local funds;
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

Crowley Independent School District

Notes to the Financial Statements

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; and
- When a school district or charter school 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.

Actuarial Assumptions

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

Valuation date	August 31, 2017
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	8.00%
Long-term expected rate	8.00%
Municipal bond rate	N/A*
Last year ending August 31 in the 2017 to 2116 projection period (100 years)	2116
Inflation	2.50%
Salary increases	3.50% to 9.50% including inflation
Ad hoc post-employment benefit changes	None

*If a municipal bond rate was to be used, the rate would be 3.42% as of August 2017 (i.e. the rate closest to but not later than the Measurement Date). The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

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.

Crowley Independent School District

Notes to the Financial Statements

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 8.0%. 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, 2017 are summarized below:

	Long-Term Target Asset Allocation	Long-Term Expected Geometric Real Rate of Return	Expected Contribution to Long-Term Portfolio Returns ¹
Global equity:			
U.S.	18%	4.6%	1.0%
Non-US 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%
Hedge funds stable value	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			1.0%
Total	<u>100%</u>		<u>8.7%</u>

¹The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns

Crowley Independent School District

Notes to the Financial Statements

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 2016 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8%)	1% Increase in Discount Rate (9.0%)
The District's proportionate share of the net pension liability	\$ 49,391,532	\$ 29,298,526	\$ 12,567,844

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

At June 30, 2018, the District reported a liability of \$29,298,526 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the 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 the District were as follows:

The District's proportionate share of the collective net pension liability	\$ 29,298,526
State's proportionate share that is associated with the District	<u>42,617,866</u>
Total	<u><u>\$ 71,916,392</u></u>

The net pension liability was measured as of August 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2016 thru August 31, 2017.

At August 31, 2017, the employer's proportion of the collective net pension liability was 0.0916306% which was an increase from its proportion measured as of August 31, 2016 of 0.083219840%.

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 June 30, 2018, the District recognized pension expense of \$3,133,459 and revenue and expense of \$4,359,191 for support provided by the State.

Crowley Independent School District

Notes to the Financial Statements

At June 30, 2018, the District 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	\$ 428,651	\$ 1,580,031
Changes in actuarial assumptions	1,334,594	764,024
Difference between projected and actual investment earnings	-	2,135,213
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	6,658,753	-
Contributions paid to TRS subsequent to the measurement date	2,725,754	-
Total	\$ 11,147,752	\$ 4,479,268

The deferred outflow of resources relating to District contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the year ended June 30, 2019. The net amounts of the District's balances of the remaining deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30,	Pension Expense Amount
2019	\$ 519,413
2020	2,389,614
2021	375,552
2022	(161,539)
2023	521,488
2024	298,202

E. Defined Other Post-Employment Benefit Plan

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Crowley Independent School District

Notes to the Financial Statements

Benefits Provided

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with Medicare Parts A&B coverage, with 20 to 29 years of service for the basic plan and the two optional plans.

TRS-Care Plan Premium Rates
Effective September 1, 2016-December 31, 2017

	TRS-Care 1 Basic Plan	TRS-Care 2 Optional Plan	TRS-Care 3 Optional Plan
Retiree*	\$ -	\$ 70	\$ 100
Retiree and spouse	20	175	255
Retiree* and children	41	132	182
Retiree and family	61	237	337
Surviving children only	28	62	82

* or surviving spouse

Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Crowley Independent School District

Notes to the Financial Statements

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.0% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	<u>2018</u>	<u>2017</u>
Active employee	0.65%	0.65%
Non-employer contribution entity (state)	1.25%	1.00%
Employers/District	0.75%	0.55%
Federal/private funding remitted by Employers	1.25%	1.00%

The contribution amounts for the District's fiscal year 2018 are as follows:

District contributions	\$ 578,845
Member contributions	237,417
NECE on-behalf contributions (state)	874,796

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (*regardless of whether or not they participate in the TRS Care OPEB program*). When employers hire a TRS retiree, they are required to pay to TRS Care, a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$15.6 million in fiscal year 2017 and \$182.6 million in fiscal year 2018.

Crowley Independent School District

Notes to the Financial Statements

Actuarial Assumptions

The total OPEB liability in the August 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	Expected payroll growth
Rates of disability incidence	
Additional Actuarial Methods and Assumptions:	
Valuation date	August 31, 2017
Actuarial cost method	Individual entry age normal
Inflation	2.50%
Discount rate*	3.42%*
Aging factors	Based on plan specific experience
Expenses	third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Payroll growth rate	2.50%
Projected salary increases**	3.50% to 9.50%**
Healthcare trend rates***	4.50% to 12.00%***
Election Rates	Normal retirement: 70% participation prior to age 65 and 75% participation after age 65
Ad hoc post-employment benefit changes	None

Source: Fixed income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2017.

**Includes inflation at 2.50%

***Initial trend rates are 7.00% for non-Medicare retiree; 10.00% for Medicare retirees and 12.00% for prescriptions for all retirees. Initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 10 years.

Other information - There was a significant plan change adopted in fiscal year ending August 31, 2017. Effective January 1, 2018, only one health plan option will be offered and all retirees will be required to contribute monthly premiums for coverage. Assumption changes made for the August 31, 2017 valuation include a change to the assumption regarding the phase-out of the Medicare Part D subsidies and a change to the discount rate from 2.98% as of August 31, 2016 to 3.42% as of August 31, 2017.

Discount Rate

A single discount rate of 3.42% was used to measure the total OPEB liability. There was a change of .44 percent in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active 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 OPEB plan's fiduciary net position was projected to *not be able to* make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

Crowley Independent School District

Notes to the Financial Statements

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (x%) in measuring the Net OPEB Liability.

	1% Decrease (2.42%)	Current Discount Rate (3.42%)	1% Increase (4.42%)
District's proportionate share of the net OPEB liability	\$ 57,143,492	\$ 48,416,510	\$ 41,401,970

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At August 31, 2018, the District reported a liability of \$48,416,510 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ 48,416,510
State's proportionate share of the net OPEB liability associated with the District	<u>73,170,800</u>
Total	<u>\$ 121,587,310</u>

The Net OPEB Liability was measured as of August 31, 2017 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2016 thru August 31, 2017.

At August 31, 2017 the employer's proportion of the collective Net OPEB Liability was .11133750% which was the same proportion measured as of August 31, 2016.

Changes Since the Prior Actuarial Valuation. The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period.

The following assumptions and other inputs which are specific to TRS-Care were updated during the year ended August 31, 2017:

1. Effective January 1, 2018, only one health plan option will exist (instead of three), and all retirees will be required to contribute monthly premiums for coverage. The health plan changes triggered changes to several of the assumptions, including participation rates, retirement rates, and spousal participation rates.
2. The August 31, 2016 valuation had assumed that the savings related to the Medicare Part D reimbursements would phase out by 2022. This assumption was removed for the August 31, 2017 valuation. Although there is uncertainty regarding these federal subsidies, the new assumption better reflects the current substantive plan. This change was unrelated to the plan amendment, and its impact was included as an assumption change in the reconciliation of the total OPEB liability. This change significantly lowered the OPEB liability.
3. The discount rate changed from 2.98 percent as of August 31, 2016 to 3.42 percent as of August 31, 2017. This change lowered the total OPEB liability.

For the year ended August 31, 2018, the District recognized OPEB expense of (\$16,231,076) and revenue of (\$24,484,895) for support provided by the State.

Crowley Independent School District

Notes to the Financial Statements

At August 31, 2018, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 1,010,731
Changes of assumptions	-	19,241,986
Net difference between projected and actual earnings on pension plan investments	7,355	-
Changes in proportion and differences between District contributions and proportionate share of contributions (cost-sharing plan)	222	-
District contributions after measurement date	696,064	-
Totals	\$ 703,641	\$ 20,252,717

The deferred outflow of resources relating to District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. The net amounts of the remaining balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30,	
2019	\$ (2,671,369)
2020	(2,671,369)
2021	(2,671,369)
2022	(2,671,369)
2023	(2,673,208)
Thereafter	<u>(6,886,456)</u>
Total	\$ <u>(20,245,140)</u>

F. Shared Services Arrangements

The District is the fiscal agent for a Shared Services Arrangement (SSA) which provides a regional day school for the deaf to various member districts. All services are provided by the fiscal agent. According to guidance provided in TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in a special revenue fund and will be accounted for using Model 3 in the SSA section of the Resource Guide.

G. Subsequent Events

On September 27 2018, the District issued Unlimited Tax School Building Bonds Series 2018 for \$78,250,000 for the construction, acquisition, and equipment of school facilities in the District and to pay the costs associated with the issuance of the Bonds. The District will begin interest payments on February 1, 2018 and principal repayment of the thirty-year bonds on February 1, 2027, with repayment costs for these bonds projected to be fully absorbed by revenue from the debt-rate portion of the Districts' property taxes. The bonds will also be callable at the City's option on or after February 1, 2027.

Crowley Independent School District
Notes to the Financial Statements

H. Prior Period Adjustment

Net position at July 1, 2017 was restated per the following table for the implementation of GASB 75:

	<u>Governmental Activities</u>
Beginning net position, as previously reported	\$ 4,466,151
Implementation of GASB 75 for OPEB	<u>(85,000,127)</u>
Beginning net position, restated	<u><u>\$ (80,533,976)</u></u>

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Required Supplementary Information

Crowley Independent School District
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance –Budget to Actual
 General Fund
 For the Fiscal Year Ended June 30, 2018

Exhibit G-1

Data Control Codes		Budgeted Amounts			Variance with Final Budget
		Original	Final	Actual	Positive (Negative)
REVENUES					
5700	Local, intermediate, and out-of-state	\$ 71,620,694	\$ 72,330,694	\$ 70,384,086	\$ (1,946,608)
5800	State program revenues	61,714,820	65,854,820	67,315,885	1,461,065
5900	Federal program revenues	2,050,000	2,200,000	2,404,761	204,761
5020	Total revenues	135,385,514	140,385,514	140,104,732	(280,782)
EXPENDITURES					
0011	Instruction	85,100,991	86,896,448	85,587,702	1,308,746
0012	Instructional resources/media services	564,606	564,606	512,395	52,211
0013	Curriculum and staff development	980,229	989,124	722,127	266,997
0021	Instructional leadership	3,561,023	4,096,952	3,654,519	442,433
0023	School leadership	10,157,253	10,861,206	10,727,562	133,644
0031	Guidance, counseling, and evaluation services	3,272,916	3,683,684	3,508,153	175,531
0033	Health services	1,450,380	1,520,380	1,392,030	128,350
0034	Student (pupil) transportation	7,444,354	8,094,354	7,521,812	572,542
0036	Extracurricular activities	2,932,939	3,135,763	2,792,588	343,175
0041	General administration	5,082,902	5,457,902	4,946,133	511,769
0051	Plant maintenance and operations	14,234,844	14,514,844	12,858,312	1,656,532
0052	Security and monitoring services	1,792,254	1,852,254	1,514,964	337,290
0053	Data processing services	1,999,792	2,169,792	1,999,335	170,457
6030	Total expenditures	138,574,483	143,837,309	137,737,632	6,099,677
1100	Excess (deficiency) of revenues over (under) expenditures	(3,188,969)	(3,451,795)	2,367,100	5,818,895
OTHER FINANCING SOURCES (USES)					
7912	Sale of real or personal property	-	-	26,506	26,506
7080	Total other financing sources (uses)	-	-	26,506	26,506
1200	Net change in fund balances	(3,188,969)	(3,451,795)	2,393,606	5,845,401
0100	Fund balances - beginning	34,100,998	34,100,998	34,100,998	-
3000	FUND BALANCES - ENDING	\$ 30,912,029	\$ 30,649,203	\$ 36,494,604	\$ 5,845,401

The Notes to the Required Supplementary Information are an integral part of this statement.

Crowley Independent School District

Exhibit G-2

Schedule of the District's Proportionate Share of the Net Pension Liability of a Cost-Sharing Multiple-Employer Pension Plan For the Last Four Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.091630600%	0.083219840%	0.084044600%	0.061010100%
District's proportionate share of net pension liability (asset)	\$ 29,298,526	\$ 31,447,600	\$ 29,708,707	\$ 16,315,928
State's proportionate share of the net pension liability (asset) associated with the District	<u>42,617,866</u>	<u>50,632,501</u>	<u>47,449,187</u>	<u>41,877,722</u>
Total	<u>\$ 71,916,392</u>	<u>\$ 82,080,101</u>	<u>\$ 77,157,894</u>	<u>\$ 58,193,650</u>
District's covered-employee payroll	<u>\$ 92,690,497</u>	<u>\$ 86,541,871</u>	<u>\$ 81,373,206</u>	<u>\$ 80,443,994</u>
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	31.61%	36.34%	36.51%	20.28%
Plan fiduciary net position as a percentage of the total pension liability	82.17%	78.00%	78.43%	83.25%

*Note: Only four years of data is presented in accordance with GASB Standard No. 68 as the data for the years other than 2018, 2017, 2016 and 2015 is not available.

Crowley Independent School District
 Schedule of the District's Contributions to the
 Teacher Retirement System of Texas Pension Plan
 For the Last Four Fiscal Years*

Exhibit G-3

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 3,221,547	\$ 2,936,302	\$ 2,626,714	\$ 1,567,691
Contribution in relation to the contractually required contribution	<u>(3,221,547)</u>	<u>(2,936,302)</u>	<u>(2,626,714)</u>	<u>(1,567,691)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered-employee payroll	<u>\$ 98,952,355</u>	<u>\$ 91,837,362</u>	<u>\$ 85,489,030</u>	<u>\$ 80,443,994</u>
Contributions as a percentage of covered-employee payroll	3.26%	3.20%	3.07%	1.95%

***Note:** Only four years of data is presented in accordance with GASB Standard No. 68 as the data for the years other than 2018, 2017, 2016 and 2015 is not available.

Crowley Independent School District

Exhibit G-4

Schedule of the District's Proportionate Share of the Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan Teacher Retirement System of Texas Last Fiscal Year*

	<u>2018</u>
District's proportion of the net OPEB liability	0.111337500%
District's proportionate share of net OPEB liability	\$ 48,416,510
State's proportionate share of the net OPEB liability associated with the District	<u>73,170,800</u>
Total	<u>\$ 121,587,310</u>
District's covered-employee payroll	<u>\$ 92,690,497</u>
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	52.23%
Plan fiduciary net position as a percentage of the total OPEB liability	0.91%

*Note: Only one year of data is presented in accordance with GASB Standard No. 75 as the data for the years other than 2018 is not available.

Crowley Independent School District
 Schedule of District's Contributions to the
 Teacher Retirement System of Texas OPEB Plan
 Last Fiscal Year*

Exhibit G-5

	<u>2018</u>
Contractually required contribution	\$ 798,189
Contribution in relation to the contractually required contribution	<u>(798,189)</u>
Contribution deficiency (excess)	<u>-</u>
District's covered-employee payroll	<u>\$ 98,952,355</u>
Contributions as a percentage of covered-employee payroll	0.81%

***Note:** Only one year of data is presented in accordance with GASB Standard No. 75 as the data for the years other than 2018 is not available.

Other Supplementary Information

Crowley Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

<u>Data Control Codes</u>		211 ESEA Title I Part A Imp Basic Program	224 IDEA Part B Formula	225 IDEA Part B Preschool
ASSETS				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -
1240	Due from other governments	307,961	287,056	1,939
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1410	Prepays	-	-	-
1000	Total assets	<u>\$ 307,961</u>	<u>\$ 287,056</u>	<u>\$ 1,939</u>
LIABILITIES				
2110	Accounts payable and accrued wages and benefits payable	\$ -	\$ -	\$ -
2170	Due to other funds	307,961	287,056	1,939
2180	Due to other governments	-	-	-
2300	Unearned revenue	-	-	-
2000	Total liabilities	307,961	287,056	1,939
FUND BALANCES				
3430	Non-spendable: prepaids	-	-	-
3450	Grant funds - restricted	-	-	-
3450	Grant funds - committed	-	-	-
3000	Total fund balances	-	-	-
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 307,961</u>	<u>\$ 287,056</u>	<u>\$ 1,939</u>

Crowley Independent School District
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2018

240 National School Breakfast/ Lunch Program	242 Summer Feeding Program	244 Career and Technical Basic Grant	255 ESEA Title H Part A Training and Recruiting	263 Title III Part A English Language Acquisition	265 Title IV Part B Community Learning
\$ 1,788,402	743,779	\$ -	\$ -	\$ 8,282	\$ -
-	-	66,390	49,828	-	228,248
2,285	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,790,687</u>	<u>\$ 743,779</u>	<u>\$ 66,390</u>	<u>\$ 49,828</u>	<u>\$ 8,282</u>	<u>\$ 228,248</u>
\$ 3,958	\$ 43,922	\$ -	\$ -	\$ -	\$ -
-	-	66,390	49,828	-	228,248
-	-	-	-	8,282	-
33,474	-	-	-	-	-
<u>37,432</u>	<u>43,922</u>	<u>66,390</u>	<u>49,828</u>	<u>8,282</u>	<u>228,248</u>
-	-	-	-	-	-
1,753,255	699,857	-	-	-	-
-	-	-	-	-	-
<u>1,753,255</u>	<u>699,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,790,687</u>	<u>\$ 743,779</u>	<u>\$ 66,390</u>	<u>\$ 49,828</u>	<u>\$ 8,282</u>	<u>\$ 228,248</u>

Crowley Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

Data Control Codes		289	315	340
		Summer School LEP	SSA IDEA Part B Discretionary	IDEA-C Early Intervention
	ASSETS			
1110	Cash and cash equivalents	\$ -	\$ -	\$ -
1240	Due from other governments	33,712	1,619	-
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1410	Prepays	-	-	-
1000	Total assets	<u>\$ 33,712</u>	<u>\$ 1,619</u>	<u>\$ -</u>
	LIABILITIES			
2110	Accounts payable and accrued wages and benefits payable	\$ -	\$ -	\$ -
2170	Due to other funds	26,589	1,619	-
2180	Due to other governments	-	-	-
2300	Unearned revenue	-	-	-
2000	Total liabilities	26,589	1,619	-
	FUND BALANCES			
3430	Non-spendable: prepays	-	-	-
3450	Grant funds - restricted	7,123	-	-
3450	Grant funds - committed	-	-	-
3000	Total fund balances	<u>7,123</u>	<u>-</u>	<u>-</u>
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 33,712</u>	<u>\$ 1,619</u>	<u>\$ -</u>

Crowley Independent School District
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2018

385 State Supplemental Visually Impaired	392 Non-Ed Community Based Support	397 Advanced Placement Incentives
\$ -	\$ 3	\$ 5,215
-	-	-
-	-	-
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 5,215</u>
\$ -	\$ -	\$ -
-	-	5,215
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>5,215</u>
-	-	-
-	-	-
<u>-</u>	<u>3</u>	<u>-</u>
-	3	-
<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 5,215</u>

Crowley Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

Data Control Codes		410	429
		State Instructional Materials	GR/AP Payments
	ASSETS		
1110	Cash and cash equivalents	\$ -	\$ 465
1240	Due from other governments	19,815	-
1260	Due from other funds	-	-
1290	Other receivables	-	-
1410	Prepays	-	-
1000	Total assets	<u>\$ 19,815</u>	<u>\$ 465</u>
	LIABILITIES		
2110	Accounts payable and accrued wages and benefits payable	\$ -	-
2170	Due to other funds	19,815	-
2180	Due to other governments	-	-
2300	Unearned revenue	-	-
2000	Total liabilities	19,815	-
	FUND BALANCES		
3430	Non-spendable: prepays	-	-
3450	Grant funds - restricted	-	465
3450	Grant funds - committed	-	-
3000	Total fund balances	<u>-</u>	<u>465</u>
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 19,815</u>	<u>\$ 465</u>

Crowley Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

Exhibit H-1
Page 3 of 3

435	461	480	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
SSA Regional Day School For the Deaf	Campus Activity Funds	United Way	
\$ 392,016	\$ 607,965	\$ 2,600	\$ 3,548,727
-	-	-	996,568
-	-	-	2,285
-	-	-	-
1,200	-	-	1,200
<u>\$ 393,216</u>	<u>\$ 607,965</u>	<u>\$ 2,600</u>	<u>\$ 4,548,780</u>
\$ 200	-	-	\$ 48,080
-	29,238	-	1,023,898
-	-	2,600	10,882
-	-	-	33,474
200	29,238	2,600	1,116,334
1,200	-	-	1,200
391,816	-	-	2,852,516
-	578,727	-	578,730
<u>393,016</u>	<u>578,727</u>	<u>-</u>	<u>3,432,446</u>
<u>\$ 393,216</u>	<u>\$ 607,965</u>	<u>\$ 2,600</u>	<u>\$ 4,548,780</u>

Crowley Independent School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

<u>Data Control Codes</u>		211 ESEA Title I Part A Imp. Basic Programs	224 IDEA Part B Formula	225 IDEA Part B Preschool
REVENUES				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	<u>2,621,693</u>	<u>2,507,376</u>	<u>46,080</u>
5020	Total revenues	2,621,693	2,507,376	46,080
EXPENDITURES				
0011	Instruction	2,461,018	580,030	46,080
0013	Curriculum and staff development	90,729	8,653	-
0021	Instructional leadership	69,946	2,209	-
0023	School leadership	-	-	-
0031	Guidance, counseling, and evaluation services	-	1,546,239	-
0032	Social work services	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0051	Plant maintenance and operations	-	-	-
0053	Data processing services	-	-	-
INTERGOVERNMENTAL				
0093	Shared service arrangements	<u>-</u>	<u>370,245</u>	<u>-</u>
6030	Total expenditures	<u>2,621,693</u>	<u>2,507,376</u>	<u>46,080</u>
1200	Net change in fund balances	-	-	-
0100	Beginning fund balances	<u>-</u>	<u>-</u>	<u>-</u>
3000	ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Crowley Independent School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

240 National School Breakfast/ Lunch Program	242 Summer Feeding Program	244 Career and Technical Basic Grant	255 ESEA Title II Part A Training and Recruiting	263 Title III Part A English Language Acquisition	265 Title IV Part B Community Learning
\$ 1,839,652	\$ -	\$ -	\$ -	\$ -	\$ -
42,166	-	-	-	-	-
<u>6,193,530</u>	<u>397,945</u>	<u>151,641</u>	<u>405,810</u>	<u>205,805</u>	<u>1,429,661</u>
8,075,348	397,945	151,641	405,810	205,805	1,429,661
-	-	117,156	227,379	205,805	1,171,600
-	-	34,336	178,356	-	14,163
-	-	149	75	-	243,898
-	-	-	-	-	-
-	-	-	-	-	-
8,075,606	43,922	-	-	-	-
-	-	-	-	-	-
374,241	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>8,449,847</u>	<u>43,922</u>	<u>151,641</u>	<u>405,810</u>	<u>205,805</u>	<u>1,429,661</u>
(374,499)	354,023	-	-	-	-
<u>2,127,754</u>	<u>345,834</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,753,255</u>	<u>\$ 699,857</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Crowley Independent School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

Data Control Codes		289	315	340
		Summer School LEP	SSA IDEA Part B Discretionary	IDEA-C Early Intervention
	REVENUES			
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	44,510	74,233	248
5020	Total revenues	44,510	74,233	248
	EXPENDITURES			
0011	Instruction	60,079	74,233	248
0013	Curriculum and staff development	14,335	-	-
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-
0032	Social work services	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0051	Plant maintenance and operations	-	-	-
0053	Data processing services	-	-	-
	INTERGOVERNMENTAL			
0093	Shared service arrangements	-	-	-
6030	Total expenditures	74,414	74,233	248
1200	Net change in fund balances	(29,904)	-	-
0100	Beginning fund balances	37,027	-	-
3000	ENDING FUND BALANCES	<u>\$ 7,123</u>	<u>\$ -</u>	<u>\$ -</u>

Crowley Independent School District
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2018

385	392	397
State Supplemental Visually Impaired	Non-Ed Community Based Support	Advanced Placement Incentives
\$ -	\$ -	\$ -
7,926	-	14,535
-	-	-
7,926	-	14,535
7,926	-	1
-	-	14,534
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
7,926	-	14,535
-	-	-
-	3	-
\$ -	\$ 3	\$ -

Crowley Independent School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

Data Control Codes		410	429	435
		State Instructional Materials	GR/AP Payments	SSA Regional Day School For the Deaf
	REVENUES			
5700	Local, intermediate, and out-of-state	\$ 473	\$ -	\$ 696,313
5800	State program revenues	1,851,770	285,524	369,713
5900	Federal program revenues	-	-	-
5020	Total revenues	1,852,243	285,524	1,066,026
	EXPENDITURES			
0011	Instruction	937,181	285,324	1,023,750
0013	Curriculum and staff development	-	93	118
0021	Instructional leadership	-	-	91,236
0023	School leadership	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-
0032	Social work services	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0051	Plant maintenance and operations	-	-	-
0053	Data processing services	915,062	-	-
	INTERGOVERNMENTAL			
0093	Shared service arrangements	-	-	-
6030	Total expenditures	1,852,243	285,417	1,115,104
1200	Net change in fund balances	-	107	(49,078)
0100	Beginning fund balances	-	358	442,094
3000	ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ 465</u>	<u>\$ 393,016</u>

Crowley Independent School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

461	480	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Campus Activity Funds	United Way	
\$ 1,250,096	\$ 298,852	\$ 4,085,386
724	-	2,572,358
-	-	14,078,532
1,250,820	298,852	20,736,276
-	298,852	7,496,662
-	-	355,317
-	-	407,513
-	-	-
-	-	1,546,239
-	-	-
-	-	8,119,528
1,191,159	-	1,191,159
-	-	374,241
-	-	915,062
-	-	370,245
1,191,159	298,852	20,775,966
59,661	-	(39,690)
519,066	-	3,472,136
\$ 578,727	\$ -	\$ 3,432,446

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Texas Education Agency Required Schedules

Crowley Independent School District
 Schedule of Delinquent Taxes Receivable
 For the Fiscal Year Ended June 30, 2018

Last Ten Years	1		2	3	10
	Tax Rates		Debt Service	Net Assessed/ Appraised Value For School Tax Purposes	Beginning Balance 06/30/17
	Maintenance				
2009 and prior	Various		Various	\$ Various	\$ 628,272
2010	1.0400		0.4950	4,555,040,542	81,157
2011	1.0400		0.4950	4,432,783,770	67,679
2012	1.0400		0.4950	4,563,518,827	99,033
2013	1.0400		0.4950	4,649,374,123	155,557
2014	1.1700		0.5000	4,697,596,237	293,149
2015	1.1700		0.4800	4,953,008,170	383,094
2016	1.1700		0.4800	4,928,731,064	432,048
2017	1.1700		0.4800	5,352,592,155	1,112,622
2018	1.1700		0.5000	6,005,449,192	-
					<u>\$ 3,252,611</u>

Exhibit J-1

20	31	32	40	50
Current Year's Total Levy	Maintenance Total Collected	Debt Service Total Collected	Entire Year's Adjustments	Ending Balance 06/30/18
\$ -	\$ 5,763	\$ 1,204	\$ (3,737)	\$ 617,568
-	575	274	(21)	80,287
-	1,801	857	1,824	66,845
-	4,965	2,363	(51)	91,654
-	37,744	16,130	22,915	124,598
-	49,740	21,257	(8,649)	213,503
-	115,072	49,176	49,749	268,595
-	148,897	61,086	93,392	315,457
-	457,227	187,580	(100,007)	367,808
<u>97,693,382</u>	<u>67,683,684</u>	<u>28,924,651</u>	<u>-</u>	<u>1,085,047</u>
<u>\$ 97,693,382</u>	<u>\$ 68,505,468</u>	<u>\$ 29,264,578</u>	<u>\$ 55,415</u>	<u>\$ 3,231,362</u>

Crowley Independent School District
 Budgetary Comparison Schedule
 National School Breakfast and Lunch Program
 For the Fiscal Year Ended June 30, 2018

Exhibit J-4

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES					
5700	Local, intermediate, and out-of-state	\$ 2,314,430	\$ 2,314,430	\$ 1,839,652	\$ (474,778)
5800	State program revenues	100,000	100,000	42,166	(57,834)
5900	Federal program revenues	6,700,000	7,132,000	6,193,530	(938,470)
5020	Total revenues	9,114,430	9,546,430	8,075,348	(1,471,082)
EXPENDITURES					
0035	Food service	9,563,500	9,779,500	8,075,606	1,703,894
0051	Plant maintenance and operations	350,930	566,930	374,241	192,689
6030	Total expenditures	9,914,430	10,346,430	8,449,847	1,896,583
1100	Excess (deficiency) of revenues over (under) expenditures	(800,000)	(800,000)	(374,499)	425,501
1200	NET CHANGE IN FUND BALANCES	(800,000)	(800,000)	(374,499)	425,501
0100	Beginning fund balances	2,127,754	2,127,754	2,127,754	-
3000	ENDING FUND BALANCES	\$ 1,327,754	\$ 1,327,754	\$ 1,753,255	\$ 425,501

Crowley Independent School District
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2018

Exhibit J-5

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES					
5700	Local, intermediate, and out-of-state	\$ 28,967,849	\$ 29,467,849	\$ 29,736,588	\$ 268,739
5800	State program revenues	-	-	1,236,708	1,236,708
5020	Total revenues	28,967,849	29,467,849	30,973,296	1,505,447
EXPENDITURES					
Debt service:					
0071	Principal	6,992,650	11,092,650	11,022,640	70,010
0072	Interest	17,087,350	18,587,350	18,582,788	4,562
0073	Bond issuance costs and fees	10,000	837,802	-	837,802
6030	Total expenditures	24,090,000	30,517,802	29,605,428	912,374
1100	Excess (deficiency) of revenues over (under) expenditures	4,877,849	(1,049,953)	1,367,868	2,417,821
Other financing sources (uses)					
7915	Transfers in	-	-	3,004,811	3,004,811
1200	Net change in fund balances	4,877,849	(1,049,953)	4,372,679	5,422,632
100	Beginning fund balances	31,870,995	31,870,995	31,870,995	-
3000	ENDING FUND BALANCES	<u>\$ 36,748,844</u>	<u>\$ 30,821,042</u>	<u>\$ 36,243,674</u>	<u>\$ 5,422,632</u>

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Statistical Section (Unaudited)

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Statistical Section

This part of the Crowley Independent School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents	Page
Financial Trends	86
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	96
These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property and sales taxes.	
Debt Capacity	104
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt, and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	112
These schedules offer demographic and economic indicators to help the reader understand how the District's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	116
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	

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

Crowley Independent School District

Net Position By Component (Accrual Basis of Accounting) Last Ten Fiscal Years*

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
PRIMARY GOVERNMENT				
Governmental activities:				
Invested in capital assets, net of related debt	\$ (18,439,516)	\$ 9,679,312	\$ 9,934,578	\$ 12,907,320
Restricted	8,106,882	27,964,055	29,284,651	28,712,542
Unrestricted	<u>28,365,086</u>	<u>(8,282,363)</u>	<u>(13,876,125)</u>	<u>(16,005,650)</u>
Total governmental activities net position	18,032,452	29,361,004	25,343,104	25,614,212
Business-type activities:				
Invested in capital assets, net of related debt	-	-	-	-
Restricted	-	-	-	-
Unrestricted	<u>20,062</u>	<u>11,887</u>	<u>31,888</u>	<u>28,784</u>
Total business-type activities net position	20,062	11,887	31,888	28,784
TOTAL GOVERNMENT				
Invested in capital assets, net of related debt	(18,439,516)	9,679,312	9,934,578	12,907,320
Restricted	8,106,882	27,964,055	29,284,651	28,712,542
Unrestricted	<u>28,385,148</u>	<u>(8,270,476)</u>	<u>(13,844,237)</u>	<u>(15,976,866)</u>
TOTAL GOVERNMENT NET POSITION	<u>\$ 18,052,514</u>	<u>\$ 29,372,891</u>	<u>\$ 25,374,992</u>	<u>\$ 25,642,996</u>

*Fiscal year 2010 represents a ten month transitional year for the period September 1 through June 30.
The years preceeding 2010 are fiscal year ending August 31.

**The District's net position were restated for implementation of GASB 68 pension standard in fiscal year 2015 GASB 68 and implementation of GASB 75 other post employment benefit standard in fiscal year 2017.

Source: The Statement of Net Position

Exhibit L-1

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 16,639,206	\$ 9,720,341	\$ 7,047,304	\$ 6,156,615	\$ (2,360,141)	\$ (4,501,384)
22,112,844	22,226,778	25,167,536	21,005,745	26,838,292	30,313,586
<u>(12,254,283)</u>	<u>(11,578,516)</u>	<u>(24,401,000)</u>	<u>(22,363,516)</u>	<u>(105,012,127)</u>	<u>(82,708,507)</u>
26,497,767	20,368,603	7,813,840	4,798,844	(80,533,976)	(56,896,305)
-	-	-	-	-	-
-	-	-	-	-	-
<u>37,369</u>	<u>14,610</u>	<u>45,377</u>	<u>162,884</u>	<u>136,527</u>	<u>151,438</u>
37,369	14,610	45,377	162,884	136,527	151,438
16,639,206	9,720,341	7,047,304	6,156,615	(2,360,141)	(4,501,384)
22,112,844	22,226,778	25,167,536	21,005,745	26,838,292	30,313,586
<u>(12,216,914)</u>	<u>(11,563,906)</u>	<u>(24,355,623)</u>	<u>(22,200,632)</u>	<u>(104,875,600)</u>	<u>(82,557,069)</u>
<u>\$ 26,535,136</u>	<u>\$ 20,383,213</u>	<u>\$ 7,859,217</u> **	<u>\$ 4,961,728</u>	<u>\$ (80,397,449)</u> **	<u>\$ (56,744,867)</u>

Crowley Independent School District
Expenses, Program Revenues, and Net (Expense) Revenue
(Accrual Basis of Accounting)
Last Ten Fiscal Years*

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
EXPENSES				
Governmental activities:				
Instruction	\$ 77,624,292	\$ 74,345,073	\$ 71,461,599	\$ 64,744,832
Instruction resources & media services	1,290,365	1,076,313	1,224,785	728,438
Curriculum & staff development	626,521	298,529	407,767	247,908
Instructional leadership	1,658,270	1,513,324	1,649,147	1,606,571
School leadership	7,446,510	6,260,458	8,043,011	7,708,084
Guidance, counseling & evaluation services	2,225,227	1,809,360	3,352,656	3,483,720
Social work services	-	-	-	-
Health services	1,084,368	1,129,345	1,345,247	994,254
Student transportation	4,123,449	3,992,429	4,984,419	5,372,805
Food service	5,568,067	5,548,272	6,770,082	7,093,503
Cocurriculum/extracurricular activities:	3,246,364	2,767,108	3,187,996	3,221,118
General administration	3,306,058	2,927,927	7,819,529	3,114,673
Plant maintenance & operations	12,042,256	9,332,425	13,022,096	12,098,821
Security & monitoring services	938,445	653,059	796,197	785,648
Data processing services	901,359	1,074,268	1,332,937	2,299,803
Community services	500	400	200	805
Interest on long-term debt	17,221,709	14,499,894	22,908,914	22,760,870
Bond issuance cost & fees	-	-	-	-
Facilities maintenance	91,577	88,407	8,214,096	1,110,277
Payments related to SSA's	183,224	172,074	148,677	215,176
Other intergovernmental charges	625,935	502,111	349,671	461,432
TOTAL GOVERNMENTAL ACTIVITIES EXPENSES	140,204,496	127,990,776	157,019,026	138,048,737
Business-type activities:				
Community education	93,995	103,278	62,439	50,627
Total business-type activities expenses	<u>93,995</u>	<u>103,278</u>	<u>62,439</u>	<u>50,627</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	140,298,491	128,094,054	157,081,465	138,099,364
PROGRAM REVENUES				
Governmental activities:				
Charges for services				
Food services	2,686,130	2,426,582	2,488,832	2,504,121
Extracurricular	230,775	186,286	199,345	1,199,434
Other activities	74,780	49,549	2,312,976	40,967
Operating grants and contributions	17,132,942	22,499,261	22,626,824	14,289,244
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES	20,124,627	25,161,678	27,627,977	18,033,766
Business-type activities				
Charges for services				
Community education	93,995	95,103	82,440	47,523
TOTAL BUSINESS-TYPE ACTIVITIES REVENUES	93,995	95,103	82,440	47,523
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	20,218,622	25,256,781	27,710,417	18,081,289
NET (EXPENSE)/REVENUE				
Governmental activities	(120,079,869)	(102,829,098)	(118,755,078)	(116,837,211)
Business-type activities	-	(8,175)	20,001	(3,104)
TOTAL PRIMARY GOVERNMENT NET EXPENSE	\$ (120,079,869)	\$ (102,837,273)	\$ (118,735,077)	\$ (116,840,315)

*Fiscal year 2010 represents and ten month transitional year for the period September 1 through June 30. The years preceding 2010 are fiscal year ending August 31.

Source: The Statement of Activities

	2013	2014	2015	2016	2017	2018
\$	70,425,667	\$ 73,241,195	\$ 84,186,905	\$ 90,863,647	\$ 97,418,337	\$ 68,947,123
	623,386	588,547	636,562	648,099	525,052	326,385
	354,312	307,836	354,643	643,624	912,408	904,616
	1,353,840	1,887,027	3,021,111	3,357,155	3,454,452	2,623,912
	7,713,219	8,207,218	8,688,269	9,409,838	9,954,983	6,665,419
	3,720,504	3,895,407	4,115,215	4,433,341	4,740,142	3,761,740
	-	-	-	-	400	-
	1,061,246	1,208,822	1,295,523	1,372,175	1,390,255	779,279
	5,133,306	5,267,279	5,253,263	5,863,124	6,715,679	7,596,553
	7,138,086	6,962,896	6,974,891	7,046,366	7,078,058	7,242,426
	3,957,841	3,768,083	5,554,913	6,073,946	4,198,028	3,484,754
	4,018,909	4,398,686	4,283,914	4,283,558	4,953,826	3,863,888
	11,358,286	12,848,794	13,093,030	13,539,521	13,270,267	11,672,304
	870,221	1,116,826	1,577,138	1,626,972	1,532,209	1,360,809
	1,758,717	2,224,300	2,785,651	2,898,038	2,895,504	1,985,630
	3,186	9,776	1,986	356	5,782	-
	22,241,895	23,999,846	14,420,164	19,244,266	10,836,737	15,603,747
	-	-	593,942	1,724,345	-	-
	1,364,481	7,505,130	604,189	1,063,919	10,346,388	5,415,734
	281,327	317,254	342,004	479,648	394,891	370,245
	2,939	-	-	-	-	-
	143,381,367	157,754,922	157,783,313	174,571,938	180,623,398	142,604,564
	24,347	41,673	110,663	75,950	101,476	56,899
	24,347	41,673	110,663	75,950	101,476	56,899
	143,405,714	157,796,595	157,893,976	174,647,888	180,724,874	142,661,463
	2,321,236	2,375,300	2,018,620	1,994,541	1,839,378	1,785,025
	218,851	198,167	218,508	204,444	220,147	198,321
	168,326	152,862	158,637	166,541	180,697	350,977
	19,194,802	20,348,020	22,409,321	28,053,837	25,798,678	(50,343)
	21,903,215	23,074,349	24,805,086	30,419,363	28,038,900	2,283,980
	32,932	18,914	141,430	157,411	111,165	71,810
	32,932	18,914	141,430	157,411	111,165	71,810
	21,936,147	23,093,263	24,946,516	30,576,774	28,150,065	2,355,790
	(121,479,348)	(136,249,595)	(132,978,227)	(144,152,575)	(152,584,498)	(140,320,584)
	8,585	(22,759)	30,767	81,461	9,689	14,911
\$	(121,470,763)	\$ (136,272,354)	\$ (132,947,460)	\$ (144,071,114)	\$ (152,574,809)	\$ (140,305,673)

Crowley Independent School District
 General Revenue and Total Change in Net Position
 (Accrual Basis of Accounting)
 Last Ten Fiscal Years*

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental activities				
Property taxes				
Levied for general purposes	\$ 49,071,545	\$ 50,755,545	\$ 46,597,828	\$ 47,527,300
Levied for debt service	23,338,692	24,112,326	22,157,988	22,574,374
Investment earnings	1,131,108	97,374	78,479	53,962
Unrestricted grants and contributions	42,790,895	37,336,022	42,116,298	46,390,016
Miscellaneous	3,099,883	1,856,383	3,786,585	562,667
Transfers	(20,062)	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	119,412,061	114,157,650	114,737,178	117,108,319
Business-type activities				
Transfers	20,062	-	-	-
Total business-type activities	20,062	-	-	-
TOTAL PRIMARY GOVERNMENT	119,432,123	114,157,650	114,737,178	117,108,319
CHANGE IN NET POSITION				
Governmental activities	(667,808)	11,328,552	(4,017,900)	271,108
Business-type activities	20,062	(8,175)	20,001	(3,104)
TOTAL PRIMARY GOVERNMENT	<u>\$ (647,746)</u>	<u>\$ 11,320,377</u>	<u>\$ (3,997,899)</u>	<u>\$ 268,004</u>

*Fiscal year 2010 represents and ten month transitional year for the period September 1 through June 30.

The years preceding 2010 are fiscal year ending August 31.

Source: The Statement of Activities

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 53,725,546	\$ 54,258,721	\$ 57,176,859	\$ 56,464,390	\$ 61,654,489	\$ 68,698,527
22,949,841	23,178,093	23,446,701	23,087,160	25,285,029	29,371,302
51,332	32,342	47,420	249,329	575,431	2,351,254
44,520,285	53,427,592	56,187,355	59,203,538	62,926,080	62,931,943
1,115,899	1,536,873	2,826,724	2,133,162	1,810,776	605,229
-	-	-	-	-	-
122,362,903	132,433,621	139,685,059	141,137,579	152,251,805	163,958,255
-	-	-	-	-	-
-	-	-	-	-	-
122,362,903	132,433,621	139,685,059	141,137,579	152,251,805	163,958,255
883,555	(3,815,974)	6,706,832	(3,014,996)	(332,693)	23,637,671
8,585	(22,759)	30,767	81,461	9,689	14,911
<u>\$ 892,140</u>	<u>\$ (3,838,733)</u>	<u>\$ 6,737,599</u>	<u>\$ (2,933,535)</u>	<u>\$ (323,004)</u>	<u>\$ 23,652,582</u>

Crowley Independent School District
Fund Balances of Governmental Funds
(Accrual Basis of Accounting)
Last Ten Fiscal Years*

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
GENERAL FUND				
Nonspendable	\$ 500,398	\$ 151,908	\$ 79,456	\$ 552,672
Assigned	-	-	3,872,338	-
Unassigned	<u>13,702,383</u>	<u>19,109,638</u>	<u>13,956,756</u>	<u>18,901,811</u>
TOTAL GENERAL FUND	14,202,781	19,261,546	17,908,550	19,454,483
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	-	-	-	-
Restricted	43,186,920	38,894,124	36,387,847	35,452,918
Committed	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>\$ 43,186,920</u>	<u>\$ 38,894,124</u>	<u>\$ 36,387,847</u>	<u>\$ 35,452,918</u>

*Fiscal year 2010 represents and ten month transitional year for the period September 1 through June 30. The years preceding 2010 are fiscal year ending August 31.

Source: Balance Sheet of Governmental Funds

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 795,673	\$ 632,571	\$ 159,506	\$ 431,955	\$ 411,371	\$ 438,077
-	-	1,500,000	1,500,000	1,500,000	1,500,000
<u>20,146,309</u>	<u>26,281,594</u>	<u>28,660,073</u>	<u>28,356,283</u>	<u>32,189,627</u>	<u>34,556,527</u>
20,941,982	26,914,165	30,319,579	30,288,238	34,100,998	36,494,604
-	-	-	-	3,100	1,200
35,813,794	53,831,903	54,038,572	86,514,950	77,469,008	157,561,965
539,894	555,543	478,439	440,757	519,069	578,730
<u>(272)</u>	<u>-</u>	<u>(844)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 36,353,416</u>	<u>\$ 54,387,446</u>	<u>\$ 54,516,167</u>	<u>\$ 86,955,707</u>	<u>\$ 77,991,177</u>	<u>\$ 158,141,895</u>

Crowley Independent School District
Changes in Fund Balances of Governmental Funds
(Accrual Basis of Accounting)
Last Ten Fiscal Years*

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
REVENUES				
Local & intermediate sources	\$ 79,176,893	\$ 78,355,767	\$ 75,290,626	\$ 75,275,585
State program revenues	51,819,638	45,705,838	50,163,648	46,138,728
Federal program revenues	8,104,199	14,129,445	16,822,952	14,205,308
Total revenues	<u>139,100,730</u>	<u>138,191,050</u>	<u>142,277,226</u>	<u>135,619,621</u>
EXPENDITURES				
Instruction	72,633,051	69,206,006	71,461,601	64,744,831
Instructional resources & media services	1,272,545	1,057,060	1,224,785	728,438
Curriculum & staff development	626,521	298,529	407,767	247,910
Instructional leadership	1,658,270	1,513,324	1,649,147	1,606,572
School leadership	7,444,608	6,258,555	8,042,011	7,707,584
Guidance, counseling & evaluation services	2,224,501	1,808,634	3,352,656	3,483,721
Social work services				
Health services	1,084,140	1,129,117	1,345,247	994,254
Student transportation	3,847,174	3,721,204	4,984,419	5,372,805
Food service	5,607,683	5,486,546	6,770,082	7,093,503
Cocurriculum/extracurricular activities	3,119,356	2,620,060	3,187,997	3,221,118
General administration	3,079,678	2,755,523	2,540,047	2,690,827
Plant maintenance & operations	11,730,524	9,067,112	13,022,096	12,098,821
Security & monitoring services	938,445	676,397	796,197	785,648
Data processing services	901,359	1,074,268	1,332,937	2,299,803
Community services	500	400	200	805
Principal on long-term debt	7,089,778	101,901	7,698,352	7,922,647
Interest on long-term debt	15,666,857	7,462,313	14,841,762	14,686,593
Bond issuance cost & fees	6,808	3,638	368,800	151,630
Capital outlay	56,828,782	22,587,118	8,214,096	1,110,277
Payments related to SSA's	183,224	172,074	148,677	215,176
Other intergovernmental charges	458,182	456,984	349,669	461,432
Total Expenditures	<u>196,401,986</u>	<u>137,456,763</u>	<u>151,738,545</u>	<u>137,624,395</u>
EXCESS OF REVENUES				
OVER (UNDER) EXPENDITURES	(57,301,256)	734,287	(9,461,319)	(2,004,774)
OTHER FINANCING SOURCES				
(USES)				
Capital-related debt				
Issued (regular bonds)	-	-	24,779,994	-
Sale of real or personal property	210,026	31,682	-	-
Proceeds from capital leases	-	-	116,240	-
Non-current loan proceeds	-	-	-	-
Transfers in	-	719,224	-	2,438,227
Premium or discount				
On issuance of bonds	-	-	1,776,752	-
Transfer out	-	(719,224)	-	-
Payment to bond refunding				
Escrow agent	-	-	(21,070,940)	-
Other uses	-	-	-	-
Total other financing sources	<u>210,026</u>	<u>31,682</u>	<u>5,602,046</u>	<u>2,438,227</u>
NET CHANGE IN FUND BALANCES	<u>\$ (57,091,230)</u>	<u>\$ 765,969</u>	<u>\$ (3,859,273)</u>	<u>\$ 433,453</u>
Debt service as a percentage of noncapital expenditures*	16.30%	6.59%	15.70%	16.56%

*The capital additions noted on page 24 decreases the noncapital expenditure within the calculation.

Source: Statement of Revenues Expenditures and Changes in Fund Balance

Exhibit L-5

2013	2014	2015	2016	2017	2018
\$ 82,606,035	\$ 83,496,429	\$ 87,035,265	\$ 87,086,837	\$ 92,862,856	\$ 105,678,806
49,356,607	59,185,649	62,650,294	66,110,255	69,973,430	71,137,870
12,770,656	12,759,935	14,079,236	15,206,533	16,433,818	16,483,293
144,733,298	155,442,013	163,764,795	168,403,625	179,270,104	193,299,969
70,425,669	73,240,996	77,200,631	81,847,388	87,600,786	93,084,364
623,386	588,547	608,305	617,782	503,930	512,395
354,313	307,835	368,113	649,913	898,050	1,077,444
1,353,839	1,887,028	3,036,848	3,311,736	3,380,523	4,062,032
7,712,234	8,205,923	8,682,150	9,171,345	9,698,514	10,727,562
3,720,505	3,895,406	4,209,034	4,447,886	4,646,951	5,054,392
1,061,246	1,208,822	1,295,689	1,329,779	400	-
5,133,306	5,267,279	5,180,808	5,788,383	1,349,688	1,392,030
7,138,085	6,962,896	7,394,081	6,640,938	7,806,734	7,521,812
3,957,841	6,962,896	7,394,081	7,303,565	7,806,734	8,119,528
3,393,034	3,768,083	5,426,812	5,840,340	3,958,661	3,983,747
11,358,285	3,840,721	4,264,187	4,184,234	4,876,904	4,946,133
870,221	12,848,795	12,962,414	14,420,283	13,104,837	13,232,553
1,758,717	1,116,826	1,577,220	1,617,160	1,520,247	1,514,964
3,186	2,224,301	2,786,191	2,847,672	2,851,974	2,914,397
4,489,677	9,776	2,123	-	-	-
17,297,169	4,535,021	4,652,405	6,198,888	7,529,932	11,022,640
455,049	18,686,961	17,889,684	17,709,863	16,612,972	18,582,788
1,364,481	777,864	593,942	1,724,345	-	788,276
281,327	7,505,130	2,319,542	3,249,974	11,772,992	22,663,125
2,939	317,254	365,548	498,615	394,891	370,245
142,754,509	-	-	-	-	-
157,195,464	157,195,464	160,815,727	172,759,151	185,149,924	211,570,427
1,978,789	(1,753,451)	2,949,068	(4,355,526)	(5,879,820)	(18,270,458)
30,004,982	48,109,994	47,635,000	159,709,990	-	88,090,000
25,200	-	-	43,700	728,050	26,506
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,731,740	2,839,627	5,898,848	21,578,390	-	12,698,276
(63,141)	(12,200)	-	-	-	-
(36,289,573)	(25,177,757)	(52,948,781)	(144,568,355)	-	-
-	-	-	-	-	-
409,208	25,759,664	585,067	36,763,725	728,050	100,814,782
\$ 2,387,997	\$ 24,006,213	\$ 3,534,135	\$ 32,408,199	\$ (5,151,770)	\$ 82,544,324
15.41%	15.51%	14.22%	14.10%	13.21%	15.32%

Crowley Independent School District

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Residential or real property	\$ 5,281,085,382	\$ 5,396,657,655	\$ 4,844,541,353	\$ 5,168,351,212
Personal property	385,271,304	306,990,048	232,447,866	428,187,281
Less tax exempt property	<u>1,107,273,556</u>	<u>1,148,607,161</u>	<u>758,901,199</u>	<u>1,157,604,482</u>
TOTAL ASSESSED VALUE	<u>\$ 4,559,083,130</u>	<u>\$ 4,555,040,542</u>	<u>\$ 4,318,088,020</u>	<u>\$ 4,438,934,011</u>
Total direct tax rate	1.535	1.535	1.535	1.535
Estimated actual taxable value	<u>\$ 4,559,083,130</u>	<u>\$ 4,555,040,542</u>	<u>\$ 4,432,783,770</u>	<u>\$ 4,563,518,827</u>
Taxable assessed value as a percentage of actual taxable value	100.000%	100.000%	97.413%	97.270%

Source: Tarrant Appraisal District

Exhibit L-6

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 5,241,352,853	\$ 5,553,956,405	\$ 5,393,015,732	\$ 6,082,986,814	\$ 6,623,701,914	\$ 7,436,770,924
449,335,891	459,431,076	463,760,283	489,674,789	522,181,183	531,528,680
<u>1,150,351,152</u>	<u>1,183,584,095</u>	<u>1,138,920,998</u>	<u>1,570,288,706</u>	<u>1,477,710,272</u>	<u>1,611,891,022</u>
<u>\$ 4,540,337,592</u>	<u>\$ 4,829,803,386</u>	<u>\$ 4,717,855,017</u>	<u>\$ 5,002,372,897</u>	<u>\$ 5,668,172,825</u>	<u>\$ 6,356,408,582</u>
1.670	1.670	1.650	1.650	1.650	1.670
<u>\$ 4,670,349,452</u>	<u>\$ 4,928,578,051</u>	<u>\$ 5,022,616,604</u>	<u>\$ 5,336,218,217</u>	<u>\$ 5,943,363,517</u>	<u>\$ 6,542,890,193</u>
97.216%	97.996%	93.932%	93.744%	95.370%	97.150%

Crowley Independent School District
 Direct and Overlapping Property Tax Rates
 (Accrual Basis of Accounting)
 Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Crowley Independent School District				
General purposes	\$ 1.040100	\$ 1.040000	\$ 1.040000	\$ 1.040000
Capital purposes	0.494950	0.495000	0.495000	0.495000
TOTAL DIRECT RATES	<u>\$ 1.535050</u>	<u>\$ 1.535000</u>	<u>\$ 1.535000</u>	<u>\$ 1.535000</u>
City of Crowley	\$ 0.575500	\$ 0.640000	\$ 0.640000	\$ 0.669019
City of Fort Worth	0.855000	0.855000	0.855000	0.855000
Johnson County	0.300590	0.327500	0.330500	0.330500
Tarrant County	0.264000	0.264000	0.264000	0.264000
Tarrant County Hospital District	0.227897	0.227897	0.227897	0.227897
Tarrant County Junior College District	0.137670	0.137640	0.148970	0.148970
TOTAL DIRECT AND OVERLAPPING RATES	<u>\$ 3.895707</u>	<u>\$ 3.987037</u>	<u>\$ 4.001367</u>	<u>\$ 4.030386</u>

Source: Tarrant County Property Appraiser

Exhibit L-7

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 1.170000	\$ 1.170000	\$ 1.170000	\$ 1.170000	\$ 1.170000	\$ 1.170000
0.500000	0.500000	0.480000	0.480000	0.480000	0.500000
<u>\$ 1.670000</u>	<u>\$ 1.670000</u>	<u>\$ 1.650000</u>	<u>\$ 1.650000</u>	<u>\$ 1.650000</u>	<u>\$ 1.670000</u>
\$ 0.669020	\$ 0.696829	\$ 0.696800	\$ 0.739270	\$ 0.739270	\$ 0.719000
0.855000	0.855000	0.855000	0.855000	0.835000	0.805000
0.333230	0.371154	0.371100	0.407700	0.422663	0.441700
0.264000	0.264000	0.264000	0.264000	0.254000	0.244000
0.227900	0.227897	0.227897	0.227897	0.227897	0.224429
0.148970	0.149500	0.149500	0.149500	0.144730	0.140060
<u>\$ 4.168120</u>	<u>\$ 4.234380</u>	<u>\$ 4.214297</u>	<u>\$ 4.293367</u>	<u>\$ 4.273560</u>	<u>\$ 4.244189</u>

Crowley Independent School District
Principal Property Tax Payers
Current Fiscal Year And Nine Fiscal Years Ago

Exhibit L-8

Property Tax Payer	2018			2009		
	Taxable Value	Rank	% of Total Taxable Value	Taxable Value	Rank	% of Total Taxable Value
Hulen Owner LP	\$ 69,670,245	1	1.06%	\$ 62,828,934	1	1.38%
Oncor Electric Delivery Co LLC	62,651,590	2	0.96%	58,929,102	2	1.29%
Wal-Mart Real Estate Business Trust	49,615,433	3	0.76%	-	n/a	n/a
Bryant Irving TX Partners LLC	40,366,892	4	0.62%	20,330,849	10	0.45%
Cameron Creek Apartments	38,200,000	5	0.58%	-	n/a	n/a
Coventry Gardens LP	37,287,120	6	0.57%	-	n/a	n/a
PBH Deer Creek LLC	36,260,000	7	0.55%	-	n/a	n/a
SOF Remington Owner LO	33,400,000	8	0.51%	-	n/a	n/a
EG Reflections LLC	33,100,000	9	0.51%	-	n/a	n/a
Avery Pointe Owner LLC	32,400,000	10	0.50%	-	n/a	n/a
Alliance We LP	-	n/a	n/a	22,572,903	7	0.50%
Marquette Verandas LLC	-	n/a	n/a	23,336,529	6	0.51%
Independent Research	-	n/a	n/a	24,973,658	4	0.55%
Ventana Holdings LP	-	n/a	n/a	26,168,466	3	0.57%
Texas HCP Revx Lp. Etal	-	n/a	n/a	24,676,000	5	0.54%
Caj-Tex Mortgage Inc.	-	n/a	n/a	20,762,000	8	0.46%
Wri Overton Plaza LP	-	n/a	n/a	20,737,478	9	0.45%
Subtotal	\$ 432,951,280		6.62%	\$ 305,315,919		6.70%
Other taxpayers	6,109,938,913		93.38%	4,253,767,211		93.30%
TOTAL	\$ 6,542,890,193		100.00%	\$ 4,559,083,130		100.00%

Source: Tarrant County Property Appraiser

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Crowley Independent School District
 Property Tax Levies and Collections
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Amount</u>	<u>Percent of Levy</u>
2009	2008	1.535050	\$ 72,108,330	\$ 70,944,153	98.39%
2010	2009	1.535000	74,463,966	72,374,875	97.19%
2011	2010	1.535000	68,275,034	66,601,919	97.55%
2012	2011	1.535000	70,050,014	68,263,420	97.45%
2013	2012	1.670000	77,865,792	75,947,277	97.54%
2014	2013	1.670000	78,074,153	76,581,898	98.09%
2015	2014	1.650000	80,581,288	79,257,028	98.36%
2016	2015	1.650000	82,858,021	79,466,495	95.91%
2017	2016	1.650000	87,934,081	85,837,294	97.62%
2018	2017	1.670000	98,485,483	97,146,914	98.64%

Source: District Records

Collections in Subsequent Years		Total Collections to Date	
Amount	Amount	Percent of Levy	
\$ 886,317	\$ 71,830,470	99.61%	
1,615,546	73,990,421	99.36%	
1,381,489	67,983,408	99.57%	
1,680,503	69,943,923	99.85%	
635,303	76,582,580	98.35%	
415,246	76,997,144	98.62%	
280,565	79,537,593	98.70%	
542,130	80,008,625	96.56%	
500,915	86,338,209	98.19%	
623,133	97,770,047	99.27%	

Crowley Independent School District

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
PRIMARY GOVERNMENT				
Governmental activities:				
General obligation bonds	\$ 309,934,531	\$ 309,934,531	\$ 307,404,381	\$ 299,666,505
Loans payable	-	-	-	-
Capital leases	464,698	362,797	310,829	126,055
Bond premiums				
Accreted interest on bonds	<u>28,765,974</u>	<u>31,294,862</u>	<u>34,053,561</u>	<u>35,839,412</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 339,165,203</u>	<u>\$ 341,592,190</u>	<u>\$ 341,768,771</u>	<u>\$ 335,631,972</u>
Percentage of personal income	0.42%	0.40%	0.37%	0.35%
Population	73,188	73,277	73,866	73,436
Outstanding debt per capita	4,634	4,662	4,627	4,570

Source: Notes to the Basic Financial Statements

Exhibit L-10

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 291,762,504	\$ 311,622,838	\$ 304,095,433	\$ 325,046,535	\$ 317,516,602	\$ 394,583,962
-	-	-	-	-	-
10,361	-	-	-	-	-
	13,558,277	18,517,606	37,692,046	35,798,673	46,263,721
38,782,143	42,268,081	40,536,548	40,044,203	38,729,786	35,570,259
<u>\$ 330,555,008</u>	<u>\$ 367,449,196</u>	<u>\$ 363,149,587</u>	<u>\$ 402,782,784</u>	<u>\$ 392,045,061</u>	<u>\$ 476,417,942</u>
0.33%	0.34%	0.34%	0.38%	0.37%	0.37%
73,089	86,222	94,991	96,804	96,804	96,804
4,523	4,262	3,823	4,161	4,050	4,921

Crowley Independent School District
 Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
NET ASSESSED VALUE				
All property	\$ 4,559,083,130	\$ 4,555,040,542	\$ 4,318,088,020	\$ 4,563,518,827
NET BONDED DEBT				
Gross bonded debt	\$ 309,934,531	\$ 309,934,531	\$ 307,404,381	\$ 299,666,505
Less debt service funds	<u>7,955,157</u>	<u>26,709,325</u>	<u>27,589,932</u>	<u>27,783,481</u>
TOTAL NET BONDED DEBT	<u>\$ 301,979,374</u>	<u>\$ 283,225,206</u>	<u>\$ 279,814,449</u>	<u>\$ 271,883,024</u>
Ratio of net bonded debt to assessed value	6.62%	6.22%	6.48%	5.96%
Population	73,188	73,277	73,866	73,436
Net bonded debt per capita	\$ 4,126	\$ 3,865	\$ 3,788	\$ 3,702

Source: Tarrant County Property Appraiser, National Center for Education Statistics.

Exhibit L-11

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 4,670,349,452	\$ 4,928,578,051	\$ 5,022,616,604	\$ 5,336,218,217	\$ 5,943,363,517	\$ 6,542,890,193
\$ 291,762,504 29,629,841	\$ 311,622,838 29,606,269	\$ 304,095,433 30,314,436	\$ 402,782,780 29,820,527	\$ 392,045,061 31,870,995	\$ 476,417,942 36,243,674
<u>\$ 262,132,663</u>	<u>\$ 282,016,569</u>	<u>\$ 273,780,997</u>	<u>\$ 372,962,253</u>	<u>\$ 360,174,066</u>	<u>\$ 440,174,268</u>
5.61%	5.72%	5.45%	6.99%	6.06%	6.73%
73,089	86,222	94,991	96,804	96,804	96,804
\$ 3,586	\$ 3,271	\$ 2,882	\$ 3,853	\$ 3,721	\$ 4,547

Crowley Independent School District
 Direct and Overlapping Governmental Activities Debt
 June 30, 2018

Exhibit L-12

	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Share of Overlapping Debt</u>
GOVERNMENTAL UNIT			
City of Crowley	\$ 23,245,000	100.000%	\$ 23,245,000
City of Fort Worth	731,730,000	7.200%	52,684,560
Johnson County	27,030,000	0.510%	137,853
Tarrant County	294,500,000	3.670%	10,808,150
Tarrant County Hospital District	19,300,000	3.680%	710,240
Tarrant County Junior College District	-	3.680%	-
			<hr/>
Subtotal, overlapping debt			87,585,803
District direct debt	467,571,875	100.000%	<hr/> 467,571,875
TOTAL DIRECT AND OVERLAPPING DEBT			<hr/> \$ 555,157,678 <hr/>

Source: Municipal Advisory Council and each governmental unit

The applicable percentage is based on the net taxable value of the respective entities.

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Crowley Independent School District

Legal Debt Margin Information

Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt limit	\$ 455,908,313	\$ 455,504,054	\$ 443,278,377	\$ 456,351,883
Total net debt applicable to limit	<u>301,979,374</u>	<u>283,225,206</u>	<u>279,814,449</u>	<u>271,883,024</u>
LEGAL DEBT MARGIN	<u>\$ 153,928,939</u>	<u>\$ 172,278,848</u>	<u>\$ 163,463,928</u>	<u>\$ 184,468,859</u>
Total net debt applicable to the limit as a percentage of debt limit	66.24%	62.18%	63.12%	59.58%
Legal debt margin calculation for fiscal year 2016				
Assessed value	\$ 6,542,890,193			
Debt limit (10% of assessed value)	654,289,019			
Debt applicable to limit:				
General obligation bonds	394,583,962			
Less amount set aside for repayment of general obligation debt	<u>(36,243,674)</u>			
Total net debt applicable to limit	<u>358,340,288</u>			
LEGAL DEBT MARGIN	<u>\$ 295,948,731</u>			

Source: District Records

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 467,034,945	\$ 492,857,805	\$ 502,261,660	\$ 533,621,822	\$ 594,336,352	\$ 654,289,019
<u>262,132,663</u>	<u>282,016,569</u>	<u>273,780,997</u>	<u>372,962,254</u>	<u>360,174,066</u>	<u>440,174,269</u>
<u>\$ 204,902,282</u>	<u>\$ 210,841,236</u>	<u>\$ 228,480,663</u>	<u>\$ 160,659,568</u>	<u>\$ 234,162,286</u>	<u>\$ 214,114,750</u>
56.13%	57.22%	54.51%	69.89%	60.60%	67.28%

Crowley Independent School District
 Demographic and Economic Statistics
 Last Ten Fiscal Years

Exhibit L-14

Fiscal Year Ended June 31	Fort Worth Metropolitan Division Population ⁽¹⁾	Fort Worth Metropolitan Division Personal Income ⁽¹⁾	Fort Worth Metropolitan Division		School Enrollment ⁽²⁾	Unemployment Rate ⁽³⁾	Educational Attainment
			Per Capita Personal Income ⁽¹⁾	Median Age			
2009	\$ 2,168,853	\$ 81,453,322,000	37,556	N/A	15,031	7.7%	N/A
2010	2,203,904	85,213,120,000	38,665	N/A	15,126	8.2%	N/A
2011	2,237,268	92,115,479,000	41,173	N/A	15,240	7.8%	N/A
2012	2,274,380	96,371,508,000	42,373	N/A	15,101	7.0%	N/A
2013	2,310,168	101,339,077,000	43,867	N/A	15,060	6.5%	N/A
2014	2,350,233	107,052,713,000	45,550	N/A	15,080	6.3%	N/A
2015	2,395,645	114,790,252,000	47,916	N/A	14,985	4.2%	N/A
2016	2,439,674	115,158,052,000	47,202	N/A	15,097	4.6%	N/A
2017	N/A	N/A	N/A	N/A	15,223	4.3%	N/A
2018	N/A	N/A	N/A	N/A	15,253	4.3%	N/A

Source:

¹. Bureau of Economic Analysis. Personal income and Per Capita for Fort Worth Metropolitan Division updated through 2016.

². District records

³. US Department of Labor

Crowley Independent School District
 Enrollment and Attendance Data
 June 30, 2018

Exhibit L-15

Fiscal Years	Average Daily Enrollment	Average Daily Attendance		
		Average Daily Attendance	Percent Increase/ (Decrease)	Percent of Enrollment
2009	15,031	13,961	-0.47%	95.21%
2010	15,126	14,036	0.35%	95.35%
2011	15,240	14,176	0.97%	94.45%
2012	15,101	14,039	-0.97%	95.82%
2013	15,060	13,972	-0.52%	92.78%
2014	15,080	14,004	0.23%	92.86%
2015	14,985	13,953	-0.36%	93.11%
2016	15,097	14,020	0.48%	92.87%
2017	15,223	14,188	1.20%	93.20%
2018	15,253	14,189	0.01%	93.02%

Source: District Records

Crowley Independent School District
Principal Employers
Current Fiscal Year and Nine Fiscal Years Ago

Exhibit L-16

<u>Employer</u>	<u>2018</u>		<u>2009</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Crowley ISD	1,837	1	1,815	1
Harris Methodist Southwest	950	2	912	3
Harbison-Fischer Manufacturing	560	3	350	8
First Command Financial Planning	548	4	552	4
Wal-Mart Supercenter	425	5	428	6
Dillard's	410	6	400	7
Super Target	400	7	335	9
The Broadway Plaza at Cityview	342	8	325	10
Power House Retail	340	9		
Macy's	150	10		
Baylor Medical Center			1,668	2
SCS Frigette			450	5
	<u>5,962</u>		<u>7,235</u>	

Source: District Records

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Crowley Independent School District

Operating Statistics

Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Average daily enrollment	15,031	15,126	15,240	15,101
Operating expenditures	\$ 102,188,916	\$ 89,185,975	\$ 100,892,102	\$ 96,129,073
Cost per pupil	6,799	5,896	6,620	6,366
Percentage change	11.93%	-13.27%	12.28%	-3.84%
Teaching staff	1012	967	928	940
Pupil-teacher ratio	14.8	15.6	16.4	16.06
Number of students				
Economically disadvantaged	6,448	7,439	8,099	8,150
Limited english proficiency	1,455	1,510	1,562	1,670

Source: District Records

Exhibit L-17

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
15,060	15,080	14,985	15,097	15,223	15,253
\$ 102,788,822	\$ 109,470,365	\$ 117,309,867	\$ 125,141,794	\$ 129,537,718	\$ 137,737,632
6,825	7,259	7,828	8,289	8,509	9,030
7.22%	6.36%	7.84%	5.88%	2.66%	6.12%
906	941	964	988.2	1,014	1,056
16.62	16.03	15.54	15.28	15.01	14.45
8,926	9,443	9,559	9,186	8,832	9,280
1,733	1,836	1,944	2,109	2,265	2,343

Crowley Independent School District
 Full-Time Equivalent Employees by Function/Program
 Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Direct positions				
Teachers	1011.9	966.7	928	900.2
Professional support	130.1	131.7	137.8	125.3
Campus administration	62.0	61.0	61.0	57.5
Central administration	8.0	7.0	6.0	10.0
	<u>1212.0</u>	<u>1166.4</u>	<u>1132.8</u>	<u>1093.0</u>
Total professional staff				
Educational aides	255.3	217.1	231.6	168.8
Auxiliary staff	474.5	464.2	317.8	256.8
	<u>474.5</u>	<u>464.2</u>	<u>317.8</u>	<u>256.8</u>
TOTAL DISTRICT POSITIONS	<u><u>1,941.8</u></u>	<u><u>1,847.7</u></u>	<u><u>1,682.2</u></u>	<u><u>1,518.6</u></u>
Percentage change	46.13%	-4.85%	-8.96%	-8.10%

Source: District Records

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
905.8	941.02	963.69	988.2	1014	1055.8
117.6	155.21	167.6	175.77	191.4	187.9
57.7	61.1	61.0	60.2	65.8	65.8
9.9	10.0	12.0	12.0	10.5	9.3
<u>1091.0</u>	<u>1167.3</u>	<u>1204.3</u>	<u>1236.2</u>	<u>1281.7</u>	<u>1318.8</u>
202.9	196.8	213.5	242.2	297.2	303.2
200.3	216.3	212.5	215.4	214.1	215.0
<u>1,494.2</u>	<u>1,580.4</u>	<u>1,630.3</u>	<u>1,693.8</u>	<u>1,793.0</u>	<u>1,837.0</u>
-1.62%	5.77%	3.16%	3.90%	5.86%	2.45%

Crowley Independent School District

Teacher Base Salaries

Last Seven Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Minimum salary				
Bachelor's Degree	\$ 45,500	\$ 45,500	\$ 47,308	\$ 47,308
Master's Degree	47,045	47,045	48,853	48,853
Maximum salary				
Bachelor's Degree	65,346	58,606	60,170	60,170
Master's Degree	66,891	60,151	61,715	61,715
District average actual teaching salary	50,323	51,312	52,646	52,646
Statewide average actual teaching salary	47,158	48,263	48,639	48,375

Source: District Records and the Texas Education Agency

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	48,727	\$ 50,000	\$ 51,400	\$ 52,171	\$ 52,171	\$ 53,000
	50,319	51,600	53,000	53,795	53,795	54,500
	60,009	65,379	65,749	67,007	67,007	68,279
	61,600	66,924	67,438	68,744	68,744	70,070
	51,424	54,153	55,447	56,898	58,679	60,140
	48,375	48,110	48,819	49,109	48,819	51,890

Crowley Independent School District
 School Building Information
 Last Ten Fiscal Years

		<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
ELEMENTARY					
Bess Race					
Square feet	81,630				
Capacity	726				
Enrollment		895	909	668	665
Sycamore					
Square feet	72,640				
Capacity	704				
Enrollment		751	787	553	559
Deer Creek					
Square feet	73,116				
Capacity	682				
Enrollment		677	671	457	414
Meadowcreek					
Square feet	76,788				
Capacity	858				
Enrollment		624	652	664	694
Jackie Carden					
Square feet	75,014				
Capacity	770				
Enrollment		554	562	564	556
Parkway					
Square feet	75,547				
Capacity	902				
Enrollment		697	693	749	739
Oakmont					
Square feet	75,700				
Capacity	748				
Enrollment		600	568	584	567
Dallas Park					
Square feet	77,550				
Capacity	880				
Enrollment		821	820	797	767
J.A. Hargrave					
Square feet	81,630				
Capacity	638				
Enrollment		652	668	639	574
Sidney H. Poynter					
Square feet	81,630				
Capacity	704				
Enrollment		731	762	582	563
Sue Crouch Intermediate					
Square feet	81,630				
Capacity	850				
Enrollment		793	776	540	531

Crowley Independent School District
School Building Information
Last Ten Fiscal Years

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
697	677	673	677	661	577
564	610	575	576	616	627
458	492	535	506	450	514
709	725	695	685	666	558
536	525	485	511	532	515
768	755	704	724	681	656
531	592	561	607	598	632
743	681	644	617	678	741
548	555	530	551	586	559
520	496	532	596	620	545
512	515	501	456	438	631

Crowley Independent School District
 School Building Information
 Last Ten Fiscal Years

		<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
S.H. Crowley Intermediate					
Square feet	81,630				
Capacity	850				
Enrollment		667	694	508	494
David L. Walker Intermediate					
Square feet	81,630				
Capacity	850			678	694
Enrollment					
Mary Harris					
Square feet	81,630				
Capacity	850				
Enrollment				631	679
MIDDLE SCHOOL					
H.F. Stevens					
Square feet	159,626				
Capacity	1,675				
Enrollment		859	793	884	874
Crowley					
Square feet	159,626				
Capacity	1,675				
Enrollment		632	648	669	644
Summer Creek					
Square feet	184,824				
Capacity	1,650				
Enrollment		782	834	785	786
HIGH SCHOOL					
Crowley High School					
Square feet	267,023				
Capacity	2,150				
Enrollment		1,375	1,303	1,347	1,374
North Crowley High School					
Square feet	313,706				
Capacity	2,875				
Enrollment		1,774	1,793	1,738	1,646
Crowley 9th Grade					
Square feet	99,678				
Capacity	925				
Enrollment		441	488	480	516
North Crowley 9th Grade					
Square feet	119,630				
Capacity	1,050				
Enrollment		651	640	624	675

Source: District Records

Crowley Independent School District
 School Building Information
 Last Ten Fiscal Years

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
465	445	456	470	466	531
645	647	643	663	660	603
648	640	668	671	677	587
902	931	912	915	930	881
615	656	615	634	661	681
841	833	779	781	789	800
1,320	1,490	1,502	1,484	2,100	1,626
1,635	1,762	1,783	1,746	2,403	1,808
538	480	531	532	527	520
614	649	659	646	600	660

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Compliance Section

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**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed
in Accordance with Government Auditing Standards**

To the Board of Trustees of
Crowley Independent School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 Crowley Independent School District (the District), as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 25, 2018.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

The Board of Trustees of
Crowley Independent School District

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
October 25, 2018

**Independent Auditor's Report on Compliance for Each Major Federal
Program and on Internal Control over Compliance in
Accordance with the Uniform Guidance**

To the Board of Trustees of
Crowley Independent School District

Report on Compliance for Each Major Federal Program

We have audited Crowley 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 June 30, 2018. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. Code of Federal Regulation (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 June 30, 2018.

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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
October 25, 2018

Crowley Independent School District
Schedule of Findings and Questioned Costs
June 30, 2018

Section 1. Summary of Auditors' Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

- Material weakness (es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weakness (es)? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness (es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weakness (es)? Yes None reported

An unmodified opinion was issued on compliance for all major programs.

- Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the Uniform Guidance? Yes No

Identification of major programs:

84.010A, Title I, Part A Cluster
84.287C, Title IV, Part B – 21st CCLC

- Dollar threshold used to distinguish between type A and type B programs? \$750,000

Auditee qualified as low-risk auditee? Yes No

Section 2. Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards:

None

Section 3. Federal Award Findings

None

Crowley Independent School District
Summary Schedule of Prior Year Audit Findings
For the Fiscal Year Ended June 30, 2018

Prior Year Findings

None

Crowley Independent School District
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2018

<u>Federal Grantor/ Pass Through Grantor Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF EDUCATION			
Passed Through State Department of Education:			
Title I, Part A Cluster			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	17610101220912	\$ 382,174
ESEA, Title I, Part A - Improving Basic Programs	84.010A	18610101220912	2,084,135
Title I, 1003 School Improvement	84.010A	18610123220912	<u>155,383</u>
Total CFDA Number 84.010A			2,621,692
Special Education Cluster			
IDEA - Part B, Formula	84.027A	176600012209126600	543,904
IDEA - Part B, Formula	84.027A	186600012209126600	1,963,472
IDEA - Part B, Discretionary	84.027A	176600112209126673	12,392
IDEA - Part B, Discretionary	84.027A	186600112209126673	61,841
IDEA - Part B, High Cost Risk Pool	84.027A	183911012209123911	<u>248</u>
Total CFDA Number 84.027			2,581,857
IDEA - Part B, Preschool	84.173A	176610012209126610	5,206
IDEA - Part B, Preschool	84.173A	186610012209126610	<u>40,874</u>
Total CFDA Number 84.173A			46,080
Career and Technical - Basic Grant	84.048A	17420006220912	3,406
Career and Technical - Basic Grant	84.048A	18420006220912	<u>148,235</u>
Total CFDA Number 84.048A			151,641
Title IV, Part B - 21st CCLC	84.287C	176950197110009	86,225
Title IV, Part B - 21st CCLC	84.287C	186950197110009	<u>1,343,437</u>
Total CFDA Number 84.287			1,429,662
Title III, Part A - English Language Acquisition	84.365A	17671001220912	28,105
Title III, Part A - English Language Acquisition	84.365A	18671001220912	<u>177,700</u>
Total CFDA Number 84.365A			205,805
ESEA, Title II, Part A - Teacher/Principal Training	84.367A	17694501220912	389,156
ESEA, Title II, Part A - Teacher/Principal Training	84.367A	18694501220912	<u>16,654</u>
Total CFDA Number 84.367A			405,810
Title VI, Part A, Summer School	84.369A	69551102	<u>74,414</u>
TOTAL DEPARTMENT OF EDUCATION			<u>\$ 7,516,961</u>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

<u>Federal Grantor/ Pass Through Grantor Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through State Department of Agriculture:			
Child Nutrition Cluster			
School Breakfast Program	10.553	71401601	\$ 1,632,977
National School Program Lunch	10.555	71301601	4,103,583
Child and Adult Care Food Program	10.558		303,745
Summer Food Service Program	10.559		94,200
USDA Commodities (noncash)	10.555	220-912	<u>456,970</u>
TOTAL DEPARTMENT OF AGRICULTURE			6,591,475
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through State Department of Health and Human Services:			
Medicaid Administrative Claiming Program	93.778	220-912	<u>11,780</u>
Total U.S. department of health and human services			<u>11,780</u>
Total expenditures of federal awards			14,120,216
School Health & Related Services (SHARS)*			<u>2,363,077</u>
TOTAL FEDERAL REVENUES RECONCILED TO EXHIBIT C-2			<u>\$ 16,483,293</u>

*Not considered federal financial assistance subject to requirements in accordance with the Uniform Guidance

Crowley Independent School District
Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2018

Note 1. Basis of Presentation

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 specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a special revenue fund.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government fund types are accounted for using a current financial resources measurement focus. All federal grants 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 funds 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 on 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 long-term debt, which is recognized when due, 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 2. Basis of Funding

The District participates in numerous state and federal grant programs that 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, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2018 may be impaired. In the opinion of the District, there are not significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions has been recorded in the accompanying combined financial statements for such contingencies. Generally, unused balances are returned to the grantor at the close of specified project periods. The District has elected to not utilize the 10% de minimus indirect cost rate made available in the Uniform Guidance.