



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

Crowley, Texas

For the Fiscal Year Ended June 30, 2019

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Crowley Independent School District
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2019
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Introductory Section



October 24, 2019
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, 2019 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 as well as increases in assessed valuations due to the new construction and the upturn in the economy. 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 professional, dedicated and resourceful staff, as well as an involved community, make Crowley ISD an educational district of choice. In 2018-2019 the District employed more than 1,900 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.

The 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 to begin construction on a new maintenance facility. In 2018, the District sold \$80 million to continue the projects mentioned plus upgrade the high schools' fine arts and athletic facilities. August 2019, the June W. Davis Elementary was opened. For the 2018-2019 school year, a restructuring and reorganizing plan went into effect. The 4 intermediate campuses were repurposed into elementary campus. With the addition of the June W. Davis elementary, the District currently consists of 15 elementary campuses.

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 2019 was \$0.50 per \$100 property valuation. The school board maintains a 10% local option property tax exemption for homestead owners. With HB3 resulting from the 86th legislative session, summer of 2019, the District's M&O tax rate was reduced from \$1.17 to \$1.0684.

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 is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; 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, 2019 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 collateralized securities and letters of credit. 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,

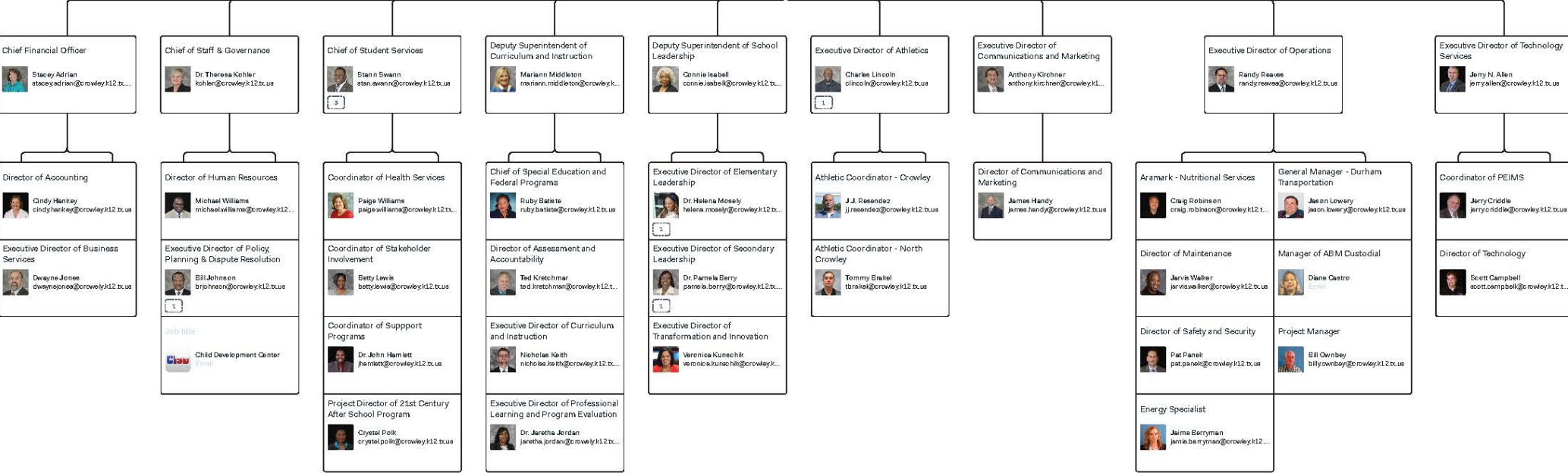


Dr. Michael D. McFarland

Superintendent of Schools

Board of Trustees
 Crowley ISD
 information@crowleyk12.tx.us

Superintendent of Schools
 Dr. Michael McFarland
 michael.mcfarland@crowleyk12.tx.us



Crowley Independent School District

Principal Officials

October 24, 2019

Elected Officials..... Position

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

Appointed Officials Position

Dr. Michael McFarland.....Superintendent
Connie Isabell..... Deputy Superintendent of Achievement
Dr. Theresa Kohler.....Chief of Staff and Governance
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
Leon Fisher..... Executive Director of Finance/Business Services (started April 2019)
Charles Lincoln..... Executive Director of Athletics
Nicholas Keith..... Executive Director of Curriculum and Instruction
Stefani Allen..... Executive Director of Professional Department and Social Emotional Learning
Daryle Moffett..... Crowley High School
Daryl Porter..... North Crowley High School
Rashad Muhammad..... Crowley Learning Center
Dr. 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
Holly Anderson..... Bess Race Elementary
Rebekah Hunt..... Sycamore Elementary
Anna Roe..... Deer Creek Elementary
Dr. Tonya Coleman..... Meadowcreek Elementary
Dr. Paula Brooks..... Jackie Carden Elementary
Roslyn Bell..... Parkway Elementary
Dr. Kim Scoggins..... Oakmont Elementary
Veronica Delgado..... Dallas Park Elementary
Rolanda McKenzie..... JA Hargrave Elementary
Shaketa Traylor..... Poynter Elementary
Dr. Arthurlyn Morgan..... Sue Crouch Elementary
Deidra Castro..... SH Crowley Elementary
Melanie Randall..... David L. Walker Elementary
Dr. Clarence Williams..... Mary Harris Elementary
Kevin Hunt..... June W. Davis Elementary

Certificate of Board

Crowley Independent School District
Name of School District

Tarrant
County

220-912
Co. Dist. Number

We, the undersigned, clarify that the attached annual financial reports of the above named school district were reviewed and (check one) _____ approved _____ disapproved for the year ended June 30, 2019, at a meeting of the Board of Trustees of such school district on the 24th day of October, 2019.

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
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in Financial
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Presented to

Crowley Independent School District
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

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, 2019, 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, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, other supplementary information, statistical section, and School First Questionnaire are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and is also not a required part of the basic financial statements.

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

The introductory section, statistical section, and School First Questionnaire 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 it.

The Board of Trustees of
Crowley Independent School District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2019, 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 24, 2019

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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, 2019. It should be read in conjunction with the District's financial statements.

Financial Highlights

Liabilities of the District exceeded assets by \$61,646,313 for governmental activities and assets exceeded liabilities by \$74,231 for business-type activities. Restricted net position consists of \$30,336,448 for debt service, and \$4,295,895 for grant funds.

At fiscal year end, the unassigned fund balance in the General Fund was \$31,833,343. Non-spendable fund balance for inventories and prepaids was \$745,625 and assigned for one-time, non-recurring instructional and extra-curricular expenses and District strategic initiatives was \$1.5 million. The District reported a decrease to fund balance in the general fund of \$2,415,636 due primarily to a special item noted in note H on page 54.

The fund balance in the Debt Service Fund increased \$4,320,530, which still provides for a debt service payment of \$31.1 million in the 2020 fiscal year. The Capital Projects Fund reported a fund balance of \$121,218,341, 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 decrease from a deficit of \$56.9 million (as restated) to \$61.6 million. The decrease in net position was primarily due to an increase in net pension and OPEB liability. Current assets primarily increased due to issuance of debt and an increase in unspent bond proceeds.

| | Governmental Activities | | Business Type | | Total | | Total |
|--|-------------------------|------------------------|------------------|-------------------|------------------------|------------------------|-----------------------|
| | Activities | | Activities | | Activities | | Change |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2018-2017 |
| Current assets | \$ 236,356,522 | \$ 225,104,823 | \$ 145,111 | \$ 153,102 | \$ 236,501,633 | \$ 225,257,925 | \$ 11,243,708 |
| Capital assets | 375,960,935 | 302,853,902 | - | - | 375,960,935 | 302,853,902 | 73,107,033 |
| Total assets | 612,317,457 | 527,958,725 | 145,111 | 153,102 | 612,462,568 | 528,111,827 | 84,350,741 |
| Deferred outflow of resources | 53,512,105 | 26,878,014 | - | - | 53,512,105 | 26,878,014 | 26,634,091 |
| Total deferred outflow of resources | 53,512,105 | 26,878,014 | - | - | 53,512,105 | 26,878,014 | 26,634,091 |
| Current liabilities | 41,071,439 | 32,868,081 | 70,880 | 1,664 | 41,142,319 | 32,869,745 | 8,272,574 |
| Long-term liabilities | 661,708,535 | 554,132,978 | - | - | 661,708,535 | 554,132,978 | 107,575,557 |
| Total liabilities | 702,779,974 | 587,001,059 | 70,880 | 1,664 | 702,850,854 | 587,002,723 | 115,848,131 |
| Deferred inflow of resources | 24,695,901 | 24,731,985 | - | - | 24,695,901 | 24,731,985 | (36,084) |
| Total deferred inflow of resources | 24,695,901 | 24,731,985 | - | - | 24,695,901 | 24,731,985 | (36,084) |
| Net position: | | | | | | | |
| Investment in capital assets | (2,661,848) | (4,501,384) | - | - | (2,661,848) | (4,501,384) | 1,839,536 |
| Restricted - Debt service | 30,336,448 | 27,459,867 | - | - | 30,336,448 | 27,459,867 | 2,876,581 |
| Restricted - Grants | 4,295,895 | 2,853,719 | - | - | 4,295,895 | 2,853,719 | 1,442,176 |
| Unrestricted | (93,616,808) | (82,708,507) | 74,231 | 151,438 | (93,542,577) | (82,557,069) | (10,985,508) |
| Total net position | \$ (61,646,313) | \$ (56,896,305) | \$ 74,231 | \$ 151,438 | \$ (61,572,082) | \$ (56,744,867) | \$ (4,827,215) |

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, 2019 and June 30, 2018.

| | Governmental Activities | | Business Type | | Total | | Total |
|-------------------------------------|-------------------------|------------------------|------------------|-------------------|------------------------|------------------------|-----------------------|
| | Activities | | Activities | | Activities | | Change |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019-2018 |
| Revenues | | | | | | | |
| Program revenues: | | | | | | | |
| Charges for services | \$ 2,344,872 | \$ 2,334,323 | \$ 98,715 | \$ 71,810 | \$ 2,443,587 | \$ 2,406,133 | \$ 37,454 |
| Operating grants and contributions | 36,119,222 | (50,343) | - | - | 36,119,222 | (50,343) | 36,169,565 |
| General revenues | | | | | | | |
| Maintenance and operations taxes | 72,331,872 | 68,698,527 | - | - | 72,331,872 | 68,698,527 | 3,633,345 |
| Debt service taxes | 31,009,105 | 29,371,302 | - | - | 31,009,105 | 29,371,302 | 1,637,803 |
| State aid - formula grants | 55,213,773 | 62,931,943 | - | - | 55,213,773 | 62,931,943 | (7,718,170) |
| Investment earnings | 5,043,972 | 2,351,254 | - | - | 5,043,972 | 2,351,254 | 2,692,718 |
| Other revenue | 683,074 | 605,229 | - | - | 683,074 | 605,229 | 77,845 |
| Total revenues | 202,745,890 | 166,242,235 | 98,715 | 71,810 | 202,844,605 | 166,314,045 | 36,530,560 |
| Expenses | | | | | | | |
| Instruction | 113,207,453 | 69,273,508 | - | - | 113,207,453 | 69,273,508 | 43,933,945 |
| Instructional and school leadership | 18,489,480 | 10,193,947 | - | - | 18,489,480 | 10,193,947 | 8,295,533 |
| Student support | 15,379,850 | 12,137,572 | - | - | 15,379,850 | 12,137,572 | 3,242,278 |
| Food services | 7,818,005 | 7,242,426 | - | - | 7,818,005 | 7,242,426 | 575,579 |
| Cocurricular activities | 4,335,245 | 3,484,754 | - | - | 4,335,245 | 3,484,754 | 850,491 |
| General and administration | 5,414,246 | 3,863,888 | - | - | 5,414,246 | 3,863,888 | 1,550,358 |
| Plant maintenance/ security/data | 18,505,322 | 15,018,743 | - | - | 18,505,322 | 15,018,743 | 3,486,579 |
| Community services | 17,817 | - | 175,922 | 56,899 | 193,739 | 56,899 | 136,840 |
| Debt service taxes | 21,825,655 | 15,603,747 | - | - | 21,825,655 | 15,603,747 | 6,221,908 |
| Other activities | 507,109 | 5,785,979 | - | - | 507,109 | 5,785,979 | (5,278,870) |
| Special item | 1,995,716 | - | - | - | 1,995,716 | - | 1,995,716 |
| Total Expenses | 207,495,898 | 142,604,564 | 175,922 | 56,899 | 207,671,820 | 142,661,463 | 65,010,357 |
| Change in Net Position | (4,750,008) | 23,637,671 | (77,207) | 14,911 | (4,827,215) | 23,652,582 | (28,479,797) |
| Beginning Net Position | | | | | | | |
| Before Restatement | (56,896,305) | 4,466,151 | 151,438 | 136,527 | (56,744,867) | 4,602,678 | (61,347,545) |
| Change in accounting principle | - | (85,000,127) | - | - | - | (85,000,127) | 85,000,127 |
| Ending Net Position | \$ (61,646,313) | \$ (56,896,305) | \$ 74,231 | \$ 151,438 | \$ (61,572,082) | \$ (56,744,867) | \$ (4,827,215) |

The District's statement of governmental and business-type activities reflects total revenues for the year ended June 30, 2019 of \$202.8 million, an increase of \$36.5 million and the total cost of all programs and services of \$207.7 million, an increase of \$65 million. The net result is a decrease in net position of \$4.8 million. The following impacted total expenses and revenues:

- Net increase in OPEB and pension liability and deferred inflows and outflows of \$8.5 which increased expenses.
- Higher property tax revenues of \$5.3 million due to higher appraised values.
- Special item expense of \$2 million

The cost of all governmental activities this year was \$207.5 million which includes the special item of \$2.0 million. However, as shown in the Statement of Activities, the amount that taxpayers ultimately financed for these activities was \$103.3 million because some of the costs were paid by those who directly benefited from the programs (\$38.5 million) and by grants and contributions (primarily State funding) not restricted to specific programs (\$55.2 million).

The District's statement of activities for business-type reflects charges for services of \$98,715. With community education costs of \$175,922, the net activity for business-type activities decreased \$77,207 for ending net position of \$74,231.

The District's Funds

As the District completed the year, its governmental funds reported a combined fund balance of \$200.2 million, which is an increase of \$5.5 million from last year's total of \$194.6 million. The increase is composed of the following: The General Fund balance decreased \$2.4 million from \$36.5 million to \$34.1 million primarily due to uses for special items noted on note H page 54. The fund balance in the Debt Service Fund increased \$4.3 million to \$40.6 million as a result of an increased tax base. The Capital Projects Funds increased \$2.8 million from \$118.5 million to \$121.2 million primarily as a result of primarily from proceeds from issuance of bonds for future capital projects and cost for facilities acquisition and construction. Other Governmental Funds balance was consistent with a slight increase of \$850,206.

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 \$4.1 million to reflect changed revenue estimates in all areas. Expenditure budgets increased \$4.5 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 98.49%. 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 96.12%.

Capital Asset and Debt Administration

Capital Assets. At the end of 2019, the District had \$376 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 | \$ 1,176,745 |
| Sale of land | - |
| Construction in progress | 48,183,760 |
| Building and improvements | 30,385,553 |
| Furniture and equipment | 1,739,661 |
| Accumulated depreciation | (8,378,686) |

The District had the following major capital asset additions:

- Construction in progress of the career training center of \$20.4 million
- High school renovation improvements of \$27.8 million
- New elementary school that opened for fiscal year 2020 of \$19 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 \$467.6 million in bonds outstanding versus \$394.6 million last year, an increase of \$73 million which was due to issuance of bond series 2018 for \$78.3million. The District paid down debt principal of \$5.3 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

- For the 2019-2020 school year, the District opened June W. Davis Elementary school in August 2019.
- General Fund local property tax revenues are budgeted at \$76.9 million using a collection rate of 99% and state funding is budgeted to increase substantially due to the District's slight growth in ADA projections and an increased tax base but the overall budget changed dramatically with the requirements of HB3 from the 86th legislative session.
- With ongoing guidance and clarification of HB3, salary increases were submitted and approved by the Board for the 2019-20 school year. The salary increases ranged from 3-4.8% on average for employees of CISD. The beginning teacher salary for the new year is \$56,590.
- With the expansion of the Chisholm Trail Parkway in the western edge of Crowley ISD, the District is closely monitoring the growth in the district to anticipate future needs. The District continues to work with a demographer to be proactive in the planning necessary to support the quality education that is expected for CISD

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, 2019

Exhibit A-1

| Data Control Codes | | 1 Governmental Activities | 2 Business-type Activities | Total |
|--------------------------|--|---------------------------------|----------------------------------|-----------------|
| | ASSETS | | | |
| 1110 | Cash and cash equivalents | \$ 215,327,601 | \$ 145,111 | \$ 215,472,712 |
| 1220 | Property taxes receivable | 2,877,339 | - | 2,877,339 |
| 1230 | Allowance for uncollectible taxes | (737,268) | - | (737,268) |
| 1240 | Due from other governments | 16,880,838 | - | 16,880,838 |
| 1290 | Other receivables | 705,075 | - | 705,075 |
| 1300 | Inventories | 53,757 | - | 53,757 |
| 1410 | Prepays | 1,249,180 | - | 1,249,180 |
| | | 236,356,522 | 145,111 | 236,501,633 |
| | Capital assets: | | | |
| 1510 | Land | 23,352,267 | - | 23,352,267 |
| 1520 | Buildings and improvements, net | 280,370,538 | - | 280,370,538 |
| 1530 | Furniture and equipment, net | 7,967,736 | - | 7,967,736 |
| 1580 | Construction in progress | 64,270,394 | - | 64,270,394 |
| | | 612,317,457 | 145,111 | 612,462,568 |
| | DEFERRED OUTFLOW OF RESOURCES | | | |
| 1700 | Deferred charges on refunding | 14,106,754 | - | 14,106,754 |
| 1997 | Deferred resource outflow - TRS Pensions | 29,800,859 | - | 29,800,859 |
| 1997 | Deferred resource outflow - TRS Care OPEB | 9,604,492 | - | 9,604,492 |
| | Total deferred outflow of resources | 53,512,105 | - | 53,512,105 |
| | LIABILITIES | | | |
| 2110 | Accounts payable | 14,032,769 | 70,880 | 14,103,649 |
| 2140 | Interest payable | 10,866,106 | - | 10,866,106 |
| 2165 | Accrued liabilities | 16,136,171 | - | 16,136,171 |
| 2300 | Unearned revenue | 36,393 | - | 36,393 |
| | | 41,071,439 | 70,880 | 41,142,319 |
| | Noncurrent liabilities: | | | |
| 2501 | Long-term liabilities due within one year | 13,609,442 | - | 13,609,442 |
| 2502 | Long-term liabilities due in more than one year | 534,256,701 | - | 534,256,701 |
| 2540 | Net pension liability | 53,961,952 | - | 53,961,952 |
| 2540 | OPEB Liability | 59,880,440 | - | 59,880,440 |
| | | 702,779,974 | 70,880 | 702,850,854 |
| | DEFERRED INFLOWS OF RESOURCES | | | |
| | Deferred resource inflows - TRS Pensions | 5,760,264 | - | 5,760,264 |
| | Deferred resource inflows - TRS Care OPEB | 18,935,637 | - | 18,935,637 |
| | Total deferred inflow of resources | 24,695,901 | - | 24,695,901 |
| | NET POSITION | | | |
| 3200 | Net investment in capital assets | (2,661,848) | - | (2,661,848) |
| | Restricted for: | | | |
| 3850 | Debt service | 30,336,448 | - | 30,336,448 |
| 3890 | Grants | 4,295,895 | - | 4,295,895 |
| 3900 | Unrestricted | (93,616,808) | 74,231 | (93,542,577) |
| | | (61,646,313) | 74,231 | (61,572,082) |
| 3000 | TOTAL NET POSITION | \$ (61,646,313) | \$ 74,231 | \$ (61,572,082) |

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, 2019

| Data Control Codes | Functions/Programs | 1 Expenses | Program Revenues | |
|---|--|-----------------------|---------------------------|---|
| | | | 3 Charges for Services | 4 Operating Grants and Contributions |
| PRIMARY GOVERNMENT | | | | |
| Governmental activities: | | | | |
| 11 | Instruction | \$ 112,659,926 | \$ 445,063 | \$ 17,463,928 |
| 12 | Instructional resources and media services | 547,527 | - | 45,937 |
| 13 | Curriculum/instructional staff development | 2,451,888 | - | 704,023 |
| 21 | Instructional leadership | 4,681,717 | - | 1,313,296 |
| 23 | School leadership | 11,355,875 | - | 1,001,857 |
| 31 | Guidance, counseling, evaluation services | 5,554,074 | - | 2,349,554 |
| 33 | Health services | 1,587,970 | - | 142,226 |
| 34 | Student (pupil) transportation | 8,237,806 | - | - |
| 35 | Food services | 7,818,005 | 1,655,670 | 9,182,858 |
| 36 | Extracurricular activities | 4,335,245 | 157,806 | 1,316,013 |
| 41 | General administration | 5,414,246 | - | 228,866 |
| 51 | Plant maintenance and operations | 14,015,601 | 86,333 | 987,881 |
| 52 | Security and monitoring services | 1,698,367 | - | 37,352 |
| 53 | Data processing services | 2,791,354 | - | 688,503 |
| 61 | Community services | 17,817 | - | - |
| 72 | Debt service - interest | 21,825,655 | - | - |
| 93 | Payments to fiscal agent/member districts of SSA | 507,109 | - | 656,928 |
| | Total governmental activities | 205,500,182 | 2,344,872 | 36,119,222 |
| Business-type activities: | | | | |
| 01 | Community education | 175,922 | 98,715 | - |
| | Total business-type activities | 175,922 | 98,715 | - |
| TP | TOTAL PRIMARY GOVERNMENT | <u>\$ 205,676,104</u> | <u>\$ 2,443,587</u> | <u>\$ 36,119,222</u> |
| General revenues and (uses) for special item: | | | | |
| 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 | | | |
| SI | Special item | | | |
| TR | Total general revenues | | | |
| CN | Change in net position | | | |
| NB | Net position - beginning | | | |
| NE | NET POSITION, ending | | | |

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

| Net (Expense) Revenue and Changes in Net Position | | |
|---|-----------------------------|-----------------|
| 6 | 7 | 8 |
| Governmental Activities | Business-type Activities | Total |
| \$ (94,750,935) | \$ - | \$ (94,750,935) |
| (501,590) | - | (501,590) |
| (1,747,865) | - | (1,747,865) |
| (3,368,421) | - | (3,368,421) |
| (10,354,018) | - | (10,354,018) |
| (3,204,520) | - | (3,204,520) |
| (1,445,744) | - | (1,445,744) |
| (8,237,806) | - | (8,237,806) |
| 3,020,523 | - | 3,020,523 |
| (2,861,426) | - | (2,861,426) |
| (5,185,380) | - | (5,185,380) |
| (12,941,387) | - | (12,941,387) |
| (1,661,015) | - | (1,661,015) |
| (2,102,851) | - | (2,102,851) |
| (17,817) | - | (17,817) |
| (21,825,655) | - | (21,825,655) |
| 149,819 | - | 149,819 |
| (167,036,088) | - | (167,036,088) |
| - | (77,207) | (77,207) |
| - | (77,207) | (77,207) |
| (167,036,088) | (77,207) | (167,113,295) |
| 72,331,872 | - | 72,331,872 |
| 31,009,105 | - | 31,009,105 |
| 55,213,773 | - | 55,213,773 |
| 5,043,972 | - | 5,043,972 |
| 683,074 | - | 683,074 |
| (1,995,716) | - | (1,995,716) |
| 162,286,080 | - | 162,286,080 |
| (4,750,008) | (77,207) | (4,827,215) |
| (56,896,305) | 151,438 | (56,744,867) |
| \$ (61,646,313) | \$ 74,231 | \$ (61,572,082) |

Crowley Independent School District
 Balance Sheet – Governmental Funds
 June 30, 2019

| Data Control Codes | | 10 | 50 |
|--------------------------------------|--|----------------------|----------------------|
| | | General | Debt Service |
| ASSETS | | | |
| 1110 | Cash and cash equivalents | \$ 32,890,852 | \$ 40,122,129 |
| 1220 | Taxes receivable | 2,094,337 | 783,002 |
| 1230 | Allowance for uncollectible taxes | (592,616) | (144,652) |
| 1240 | Due from other governments | 15,954,966 | - |
| 1260 | Due from other funds | 3,437,045 | 442,075 |
| 1290 | Other receivables | 705,075 | - |
| 1300 | Inventories | 53,757 | - |
| 1410 | Prepaid items | 691,868 | - |
| 1000 | TOTAL ASSETS | <u>\$ 55,235,284</u> | <u>\$ 41,202,554</u> |
| LIABILITIES | | | |
| 2110 | Accounts payable | \$ 1,124,891 | \$ - |
| 2160 | Accrued wages and benefits payable | 16,088,968 | - |
| 2170 | Due to other funds | 2,440,736 | - |
| 2300 | Unearned revenue | - | - |
| 2000 | Total liabilities | 19,654,595 | - |
| DEFERRED INFLOWS OF RESOURCES | | | |
| 2600 | Unavailable revenue - property taxes | 1,501,721 | 638,350 |
| | Total deferred inflows of resources | 1,501,721 | 638,350 |
| FUND BALANCES | | | |
| Non-spendable: | | | |
| 3410 | Inventories | 53,757 | - |
| 3430 | Prepaid items | 691,868 | - |
| Restricted: | | | |
| 3450 | Grant funds | - | - |
| 3470 | Capital acquisitions and contracts | - | - |
| 3480 | Debt service | - | 40,564,204 |
| Committed: | | | |
| 3545 | Local activity | - | - |
| Assigned: | | | |
| 3570 | Capital acquisitions and contracts | 1,500,000 | - |
| 3600 | Unassigned | 31,833,343 | - |
| 3000 | Total fund balances | <u>34,078,968</u> | <u>40,564,204</u> |
| 4000 | TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | <u>\$ 55,235,284</u> | <u>\$ 41,202,554</u> |

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

| 60 | Other Governmental Funds | 98 Total Governmental Funds |
|-----------------------|--------------------------------|--------------------------------------|
| Capital Projects | | |
| \$ 132,061,956 | \$ 4,304,500 | \$ 209,379,437 |
| - | - | 2,877,339 |
| - | - | (737,268) |
| - | 925,872 | 16,880,838 |
| 1,983,289 | 18,389 | 5,880,798 |
| - | - | 705,075 |
| - | - | 53,757 |
| - | 557,312 | 1,249,180 |
| <u>\$ 134,045,245</u> | <u>\$ 5,806,073</u> | <u>\$ 236,289,156</u> |
| | | |
| \$ 12,796,667 | \$ - | \$ 13,921,558 |
| 237 | 46,966 | 16,136,171 |
| - | 1,440,062 | 3,880,798 |
| - | 36,393 | 36,393 |
| <u>12,796,904</u> | <u>1,523,421</u> | <u>33,974,920</u> |
| | | |
| - | - | 2,140,071 |
| <u>-</u> | <u>-</u> | <u>2,140,071</u> |
| | | |
| - | - | 53,757 |
| - | 557,312 | 1,249,180 |
| - | 3,738,583 | 3,738,583 |
| 121,248,341 | - | 121,248,341 |
| - | - | 40,564,204 |
| - | 544,069 | 544,069 |
| - | - | 1,500,000 |
| - | (557,312) | 31,276,031 |
| <u>121,248,341</u> | <u>4,282,652</u> | <u>200,174,165</u> |
| | | |
| <u>\$ 134,045,245</u> | <u>\$ 5,806,073</u> | <u>\$ 236,289,156</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, 2019

| | |
|--|-------------------------------|
| TOTAL FUND BALANCE - GOVERNMENTAL FUNDS (C-1) | \$ 200,174,165 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. | 493,639,469 |
| Accumulated depreciation, including current year depreciation expense of \$8,378,686, is not reported in the fund financial statements. | (117,678,534) |
| Long-term liabilities including bonds payable, premiums and accreted interest are not included in the fund financial statements. | (547,866,143) |
| Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due. | (10,866,106) |
| Deferred outflows of resources on issuances of debt were not recognized on the balance sheet for governmental funds. | 14,106,754 |
| Deferred outflows of resources for pension and OPEB related items were not recognized on the balance sheet for governmental funds. | 39,405,351 |
| Long-term liabilities associated with the District's net pension and OPEB liability are not included in the fund financial statements. | (113,842,392) |
| 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. | 3,836,953 |
| Deferred inflows of resources for property taxes are recognized as revenue in the government-wide financial statements. | 2,140,071 |
| Deferred inflows of resources for pension and OPEB related liabilities are recognized only in the government-wide financial statements. | <u>(24,695,901)</u> |
| TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (A-1) | <u><u>\$ (61,646,313)</u></u> |

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

Crowley Independent School District
Statement of Revenues, Expenditures, and Changes
in Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2019

| Data Control Codes | | 10 | 50 |
|---------------------------------------|---|----------------------|----------------------|
| | | General | Debt Service |
| REVENUES | | | |
| 5700 | Local, intermediate, and out-of-district | \$ 74,742,425 | \$ 31,735,757 |
| 5800 | State program revenues | 60,157,711 | 688,499 |
| 5900 | Federal program revenues | 4,858,053 | - |
| 5020 | Total revenues | 139,758,189 | 32,424,256 |
| EXPENDITURES | | | |
| Current: | | | |
| 0011 | Instruction | 87,928,787 | - |
| 0012 | Instructional resources/media services | 490,269 | - |
| 0013 | Curriculum and staff development | 1,845,683 | - |
| 0021 | Instructional leadership | 3,546,972 | - |
| 0023 | School leadership | 10,234,851 | - |
| 0031 | Guidance, counseling, and evaluation services | 3,602,208 | - |
| 0033 | Health services | 1,432,939 | - |
| 0034 | Student (pupil) transportation | 8,163,065 | - |
| 0035 | Food service | - | - |
| 0036 | Extracurricular activities | 2,774,708 | - |
| 0041 | General administration | 5,162,686 | - |
| 0051 | Plant maintenance and operations | 13,192,858 | - |
| 0052 | Security and monitoring services | 1,713,765 | - |
| 0053 | Data processing services | 2,083,727 | - |
| 0061 | Community services | 17,817 | - |
| Debt service: | | | |
| 0071 | Principal | - | 5,262,088 |
| 0072 | Interest | - | 22,841,638 |
| 0073 | Bond issuance costs and fees | - | - |
| Capital outlay: | | | |
| 0081 | Facilities acquisition and construction | - | - |
| Intergovernmental: | | | |
| 0093 | Shared service arrangements | - | - |
| 6030 | Total expenditures | 142,190,335 | 28,103,726 |
| 1100 | Excess (deficiency) of revenues over (under) expenditures | (2,432,146) | 4,320,530 |
| OTHER FINANCING SOURCES (USES) | | | |
| 7911 | Issuance of bonds | - | - |
| 7912 | Sale of real or personal property | 12,226 | - |
| 7915 | Transfers In (Out) | 2,000,000 | - |
| 7916 | Premium/discount on bonds | - | - |
| 8916 | Special item | (1,995,716) | - |
| 7080 | Total other financing sources (uses) | 16,510 | - |
| 1200 | Change in net fund balances | (2,415,636) | 4,320,530 |
| 0100 | Net fund balances - beginning | 36,494,604 | 36,243,674 |
| 3000 | TOTAL NET FUND BALANCES - ENDING | \$ 34,078,968 | \$ 40,564,204 |

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

| 60 | Other Governmental Funds | 98 Total Governmental Funds |
|---------------------|--------------------------------|--------------------------------------|
| Capital Projects | | |
| \$ 3,451,272 | \$ 3,998,114 | \$ 113,927,568 |
| 15,301 | 1,404,455 | 62,265,966 |
| - | 16,836,060 | 21,694,113 |
| 3,466,573 | 22,238,629 | 197,887,647 |
| - | 7,871,162 | 95,799,949 |
| - | - | 490,269 |
| - | 446,759 | 2,292,442 |
| - | 826,752 | 4,373,724 |
| - | 14,263 | 10,249,114 |
| - | 1,551,971 | 5,154,179 |
| - | - | 1,432,939 |
| - | - | 8,163,065 |
| - | 8,056,889 | 8,056,889 |
| - | 1,207,171 | 3,981,879 |
| - | - | 5,162,686 |
| - | 431,978 | 13,624,836 |
| - | - | 1,713,765 |
| - | 474,369 | 2,558,096 |
| - | - | 17,817 |
| - | - | 5,262,088 |
| - | - | 22,841,638 |
| 757,566 | - | 757,566 |
| 80,684,007 | - | 80,684,007 |
| - | 507,109 | 507,109 |
| 81,441,573 | 21,388,423 | 273,124,057 |
| (77,975,000) | 850,206 | (75,236,410) |
| 78,250,000 | - | 78,250,000 |
| - | - | 12,226 |
| - | - | 2,000,000 |
| 2,507,566 | - | 2,507,566 |
| - | - | (1,995,716) |
| 80,757,566 | - | 80,774,076 |
| 2,782,566 | 850,206 | 5,537,666 |
| 118,465,775 | 3,432,446 | 194,636,499 |
| \$ 121,248,341 | \$ 4,282,652 | \$ 200,174,165 |

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, 2019

| | |
|---|-----------------------|
| TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS (C-2) | \$ 5,537,666 |
| 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. | (825,012) |
| Current year capital additions of \$81,485,719 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 | 81,485,719 |
| 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. | (8,378,686) |
| 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. | 5,262,088 |
| 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 with amortization of premium increasing net position by \$2,365,283 and deferred charges decreasing by \$919,867. | 1,445,416 |
| Current year bond proceeds \$78,250,000 and premium proceeds \$2,507,566 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. | (80,757,566) |
| 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 with the change in due to pensions decreasing net position by \$7,291,315 and other post employment benefit by \$1,245,999. | (8,537,314) |
| 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. | (310,452) |
| 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 a decrease in accreted interest of \$1,681,994 and a increase in accrued interest of \$1,353,861 increased net position. | 328,133 |
| CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES (B-1) | \$ (4,750,008) |

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, 2019

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 | \$ 145,111 | \$ 5,948,164 |
| 1000 | Total assets | 145,111 | 5,948,164 |
| | LIABILITIES | | |
| | Current liabilities: | | |
| 2110 | Accounts payable | 70,880 | 111,211 |
| | Due to other funds | - | 2,000,000 |
| 2000 | Total liabilities | 70,880 | 2,111,211 |
| | NET POSITION | | |
| 3900 | Unrestricted | 74,231 | 3,836,953 |
| 3000 | TOTAL NET POSITION | <u>\$ 74,231</u> | <u>\$ 3,836,953</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, 2019

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 | \$ 98,715 | \$ 1,274,830 |
| 5020 | Total operating revenues | 98,715 | 1,274,830 |
| | OPERATING EXPENSES | | |
| 6100 | Payroll cost | 5,354 | - |
| 6200 | Contractual services | 88,378 | 99,842 |
| 6300 | Supplies | 82,190 | - |
| 6030 | Total operating expenses | 175,922 | 99,842 |
| | Income before contribution and transfers | (77,207) | 1,174,988 |
| 8911 | Transfers out | - | (2,000,000) |
| 1300 | Change in net position | (77,207) | (825,012) |
| 0100 | Net position - beginning | 151,438 | 4,661,965 |
| 3300 | TOTAL NET POSITION - ENDING | <u>\$ 74,231</u> | <u>\$ 3,836,953</u> |

Crowley Independent School District
 Statements of Cash Flows
 Proprietary Fund
 For the Fiscal Year Ended June 30, 2019

Exhibit D-3

| | Business-type Activities - Enterprise <u>Community Education</u> | Governmental Activities - Internal Service Funds |
|--|---|---|
| CASH FLOWS OPERATING ACTIVITIES | | |
| Cash received from customers | \$ 98,715 | \$ 1,274,830 |
| Cash payments to suppliers | (89,904) | (227,617) |
| Cash payments to employees | (5,354) | - |
| | <u>3,457</u> | <u>1,047,213</u> |
| Net cash provided by operating activities | 3,457 | 1,047,213 |
| Net change in cash and cash equivalents | 3,457 | 1,047,213 |
| CASH AND CASH EQUIVALENTS, beginning of year | <u>141,654</u> | <u>4,900,951</u> |
| CASH AND CASH EQUIVALENTS, End of year | <u><u>\$ 145,111</u></u> | <u><u>\$ 5,948,164</u></u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | |
| Operating income | \$ (77,207) | \$ 1,174,988 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Change in assets and liabilities: | | |
| (Increase) decrease in prepaids | 11,448 | - |
| Increase (decrease) in accounts payable | 69,216 | (127,775) |
| | <u>69,216</u> | <u>(127,775)</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u><u>\$ 3,457</u></u> | <u><u>\$ 1,047,213</u></u> |

Crowley Independent School District
 Statements of Fiduciary Net Position
 Fiduciary Fund
 June 30, 2019

Exhibit E-1

| <u>Data Control Codes</u> | | <u>Private Purpose Trust</u> | <u>Agency</u> |
|-----------------------------------|---------------------------|--------------------------------------|-------------------|
| | ASSETS | | |
| 1110 | Cash and cash equivalents | \$ 396 | \$ 243,371 |
| | TOTAL ASSETS | <u>\$ 396</u> | <u>\$ 243,371</u> |
| | LIABILITIES | | |
| 2190 | Due to student groups | \$ - | \$ 243,371 |
| 2000 | Total liabilities | <u>-</u> | <u>\$ 243,371</u> |
| 3000 | TOTAL NET POSITION | <u>\$ 396</u> | |

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

Crowley Independent School District
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2019

Exhibit E-2

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

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.

Crowley Independent School District

Notes to the Financial Statements

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.

Other Governmental. The other governmental funds include revenues that 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.

C. 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.

Crowley Independent School District

Notes to the Financial Statements

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.

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. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore to the extent the District has not complied with the rules and regulations governing the grants, refunds may be required and receivables subject to change.

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 or resources held in trust for others, therefore, the additions and deductions in fiduciary balances are reported.

D. 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.

Crowley Independent School District

Notes to the Financial Statements

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

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 acquisition value at the date of donation. 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.

Crowley Independent School District

Notes to the Financial Statements

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.

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.

Crowley Independent School District

Notes to the Financial Statements

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.

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."

E. 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.

The amount of state foundation revenue a school district earns for a year can and does vary until the time when final values for each of the factors in the formula becomes available. Availability can be as late as midway into the next fiscal year. It is reasonably possible that adjustments may be made to the foundation revenue by the state.

F. 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.

G. 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

In January 2017 the GASB released GASB statement No. 84, LFiduciary Activities. This statement was issued to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how fiduciary activities should be reported. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. This statement is effective for the District for the year ended June 30, 2020 and the District is currently evaluating the impact of this standard on its financial statements.

Note 2. Stewardship, Compliance, and Accountability

Annual budgets are adopted on a basis consistent with GAAP for the General Fund, Debt Service Fund, and National School Breakfast and Lunch Program. 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. Cash and Cash Equivalents

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. The District's highest bank balance was on October 10, 2018 in which the combined checking and time deposits held with JPMorgan Chase Bank were entirely covered by FDIC insurance limits of \$250,000, with collateralized securities pledged of \$21,848,886, and letter of credits held in the District's name for \$14,800,000. The bank balance of the Districts deposits was \$23,606,552, of which \$23,356,552 exceeded FDIC insurance limits and was collateralized by securities pledged and letter of credit 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:

| Cash and Cash Equivalents | Maturity | Amount | Rating |
|--|----------|-----------------------|--------|
| Lone Star Investment Pool | 26 days | \$ 201,310,356 | AAA |
| MBIA Texas Class Investment Pool | 57 days | 5,641,933 | AAAm |
| Carrying Cash Deposits | N/A | 8,764,190 | N/A |
| Total Cash and Cash Equivalents | | \$ 215,716,479 | |

Crowley Independent School District

Notes to the Financial Statements

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.

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.

Crowley Independent School District

Notes to the Financial Statements

The Lone Star and Texas CLASS 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.

B. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

| | Beginning Balances | Increases | Transfers | Ending Balances |
|---|-----------------------|----------------------|--------------------|-----------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 22,175,522 | \$ 1,176,745 | \$ - | \$ 23,352,267 |
| Construction in progress | 11,313,934 | 52,956,460 | (4,772,700) | 59,497,694 |
| Total capital assets not being depreciated | 33,489,456 | 54,133,205 | (4,772,700) | 82,849,961 |
| Other capital assets: | | | | |
| Buildings and improvements | 359,285,868 | 25,612,853 | 4,772,700 | 389,671,421 |
| Furniture and equipment | 19,378,426 | 1,739,661 | - | 21,118,087 |
| Total other capital assets | 378,664,294 | 27,352,514 | 4,772,700 | 410,789,508 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (96,989,128) | (7,539,055) | - | (104,528,183) |
| Furniture and equipment | (12,310,720) | (839,631) | - | (13,150,351) |
| Total accumulated depreciation | (109,299,848) | (8,378,686) | - | (117,678,534) |
| Other capital assets, net | - | - | - | - |
| Capital assets, net | \$ 302,853,902 | \$ 73,107,033 | \$ - | \$ 375,960,935 |

Depreciation was charged to governmental functions as follows:

| | Governmental Activities |
|--|----------------------------|
| 11 Instruction | \$ 7,682,586 |
| 12 Instructional resources/media services | 10,072 |
| 23 School leadership | 7,473 |
| 31 Guidance, counseling, and evaluation services | 2,601 |
| 33 Health services | 1,179 |
| 34 Student (pupil) transportation | 74,741 |
| 35 Food services | 61,263 |
| 36 Extracurricular activities | 166,687 |
| 41 General administration | 7,578 |
| 51 Plant maintenance and operations | 364,506 |
| Totals | \$ 8,378,686 |

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 | \$ 2,286,737 | \$ - | \$ 466,102 | \$ 1,820,635 | \$ 428,278 |
| Series 2002 Refunding | 774,812 | - | - | 774,812 | - |
| Series 2006 | 4,475,000 | - | - | 4,475,000 | - |
| Series 2008 | 3,258 | - | 2,013 | 1,245 | 1,245 |
| Series 2010 Refunding | 17,330,002 | - | 1,270,000 | 16,060,002 | 275,000 |
| Series 2010 | 2,584,998 | - | 270,000 | 2,314,998 | 1,315,000 |
| Series 2011 Refunding | 7,854,997 | - | 60,000 | 7,794,997 | 65,000 |
| Series 2012 Refunding | 8,730,000 | - | - | 8,730,000 | - |
| Series 2013 Refunding | 20,385,452 | - | 452 | 20,385,000 | 1,685,000 |
| Series 2013 | 23,975,000 | - | 550,000 | 23,425,000 | 650,000 |
| Series 2014 Refunding | 18,460,000 | - | 785,000 | 17,675,000 | 810,000 |
| Series 2014 - B Refunding | 14,705,000 | - | 720,000 | 13,985,000 | 735,000 |
| Series 2015 - A Refunding | 28,430,000 | - | 1,120,000 | 27,310,000 | 1,145,000 |
| Series 2015B-Refunding | 29,729,990 | - | - | 29,729,990 | 50,000 |
| Series 2015C | 30,603,716 | - | 18,521 | 30,585,195 | 34,836 |
| Series 2016- A | 21,125,000 | - | - | 21,125,000 | - |
| Series 2016-B Refunding | 76,070,000 | - | - | 76,070,000 | - |
| Series 2017 | 87,060,000 | - | - | 87,060,000 | - |
| Series 2018 | - | 78,250,000 | - | 78,250,000 | - |
| | <u>394,583,962</u> | <u>78,250,000</u> | <u>5,262,088</u> | <u>467,571,874</u> | <u>7,194,359</u> |
| Other liabilities: | | | | | |
| Bond premiums | 46,263,721 | 2,507,566 | 2,365,283 | 46,406,004 | 2,365,283 |
| Accreted interest | 35,570,259 | 2,229,903 | 3,911,897 | 33,888,265 | 4,049,800 |
| | <u>81,833,980</u> | <u>4,737,469</u> | <u>6,277,180</u> | <u>79,293,269</u> | <u>6,415,083</u> |
| Total government activities long-term liabilities | <u>\$ 476,417,942</u> | <u>\$ 82,987,469</u> | <u>\$ 11,539,268</u> | <u>\$ 547,866,143</u> | <u>\$ 13,609,442</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, 2019, \$147,300,000 of previously defeased bonds are still outstanding but are not recognized as liabilities in the District's financial statements. During fiscal year 2019 The District issued series 2018 bonds for \$78,250,000 in face value and a total premium of \$2,507,566. 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 |
|-------------------------|-----------------------|-----------------------|-----------------------|
| 2020 | \$ 7,194,359 | \$ 23,981,230 | \$ 31,175,589 |
| 2021 | 7,630,301 | 24,272,563 | 31,902,864 |
| 2022 | 7,970,068 | 24,053,446 | 32,023,514 |
| 2023 | 9,082,142 | 22,960,209 | 32,042,351 |
| 2024 | 9,615,192 | 22,599,871 | 32,215,063 |
| 2025-2029 | 64,862,915 | 97,649,722 | 162,512,637 |
| 2030-2034 | 66,336,897 | 99,365,437 | 165,702,334 |
| 2035-2039 | 109,705,000 | 55,277,996 | 164,982,996 |
| 2040-2044 | 95,615,000 | 30,991,025 | 126,606,025 |
| 2044-2049 | 89,560,000 | 8,936,900 | 98,496,900 |
| Totals | \$ 467,571,874 | \$ 410,088,399 | \$ 877,660,273 |

D. Interfund Transactions

The interfund balances and transfers were as follows:

| Due to | Due from | Amount | Purpose |
|-----------------------|------------------|---------------------|------------------|
| General | Special revenue | \$ 1,437,045 | Short term loans |
| General | Internal service | 2,000,000 | Short term loans |
| Debt service | General fund | 442,075 | Short term loans |
| Capital projects fund | General fund | 1,983,289 | Short term loans |
| Special revenue | General fund | 15,372 | Short term loans |
| Special revenue | Special revenue | 3,017 | Short term loans |
| Total | | \$ 5,880,798 | |

The District's internal service fund transferred \$2,000,000 to the general fund for operations.

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, 2019, 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, 2019, and has projected open claims and incurred but not reported claims will cost \$111,211. The following is a reconciliation of changes in the aggregate liabilities for claims included in Accounts Payable 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> |
|--------------------|--------------------------------------|-----------------------------------|----------------------------|--------------------------------|
| 2017 | \$ 339,441 | \$ 350,624 | \$ 398,594 | \$ 291,471 |
| 2018 | 291,471 | 280,942 | 333,427 | 238,986 |
| 2019 | 238,986 | 99,842 | 227,617 | 111,211 |

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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 85th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2018 and 2019. Rates for such plan fiscal years are as follows:

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

Crowley Independent School District

Notes to the Financial Statements

The contribution amounts for the District's fiscal year 2019 are as follows:

| | | |
|------------------------------|----|-----------|
| Employer contributions | \$ | 3,302,619 |
| Member contributions | | 3,294,802 |
| NECE on-behalf contributions | | 4,696,129 |

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.

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.

Crowley Independent School District

Notes to the Financial Statements

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 rolled forward to August 31, 2018 |
| Actuarial cost method | Individual entry age normal |
| Asset valuation method | Market value |
| Single discount rate | 6.907% |
| Long-term expected rate | 7.25% |
| Municipal bond rate as of August 2018 | 3.69%. Source for the rate is the Fixed Income Market Data/Yield Curve/Date 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 |
| 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 |

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2017 and adopted on July 2018.

Discount Rate

The single discount rate used to measure the total pension liability was 6.907%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.69%. 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 sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. 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.

Crowley Independent School District

Notes to the Financial Statements

Best estimates of arithmetic real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2018 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. | 18.00% | 5.70% | 1.04% |
| Non-US developed | 13.00% | 6.90% | 0.90% |
| Emerging markets | 9.00% | 8.95% | 0.80% |
| Directional hedge funds | 4.00% | 3.53% | 0.14% |
| Private equity | 13.00% | 10.18% | 1.32% |
| Stable value: | | | |
| U.S. treasuries | 11.00% | 1.11% | 0.12% |
| Absolute return | 0.00% | 0.00% | 0.00% |
| Hedge funds stable value | 4.00% | 3.09% | 0.12% |
| Cash | 1.00% | -0.30% | 0.00% |
| Real return: | | | |
| Global Inflation-linked bonds | 3.00% | 0.70% | 0.02% |
| Real assets | 14.00% | 5.21% | 0.73% |
| Energy and natural resources | 5.00% | 7.48% | 0.37% |
| Commodities | 0.00% | 0.00% | 0.00% |
| Risk parity: | | | |
| Risk parity | 5.00% | 3.70% | 0.18% |
| Inflation expectation | | | 2.30% |
| Alpha | | | -0.79% |
| Total | 100% | | 7.25% |

* Target allocations are based on the FY2016 policy model

** Capital market assumptions come from Aon Hewitt (2017 Q4)

*** The volatility drag resulting from the conversion between arithmetic and geometric mean returns

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.907%) in measuring the 2016 Net Pension Liability.

| | 1% Decrease in Discount Rate (5.907%) | Discount Rate (6.907%) | 1% Increase in Discount Rate (7.907%) |
|---|---|---------------------------|---|
| The District's proportionate share of the net pension liability | \$ 81,441,513 | \$ 53,961,952 | \$ 31,715,603 |

Crowley Independent School District

Notes to the Financial Statements

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

At June 30, 2019, the District reported a liability of \$53,961,952 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 | \$ | 53,961,952 |
| State's proportionate share that is associated with the District | | <u>76,778,507</u> |
| Total | \$ | <u><u>130,740,459</u></u> |

The net pension liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as August 31, 2017 rolled forward to August 31, 2018. 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, 2017 thru August 31, 2018.

At August 31, 2018, the employer's proportion of the collective net pension liability was 0.0980370% which was an increase from its proportion measured as of August 31, 2017 of 0.0916306%.

Changes Since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

- The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 8.0% as of August 31, 2017 to 6.907% as of August 31, 2018.
- The long-term assumed rate of return changed from 8.0% to 7.25%.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the net pension liability.

Crowley Independent School District

Notes to the Financial Statements

For the year ended June 30, 2019, the District recognized pension expense of \$7,522,602 and revenue and expense of \$7,599,026 for support provided by the State.

At June 30, 2019, 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 |
|--|--------------------------------------|-------------------------------------|
| | <u> </u> | <u> </u> |
| Differences between expected and actual economic experience | \$ 336,355 | \$ 1,324,013 |
| Changes in actuarial assumptions | 19,455,883 | 607,997 |
| Difference between projected and actual investment earnings | - | 1,023,890 |
| Changes in proportion and difference between the employer's contributions and the proportionate share of contributions | 7,068,819 | - |
| Contributions paid to TRS subsequent to the measurement date | 2,939,802 | - |
| | <u> </u> | <u> </u> |
| Total | \$ 29,800,859 | \$ 2,955,900 |
| | <u> </u> | <u> </u> |

\$2,939,802 reported as deferred outflows of resources related to pensions resulting from District contributions paid subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources (deferred inflows of resources) related to pensions will be recognized in pension expense as follows:

| Years ending June 30, | Pension Expense Amount |
|-----------------------------|-----------------------------|
| <u> </u> | <u> </u> |
| 2020 | \$ 6,118,907 |
| 2021 | 3,964,038 |
| 2022 | 3,395,850 |
| 2023 | 4,187,131 |
| 2024 | 3,886,324 |
| 2025 | 2,352,907 |
| | <u> </u> |
| Total | \$ 23,905,157 |
| | <u> </u> |

Crowley Independent School District

Notes to the Financial Statements

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.

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 a retiree with and without Medicare coverage.

TRS-Care Plan Premium Rates
Effective September 1, 2018-December 31, 2019

| | Medicare | Non-medicare |
|-----------------------|----------|--------------|
| Retiree* | \$ 135 | \$ 200 |
| Retiree and spouse | 529 | 689 |
| Retiree* and children | 468 | 408 |
| Retiree and family | 1,020 | 999 |

* or surviving spouse

Crowley Independent School District

Notes to the Financial Statements

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.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .75% 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.

| | 2019 | 2018 | 2017 |
|---|-------|-------|-------|
| Active employee | 0.65% | 0.65% | 0.65% |
| Non-employer contribution entity (state) | 1.25% | 1.25% | 1.25% |
| Employers/District | 0.75% | 0.75% | 0.75% |
| Federal/private funding remitted by Employers | 1.25% | 1.25% | 1.25% |

The contribution amounts for the District's fiscal year 2019 are as follows:

| | |
|--------------------------------------|------------|
| District contributions | \$ 827,322 |
| Member contributions | 265,428 |
| NECE on-behalf contributions (state) | 1,244,562 |

In addition, the State of Texas contributed \$275,818, \$290,082 and \$380,925 in 2019, 2018, and 2017, respectively, for on-behalf payments for Medicare Part D.

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 \$182.6 million in fiscal year 2018. The 85th Texas Legislature, House Bill 30 provided an additional \$212 million in one-time, supplemental funding for the fiscal year 2018-19 biennium to continue to support the program. This was also received in fiscal year 2018 bringing the total appropriations received in fiscal year 2018 to \$394.6 million.

Actuarial Assumptions

A change was made in the measurement date of the total OPEB liability for this fiscal year. The actuarial valuation was performed as of August 31, 2017. Update procedures were used to roll forward the total OPEB liability to August 31, 2018. This is the first year using the roll forward procedures.

The actuarial valuation of TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including mortality and most of the economic assumptions used in this OPEB valuation were identical to those used in the respective TRS pension valuation.

Crowley Independent School District

Notes to the Financial Statements

The active mortality rates were based on 90% of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The Post-retirement mortality rates were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published scale (U-MP).

The total OPEB liability in the August 31, 2017 actuarial valuation rolled forward to August 31, 2018 was determined using the following actuarial assumptions:

| | |
|--|--|
| Valuation date | August 31, 2017, rolled forward to August 31, 2019 |
| Actuarial cost method | Individual entry age normal |
| Inflation | 2.30% |
| Discount rate | 3.69%. Source from fixed income municipal bonds with 20 years to 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, 2018 |
| Aging factors | Based on plan specific experience |
| Election rates | Normal Retirement; 70% participation prior to age 65 and 75% after age 65. |
| Expenses | Third-party administrative expenses related to the delivery of health care benefits are included in the age- adjusted claims costs. |
| Projected salary increases | 3.05% to 9.50% including inflation |
| Healthcare trend rates | Initial medical trend rates of 107.74 percent and 9.00 percent for Medicare retirees and an initial medical trend rate of 6.75 percent for Non-medicare retirees. Initial prescription drug trend rate of 11.00 percent for all retirees. The first year trend increase for Medicare Advantage (medical) premiums reflects the anticipated return of the Health Insurer Fee (HIF) in 2020. |
| Ad hoc post-employment benefit changes | None |

In this valuation, the impact of the Cadillac Tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50%.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis point addition to the long-term trend rate assumption.

Crowley Independent School District

Notes to the Financial Statements

Discount Rate

A single discount rate of 3.69% was used to measure the total OPEB liability. There was a change of .27 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.

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 (3.69%) in measuring the Net OPEB Liability.

| | 1% Decrease (2.69%) | Current Discount Rate (3.69%) | 1% Increase (4.69%) |
|---|------------------------|-------------------------------------|------------------------|
| District's proportionate share of the net OPEB liability to the Single Discount Rate Assumption | \$ 71,278,308 | \$ 59,880,440 | \$ 50,864,008 |

Healthcare Cost Trend Rates Sensitivity Analysis. The following table presents the District's proportionate share of net OPEB liability using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher than the assumed health-care cost trend rate:

| | 1% Decrease | Current Healthcare Cost Trend Rate | 1% Increase |
|---|---------------|--|---------------|
| District's proportionate share of the net OPEB liability to the Healthcare Cost Trend Rate Assumption | \$ 49,731,688 | \$ 59,880,440 | \$ 73,246,587 |

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 \$59,880,440 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 | \$ 59,880,440 |
| State's proportionate share of the net OPEB liability associated with the District | 90,208,290 |
| Total | \$ 150,088,730 |

The Net OPEB Liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 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, 2017 thru August 31, 2018.

Crowley Independent School District

Notes to the Financial Statements

At August 31, 2018 the employer's proportion of the collective Net OPEB Liability was .1199266% which was an increase of .0085891% from proportion measured as of August 31, 2017.

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.

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the total OPEB liability.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the total OPEB liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the total OPEB liability.
- The discount rate was changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018. This change lowered the total OPEB liability \$2.3 billion.
- Change of benefit terms since the prior measurement date made effective September 1, 2017 by the 85th Texas Legislature.

For the year ended August 31, 2019, the District recognized OPEB expense of \$4,962,375 and revenue of \$3,281,236 for support provided by the State.

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 |
|---|--------------------------------------|-------------------------------------|
| | <hr/> | <hr/> |
| Differences between expected and actual economic experience | \$ 3,177,632 | \$ 945,001 |
| Changes of assumptions | 999,242 | 17,990,636 |
| Net difference between projected and actual earnings on pension plan investments | 10,472 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions (cost-sharing plan) | 4,709,096 | - |
| District contributions after measurement date | 708,050 | - |
| | <hr/> | <hr/> |
| Totals | \$ 9,604,492 | \$ 18,935,637 |
| | <hr/> | <hr/> |

Crowley Independent School District

Notes to the Financial Statements

\$708,050 reported as deferred outflows of resources related to OPEB resulting from District contributions paid subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources (deferred inflows of resources) related to OPEB will be recognized in OPEB expense as follows:

| Years Ending June 30, | | |
|--------------------------|-----------|---------------------|
| 2020 | \$ | (1,770,944) |
| 2021 | | (1,770,944) |
| 2022 | | (1,770,944) |
| 2023 | | (1,772,925) |
| 2024 | | (1,774,057) |
| Thereafter | | (1,179,381) |
| Total | \$ | (10,039,195) |

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

The District anticipate approval of the sale of \$96.8 million in authorized and unissued bonds. In addition, the District plans to take advantage of the opportunity of refunding bonds to save the tax payers in excess of \$4 million.

H. Special Item

In November 2018, the District was the victim of a business email compromise scheme. Nearly \$2 million in funds that were intended as payment to an approved District vendor were wired to a fraudulent account.

The District immediately contacted authorities, including the Federal Bureau Investigation, and began an internal review. Administrators will provide an update on the investigation and the additional safeguards that have been put in place to prevent future fraud schemes. It is unknown when or if the District will recoup the money paid to the fraudulent account and is therefore treated as incurred in fiscal year 2019.

Required Supplementary Information

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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, 2019

Exhibit G-1

| Data Control Codes | | Budgeted Amounts | | | Variance with Final Budget |
|---------------------------------------|--|----------------------|----------------------|----------------------|-------------------------------|
| | | Original | Final | Actual | Positive (Negative) |
| REVENUES | | | | | |
| 5700 | Local, intermediate, and out-of-district | \$ 76,795,636 | \$ 77,425,636 | \$ 74,742,425 | \$ (2,683,211) |
| 5800 | State program revenues | 58,807,127 | 61,637,127 | 60,157,711 | (1,479,416) |
| 5900 | Federal program revenues | 2,200,000 | 2,840,000 | 4,858,053 | 2,018,053 |
| 5020 | Total revenues | 137,802,763 | 141,902,763 | 139,758,189 | (2,144,574) |
| EXPENDITURES | | | | | |
| 0011 | Instruction | 88,208,972 | 88,666,155 | 87,928,787 | 737,368 |
| 0012 | Instructional resources/media services | 464,163 | 539,163 | 490,269 | 48,894 |
| 0013 | Curriculum and staff development | 1,749,181 | 1,993,749 | 1,845,683 | 148,066 |
| 0021 | Instructional leadership | 3,752,593 | 3,886,744 | 3,546,972 | 339,772 |
| 0023 | School leadership | 10,127,773 | 11,034,986 | 10,234,851 | 800,135 |
| 0031 | Guidance, counseling, and evaluation services | 3,541,722 | 3,893,641 | 3,602,208 | 291,433 |
| 0033 | Health services | 1,555,964 | 1,590,964 | 1,432,939 | 158,025 |
| 0034 | Student (pupil) transportation | 8,083,091 | 8,823,091 | 8,163,065 | 660,026 |
| 0036 | Extracurricular activities | 2,747,401 | 3,047,401 | 2,774,708 | 272,693 |
| 0041 | General administration | 5,457,402 | 5,696,622 | 5,162,686 | 533,936 |
| 0051 | Plant maintenance and operations | 13,948,005 | 14,536,730 | 13,192,858 | 1,343,872 |
| 0052 | Security and monitoring services | 1,836,233 | 2,016,233 | 1,713,765 | 302,468 |
| 0053 | Data processing services | 1,974,403 | 2,184,403 | 2,083,727 | 100,676 |
| 0061 | Community services | - | 22,300 | 17,817 | 4,483 |
| 6030 | Total expenditures | 143,446,903 | 147,932,182 | 142,190,335 | 5,741,847 |
| 1100 | Excess (deficiency) of revenues over (under) expenditures | (5,644,140) | (6,029,419) | (2,432,146) | 3,597,273 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| 7912 | Sale of real or personal property | - | - | 12,226 | 12,226 |
| 7915 | Transfers in | - | - | 2,000,000 | 2,000,000 |
| 8916 | Special item | - | - | (1,995,716) | (1,995,716) |
| 7080 | Total other financing sources (uses) | - | - | 16,510 | 16,510 |
| 1200 | Net change in fund balances | (5,644,140) | (6,029,419) | (2,415,636) | 3,613,783 |
| 0100 | Fund balances - beginning | 36,494,604 | 36,494,604 | 36,494,604 | - |
| 3000 | FUND BALANCES - ENDING | \$ 30,850,464 | \$ 30,465,185 | \$ 34,078,968 | \$ 3,613,783 |

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

Crowley Independent School District

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

| | <u>2019</u> | <u>2018</u> |
|---|-----------------------|----------------------|
| District's proportion of the net pension liability (asset) | 0.098037000% | 0.091630600% |
| District's proportionate share of net pension liability (asset) | \$ 53,961,952 | \$ 29,298,526 |
| State's proportionate share of the net pension liability (asset) associated with the District | <u>76,778,507</u> | <u>42,617,866</u> |
| Total | <u>\$ 130,740,459</u> | <u>\$ 71,916,392</u> |
| District's covered payroll | <u>\$ 100,658,456</u> | <u>\$ 92,690,497</u> |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 53.61% | 31.61% |
| Plan fiduciary net position as a percentage of the total pension liability | 73.74% | 82.17% |

* Note: Only four years of data is presented in accordance with GASB Standard No. 68 as the data for the years other than 2019, 2018, 2017, 2016 and 2015 is not available.

| <u>2017</u> | <u>2016</u> | <u>2015</u> |
|----------------------|----------------------|----------------------|
| 0.083219840% | 0.084044600% | 0.061010100% |
| \$ 31,447,600 | \$ 29,708,707 | \$ 16,315,928 |
| <u>50,632,501</u> | <u>47,449,187</u> | <u>41,877,722</u> |
| <u>\$ 82,080,101</u> | <u>\$ 77,157,894</u> | <u>\$ 58,193,650</u> |
| <u>\$ 86,541,871</u> | <u>\$ 81,373,206</u> | <u>\$ 80,443,994</u> |

| | | |
|--------|--------|--------|
| 36.34% | 36.51% | 20.28% |
|--------|--------|--------|

| | | |
|--------|--------|--------|
| 78.43% | 83.25% | 83.25% |
|--------|--------|--------|

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

| | <u>2019</u> | <u>2018</u> |
|--|-----------------------|----------------------|
| Contractually required contribution | \$ 3,541,825 | \$ 3,221,547 |
| Contribution in relation to the contractually required contribution | <u>(3,541,825)</u> | <u>(3,221,547)</u> |
| Contribution deficiency (excess) | <u>-</u> | <u>-</u> |
| District's covered payroll | <u>\$ 102,749,035</u> | <u>\$ 98,952,355</u> |
| Contributions as a percentage of covered-employee payroll | 3.45% | 3.26% |

* Note: Only four years of data is presented in accordance with GASB Standard No. 68 as the data for the years other than 2019, 2018, 2017, 2016 and 2015 is not available.

| <u>2017</u> | <u>2016</u> | <u>2015</u> |
|----------------------|----------------------|----------------------|
| \$ 2,936,302 | \$ 2,626,714 | \$ 1,567,691 |
| <u>(2,936,302)</u> | <u>(2,626,714)</u> | <u>(1,567,691)</u> |
| <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ 91,837,362</u> | <u>\$ 85,489,030</u> | <u>\$ 80,443,994</u> |
| 3.20% | 3.07% | 1.95% |

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 two Fiscal Year*

| | <u>2019</u> | <u>2018</u> |
|--|-----------------------|-----------------------|
| District's proportion of the net OPEB liability | 0.119926600% | 0.111337500% |
| District's proportionate share of net OPEB liability | \$ 59,880,440 | \$ 48,416,510 |
| State's proportionate share of the net OPEB liability associated with the District | <u>90,208,290</u> | <u>73,170,800</u> |
| Total | <u>\$ 150,088,730</u> | <u>\$ 121,587,310</u> |
| District's covered-employee payroll | <u>\$ 100,658,456</u> | <u>\$ 92,690,497</u> |
| District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll | 59.49% | 52.23% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 1.57% | 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 2019 and 2018 is not available.

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

Exhibit G-5

| | <u>2018</u> | <u>2018</u> |
|--|-----------------------|----------------------|
| Contractually required contribution | \$ 854,668 | \$ 798,189 |
| Contribution in relation to the contractually required contribution | <u>(854,668)</u> | <u>(798,189)</u> |
| Contribution deficiency (excess) | <u>-</u> | <u>-</u> |
| District's covered payroll | <u>\$ 102,749,035</u> | <u>\$ 98,952,355</u> |
| Contributions as a percentage of covered-employee payroll | 0.83% | 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 2019 and 2018 is not available.

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Other Supplementary Information

Crowley Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

| Data Control Codes | | 211 ESEA Title I Part A Imp Basic Program | 224 IDEA Part B Formula | 225 IDEA Part B Preschool | 226 IDEA Part B High Cost |
|--------------------------|---|---|-------------------------------|---------------------------------|---------------------------------|
| | ASSETS | | | | |
| 1110 | Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - |
| 1240 | Due from other governments | 285,667 | 23,202 | 8,212 | 25,573 |
| 1260 | Due from other funds | - | - | - | - |
| 1410 | Prepays | - | - | - | - |
| | | | | | |
| 1000 | Total assets | <u>\$ 285,667</u> | <u>\$ 23,202</u> | <u>\$ 8,212</u> | <u>\$ 25,573</u> |
| | LIABILITIES | | | | |
| 2110 | Accounts payable and accrued wages and benefits payable | \$ 15,382 | \$ 15,225 | \$ 150 | \$ - |
| 2170 | Due to other funds | 270,285 | 7,977 | 8,062 | 25,573 |
| 2300 | Unearned revenue | - | - | - | - |
| | | | | | |
| 2000 | Total liabilities | 285,667 | 23,202 | 8,212 | 25,573 |
| | FUND BALANCES | | | | |
| 3430 | Non-spendable: prepays | - | - | - | - |
| 3450 | Grant funds - restricted | - | - | - | - |
| 3450 | Grant funds - committed | - | - | - | - |
| | | | | | |
| 3000 | Total fund balances | - | - | - | - |
| | | | | | |
| 4000 | TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | <u>\$ 285,667</u> | <u>\$ 23,202</u> | <u>\$ 8,212</u> | <u>\$ 25,573</u> |

| 240 National School Breakfast/ Lunch Program | 242 Child and Adult Care 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 |
|--|---|---|--|---|---|
| \$ 2,325,952 | 1,034,061 | \$ - | \$ 3,327 | \$ - | \$ - |
| - | - | 9,125 | 3,231 | 18,149 | 40,831 |
| 11,136 | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 2,337,088</u> | <u>\$ 1,034,061</u> | <u>\$ 9,125</u> | <u>\$ 6,558</u> | <u>\$ 18,149</u> | <u>\$ 40,831</u> |
| \$ 184 | \$ - | \$ 50 | \$ 1,710 | \$ 1,037 | \$ 7,644 |
| 71 | - | 9,075 | 4,848 | 17,112 | 33,187 |
| 36,393 | - | - | - | - | - |
| <u>36,648</u> | <u>-</u> | <u>9,125</u> | <u>6,558</u> | <u>18,149</u> | <u>40,831</u> |
| - | - | - | - | - | - |
| 2,300,440 | 1,034,061 | - | - | - | - |
| - | - | - | - | - | - |
| <u>2,300,440</u> | <u>1,034,061</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ 2,337,088</u> | <u>\$ 1,034,061</u> | <u>\$ 9,125</u> | <u>\$ 6,558</u> | <u>\$ 18,149</u> | <u>\$ 40,831</u> |

Crowley Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

| Data Control Codes | | 289 | 315 |
|--------------------------|---|----------------------|-------------------------------------|
| | | Summer School LEP | SSA IDEA Part B Discretionary |
| ASSETS | | | |
| 1110 | Cash and cash equivalents | \$ 51,749 | \$ 564 |
| 1240 | Due from other governments | 14,154 | - |
| 1260 | Due from other funds | - | - |
| 1410 | Prepays | - | - |
| 1000 | Total assets | <u>\$ 65,903</u> | <u>\$ 564</u> |
| LIABILITIES | | | |
| 2110 | Accounts payable and accrued wages and benefits payable | \$ 752 | \$ 564 |
| 2170 | Due to other funds | - | - |
| 2300 | Unearned revenue | - | - |
| 2000 | Total liabilities | 752 | 564 |
| FUND BALANCES | | | |
| 3430 | Non-spendable: prepays | - | - |
| 3450 | Grant funds - restricted | 65,151 | - |
| 3450 | Grant funds - committed | - | - |
| 3000 | Total fund balances | <u>65,151</u> | <u>-</u> |
| 4000 | TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | <u>\$ 65,903</u> | <u>\$ 564</u> |

| 340 | 385 | 392 |
|---|---|--------------------------------------|
| IDEA-C Early Childhood Intervention | State Supplemental Visually Impaired | Non-Ed Community Based Support |
| \$ - | \$ - | \$ - |
| - | - | - |
| - | - | - |
| - | - | - |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ - | \$ - | \$ - |
| - | - | - |
| - | - | - |
| - | - | - |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| - | - | - |
| - | - | - |
| - | - | - |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Crowley Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

| Data Control Codes | | 410 | 416 | 429 |
|--------------------------|---|-------------------------------------|------------------|-------------------|
| | | State Instructional Materials | Head Start | GR/AP Payments |
| | ASSETS | | | |
| 1110 | Cash and cash equivalents | \$ 7,423 | \$ 684 | \$ 1,097 |
| 1240 | Due from other governments | 445,416 | 28,145 | - |
| 1260 | Due from other funds | - | - | - |
| 1410 | Prepays | 557,312 | - | - |
| | | | | |
| 1000 | Total assets | <u>\$ 1,010,151</u> | <u>\$ 28,829</u> | <u>\$ 1,097</u> |
| | LIABILITIES | | | |
| 2110 | Accounts payable and accrued wages and benefits payable | \$ 709 | 684 | - |
| 2170 | Due to other funds | 1,009,442 | 28,145 | - |
| 2300 | Unearned revenue | - | - | - |
| | | | | |
| 2000 | Total liabilities | 1,010,151 | 28,829 | - |
| | FUND BALANCES | | | |
| 3430 | Non-spendable - prepays | 557,312 | - | - |
| 3450 | Grant funds - restricted | - | - | 1,097 |
| 3450 | Grant funds - committed | - | - | - |
| 3600 | Grant funds - unassigned | (557,312) | - | - |
| | | | | |
| 3000 | Total fund balances | <u>-</u> | <u>-</u> | <u>1,097</u> |
| 4000 | TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | <u>\$ 1,010,151</u> | <u>\$ 28,829</u> | <u>\$ 1,097</u> |

| 435 | 461 | 480 | Total Nonmajor Special Revenue Funds (See Exhibit C-1) |
|--|--------------------------|------------------|---|
| SSA Regional Day School For the Deaf | Campus Activity Funds | United Way | |
| \$ 339,606 | \$ 540,037 | \$ - | \$ 4,304,500 |
| - | - | 24,167 | 925,872 |
| - | 7,253 | - | 18,389 |
| - | - | - | 557,312 |
| <u>\$ 339,606</u> | <u>\$ 547,290</u> | <u>\$ 24,167</u> | <u>\$ 5,806,073</u> |
| \$ 1,772 | \$ 204 | \$ 899 | \$ 46,966 |
| - | 3,017 | 23,268 | 1,440,062 |
| - | - | - | 36,393 |
| <u>1,772</u> | <u>3,221</u> | <u>24,167</u> | <u>1,523,421</u> |
| - | - | - | 557,312 |
| 337,834 | - | - | 3,738,583 |
| - | 544,069 | - | 544,069 |
| - | - | - | (557,312) |
| <u>337,834</u> | <u>544,069</u> | <u>-</u> | <u>4,282,652</u> |
| <u>\$ 339,606</u> | <u>\$ 547,290</u> | <u>\$ 24,167</u> | <u>\$ 5,806,073</u> |

Crowley Independent School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

| Data Control Codes | | 211 | 224 | 225 | 226 |
|--------------------------|--|--|------------------------|--------------------------|--------------------------|
| | | ESEA Title I Part A Imp. Basic Programs | IDEA Part B Formula | IDEA Part B Preschool | IDEA Part B High Cost |
| REVENUES | | | | | |
| 5700 | Local, intermediate, and out-of-state | \$ - | \$ - | \$ - | \$ - |
| 5800 | State program revenues | - | - | - | - |
| 5900 | Federal program revenues | 3,564,981 | 2,914,495 | 71,061 | 60,227 |
| 5020 | Total revenues | 3,564,981 | 2,914,495 | 71,061 | 60,227 |
| EXPENDITURES | | | | | |
| 0011 | Instruction | 3,190,314 | 761,404 | 71,061 | 39,059 |
| 0013 | Curriculum and staff development | 150,335 | 28,054 | - | 3,140 |
| 0021 | Instructional leadership | 203,788 | 82,378 | - | 3,028 |
| 0023 | School leadership | 5,975 | - | - | - |
| 0031 | Guidance, counseling, and evaluation services | 1,421 | 1,535,550 | - | 15,000 |
| 0035 | Food service | - | - | - | - |
| 0036 | Extracurricular activities | - | - | - | - |
| 0051 | Plant maintenance and operations | 13,148 | - | - | - |
| 0053 | Data processing services | - | - | - | - |
| INTERGOVERNMENTAL | | | | | |
| 0093 | Shared service arrangements | - | 507,109 | - | - |
| 6030 | Total expenditures | 3,564,981 | 2,914,495 | 71,061 | 60,227 |
| 1200 | Net change in fund balances | - | - | - | - |
| 0100 | Beginning fund balances | - | - | - | - |
| 3000 | ENDING FUND BALANCES | \$ - | \$ - | \$ - | \$ - |

| 240 National School Breakfast/ Lunch Program | 242 Child and Adult Care 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 |
|--|---|---|--|---|---|
| \$ 1,734,121 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 39,321 | - | - | - | - | - |
| 7,224,801 | 358,862 | 200,447 | 492,096 | 218,974 | 1,439,261 |
| 8,998,243 | 358,862 | 200,447 | 492,096 | 218,974 | 1,439,261 |
| - | - | 174,626 | 137,781 | 164,106 | 1,212,588 |
| - | - | 21,248 | 185,566 | 11,754 | 4,470 |
| - | - | 4,573 | 164,861 | 43,114 | 222,203 |
| - | - | - | 3,888 | - | - |
| - | - | - | - | - | - |
| 8,032,231 | 24,658 | - | - | - | - |
| - | - | - | - | - | - |
| 418,830 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 8,451,061 | 24,658 | 200,447 | 492,096 | 218,974 | 1,439,261 |
| 547,182 | 334,204 | - | - | - | - |
| 1,753,255 | 699,857 | - | - | - | - |
| \$ 2,300,437 | \$ 1,034,061 | \$ - | \$ - | \$ - | \$ - |

Crowley Independent School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

| <u>Data Control Codes</u> | | 289 | 315 |
|-----------------------------------|--|------------------------------|--|
| | | <u>Summer School LEP</u> | <u>SSA IDEA Part B Discretionary</u> |
| | REVENUES | | |
| 5700 | Local, intermediate, and out-of-state | \$ - | \$ - |
| 5800 | State program revenues | - | - |
| 5900 | Federal program revenues | 234,127 | 56,485 |
| | | <hr/> | <hr/> |
| 5020 | Total revenues | 234,127 | 56,485 |
| | EXPENDITURES | | |
| 0011 | Instruction | 143,816 | 56,485 |
| 0013 | Curriculum and staff development | 17,290 | - |
| 0021 | Instructional leadership | 10,593 | - |
| 0023 | School leadership | 4,400 | - |
| 0031 | Guidance, counseling, and evaluation services | - | - |
| 0035 | Food service | - | - |
| 0036 | Extracurricular activities | - | - |
| 0051 | Plant maintenance and operations | - | - |
| 0053 | Data processing services | - | - |
| | INTERGOVERNMENTAL | | |
| 0093 | Shared service arrangements | - | - |
| | | <hr/> | <hr/> |
| 6030 | Total expenditures | 176,099 | 56,485 |
| | | <hr/> | <hr/> |
| 1200 | Net change in fund balances | 58,028 | - |
| 0100 | Beginning fund balances | 7,123 | - |
| | | <hr/> | <hr/> |
| 3000 | ENDING FUND BALANCES | <u>\$ 65,151</u> | <u>\$ -</u> |

| 340 | 385 | 392 |
|---|---|--------------------------------------|
| IDEA-C Early Childhood Intervention | State Supplemental Visually Impaired | Non-Ed Community Based Support |
| \$ - | \$ - | \$ - |
| - | 9,334 | - |
| 243 | - | - |
| 243 | 9,334 | - |
| 243 | 9,334 | 3 |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| 243 | 9,334 | 3 |
| - | - | (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, 2019

| Data Control Codes | | 410 State Instructional Materials | 416 Head Start | 429 GR/AP Payments |
|--------------------------|--|--|----------------------|--------------------------|
| | REVENUES | | | |
| 5700 | Local, intermediate, and out-of-state | \$ - | \$ - | \$ - |
| 5800 | State program revenues | 864,815 | 108,304 | 29,656 |
| 5900 | Federal program revenues | - | - | - |
| | | | | |
| 5020 | Total revenues | 864,815 | 108,304 | 29,656 |
| | EXPENDITURES | | | |
| 0011 | Instruction | 390,446 | 108,304 | 11,200 |
| 0013 | Curriculum and staff development | - | - | 17,821 |
| 0021 | Instructional leadership | - | - | - |
| 0023 | School leadership | - | - | - |
| 0031 | Guidance, counseling, and evaluation services | - | - | - |
| 0035 | Food service | - | - | - |
| 0036 | Extracurricular activities | - | - | - |
| 0051 | Plant maintenance and operations | - | - | - |
| 0053 | Data processing services | 474,369 | - | - |
| | INTERGOVERNMENTAL | | | |
| 0093 | Shared service arrangements | - | - | - |
| | | | | |
| 6030 | Total expenditures | 864,815 | 108,304 | 29,021 |
| 1200 | Net change in fund balances | - | - | 635 |
| 0100 | Beginning fund balances | - | - | 465 |
| | | | | |
| 3000 | ENDING FUND BALANCES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,100</u> |

| 435 | 461 | 480 | Total Nonmajor Special Revenue Funds (See Exhibit C-2) |
|--|--------------------------|------------|---|
| SSA Regional Day School For the Deaf | Campus Activity Funds | United Way | |
| \$ 797,078 | \$ 1,172,015 | \$ 294,900 | \$ 3,998,114 |
| 352,527 | 498 | - | 1,404,455 |
| - | - | - | 16,836,060 |
| 1,149,605 | 1,172,513 | 294,900 | 22,238,629 |
| 1,109,998 | - | 290,394 | 7,871,162 |
| 2,575 | - | 4,506 | 446,759 |
| 92,214 | - | - | 826,752 |
| - | - | - | 14,263 |
| - | - | - | 1,551,971 |
| - | - | - | 8,056,889 |
| - | 1,207,171 | - | 1,207,171 |
| - | - | - | 431,978 |
| - | - | - | 474,369 |
| - | - | - | 507,109 |
| 1,204,787 | 1,207,171 | 294,900 | 21,388,423 |
| (55,182) | (34,658) | - | 850,206 |
| 393,016 | 578,727 | - | 3,432,446 |
| \$ 337,834 | \$ 544,069 | \$ - | \$ 4,282,652 |

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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, 2019

| Last Ten Years | 1 | | 2 | 3 | 10 |
|----------------|-------------|--|--------------|--|----------------------------------|
| | Tax Rates | | Debt Service | Net Assessed/ Appraised Value For School Tax Purposes | Beginning Balance 06/30/18 |
| | Maintenance | | | | |
| 2010 and prior | Various | | Various | \$ Various | \$ 697,855 |
| 2011 | 1.0400 | | 0.4950 | 4,432,783,770 | 66,845 |
| 2012 | 1.0400 | | 0.4950 | 4,563,518,827 | 91,654 |
| 2013 | 1.0400 | | 0.4950 | 4,649,374,123 | 124,598 |
| 2014 | 1.1700 | | 0.5000 | 4,697,596,237 | 213,503 |
| 2015 | 1.1700 | | 0.4800 | 4,953,008,170 | 268,595 |
| 2016 | 1.1700 | | 0.4800 | 4,928,731,064 | 315,457 |
| 2017 | 1.1700 | | 0.4800 | 5,352,592,155 | 367,808 |
| 2018 | 1.1700 | | 0.5000 | 6,005,449,192 | 1,085,047 |
| 2019 | 1.1700 | | 0.5000 | 6,526,866,934 | - |
| | | | | | <u>\$ 3,231,362</u> |

* Refunded delinquent taxes were from tax collections in prior years. The adjustments to prior year taxes include the amounts refunded.

| 20 | 31 | 32 | 40 | 50 |
|---------------------------|--|---|----------------------------|-------------------------|
| Current Year's Total Levy | Maintenance Tax Collected and (Refunds)* | Debt Service Tax Collected and (Refunds)* | Entire Year's Adjustments* | Ending Balance 06/30/19 |
| \$ - | \$ (18,071) | \$ (3,066) | \$ 49,642 | \$ 669,350 |
| - | (111) | (35) | 343 | 66,648 |
| - | (6,972) | (2,237) | 21,629 | 79,234 |
| - | (19,016) | (5,544) | 57,678 | 91,480 |
| - | (31,514) | (9,188) | 95,591 | 158,614 |
| - | (103,521) | (30,178) | 314,003 | 88,291 |
| - | (105,869) | (29,742) | 318,494 | 132,574 |
| - | (65,494) | (18,400) | 197,030 | 254,672 |
| - | (457,806) | (133,468) | 1,388,645 | 287,676 |
| 105,635,707 | 73,273,462 | 31,313,445 | - | 1,048,800 |
| <u>\$ 105,635,707</u> | <u>\$ 72,465,088</u> | <u>\$ 31,081,587</u> | <u>\$ 2,443,055</u> | <u>\$ 2,877,339</u> |

Crowley Independent School District
 Budgetary Comparison Schedule
 National School Breakfast and Lunch Program
 For the Fiscal Year Ended June 30, 2019

Exhibit J-4

| Data Control Codes | | 1 | 2 | 3 | Variance with Final Budget Positive (Negative) |
|--------------------------|--|------------------|--------------|--------------|---|
| | | Budgeted Amounts | | Actual | |
| | | Original | Final | | |
| REVENUES | | | | | |
| 5700 | Local and intermediate | \$ 2,070,407 | \$ 2,097,407 | \$ 1,734,121 | \$ (363,286) |
| 5800 | State program revenues | 42,355 | 42,355 | 39,321 | (3,034) |
| 5900 | Federal program revenues | 6,620,336 | 7,520,336 | 7,224,801 | (295,535) |
| 5020 | Total revenues | 8,733,098 | 9,660,098 | 8,998,243 | (661,855) |
| EXPENDITURES | | | | | |
| 0035 | Food service | 8,376,583 | 9,103,583 | 8,032,231 | 1,071,352 |
| 0051 | Plant maintenance and operations | 356,515 | 556,515 | 418,830 | 137,685 |
| 6030 | Total expenditures | 8,733,098 | 9,660,098 | 8,451,061 | 1,209,037 |
| 1100 | Excess (deficiency) of revenues over (under) expenditures | - | - | 547,182 | 547,182 |
| 1200 | NET CHANGE IN FUND BALANCES | - | - | 547,182 | 547,182 |
| 0100 | Beginning fund balances | 1,753,255 | 1,753,255 | 1,753,255 | - |
| 3000 | ENDING FUND BALANCES | \$ 1,753,255 | \$ 1,753,255 | \$ 2,300,437 | \$ 547,182 |

Crowley Independent School District
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2019

Exhibit J-5

| Data Control Codes | | 1 | 2 | 3 | Variance with Final Budget Positive (Negative) |
|--------------------------|--|----------------------|----------------------|----------------------|---|
| | | Budgeted Amounts | | Actual | |
| | | Original | Final | | |
| REVENUES | | | | | |
| 5700 | Local and intermediate | \$ 32,280,400 | \$ 32,280,400 | \$ 31,735,757 | \$ (544,643) |
| 5800 | State program revenues | - | - | 688,499 | 688,499 |
| 5020 | Total revenues | 32,280,400 | 32,280,400 | 32,424,256 | 143,856 |
| EXPENDITURES | | | | | |
| Debt service: | | | | | |
| 0071 | Principal | 5,262,088 | 5,262,088 | 5,262,088 | - |
| 0072 | Interest | 24,382,345 | 24,382,345 | 22,841,638 | 1,540,707 |
| 0073 | Bond issuance costs and fees | 15,000 | 15,000 | - | 15,000 |
| 6030 | Total expenditures | 29,659,433 | 29,659,433 | 28,103,726 | 1,555,707 |
| 1100 | Excess (deficiency) of revenues over (under) expenditures | 2,620,967 | 2,620,967 | 4,320,530 | 1,699,563 |
| 1200 | Net change in fund balances | 2,620,967 | 2,620,967 | 4,320,530 | 1,699,563 |
| 100 | Beginning fund balances | 36,243,674 | 36,243,674 | 36,243,674 | - |
| 3000 | ENDING FUND BALANCES | \$ 38,864,641 | \$ 38,864,641 | \$ 40,564,204 | \$ 1,699,563 |

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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 | 89 |
| 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 | 99 |
| 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 | 107 |
| 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 | 115 |
| 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 | 119 |
| 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>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|--|----------------------|----------------------|----------------------|----------------------|
| PRIMARY GOVERNMENT | | | | |
| Governmental activities: | | | | |
| Invested in capital assets, net of related debt | \$ 9,679,312 | \$ 9,934,578 | \$ 12,907,320 | \$ 16,639,206 |
| Restricted | 27,964,055 | 29,284,651 | 28,712,542 | 22,112,844 |
| Unrestricted | <u>(8,282,363)</u> | <u>(13,876,125)</u> | <u>(16,005,650)</u> | <u>(12,254,283)</u> |
| Total governmental activities net position | 29,361,004 | 25,343,104 | 25,614,212 | 26,497,767 |
| Business-type activities: | | | | |
| Invested in capital assets, net of related debt | - | - | - | - |
| Restricted | - | - | - | - |
| Unrestricted | <u>11,887</u> | <u>31,888</u> | <u>28,784</u> | <u>37,369</u> |
| Total business-type activities net position | 11,887 | 31,888 | 28,784 | 37,369 |
| TOTAL GOVERNMENT | | | | |
| Net Investment in Capital Assets | 9,679,312 | 9,934,578 | 12,907,320 | 16,639,206 |
| Restricted | 27,964,055 | 29,284,651 | 28,712,542 | 22,112,844 |
| Unrestricted | <u>(8,270,476)</u> | <u>(13,844,237)</u> | <u>(15,976,866)</u> | <u>(12,216,914)</u> |
| TOTAL GOVERNMENT NET POSITION | <u>\$ 29,372,891</u> | <u>\$ 25,374,992</u> | <u>\$ 25,642,996</u> | <u>\$ 26,535,136</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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|----------------------|-----------------------|---------------------|--------------------------|------------------------|------------------------|
| \$ 9,720,341 | \$ 7,047,304 | \$ 6,156,615 | \$ (2,360,141) | \$ (4,501,384) | \$ (2,661,848) |
| 22,226,778 | 25,167,536 | 21,005,745 | 26,838,292 | 30,313,586 | 34,632,343 |
| <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> | <u>(93,616,808)</u> |
| 20,368,603 | 7,813,840 | 4,798,844 | (80,533,976) | (56,896,305) | (61,646,313) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>14,610</u> | <u>45,377</u> | <u>152,592</u> | <u>136,527</u> | <u>151,438</u> | <u>74,231</u> |
| 14,610 | 45,377 | 152,592 | 136,527 | 151,438 | 74,231 |
| 9,720,341 | 7,047,304 | 6,156,615 | (2,360,141) | (4,501,384) | (2,661,848) |
| 22,226,778 | 25,167,536 | 21,005,745 | 26,838,292 | 30,313,586 | 34,632,343 |
| <u>(11,563,906)</u> | <u>(24,355,623)</u> | <u>(22,210,924)</u> | <u>(104,875,600)</u> | <u>(82,557,069)</u> | <u>(93,542,577)</u> |
| <u>\$ 20,383,213</u> | <u>\$ 7,859,217</u> * | <u>\$ 4,951,436</u> | <u>\$ (80,397,449)</u> * | <u>\$ (56,744,867)</u> | <u>\$ (61,572,082)</u> |

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

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| EXPENSES | | | | |
| Governmental activities: | | | | |
| Instruction | \$ 74,345,073 | \$ 71,461,599 | \$ 64,744,832 | \$ 70,425,667 |
| Instruction resources & media services | 1,076,313 | 1,224,785 | 728,438 | 623,386 |
| Curriculum & staff development | 298,529 | 407,767 | 247,908 | 354,312 |
| Instructional leadership | 1,513,324 | 1,649,147 | 1,606,571 | 1,353,840 |
| School leadership | 6,260,458 | 8,043,011 | 7,708,084 | 7,713,219 |
| Guidance, counseling & evaluation services | 1,809,360 | 3,352,656 | 3,483,720 | 3,720,504 |
| Social work services | - | - | - | - |
| Health services | 1,129,345 | 1,345,247 | 994,254 | 1,061,246 |
| Student transportation | 3,992,429 | 4,984,419 | 5,372,805 | 5,133,306 |
| Food service | 5,548,272 | 6,770,082 | 7,093,503 | 7,138,086 |
| Cocurriculum/extracurricular activities: | | | | |
| General administration | 2,767,108 | 3,187,996 | 3,221,118 | 3,957,841 |
| Plant maintenance & operations | 2,927,927 | 7,819,529 | 3,114,673 | 4,018,909 |
| Security & monitoring services | 9,332,425 | 13,022,096 | 12,098,821 | 11,358,286 |
| Data processing services | 653,059 | 796,197 | 785,648 | 870,221 |
| Community services | 1,074,268 | 1,332,937 | 2,299,803 | 1,758,717 |
| Interest on long-term debt | 400 | 200 | 805 | 3,186 |
| Bond issuance cost & fees | 14,499,894 | 22,908,914 | 22,760,870 | 22,241,895 |
| Facilities maintenance | - | - | - | - |
| Payments related to SSA's | 88,407 | 8,214,096 | 1,110,277 | 1,364,481 |
| Other intergovernmental charges | 172,074 | 148,677 | 215,176 | 281,327 |
| | 502,111 | 349,671 | 461,432 | 2,939 |
| TOTAL GOVERNMENTAL ACTIVITIES EXPENSES | 127,990,776 | 157,019,026 | 138,048,737 | 143,381,367 |
| Business-type activities: | | | | |
| Community education | 103,278 | 62,439 | 50,627 | 24,347 |
| Total business-type activities expenses | 103,278 | 62,439 | 50,627 | 24,347 |
| TOTAL PRIMARY GOVERNMENT EXPENSES | 128,094,054 | 157,081,465 | 138,099,364 | 143,405,714 |
| PROGRAM REVENUES | | | | |
| Governmental activities: | | | | |
| Charges for services | | | | |
| Food services | 2,426,582 | 2,488,832 | 2,504,121 | 2,321,236 |
| Extracurricular | 186,286 | 199,345 | 1,199,434 | 218,851 |
| Other activities | 49,549 | 2,312,976 | 40,967 | 168,326 |
| Operating grants and contributions | 22,499,261 | 22,626,824 | 14,289,244 | 19,194,802 |
| TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES | 25,161,678 | 27,627,977 | 18,033,766 | 21,903,215 |
| Business-type activities | | | | |
| Charges for services | | | | |
| Community education | 95,103 | 82,440 | 47,523 | 32,932 |
| TOTAL BUSINESS-TYPE ACTIVITIES REVENUES | 95,103 | 82,440 | 47,523 | 32,932 |
| TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES | 25,256,781 | 27,710,417 | 18,081,289 | 21,936,147 |
| NET (EXPENSE)/REVENUE | | | | |
| Governmental activities | (102,829,098) | (118,755,078) | (116,837,211) | (121,479,348) |
| Business-type activities | (8,175) | 20,001 | (3,104) | 8,585 |
| TOTAL PRIMARY GOVERNMENT NET EXPENSE | \$ (102,837,273) | \$ (118,735,077) | \$ (116,840,315) | \$ (121,470,763) |

*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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|----|---------------|------------------|------------------|------------------|------------------|------------------|
| \$ | 73,241,195 | \$ 84,186,905 | \$ 90,863,647 | \$ 97,418,337 | \$ 68,947,123 | \$ 112,659,926 |
| | 588,547 | 636,562 | 648,099 | 525,052 | 326,385 | 547,527 |
| | 307,836 | 354,643 | 643,624 | 912,408 | 904,616 | 2,451,888 |
| | 1,887,027 | 3,021,111 | 3,357,155 | 3,454,452 | 2,623,912 | 4,681,717 |
| | 8,207,218 | 8,688,269 | 9,409,838 | 9,954,983 | 6,665,419 | 11,355,875 |
| | 3,895,407 | 4,115,215 | 4,433,341 | 4,740,142 | 3,761,740 | 5,554,074 |
| | - | - | - | 400 | - | - |
| | 1,208,822 | 1,295,523 | 1,372,175 | 1,390,255 | 779,279 | 1,587,970 |
| | 5,267,279 | 5,253,263 | 5,863,124 | 6,715,679 | 7,596,553 | 8,237,806 |
| | 6,962,896 | 6,974,891 | 7,046,366 | 7,078,058 | 7,242,426 | 7,818,005 |
| | 3,768,083 | 5,554,913 | 6,073,946 | 4,198,028 | 3,484,754 | 4,335,245 |
| | 4,398,686 | 4,283,914 | 4,283,558 | 4,953,826 | 3,863,888 | 5,414,246 |
| | 12,848,794 | 13,093,030 | 13,539,521 | 13,270,267 | 11,672,304 | 14,015,601 |
| | 1,116,826 | 1,577,138 | 1,626,972 | 1,532,209 | 1,360,809 | 1,698,367 |
| | 2,224,300 | 2,785,651 | 2,898,038 | 2,895,504 | 1,985,630 | 2,791,354 |
| | 9,776 | 1,986 | 356 | 5,782 | - | 17,817 |
| | 23,999,846 | 14,420,164 | 19,244,266 | 10,836,737 | 15,603,747 | 21,825,655 |
| | - | 593,942 | 1,724,345 | - | - | - |
| | 7,505,130 | 604,189 | 1,063,919 | 10,346,388 | 5,415,734 | - |
| | 317,254 | 342,004 | 479,648 | 394,891 | 370,245 | 507,109 |
| | - | - | - | - | - | - |
| | 157,754,922 | 157,783,313 | 174,571,938 | 180,623,398 | 142,604,564 | 205,500,182 |
| | 41,673 | 110,663 | 75,950 | 101,476 | 56,899 | 175,922 |
| | 41,673 | 110,663 | 75,950 | 101,476 | 56,899 | 175,922 |
| | 157,796,595 | 157,893,976 | 174,647,888 | 180,724,874 | 142,661,463 | 205,676,104 |
| | 2,375,300 | 2,018,620 | 1,994,541 | 1,839,378 | 1,785,025 | 1,655,670 |
| | 198,167 | 218,508 | 204,444 | 220,147 | 198,321 | 157,806 |
| | 152,862 | 158,637 | 166,541 | 180,697 | 350,977 | 531,396 |
| | 20,348,020 | 22,409,321 | 28,053,837 | 25,798,678 | (50,343) | 36,119,222 |
| | 23,074,349 | 24,805,086 | 30,419,363 | 28,038,900 | 2,283,980 | 38,464,094 |
| | 18,914 | 141,430 | 157,411 | 111,165 | 71,810 | 98,715 |
| | 18,914 | 141,430 | 157,411 | 111,165 | 71,810 | 98,715 |
| | 23,093,263 | 24,946,516 | 30,576,774 | 28,150,065 | 2,355,790 | 38,562,809 |
| | (136,249,595) | (132,978,227) | (144,152,575) | (152,584,498) | (140,320,584) | (167,036,088) |
| | (22,759) | 30,767 | 81,461 | 9,689 | 14,911 | (77,207) |
| \$ | (136,272,354) | \$ (132,947,460) | \$ (144,071,114) | \$ (152,574,809) | \$ (140,305,673) | \$ (167,113,295) |

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

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|---------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| GENERAL REVENUES AND OTHER | | | | |
| CHANGES IN NET POSITION | | | | |
| Governmental activities | | | | |
| Property taxes | | | | |
| Levied for general purposes | \$ 50,755,545 | \$ 46,597,828 | \$ 47,527,300 | \$ 53,725,546 |
| Levied for debt service | 24,112,326 | 22,157,988 | 22,574,374 | 22,949,841 |
| Investment earnings | 97,374 | 78,479 | 53,962 | 51,332 |
| Unrestricted grants and contributions | 37,336,022 | 42,116,298 | 46,390,016 | 44,520,285 |
| Miscellaneous | 1,856,383 | 3,786,585 | 562,667 | 1,115,899 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Special Items | - | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| TOTAL GOVERNMENTAL ACTIVITIES | 114,157,650 | 114,737,178 | 117,108,319 | 122,362,903 |
| 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) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| 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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|----|----------------|-----------------------|---------------------|---------------------|----------------------|-----------------------|
| \$ | 54,258,721 | \$ 57,176,859 | \$ 56,464,390 | \$ 61,654,489 | \$ 68,698,527 | \$ 72,331,872 |
| | 23,178,093 | 23,446,701 | 23,087,160 | 25,285,029 | 29,371,302 | 31,009,105 |
| | 32,342 | 47,420 | 249,329 | 575,431 | 2,351,254 | 5,043,972 |
| | 53,427,592 | 56,187,355 | 59,203,538 | 62,926,080 | 62,931,943 | 55,213,773 |
| | 1,536,873 | 2,826,724 | 2,133,162 | 1,810,776 | 605,229 | 683,074 |
| | - | - | - | - | - | (1,995,716) |
| | 132,433,621 | 139,685,059 | 141,137,579 | 152,251,805 | 163,958,255 | 162,286,080 |
| | 883,555 | (3,815,974) | 6,706,832 | (332,693) | 23,637,671 | (4,750,008) |
| | 8,585 | (22,759) | 30,767 | 9,689 | 14,911 | (77,207) |
| \$ | <u>892,140</u> | <u>\$ (3,838,733)</u> | <u>\$ 6,737,599</u> | <u>\$ (323,004)</u> | <u>\$ 23,652,582</u> | <u>\$ (4,827,215)</u> |

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

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND | | | | |
| Nonspendable | \$ 151,908 | \$ 79,456 | \$ 552,672 | \$ 795,673 |
| Assigned | - | 3,872,338 | - | - |
| Unassigned | 19,109,638 | 13,956,756 | 18,901,811 | 20,146,309 |
| TOTAL GENERAL FUND | 19,261,546 | 17,908,550 | 19,454,483 | 20,941,982 |
| ALL OTHER GOVERNMENTAL FUNDS | | | | |
| Nonspendable | - | - | - | - |
| Restricted | 38,894,124 | 36,387,847 | 35,452,918 | 35,813,794 |
| Committed | - | - | - | 539,894 |
| Unassigned | - | - | - | (272) |
| TOTAL ALL OTHER GOVERNMENTAL FUNDS | \$ 38,894,124 | \$ 36,387,847 | \$ 35,452,918 | \$ 36,353,416 |

*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

Exhibit L-4

| <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| \$ 632,571 | \$ 159,506 | \$ 431,955 | \$ 411,371 | \$ 438,077 | \$ 745,625 |
| - | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| 26,281,594 | 28,660,073 | 28,356,283 | 32,189,627 | 34,556,527 | 31,833,343 |
| 26,914,165 | 30,319,579 | 30,288,238 | 36,494,604 | 36,494,604 | 34,078,968 |
| - | - | - | 3,100 | 1,200 | 557,312 |
| 53,831,903 | 54,038,572 | 86,514,950 | 77,469,008 | 157,561,965 | 165,551,128 |
| 555,543 | 478,439 | 440,757 | 519,069 | 578,730 | 544,069 |
| - | (844) | - | - | - | (557,312) |
| <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> | <u>\$ 166,095,197</u> |

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

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|---|-------------------|-----------------------|-------------------|---------------------|
| REVENUES | | | | |
| Local & intermediate sources | \$ 78,355,767 | \$ 75,290,626 | \$ 75,275,585 | \$ 82,606,035 |
| State program revenues | 45,705,838 | 50,163,648 | 46,138,728 | 49,356,607 |
| Federal program revenues | 14,129,445 | 16,822,952 | 14,205,308 | 12,770,656 |
| Total revenues | 138,191,050 | 142,277,226 | 135,619,621 | 144,733,298 |
| EXPENDITURES | | | | |
| Instruction | 69,206,006 | 71,461,601 | 64,744,831 | 70,425,669 |
| Instructional resources & media services | 1,057,060 | 1,224,785 | 728,438 | 623,386 |
| Curriculum & staff development | 298,529 | 407,767 | 247,910 | 354,313 |
| Instructional leadership | 1,513,324 | 1,649,147 | 1,606,572 | 1,353,839 |
| School leadership | 6,258,555 | 8,042,011 | 7,707,584 | 7,712,234 |
| Guidance, counseling & evaluation services | 1,808,634 | 3,352,656 | 3,483,721 | 3,720,505 |
| Social work services | | | | |
| Health services | 1,129,117 | 1,345,247 | 994,254 | 1,061,246 |
| Student transportation | 3,721,204 | 4,984,419 | 5,372,805 | 5,133,306 |
| Food service | 5,486,546 | 6,770,082 | 7,093,503 | 7,138,085 |
| Cocurriculum/extracurricular activities | 2,620,060 | 3,187,997 | 3,221,118 | 3,957,841 |
| General administration | 2,755,523 | 2,540,047 | 2,690,827 | 3,393,034 |
| Plant maintenance & operations | 9,067,112 | 13,022,096 | 12,098,821 | 11,358,285 |
| Security & monitoring services | 676,397 | 796,197 | 785,648 | 870,221 |
| Data processing services | 1,074,268 | 1,332,937 | 2,299,803 | 1,758,717 |
| Community services | 400 | 200 | 805 | 3,186 |
| Principal on long-term debt | 101,901 | 7,698,352 | 7,922,647 | 4,489,677 |
| Interest on long-term debt | 7,462,313 | 14,841,762 | 14,686,593 | 17,297,169 |
| Bond issuance cost & fees | 3,638 | 368,800 | 151,630 | 455,049 |
| Capital outlay | 22,587,118 | 8,214,096 | 1,110,277 | 1,364,481 |
| Payments related to SSA's | 172,074 | 148,677 | 215,176 | 281,327 |
| Other intergovernmental charges | 456,984 | 349,669 | 461,432 | 2,939 |
| Total Expenditures | 137,456,763 | 151,738,545 | 137,624,395 | 142,754,509 |
| EXCESS OF REVENUES | | | | |
| OVER (UNDER) EXPENDITURES | 734,287 | (9,461,319) | (2,004,774) | 1,978,789 |
| OTHER FINANCING SOURCES | | | | |
| (USES) | | | | |
| Capital-related debt | | | | |
| Issued (regular bonds) | - | 24,779,994 | - | 30,004,982 |
| Sale of real or personal property | 31,682 | - | - | 25,200 |
| 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 | - | 6,731,740 |
| Transfer out | (719,224) | - | - | (63,141) |
| Payment to bond refunding | | | | |
| Escrow agent | - | (21,070,940) | - | (36,289,573) |
| Special Item | - | - | - | - |
| Total other financing sources | 31,682 | 5,602,046 | 2,438,227 | 409,208 |
| NET CHANGE IN FUND BALANCES | <u>\$ 765,969</u> | <u>\$ (3,859,273)</u> | <u>\$ 433,453</u> | <u>\$ 2,387,997</u> |
| Debt service as a percentage of noncapital expenditures* | 6.59% | 15.70% | 16.56% | 15.41% |

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

Source: Statement of Revenues Expenditures and Changes in Fund Balance

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|----|--------------|---------------|---------------|----------------|----------------|----------------|
| \$ | 83,496,429 | \$ 87,035,265 | \$ 87,086,837 | \$ 92,862,856 | \$ 105,678,806 | \$ 113,927,568 |
| | 59,185,649 | 62,650,294 | 66,110,255 | 69,973,430 | 71,137,870 | 62,265,966 |
| | 12,759,935 | 14,079,236 | 15,206,533 | 16,433,818 | 16,483,293 | 21,694,113 |
| | 155,442,013 | 163,764,795 | 168,403,625 | 179,270,104 | 193,299,969 | 197,887,647 |
| | 73,240,996 | 77,200,631 | 81,847,388 | 87,600,786 | 93,084,364 | 95,799,949 |
| | 588,547 | 608,305 | 617,782 | 503,930 | 512,395 | 490,269 |
| | 307,835 | 368,113 | 649,913 | 898,050 | 1,077,444 | 2,292,442 |
| | 1,887,028 | 3,036,848 | 3,311,736 | 3,380,523 | 4,062,032 | 4,373,724 |
| | 8,205,923 | 8,682,150 | 9,171,345 | 9,698,514 | 10,727,562 | 10,249,114 |
| | 3,895,406 | 4,209,034 | 4,447,886 | 4,646,951 | 5,054,392 | 5,154,179 |
| | | | | 400 | - | - |
| | 1,208,822 | 1,295,689 | 1,329,779 | 1,349,688 | 1,392,030 | 1,432,939 |
| | 5,267,279 | 5,180,808 | 5,788,383 | 6,640,938 | 7,521,812 | 8,163,065 |
| | 6,962,896 | 7,394,081 | 7,303,565 | 7,806,734 | 8,119,528 | 8,056,889 |
| | 3,768,083 | 5,426,812 | 5,840,340 | 3,958,661 | 3,983,747 | 3,981,879 |
| | 3,840,721 | 4,264,187 | 4,184,234 | 4,876,904 | 4,946,133 | 5,162,686 |
| | 12,848,795 | 12,962,414 | 14,420,283 | 13,104,837 | 13,232,553 | 13,624,836 |
| | 1,116,826 | 1,577,220 | 1,617,160 | 1,520,247 | 1,514,964 | 1,713,765 |
| | 2,224,301 | 2,786,191 | 2,847,672 | 2,851,974 | 2,914,397 | 2,558,096 |
| | 9,776 | 2,123 | - | - | - | 17,817 |
| | 4,535,021 | 4,652,405 | 6,198,888 | 7,529,932 | 11,022,640 | 5,262,088 |
| | 18,686,961 | 17,889,684 | 17,709,863 | 16,612,972 | 18,582,788 | 22,841,638 |
| | 777,864 | 593,942 | 1,724,345 | - | 788,276 | 757,566 |
| | 7,505,130 | 2,319,542 | 3,249,974 | 11,772,992 | 22,663,125 | 80,684,007 |
| | 317,254 | 365,548 | 498,615 | 394,891 | 370,245 | 507,109 |
| | - | - | - | - | - | - |
| | 157,195,464 | 160,815,727 | 172,759,151 | 185,149,924 | 211,570,427 | 273,124,057 |
| | (1,753,451) | 2,949,068 | (4,355,526) | (5,879,820) | (18,270,458) | (75,236,410) |
| | 48,109,994 | 47,635,000 | 159,709,990 | - | 88,090,000 | 78,250,000 |
| | | | 43,700 | 728,050 | 26,506 | 12,226 |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | - | - | - | - | - | 2,000,000 |
| | 2,839,627 | 5,898,848 | 21,578,390 | - | 12,698,276 | 2,507,566 |
| | (12,200) | - | - | - | - | - |
| | (25,177,757) | (52,948,781) | (144,568,355) | - | - | - |
| | - | - | - | - | - | (1,995,716) |
| | 25,759,664 | 585,067 | 36,763,725 | 728,050 | 100,814,782 | 80,774,076 |
| \$ | 24,006,213 | \$ 3,534,135 | \$ 32,408,199 | \$ (5,151,770) | \$ 82,544,324 | \$ 5,537,666 |
| | 15.51% | 14.22% | 14.10% | 13.21% | 15.32% | 14.66% |

Crowley Independent School District

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Residential or real property | \$ 5,396,657,655 | \$ 4,844,541,353 | \$ 5,168,351,212 | \$ 5,241,352,853 |
| Personal property | 306,990,048 | 232,447,866 | 428,187,281 | 449,335,891 |
| Less tax exempt property | <u>1,148,607,161</u> | <u>758,901,199</u> | <u>1,157,604,482</u> | <u>1,150,351,152</u> |
| TOTAL ASSESSED VALUE | <u><u>\$ 4,555,040,542</u></u> | <u><u>\$ 4,318,088,020</u></u> | <u><u>\$ 4,438,934,011</u></u> | <u><u>\$ 4,540,337,592</u></u> |
| Total direct tax rate | 1.535 | 1.535 | 1.535 | 1.670 |
| Estimated actual taxable value | <u><u>\$ 4,555,040,542</u></u> | <u><u>\$ 4,432,783,770</u></u> | <u><u>\$ 4,563,518,827</u></u> | <u><u>\$ 4,670,349,452</u></u> |
| Taxable assessed value as a percentage of actual taxable value | 100.000% | 97.413% | 97.270% | 97.216% |

Source: Tarrant Appraisal District

Exhibit L-6

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| \$ 5,553,956,405 | \$ 5,393,015,732 | \$ 6,082,986,814 | \$ 6,623,701,914 | \$ 7,436,770,924 | \$ 8,358,456,371 |
| 459,431,076 | 463,760,283 | 489,674,789 | 522,181,183 | 531,528,680 | 554,247,638 |
| 1,183,584,095 | 1,138,920,998 | 1,570,288,706 | 1,477,710,272 | 1,611,891,022 | 1,708,152,217 |
| <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> | <u>\$ 7,204,551,792</u> |
| 1.670 | 1.650 | 1.650 | 1.650 | 1.670 | 1.670 |
| <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> | <u>\$ 7,459,459,320</u> |
| 97.996% | 93.932% | 93.744% | 95.370% | 97.150% | 96.583% |

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

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|---|--------------------|--------------------|--------------------|--------------------|
| Crowley Independent School District | | | | |
| General purposes | \$ 1.040000 | \$ 1.040000 | \$ 1.040000 | \$ 1.170000 |
| Capital purposes | 0.495000 | 0.495000 | 0.495000 | 0.500000 |
| TOTAL DIRECT RATES | <u>\$ 1.535000</u> | <u>\$ 1.535000</u> | <u>\$ 1.535000</u> | <u>\$ 1.670000</u> |
| City of Crowley | \$ 0.640000 | \$ 0.640000 | \$ 0.669019 | \$ 0.669020 |
| City of Fort Worth | 0.855000 | 0.855000 | 0.855000 | 0.855000 |
| Johnson County | 0.327500 | 0.330500 | 0.330500 | 0.333230 |
| Tarrant County | 0.264000 | 0.264000 | 0.264000 | 0.264000 |
| Tarrant County Hospital District | 0.227897 | 0.227897 | 0.227897 | 0.227900 |
| Tarrant County Junior College District | 0.137640 | 0.148970 | 0.148970 | 0.148970 |
| TOTAL DIRECT AND OVERLAPPING RATES | <u>\$ 3.987037</u> | <u>\$ 4.001367</u> | <u>\$ 4.030386</u> | <u>\$ 4.168120</u> |

Source: Tarrant County Property Appraiser

Exhibit L-7

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$ 1.170000 | \$ 1.170000 | \$ 1.170000 | \$ 1.170000 | \$ 1.170000 | \$ 1.170000 |
| 0.500000 | 0.480000 | 0.480000 | 0.480000 | 0.500000 | 0.500000 |
| \$ 1.670000 | \$ 1.650000 | \$ 1.650000 | \$ 1.650000 | \$ 1.670000 | \$ 1.670000 |
| \$ 0.696829 | \$ 0.696800 | \$ 0.739270 | \$ 0.739270 | \$ 0.719000 | \$ 0.709000 |
| 0.855000 | 0.855000 | 0.855000 | 0.835000 | 0.805000 | 0.785000 |
| 0.371154 | 0.371100 | 0.407700 | 0.422663 | 0.441700 | 0.442000 |
| 0.264000 | 0.264000 | 0.264000 | 0.254000 | 0.244000 | 0.234000 |
| 0.227897 | 0.227897 | 0.227897 | 0.227897 | 0.224429 | 0.224429 |
| 0.149500 | 0.149500 | 0.149500 | 0.144730 | 0.140060 | 0.136000 |
| \$ 4.234380 | \$ 4.214297 | \$ 4.293367 | \$ 4.273560 | \$ 4.244189 | \$ 4.200429 |

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

Exhibit L-8

| Property Tax Payer | 2019 | | | 2010 | | |
|--------------------------------------|-------------------------|------|--------------------------|-------------------------|------|--------------------------|
| | Taxable Value | Rank | % of Total Taxable Value | Taxable Value | Rank | % of Total Taxable Value |
| Hulen Owner LP | \$ 72,460,855 | 1 | 1.11% | \$ 65,081,718 | 2 | 1.44% |
| Oncor Electric Delivery Co LLC | 68,618,310 | 2 | 1.05% | 54,581,206 | 3 | 1.20% |
| CH Realty VIII-Knightvest MF FW Aver | 68,439,808 | 3 | 1.05% | - | n/a | n/a |
| Bryant SPI Powell LLC | 42,926,374 | 4 | 0.66% | - | n/a | n/a |
| Cameron Creek Apartments | 40,400,000 | 5 | 0.62% | 20,850,000 | 10 | 0.46% |
| Coventry Gardens LP | 39,442,000 | 6 | 0.60% | - | n/a | n/a |
| RDH HLC LLC | 38,315,000 | 7 | 0.59% | - | n/a | n/a |
| Laurel Heights at CITYVIEW LP | 36,400,000 | 8 | 0.56% | - | n/a | n/a |
| Wal-Mart Real Estate Business Trust | 36,316,247 | 9 | 0.56% | 30,760,568 | 4 | n/a |
| EG Reflections LLC | 33,670,000 | 10 | 0.51% | - | n/a | n/a |
| Chesapeake Operating | - | n/a | n/a | 154,100,934 | 1 | 3.40% |
| Independent Research | - | n/a | n/a | 26,219,267 | 5 | 0.58% |
| Texas HCP Revx Lp. Etal | - | n/a | n/a | 24,767,232 | 6 | 0.55% |
| Ventana Holdings LP | - | n/a | n/a | 23,600,446 | 7 | 0.52% |
| FW Veranda at City View Ltd. | - | n/a | n/a | 22,238,600 | 8 | 0.49% |
| RPI Bryant Irvin Ltd. | - | n/a | n/a | 21,704,048 | 9 | 0.48% |
| Subtotal | \$ 476,988,594 | | 7.29% | \$ 443,904,019 | | 9.11% |
| Other taxpayers | 6,065,901,599 | | 92.71% | 4,090,276,253 | | 90.89% |
| TOTAL | \$ 6,542,890,193 | | 100.00% | \$ 4,534,180,272 | | 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> |
|--------------------|-----------------|-----------------|---|---------------|----------------------------|
| 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% |
| 2019 | 2018 | 1.670000 | 105,635,707 | 104,586,907 | 99.01% |

Source: District Records

| Collections in Subsequent Years | Total Collections to Date | |
|---------------------------------------|---------------------------|--------------------|
| Amount | Amount | Percent of Levy |
| 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% |
| - | 104,586,907 | 99.01% |

Crowley Independent School District

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| PRIMARY GOVERNMENT | | | | |
| Governmental activities: | | | | |
| General obligation bonds | \$ 309,934,531 | \$ 307,404,381 | \$ 299,666,505 | \$ 291,762,504 |
| Loans payable | - | - | - | - |
| Capital leases | 362,797 | 310,829 | 126,055 | 10,361 |
| Bond premiums | | | | |
| Accreted interest on bonds | 31,294,862 | 34,053,561 | 35,839,412 | 38,782,143 |
| TOTAL PRIMARY GOVERNMENT | <u>\$ 341,592,190</u> | <u>\$ 341,768,771</u> | <u>\$ 335,631,972</u> | <u>\$ 330,555,008</u> |
| Percentage of personal income | 0.40% | 0.37% | 0.35% | 0.33% |
| Population | 73,277 | 73,866 | 73,436 | 73,089 |
| Outstanding debt per capita | 4,662 | 4,627 | 4,570 | 4,523 |

Source: Notes to the Basic Financial Statements

Exhibit L-10

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 311,622,838 | \$ 304,095,433 | \$ 325,046,535 | \$ 317,516,602 | \$ 394,583,962 | \$ 467,571,874 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 13,558,277 | 18,517,606 | 37,692,046 | 35,798,673 | 46,263,721 | 46,406,004 |
| 42,268,081 | 40,536,548 | 40,044,203 | 38,729,786 | 35,570,259 | 33,888,265 |
| <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> | <u>\$ 547,866,143</u> |
| 0.34% | 0.34% | 0.38% | 0.37% | 0.37% | 0.37% |
| 86,222 | 94,991 | 96,804 | 96,804 | 96,804 | 96,804 |
| 4,262 | 3,823 | 4,161 | 4,050 | 4,921 | 5,660 |

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

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| NET ASSESSED VALUE | | | | |
| All property | \$ 4,555,040,542 | \$ 4,318,088,020 | \$ 4,563,518,827 | \$ 4,670,349,452 |
| NET BONDED DEBT | | | | |
| Gross bonded debt | \$ 309,934,531 | \$ 307,404,381 | \$ 299,666,505 | \$ 291,762,504 |
| Less debt service funds | <u>26,709,325</u> | <u>27,589,932</u> | <u>27,783,481</u> | <u>29,629,841</u> |
| TOTAL NET BONDED DEBT | <u><u>\$ 283,225,206</u></u> | <u><u>\$ 279,814,449</u></u> | <u><u>\$ 271,883,024</u></u> | <u><u>\$ 262,132,663</u></u> |
| Ratio of net bonded debt to assessed value | 6.22% | 6.48% | 5.96% | 5.61% |
| Population | 73,277 | 73,866 | 73,436 | 73,089 |
| Net bonded debt per capita | \$ 3,865 | \$ 3,788 | \$ 3,702 | \$ 3,586 |

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

Exhibit L-11

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| \$ 4,928,578,051 | \$ 5,022,616,604 | \$ 5,336,218,217 | \$ 5,943,363,517 | \$ 6,542,890,193 | \$ 7,459,459,320 |
| \$ 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 | \$ 547,866,143 40,564,204 |
| <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> | <u>\$ 507,301,939</u> |
| 5.72% | 5.45% | 6.99% | 6.06% | 6.73% | 6.80% |
| 86,222 | 94,991 | 96,804 | 96,804 | 96,804 | 96,804 |
| \$ 3,271 | \$ 2,882 | \$ 3,853 | \$ 3,721 | \$ 4,547 | \$ 5,241 |

Crowley Independent School District
 Direct and Overlapping Governmental Activities Debt
 June 30, 2019

Exhibit L-12

| | <u>Debt Outstanding</u> | <u>Percentage Applicable</u> | <u>Share of Overlapping Debt</u> |
|--|-------------------------|----------------------------------|--------------------------------------|
| GOVERNMENTAL UNIT | | | |
| City of Crowley | \$ 32,090,000 | 100.000% | \$ 32,090,000 |
| City of Fort Worth | 745,560,000 | 7.200% | 53,680,320 |
| Johnson County | 24,205,000 | 0.510% | 123,446 |
| Tarrant County | 266,375,000 | 3.670% | 9,775,963 |
| Tarrant County Hospital District | 17,735,000 | 3.680% | 652,648 |
| Tarrant County Junior College District | - | 3.680% | - |
| | | | <hr/> |
| Subtotal, overlapping debt | | | 96,322,376 |
| District direct debt | 547,866,143 | 100.000% | <hr/> 547,866,143 |
| TOTAL DIRECT AND OVERLAPPING DEBT | | | <hr/> \$ 644,188,519 <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>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| Debt limit | \$ 455,504,054 | \$ 443,278,377 | \$ 456,351,883 | \$ 467,034,945 |
| Total net debt applicable to limit | <u>283,225,206</u> | <u>279,814,449</u> | <u>271,883,024</u> | <u>262,132,663</u> |
| LEGAL DEBT MARGIN | <u><u>\$ 172,278,848</u></u> | <u><u>\$ 163,463,928</u></u> | <u><u>\$ 184,468,859</u></u> | <u><u>\$ 204,902,282</u></u> |
| Total net debt applicable to the limit as a percentage of debt limit | 62.18% | 63.12% | 59.58% | 56.13% |

Legal debt margin calculation
for fiscal year 2016

| | |
|--|------------------------------|
| Assessed value | \$ 7,459,459,320 |
| Debt limit (10% of assessed value) | 745,945,932 |
| Debt applicable to limit: | |
| General obligation bonds | 467,571,874 |
| Less amount set aside for repayment of general obligation debt | <u>(40,564,204)</u> |
| Total net debt applicable to limit | <u>427,007,670</u> |
| LEGAL DEBT MARGIN | <u><u>\$ 318,938,262</u></u> |

Source: District Records

| <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 492,857,805 | \$ 502,261,660 | \$ 533,621,822 | \$ 594,336,352 | \$ 654,289,019 | \$ 745,945,932 |
| <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>427,007,670</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> | <u>\$ 318,938,262</u> |
| 57.22% | 54.51% | 69.89% | 60.60% | 67.28% | 57.24% |

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

Exhibit L-14

| Fiscal Year Ended June 30 | Fort Worth Metropolitan Division Population ⁽¹⁾ | Fort Worth Metropolitan Division Personal Income ⁽¹⁾ | Fort Worth Metropolitan Division Per Capita Personal Income ⁽¹⁾ | Median Age | School Enrollment ⁽²⁾ | Unemployment Rate ⁽³⁾ | Educational Attainment |
|----------------------------------|---|--|---|-------------------|---|---|-------------------------------|
| 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 | 2,488,538 | 117,143,900,000 | 47,073 | N/A | 15,223 | 4.3% | N/A |
| 2018 | N/A | N/A | N/A | N/A | 15,253 | 4.3% | N/A |
| 2019 | N/A | N/A | N/A | N/A | 15,253 | 3.4% | 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, 2019

Exhibit L-15

| Fiscal Years | Average Daily Enrollment | Average Daily Attendance | | |
|--------------|--------------------------|--------------------------|---------------------------------|-----------------------|
| | | Average Daily Attendance | Percent Increase/ (Decrease) | Percent of Enrollment |
| 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% |
| 2019 | 15,728 | 14,387 | 1.40% | 91.47% |

Source: District Records

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

Exhibit L-16

| Employer | 2019 | | 2010 | |
|----------------------------------|--------------|------|--------------|------|
| | Employees | Rank | Employees | Rank |
| Crowley ISD | 1,855 | 1 | 1,815 | 1 |
| Harris Methodist Southwest | 1,288 | 2 | 912 | 3 |
| First Command Financial Planning | 548 | 3 | 552 | 4 |
| Power House Retail | 500 | 4 | | |
| Wal-Mart Supercenter | 425 | 5 | 428 | 6 |
| Harbison-Fischer Manufacturing | 410 | 6 | 350 | 8 |
| Dillard's | 410 | 7 | 400 | 7 |
| Super Target | 400 | 8 | 335 | 9 |
| The Broadway Plaza at Cityview | 342 | 9 | 325 | 10 |
| Macy's | 150 | 10 | | |
| Baylor Medical Center | | | 1,668 | 2 |
| SCS Frigette | | | 450 | 5 |
| | <u>6,328</u> | | <u>7,235</u> | |

Source: District Records

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Crowley Independent School District

Operating Statistics

Last Ten Fiscal Years

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-----------------------------|---------------|----------------|---------------|----------------|
| Average daily enrollment | 15,126 | 15,240 | 15,101 | 15,060 |
| Operating expenditures | \$ 89,185,975 | \$ 100,892,102 | \$ 96,129,073 | \$ 102,788,822 |
| Cost per pupil | 5,896 | 6,620 | 6,366 | 6,825 |
| Percentage change | -13.27% | 12.28% | -3.84% | 7.22% |
| Teaching staff | 967 | 928 | 940 | 906 |
| Pupil-teacher ratio | 15.6 | 16.4 | 16.06 | 16.62 |
| Number of students | | | | |
| Economically disadvantaged | 7,439 | 8,099 | 8,150 | 8,926 |
| Limited english proficiency | 1,510 | 1,562 | 1,670 | 1,733 |

Source: District Records

Exhibit L-17

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|----|-------------|----------------|----------------|----------------|----------------|----------------|
| | 15,080 | 14,985 | 15,097 | 15,223 | 15,253 | 15,728 |
| \$ | 109,470,365 | \$ 117,309,867 | \$ 125,141,794 | \$ 129,537,718 | \$ 137,737,632 | \$ 142,190,335 |
| | 7,259 | 7,828 | 8,289 | 8,509 | 9,030 | 9,041 |
| | 6.36% | 7.84% | 5.88% | 2.66% | 6.12% | 0.12% |
| | 941 | 964 | 988.2 | 1,014 | 1,056 | 1,065 |
| | 16.03 | 15.54 | 15.28 | 15.01 | 14.45 | 14.80 |
| | 9,443 | 9,559 | 9,186 | 8,832 | 9,280 | 10,702 |
| | 1,836 | 1,944 | 2,109 | 2,265 | 2,343 | 2,575 |

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

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|---------------------------------|----------------|----------------|----------------|----------------|
| Direct positions | | | | |
| Teachers | 966.7 | 928 | 900.2 | 905.8 |
| Professional support | 131.7 | 137.8 | 125.3 | 117.6 |
| Campus administration | 61.0 | 61.0 | 57.5 | 57.7 |
| Central administration | 7.0 | 6.0 | 10.0 | 9.9 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total professional staff | 1166.4 | 1132.8 | 1093.0 | 1091.0 |
| | | | | |
| Educational aides | 217.1 | 231.6 | 168.8 | 202.9 |
| Auxiliary staff | 464.2 | 317.8 | 256.8 | 200.3 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL DISTRICT POSITIONS | <u>1,847.7</u> | <u>1,682.2</u> | <u>1,518.6</u> | <u>1,494.2</u> |
| | | | | |
| Percentage change | -4.85% | -8.96% | -8.10% | -1.62% |

Source: District Records

Exhibit L-18

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---------|---------|---------|---------|---------|---------|
| 941.02 | 963.69 | 988.2 | 1014 | 1055.8 | 1065.4 |
| 155.21 | 167.6 | 175.77 | 191.4 | 187.9 | 195.8 |
| 61.1 | 61.0 | 60.2 | 65.8 | 65.8 | 67.4 |
| 10.0 | 12.0 | 12.0 | 10.5 | 9.3 | 9.0 |
| 1167.3 | 1204.3 | 1236.2 | 1281.7 | 1318.8 | 1337.6 |
| 196.8 | 213.5 | 242.2 | 297.2 | 303.2 | 299.0 |
| 216.3 | 212.5 | 215.4 | 214.1 | 215.0 | 218.2 |
| 1,580.4 | 1,630.3 | 1,693.8 | 1,793.0 | 1,837.0 | 1,854.8 |
| 5.77% | 3.16% | 3.90% | 5.86% | 2.45% | 0.97% |

Crowley Independent School District

Teacher Base Salaries

Last Seven Fiscal Years

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|---|-------------|-------------|-------------|-------------|
| Minimum salary | | | | |
| Bachelor's Degree | \$ 45,500 | \$ 47,308 | \$ 47,308 | \$ 48,727 |
| Master's Degree | 47,045 | 48,853 | 48,853 | 50,319 |
| Maximum salary | | | | |
| Bachelor's Degree | 58,606 | 60,170 | 60,170 | 60,009 |
| Master's Degree | 60,151 | 61,715 | 61,715 | 61,600 |
| District average actual teaching salary | 51,312 | 52,646 | 52,646 | 51,424 |
| Statewide average actual teaching salary | 48,263 | 48,639 | 48,375 | 48,375 |

Source: District Records and the Texas Education Agency

Exhibit L-19

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|----|--------|-----------|-----------|-----------|-----------|-----------|
| \$ | 50,000 | \$ 51,400 | \$ 52,171 | \$ 52,171 | \$ 53,000 | \$ 54,590 |
| | 51,600 | 53,000 | 53,795 | 53,795 | 54,500 | 56,135 |
| | 65,379 | 65,749 | 67,007 | 67,007 | 68,279 | 69,565 |
| | 66,924 | 67,438 | 68,744 | 68,744 | 70,070 | 71,411 |
| | 54,153 | 55,447 | 56,898 | 58,679 | 60,140 | 58,586 |
| | 48,110 | 48,819 | 49,109 | 48,819 | 51,890 | 54,122 |

Crowley Independent School District

School Building Information

Last Ten Fiscal Years

| | | 2010 | 2011 | 2012 | 2013 |
|-------------------------|--------|------|------|------|------|
| ELEMENTARY | | | | | |
| Bess Race | | | | | |
| Square feet | 81,630 | | | | |
| Capacity | 726 | | | | |
| Enrollment | | 909 | 668 | 665 | 697 |
| Sycamore | | | | | |
| Square feet | 72,640 | | | | |
| Capacity | 704 | | | | |
| Enrollment | | 787 | 553 | 559 | 564 |
| Deer Creek | | | | | |
| Square feet | 73,116 | | | | |
| Capacity | 682 | | | | |
| Enrollment | | 671 | 457 | 414 | 458 |
| Meadowcreek | | | | | |
| Square feet | 76,788 | | | | |
| Capacity | 858 | | | | |
| Enrollment | | 652 | 664 | 694 | 709 |
| Jackie Carden | | | | | |
| Square feet | 75,014 | | | | |
| Capacity | 770 | | | | |
| Enrollment | | 562 | 564 | 556 | 536 |
| Parkway | | | | | |
| Square feet | 75,547 | | | | |
| Capacity | 902 | | | | |
| Enrollment | | 693 | 749 | 739 | 768 |
| Oakmont | | | | | |
| Square feet | 75,700 | | | | |
| Capacity | 748 | | | | |
| Enrollment | | 568 | 584 | 567 | 531 |
| Dallas Park | | | | | |
| Square feet | 77,550 | | | | |
| Capacity | 880 | | | | |
| Enrollment | | 820 | 797 | 767 | 743 |
| J.A. Hargrave | | | | | |
| Square feet | 81,630 | | | | |
| Capacity | 638 | | | | |
| Enrollment | | 668 | 639 | 574 | 548 |
| Sidney H. Poynter | | | | | |
| Square feet | 81,630 | | | | |
| Capacity | 704 | | | | |
| Enrollment | | 762 | 582 | 563 | 520 |
| Sue Crouch Intermediate | | | | | |
| Square feet | 81,630 | | | | |
| Capacity | 850 | | | | |
| Enrollment | | 776 | 540 | 531 | 512 |

Crowley Independent School District
School Building Information
Last Ten Fiscal Years

| <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 677 | 673 | 677 | 661 | 577 | 623 |
| 610 | 575 | 576 | 616 | 627 | 593 |
| 492 | 535 | 506 | 450 | 514 | 514 |
| 725 | 695 | 685 | 666 | 558 | 644 |
| 525 | 485 | 511 | 532 | 515 | 559 |
| 755 | 704 | 724 | 681 | 656 | 804 |
| 592 | 561 | 607 | 598 | 632 | 655 |
| 681 | 644 | 617 | 678 | 741 | 804 |
| 555 | 530 | 551 | 586 | 559 | 592 |
| 496 | 532 | 596 | 620 | 545 | 534 |
| 515 | 501 | 456 | 438 | 631 | 639 |

Crowley Independent School District

School Building Information

Last Ten Fiscal Years

| | | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|------------------------------|---------|-------------|-------------|-------------|-------------|
| S.H. Crowley Intermediate | | | | | |
| Square feet | 81,630 | | | | |
| Capacity | 850 | | | | |
| Enrollment | | 694 | 508 | 494 | 465 |
| David L. Walker Intermediate | | | | | |
| Square feet | 81,630 | | | | |
| Capacity | 850 | | 678 | 694 | 645 |
| Enrollment | | | | | |
| Mary Harris | | | | | |
| Square feet | 81,630 | | | | |
| Capacity | 850 | | | | |
| Enrollment | | | 631 | 679 | 648 |
| MIDDLE SCHOOL | | | | | |
| H.F. Stevens | | | | | |
| Square feet | 159,626 | | | | |
| Capacity | 1,675 | | | | |
| Enrollment | | 793 | 884 | 874 | 902 |
| Crowley | | | | | |
| Square feet | 159,626 | | | | |
| Capacity | 1,675 | | | | |
| Enrollment | | 648 | 669 | 644 | 615 |
| Summer Creek | | | | | |
| Square feet | 184,824 | | | | |
| Capacity | 1,650 | | | | |
| Enrollment | | 834 | 785 | 786 | 841 |
| HIGH SCHOOL | | | | | |
| Crowley High School | | | | | |
| Square feet | 267,023 | | | | |
| Capacity | 2,150 | | | | |
| Enrollment | | 1,303 | 1,347 | 1,374 | 1,320 |
| North Crowley High School | | | | | |
| Square feet | 313,706 | | | | |
| Capacity | 2,875 | | | | |
| Enrollment | | 1,793 | 1,738 | 1,646 | 1,635 |
| Crowley 9th Grade | | | | | |
| Square feet | 99,678 | | | | |
| Capacity | 925 | | | | |
| Enrollment | | 488 | 480 | 516 | 538 |
| North Crowley 9th Grade | | | | | |
| Square feet | 119,630 | | | | |
| Capacity | 1,050 | | | | |
| Enrollment | | 640 | 624 | 675 | 614 |

Source: District Records

Crowley Independent School District
School Building Information
Last Ten Fiscal Years

| <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 445 | 456 | 470 | 466 | 531 | 537 |
| 647 | 643 | 663 | 660 | 603 | 631 |
| 640 | 668 | 671 | 677 | 587 | 620 |
| 931 | 912 | 915 | 930 | 881 | 931 |
| 656 | 615 | 634 | 661 | 681 | 659 |
| 833 | 779 | 781 | 789 | 800 | 875 |
| 1,490 | 1,502 | 1,484 | 2,100 | 1,626 | 1,543 |
| 1,762 | 1,783 | 1,746 | 2,403 | 1,808 | 1,892 |
| 480 | 531 | 532 | 527 | 520 | 565 |
| 649 | 659 | 646 | 600 | 660 | 689 |

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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, 2019 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 24, 2019.

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. We did identify a deficiency in internal control that we consider to be a significant deficiency which is described in the accompanying schedule of finding and question costs as 2019-001

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 24, 2019

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, 2019. 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, 2019.

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 24, 2019

Crowley Independent School District
 Schedule of Findings and Questioned Costs
 June 30, 2019

Section 1. Summary of Auditors' Results

Financial Statements

| | |
|---|------------|
| Type of auditor's report issued | Unmodified |
| Internal control over financial reporting: | |
| <ul style="list-style-type: none"> • Material weakness (es) identified? | No |
| <ul style="list-style-type: none"> • Significant deficiencies identified that are not considered to be material weakness (es)? | 2019-001 |
| Noncompliance material to financial statements noted? | No |

Federal Awards

| | |
|---|---|
| Internal control over major programs: | |
| <ul style="list-style-type: none"> • Material weakness (es) identified? | No |
| <ul style="list-style-type: none"> • Significant deficiencies identified that are not considered to be material weakness (es)? | None reported |
| Type of auditor's report issued on compliance with major programs? | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the Uniform Guidance? | No |
| Identification of major programs | 10.553 and 10.555 – Child Nutrition Cluster |
| Dollar threshold used to distinguish between type A and type B programs? | \$750,000 |
| Auditee qualified as low-risk auditee? | Yes |

Crowley Independent School District
Summary Schedule of Prior Year Audit Findings
For the Fiscal Year Ended June 30, 2019

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

Finding 2019-001

Significant Deficiency – Payment to Fraudulent Account

Criteria:

Internal controls over financial reporting should be sufficiently designed and implemented to provide reasonable assurance that management or employees, in the normal course of performing their assigned functions, are able to prevent, or detect activity on a timely basis that could lead to material misstatements or fraud.

Condition:

() Compliance Finding (X) Significant Deficiency () Material Weakness

Cause:

The District made fraudulent payments in November 2018 to a fraudulent account totaling \$1,995,716 for completed contracted work. The District's internal controls allowed a change in payment methods to for an approved contractor without verification from the contractor's management or District management.

Effect:

The District's accounting department was a victim of a business email compromise scheme in which the perpetrator assumed the identity of a District approved contractor that requested a change in payment methods. The District complied with the perpetrator's request to establish a wire payment option to the perpetrator's fraudulent account.

Recommendation:

The District's should implement policies and controls that include a full review of changes to vendors including name, contact information and/or payment methods. Further, the District should continue to review its system of internal controls on an ongoing basis.

Management Response:

See Corrective Action Plan

Crowley Independent School District
Summary Schedule of Prior Year Audit Findings
For the Fiscal Year Ended June 30, 2019

Section 3. Federal Award Findings and Questioned Costs

None noted

Crowley Independent School District
Summary Schedule of Prior Year Audit Findings
For the Fiscal Year Ended June 30, 2019

Prior Year Findings

None reported



Corrective Action Plan

Finding 2019 – 0001

The District immediately contacted authorities after knowledge of the fraud, including the Federal Bureau Investigation (FBI), and began an internal review of controls and policies. Administrators went through training provided by the FBI to become better equipped so that a fraud like this does not occur again. The District also added safeguards to prevent fictitious accounts from being established by having management review all changes in contractor payment methods.

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Crowley Independent School District
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2019

| Federal Grantor/ Pass Through Grantor Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|--|---------------------------|--|-------------------------|
| 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 | 18610101220912 | \$ 676,647 |
| ESEA, Title I, Part A - Improving Basic Programs | 84.010A | 19610101220912 | 2,735,131 |
| Title I, 1003 School Improvement | 84.010A | 18610123220912 | 38,409 |
| School Transformation Fund Planning | 84.010A | 196101427110004 | 119,351 |
| | | | 3,569,538 |
| Total CFDA Number 84.010A | | | |
| Special Education Cluster | | | |
| IDEA - Part B, Formula | 84.027A | 186600012209126600 | 916,899 |
| IDEA - Part B, Formula | 84.027A | 196600012209126600 | 1,997,596 |
| IDEA - Part B, Discretionary | 84.027A | 196600112209126673 | 56,485 |
| IDEA - Part B, IEP Analysis Project | 84.027A | 18660077220912 | 41,412 |
| IDEA - Part B, High Cost Risk Pool | 84.027A | 66001906 | 18,573 |
| | | | 3,030,965 |
| Total CFDA Number 84.027 | | | |
| IDEA - Part B, Preschool | 84.173A | 186610012209126610 | 20,297 |
| IDEA - Part B, Preschool | 84.173A | 196610012209126610 | 50,764 |
| | | | 71,061 |
| Total CFDA Number 84.173A | | | |
| IDEA - Part B, Early Childhood Intervention | 84.181A | 183911012209123911 | 243 |
| | | | 243 |
| Total CFDA Number 84.181A | | | |
| Career and Technical - Basic Grant | 84.048A | 18420006220912 | 7,604 |
| Career and Technical - Basic Grant | 84.048A | 19420006220912 | 197,165 |
| | | | 204,769 |
| Total CFDA Number 84.048A | | | |
| Title IV, Part B - 21st CCLC | 84.287C | 186950197110009 | 92,485 |
| Title IV, Part B - 21st CCLC | 84.287C | 196950197110009 | 1,376,824 |
| | | | 1,469,309 |
| Total CFDA Number 84.287 | | | |
| Title III, Part A - English Language Acquisition | 84.365A | 18671001220912 | 35,972 |
| Title III, Part A - English Language Acquisition | 84.365A | 19671001220912 | 183,002 |
| | | | 218,974 |
| Total CFDA Number 84.365A | | | |
| ESEA, Title II, Part A - Teacher/Principal Training | 84.367A | 18694501220912 | 31,730 |
| ESEA, Title II, Part A - Teacher/Principal Training | 84.367A | 19694501220912 | 400,076 |
| Title III - Principal Preparation Grant | 84.367A | 186945677110004 | 63,706 |
| | | | 495,512 |
| Total CFDA Number 84.367A | | | |
| Title VI, Part A, Summer School | 84.424A | 18680101220912 | 14,544 |
| Title VI, Part A, Summer School | 84.424A | 19680101220912 | 214,993 |
| | | | 229,537 |
| Total CFDA Number 84.424A | | | |
| Texas Hurricane Emergency Impact Aid | 84.938C | 69551102 | 4,590 |
| | | | 4,590 |
| Total CFDA Number 84.938C | | | |
| TOTAL DEPARTMENT OF EDUCATION | | | \$ 9,294,498 |

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

| Federal Grantor/ Pass Through Grantor Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|--|---------------------------|--|-------------------------|
| U.S. DEPARTMENT OF AGRICULTURE | | | |
| Passed Through State Department of Agriculture: | | | |
| Child Nutrition Cluster | | | |
| School Breakfast Program | 10.553 | 71401601 | \$ 1,896,553 |
| National School Program Lunch | 10.555 | 71301601 | 4,875,641 |
| USDA Commodities (noncash) | 10.555 | N/A | 452,607 |
| Child and Adult Care Food Program | 10.558 | N/A | 358,862 |
| TOTAL DEPARTMENT OF AGRICULTURE | | | 7,583,663 |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| Passed Through State Department of Health and Human Services: | | | |
| Medicaid Administrative Claiming Program | 93.778 | N/A | 59,066 |
| Total U.S. Department of Health and Human Services | | | 59,066 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ 16,937,227 |

Crowley Independent School District
Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2019

Note 1. Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Crowley Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. National School Lunch Program non-cash commodities were received and are valued at \$452,607.

Note 2. De Minimis Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

Note 3. Reconciliation to Basic Financial Statements

Presented below is a reconciliation of federal revenues:

| | |
|---|------------------------------------|
| Total expenditures of federal awards per Exhibit K-1 | \$ 16,937,227 |
| Additional federal revenues reported in governmental funds: | |
| School Health & Related Services | <u>4,756,886</u> |
| Total federal revenues per Exhibit C-2 | <u><u>\$ 21,694,113</u></u> |

Crowley Independent School District
 Schedule of Required Responses to Selected
 School FIRST Indicators (Unaudited)
 For the Fiscal Year Ended June 30, 2019

Exhibit L-1

| <u>Data Control Codes</u> | <u>Responses</u> |
|---|------------------|
| SF2 Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end? | No |
| SF4 Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole? | Yes |
| SF5 Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? | No |
| SF6 Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? | No |
| SF7 Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? | Yes |
| SF8 Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship? | Yes |
| SF10 Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end? | \$ - |
| SF11 Net pension assets (1920) at fiscal year-end. | \$ - |
| SF12 Net pension liability (2540) at fiscal year-end. | \$ 53,961,952 |