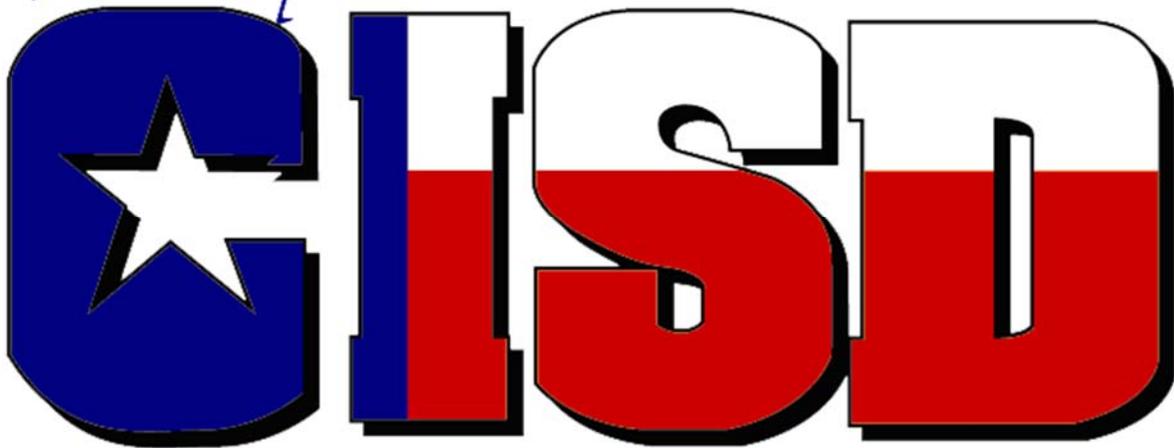


Great Expectations **Great Rewards**



CROWLEY INDEPENDENT SCHOOL DISTRICT

Comprehensive Annual Financial Report

Crowley Independent School District

Crowley, Texas

July 1, 2016 through June 30, 2017

Crowley Independent School District
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2017
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Introductory Section



October 26, 2017

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, 2017 is hereby submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. In our opinion, the data, as presented, is accurate in all material aspects; is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included in this report.

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

THE REPORTING ENTITY AND ITS SERVICES

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

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

The District has a vibrant, diversified student population, an excellent array of programs, strong curriculum, access to an array of intellectual resources and taxpayers who support both growth and innovation. A dedicated School Board, a skilled administration and a professional, dedicated and resourceful staff, as well as an involved community, make Crowley ISD an educational district of choice. In 2016-2017 the District employed more than 1,800 professional and support personnel.

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

ECONOMIC CONDITION AND OUTLOOK

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

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

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

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

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

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

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

In 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. Therefore, the current tax rate for the year ending June 2017 was \$0.48 per \$100 property valuation. The school board maintains a 10% local option property tax exemption for homestead owners.

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

FINANCIAL INFORMATION

District Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

The results of the District's single audit for the fiscal year ended June 30, 2017 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Accounting System and Budgetary Control

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

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

framework. We believe that the District's internal accounting structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

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

Cash Management

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

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

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

ACKNOWLEDGEMENTS

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

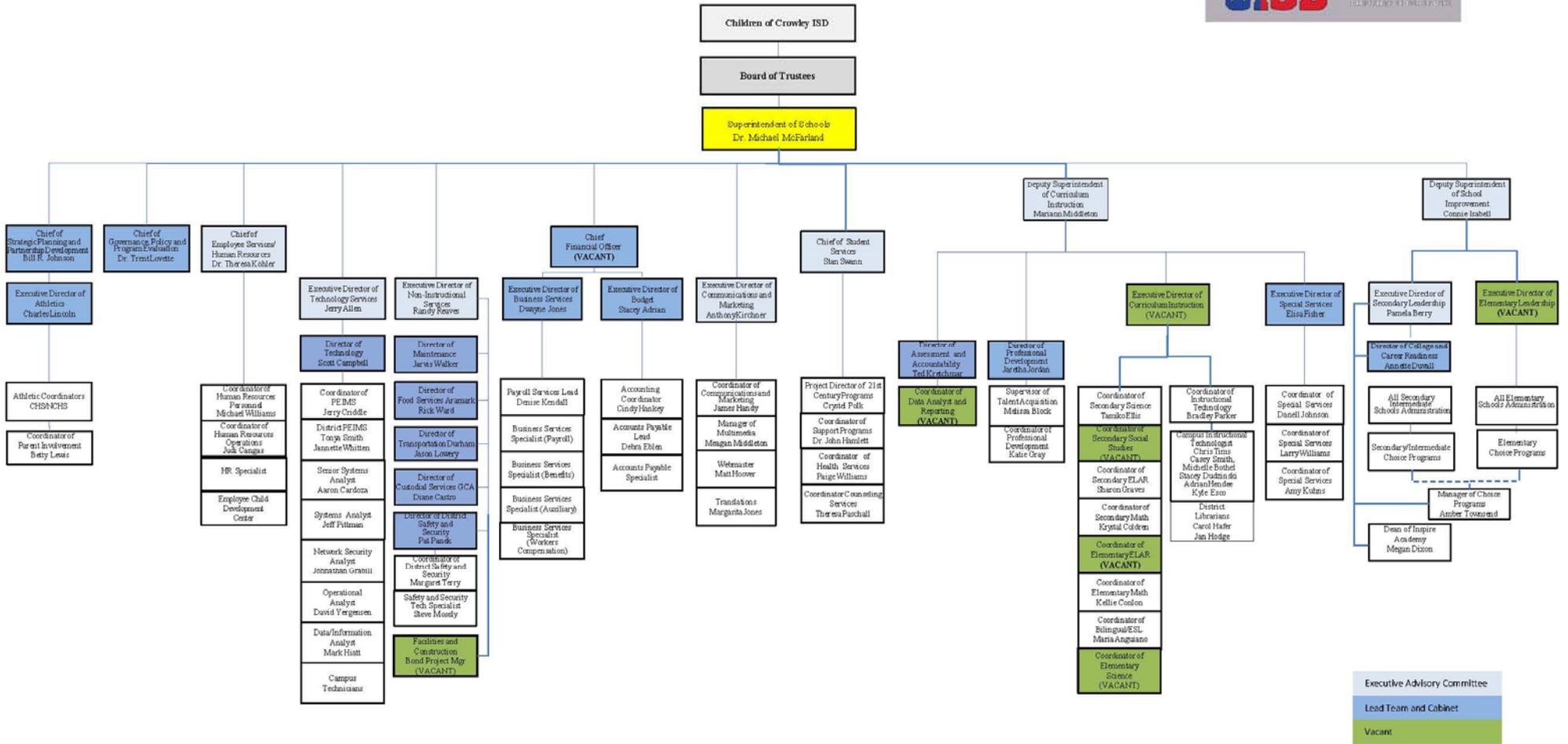
Respectfully submitted,



Dr. Michael D. McFarland

Superintendent of Schools

CISD Central Administration Organization



Revised October 16, 2017

Crowley Independent School District

Principal Officials

As of October 26, 2017

Elected Officials..... Position

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

Appointed Officials Position

Dr. Michael McFarland	Superintendent
Connie Isabell	Deputy Superintendent of Policy & Support Services
Mariann Middleton	Deputy Superintendent of School Administration
Bill Johnson	Chief of Strategic Planning and Partnership Development
Dr. Theresa Kohler	Chief Employee Services Officer
Dr. Trent Lovette	Chief of Governance, Policy and Program Evaluation
Stan Swann	Chief of Student Services
Stacey Adrian	Executive Director of Budget
Jerry Allen	Executive Director of Technology Services
Dr. Pam Berry	Executive Director of Secondary Leadership
Elisa Fisher	Executive Director of Special Services
Dwayne Jones	Executive Director of Business Services
Anthony Kirchner	Executive Director of Communications and Marketing
Charles Lincoln	Executive Director of Athletics
Randy Reaves	Executive Director of Non-Instructional Services
Robert Gillies	Crowley High School
Stefani Allen	North Crowley High School
Roger Corn	Crowley Learning Center
Markeba Warfield	Bill R. Johnson CTEC
Chris White	Crowley 9th Grade Campus
Daryle Moffett	North Crowley 9th Grade Campus
Kimberly Buckhalton	HF Stevens Middle School
Omarian Brown	Crowley Middle School
Cayla Grossman	Summer Creek Middle School
Camcea Stapinski	Sue Crouch Intermediate
Deidra Castro	SH Crowley Intermediate
Angel Lara	David L. Walker Intermediate
Clarence Williams	Mary Harris Intermediate
Holly Anderson	Bess Race Elementary
Rebekah Hunt	Sycamore Elementary
MaLisa Horton	Deer Creek Elementary
Dr. Arthurlyn Morgan	Meadowcreek Elementary
Paula Brooks	Jackie Carden Elementary
Roslyn Bell	Parkway Elementary
Dr. Kim Scoggins	Oakmont Elementary
Kevin Hunt	Dallas Park Elementary
Kim Sherfield	JA Hargrave Elementary
Shaketa Traylor	Poynter Elementary

Certificate of Board

Crowley Independent School District
Name of School District

Tarrant
County

220-912
Co. Dist. 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, 2017, at a meeting of the Board of Trustees of such school district on the 26th day of October, 2017.

Signature of Board Secretary

Signature of Board President

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

(Attach list as necessary)



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Crowley Independent School District
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

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Financial Section

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Independent Auditor's Report

To the Board of Trustees
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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing 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, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the District's proportionate share of the net pension liability and schedule of District contributions on pages 8-12 and 50-52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor fund financial statements, Texas Education Agency required schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The Board of Trustees
Crowley Independent School District

The combining nonmajor fund financial statements, Texas Education Agency required schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, Texas Education Agency required schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2017, 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 26, 2017

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Management's Discussion and Analysis

Management's Discussion and Analysis

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, 2017. It should be read in conjunction with the District's financial statements.

Financial Highlights

Assets of the District exceeded liabilities by \$4,466,151 (total net position) for governmental activities and \$136,527 for business-type activities. Restricted net position consists of \$23,885,222 for debt service, and \$2,953,070 for grant funds. Assigned fund balance consists of \$1,500,000 for general fund.

At fiscal year end, the unassigned fund balance in the General Fund was \$32,189,627. Non-spendable fund balance for inventories and prepaids was \$411,371 and assigned for one-time, non-recurring instructional and extra-curricular expenses and District strategic initiatives was \$1.5 million. The District reported an increase to fund balance in the general fund of \$3,812,760 due to conservative spending.

The fund balance in the Debt Service Fund increased to \$31,870,995, which still provides for a debt service payment of \$24.1 million in the 2017 fiscal year. The Capital Projects Fund reported a fund balance of \$42,648,046, which represents the balance remaining for projects authorized by the voters.

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.

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 decreased 6.56% from \$4.9 to \$4.6 million. The decrease was \$323,004 as a result of assets decreasing slightly more rapidly than liabilities.

Table 1
Net Position

Description	Governmental Activities		Business Type		Total		Total Change 2017-2016
	Activities		Activities		Activities		
	2017	2016	2017	2016	2017	2016	
Current assets	\$ 136,502,045	\$ 138,085,409	\$ 136,527	\$ 141,891	\$ 136,638,572	\$ 138,227,300	\$ (1,588,728)
Capital assets	292,436,969	298,188,703	-	-	292,436,969	298,188,703	(5,751,734)
Total assets	<u>428,939,014</u>	<u>436,274,112</u>	<u>136,527</u>	<u>141,891</u>	<u>429,075,541</u>	<u>436,416,003</u>	<u>(7,340,462)</u>
Deferred outflow of resources	27,695,723	30,760,712	-	-	27,695,723	30,760,712	(3,064,989)
Total deferred outflow of resources	<u>27,695,723</u>	<u>30,760,712</u>	<u>-</u>	<u>-</u>	<u>27,695,723</u>	<u>30,760,712</u>	<u>(3,064,989)</u>
Current liabilities	26,865,236	27,542,885	-	15,053	26,865,236	27,557,938	(692,702)
Long-term liabilities	423,492,661	432,491,491	-	-	423,492,661	432,491,491	(8,998,830)
Total liabilities	<u>450,357,897</u>	<u>460,034,376</u>	<u>-</u>	<u>15,053</u>	<u>450,357,897</u>	<u>460,049,429</u>	<u>(9,691,532)</u>
Deferred inflow of resources	1,810,689	2,201,604	-	-	1,810,689	2,201,604	(390,915)
Total deferred inflow of resources	<u>1,810,689</u>	<u>2,201,604</u>	<u>-</u>	<u>-</u>	<u>1,810,689</u>	<u>2,201,604</u>	<u>(390,915)</u>
Net position:							
Investment in capital assets	(2,360,141)	6,156,615	-	-	(2,360,141)	6,156,615	(8,516,756)
Restricted - Debt Service	23,885,222	18,529,038	-	-	23,885,222	18,529,038	5,356,184
Restricted - Grants	2,953,070	2,476,707	-	-	2,953,070	2,476,707	476,363
Unrestricted	(20,012,000)	(22,363,516)	136,527	126,838	(19,875,473)	(22,236,678)	2,361,205
Total net position	<u>\$ 4,466,151</u>	<u>\$ 4,798,844</u>	<u>\$ 136,527</u>	<u>\$ 126,838</u>	<u>\$ 4,602,678</u>	<u>\$ 4,925,682</u>	<u>\$ (323,004)</u>

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, 2017 and June 30, 2016.

Table 2
Change in Net Position

Description	Governmental Activities		Business Type		Total		Total Change
	2017	2016	2017	2016	2017	2016	
Revenues:							
Program revenues:							
Charges for services	\$ 2,240,222	\$ 2,365,526	\$ 111,165	\$ 157,411	\$ 2,351,387	\$ 2,522,937	\$ (171,550)
Operating grants and contributions	25,798,678	28,053,837	-	-	25,798,678	28,053,837	(2,255,159)
General revenues:							
Maintenance and operations taxes	61,654,489	56,464,390	-	-	61,654,489	56,464,390	5,190,099
Debt service taxes	25,285,029	23,087,160	-	-	25,285,029	23,087,160	2,197,869
State aid - formula grants	62,926,080	59,203,538	-	-	62,926,080	59,203,538	3,722,542
Investment earnings	575,431	249,329	-	-	575,431	249,329	326,102
Other revenue	1,810,776	2,133,162	-	-	1,810,776	2,133,162	(322,386)
Total Revenue	180,290,705	171,556,942	111,165	157,411	180,401,870	171,714,353	8,687,517
Expenses:							
Instruction	97,943,389	91,511,746	-	-	97,943,389	91,511,746	6,431,643
Instructional and school leadership	14,321,843	13,410,617	-	-	14,321,843	13,410,617	911,226
Student support	12,846,476	11,668,640	-	-	12,846,476	11,668,640	1,177,836
Food services	7,078,058	7,046,366	-	-	7,078,058	7,046,366	31,692
Cocurricular activities	4,198,028	6,073,946	-	-	4,198,028	6,073,946	(1,875,918)
General and administration	4,953,826	4,283,558	-	-	4,953,826	4,283,558	670,268
Plant maintenance/Security/Data	17,697,980	18,064,531	-	-	17,697,980	18,064,531	(366,551)
Community services	5,782	356	101,476	75,950	107,258	76,306	30,952
Debt service taxes	10,836,737	20,968,611	-	-	10,836,737	20,968,611	(10,131,874)
Other activities	10,741,279	1,543,567	-	-	10,741,279	1,543,567	9,197,712
Total Expenses	180,623,398	174,571,938	101,476	75,950	180,724,874	174,647,888	6,076,986
Change in Net Position	(332,693)	(3,014,996)	9,689	81,461	(323,004)	(2,933,535)	2,610,531
Beginning Net Position	4,798,844	7,813,840	126,838	45,377	4,925,682	7,859,217	(2,933,535)
Ending Net Position	\$ 4,466,151	\$ 4,798,844	\$ 136,527	\$ 126,838	\$ 4,602,678	\$ 4,925,682	\$ (323,004)

The District's statement of governmental activities reflects total revenues for the year ended June 30, 2017 of \$180.4 million, an increase of \$8.7 million and the total cost of all programs and services of \$180.7 million, an increase of \$6.1 million. The net result is a decrease in net position of \$.3 million. The following impacted total expenses:

- Instruction and related expenses increased \$6.4 million.
- Debt service expenses decreased \$10.1 million due to the restructuring of our debt structure the year prior.

The cost of all governmental activities this year was \$180.7 million. However, as shown in the Statement of Activities, the amount that taxpayers ultimately financed for these activities was \$86.9 million because some of the costs were paid by those who directly benefited from the programs (\$2.4 million), by other governments and organizations that subsidized certain programs with grants and contributions (\$25.8 million), or by grants and contributions (primarily State funding) not restricted to specific programs (\$65.3 million).

The District's statement of activities for business-type reflects charges for services of \$111,165. With community education costs of \$101,476, the net activity for business-type activities increased \$9,689 for ending net position of \$136,527.

The District's Funds

As the District completed the year, its governmental funds reported a combined fund balance of \$112.1 million, which is a decrease of \$5.2 million from last year's total of \$117.2 million. The

decrease is composed of the following: The General Fund balance increased \$3.8 million from \$30.29 to \$34.1 million from regular operations. The fund balance in the Debt Service Fund increased \$2 million to \$31.9 million as a result of an increased tax base. The Capital Projects Funds decreased \$11.5 million from \$54.1 million to \$42.6 million as a result of construction projects underway and Other Governmental Funds balance increased \$486,119 from Food Service operations.

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 million to reflect changed revenue estimates in all areas. Expenditure budgets increased \$4 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 higher than projected at 100.59%. There were no overages by function level for the expenditure side of the budget. Overall the expenditures were slightly lower than anticipated at 96.47%.

Capital Asset and Debt Administration

Capital Assets At the end of 2017, the District had \$292.4 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:

Construction in progress	\$ 680,296
Buildings and improvements	746,308
Equipment and vehicles	909,883
Accumulated Depreciation	(8,088,223)

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 \$317.5 million in bonds outstanding versus \$325 million last year, a decrease of \$7.5 million. The District paid down debt principal of \$7.5 million. More detailed information about the District’s long-term liabilities is presented in Note III. C. to the financial statements.

Economic Factors and Next Year’ S Budgets and Rates

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

A 3% general pay increase was submitted and approved by the Board for the 2017-18 school year.

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 the location of a new campus when the need arises.

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, 2017

Exhibit A-1

Data Control Codes		1	2	
		Governmental	Business-type	Total
		Activities	Activities	
	Assets			
1110	Cash and cash equivalents	\$ 111,319,166	\$ 122,624	\$ 111,441,790
1220	Property taxes receivable	3,252,611	-	3,252,611
1230	Allowance for uncollectible taxes	(718,009)	-	(718,009)
1240	Due from other governments	21,940,068	-	21,940,068
1290	Other receivables	293,738	-	293,738
1300	Inventories	24,081	-	24,081
1410	Prepays	390,390	13,903	404,293
		<u>136,502,045</u>	<u>136,527</u>	<u>136,638,572</u>
	Capital assets			
1510	Land	22,192,028	-	22,192,028
1520	Buildings and improvements, net	263,855,726	-	263,855,726
1530	Furniture and equipment, net	5,507,577	-	5,507,577
1580	Construction in progress	881,638	-	881,638
1000	Total assets	<u>428,939,014</u>	<u>136,527</u>	<u>429,075,541</u>
	Deferred outflow of resources			
1700	Deferred charges on refunding	15,870,120	-	15,870,120
1997	Deferred resource outflow - TRS	11,825,603	-	11,825,603
	Total deferred outflow of resources	<u>27,695,723</u>	<u>-</u>	<u>27,695,723</u>
	Liabilities			
2110	Accounts payable	3,995,388	-	3,995,388
2140	Interest payable	8,730,306	-	8,730,306
2165	Accrued liabilities	13,639,672	-	13,639,672
2180	Due to other governments	443,681	-	443,681
2300	Unearned revenue	56,189	-	56,189
		<u>26,865,236</u>	<u>-</u>	<u>26,865,236</u>
	Noncurrent liabilities			
2501	Long-term liabilities due within one year	12,505,131	-	12,505,131
2502	Long-term liabilities due in more than one year	379,539,930	-	379,539,930
2595	Net pension liability	31,447,600	-	31,447,600
2000	Total liabilities	<u>450,357,897</u>	<u>-</u>	<u>450,357,897</u>
	Deferred resource inflow - TRS	1,810,689	-	1,810,689
	Net position			
3200	Net investment in capital assets	(2,360,141)	-	(2,360,141)
	Restricted for			
3850	Debt service	23,885,222	-	23,885,222
3890	Grants	2,953,070	-	2,953,070
3900	Unrestricted	(20,012,000)	136,527	(19,875,473)
3000	Total net position	<u>\$ 4,466,151</u>	<u>\$ 136,527</u>	<u>\$ 4,602,678</u>

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

Crowley Independent School District

Statement of Activities

Year Ended June 30, 2017

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues	
			3 Charges for Services	4 Operating Grants and Contributions
Governmental activities				
11	Instruction	\$ 97,418,337	98,907	11,561,075
12	Instructional resources and media services	525,052	-	23,184
13	Curriculum/instructional staff development	912,408	-	323,257
21	Instructional leadership	3,454,452	-	637,456
23	School leadership	9,954,983	-	478,480
31	Guidance, counseling, evaluation services	4,740,142	-	1,940,811
32	Social work services	400	-	400
33	Health services	1,390,255	-	77,278
34	Student (pupil) transportation	6,715,679	-	-
35	Food services	7,078,058	1,839,378	7,618,161
36	Extracurricular activities	4,198,028	220,147	1,287,405
41	General administration	4,953,826	-	121,070
51	Plant maintenance and operations	13,270,267	81,790	190,105
52	Security and monitoring services	1,532,209	-	19,062
53	Data processing services	2,895,504	-	1,049,379
61	Community services	5,782	-	7,728
72	Debt service - interest	10,836,737	-	-
81	Facilities maintenance	10,346,388	-	-
93	Payments to fiscal agent/member districts of SSA	394,891	-	463,827
Total governmental activities		180,623,398	2,240,222	25,798,678
Business-type activities				
01	Community education	101,476	111,165	-
Total business-type activities		101,476	111,165	-
TP	Total	\$ 180,724,874	\$ 2,351,387	\$ 25,798,678
General revenues				
MT	Property taxes, levied for general purposes			
DT	Property taxes, levied for debt service			
GC	Grants and contributions not restricted			
GC	for specific programs			
IE	Investment earnings			
MI	Miscellaneous local and intermediate revenue			
SI	Gain on disposal of property			
TR	Total general revenues			
CN	Change in net position			
NB	Beginning net position			
NE	Ending net position			

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

Net (Expense) Revenue and Changes in Net Position

6	7	8
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (85,758,355)	\$ -	\$ (85,758,355)
(501,868)	-	(501,868)
(589,151)	-	(589,151)
(2,816,996)	-	(2,816,996)
(9,476,503)	-	(9,476,503)
(2,799,331)	-	(2,799,331)
-	-	-
(1,312,977)	-	(1,312,977)
(6,715,679)	-	(6,715,679)
2,379,481	-	2,379,481
(2,690,476)	-	(2,690,476)
(4,832,756)	-	(4,832,756)
(12,998,372)	-	(12,998,372)
(1,513,147)	-	(1,513,147)
(1,846,125)	-	(1,846,125)
1,946	-	1,946
(10,836,737)	-	(10,836,737)
(10,346,388)	-	(10,346,388)
68,936	-	68,936
(152,584,498)	-	(152,584,498)
-	9,689	9,689
-	9,689	9,689
(152,584,498)	9,689	(152,574,809)
61,654,489	-	61,654,489
25,285,029	-	25,285,029
62,926,080	-	62,926,080
575,431	-	575,431
1,082,726	-	1,082,726
728,050	-	728,050
152,251,805	-	152,251,805
(332,693)	9,689	(323,004)
4,798,844	126,838	4,925,682
<u>\$ 4,466,151</u>	<u>\$ 136,527</u>	<u>\$ 4,602,678</u>

Crowley Independent School District

Balance Sheet
Governmental Funds
June 30, 2017

Data Control Codes		10	50
		General	Debt Service
Assets			
1110	Cash and cash equivalents	\$ 26,183,260	\$ 31,842,540
1220	Taxes receivable	2,363,329	889,282
1230	Allowance for uncollectible taxes	(573,260)	(144,749)
1240	Due from other governments	21,507,517	-
1260	Due from other funds	595,912	460,822
1290	Other receivables	225,185	-
1300	Inventories	24,081	-
1410	Prepaid items	387,290	-
1000	Total assets	<u>\$ 50,713,314</u>	<u>\$ 33,047,895</u>
Liabilities			
2110	Accounts payable	\$ 710,872	\$ -
2160	Accrued wages and benefits payable	13,639,672	-
2170	Due to other funds	471,703	-
2180	Due to other governments	-	432,367
2300	Unearned revenue	-	-
2000	Total liabilities	<u>14,822,247</u>	<u>432,367</u>
Deferred inflows of resources			
2600	Unavailable revenue - property taxes	<u>1,790,069</u>	<u>744,533</u>
	Total deferred inflows of resources	1,790,069	744,533
Fund balances			
Non-spendable			
3410	Inventories	24,081	-
3430	Prepaid items	387,290	-
Restricted			
3450	Grant funds	-	-
3470	Capital acquisitions and contracts	-	-
3480	Debt service	-	31,870,995
Committed			
3545	Local activity	-	-
Assigned			
3570	Capital acquisitions and contracts	1,500,000	-
3600	Unassigned	<u>32,189,627</u>	<u>-</u>
3000	Total fund balances	<u>34,100,998</u>	<u>31,870,995</u>
4000	Total liabilities, deferred inflows of resources and fund balances	<u>\$ 50,713,314</u>	<u>\$ 33,047,895</u>

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

60	Other Governmental Funds	98 Total Governmental Funds
Capital Projects		
\$ 45,732,792	\$ 3,528,765	\$ 107,287,357
-	-	3,252,611
-	-	(718,009)
-	432,551	21,940,068
-	16,588	1,073,322
-	68,553	293,738
-	-	24,081
-	3,100	390,390
<u>\$ 45,732,792</u>	<u>\$ 4,049,557</u>	<u>\$ 133,543,558</u>
\$ 2,927,246	\$ 65,799	\$ 3,703,917
-	-	13,639,672
157,500	444,119	1,073,322
-	11,314	443,681
-	56,189	56,189
<u>3,084,746</u>	<u>577,421</u>	<u>18,916,781</u>
-	-	2,534,602
-	-	2,534,602
-	-	24,081
-	3,100	390,390
-	2,949,967	2,949,967
42,648,046	-	42,648,046
-	-	31,870,995
-	519,069	519,069
-	-	1,500,000
-	-	32,189,627
<u>42,648,046</u>	<u>3,472,136</u>	<u>112,092,175</u>
<u>\$ 45,732,792</u>	<u>\$ 4,049,557</u>	<u>\$ 133,543,558</u>

Crowley Independent School District**C-1r**Reconciliation of the Governmental Funds Balance Sheet to
the Statement of Net Position
June 30, 2017

Total fund balances for governmental funds (from C-1)	\$ 112,092,175
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.	393,786,414
Accumulated depreciation, including current year depreciation expense of \$8,088,223, is not reported in the fund financial statements.	(101,349,445)
Long-term liabilities including bonds payable, premiums and accreted interest are not included in the fund financial statements.	(392,045,061)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(8,730,306)
Deferred outflows of resources on issuances of debt were not recognized on the balance sheet for governmental funds.	15,870,120
Deferred outflows of resources for pension related items were not recognized on the balance sheet for governmental funds.	11,825,603
Long-term liabilities associated with the District's net pension liability are not included in the fund financial statements.	(31,447,600)
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	3,740,338
Deferred inflows of resources for property taxes are recognized as revenue in the government-wide financial statements.	2,534,602
Deferred inflows of resources for pension related liabilities are recognized in the government-wide financial statements.	<u>(1,810,689)</u>
Net position of governmental activities (from A-1)	<u><u>\$ 4,466,151</u></u>

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Crowley Independent School District

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2017

Data Control Codes		10	50
		General	Debt Service
Revenues			
5700	Local, intermediate, and out-of-state	\$ 63,080,603	\$ 25,401,791
5800	State program revenues	67,149,789	791,581
5900	Federal program revenues	2,392,036	-
5020	Total revenues	132,622,428	26,193,372
Expenditures			
0011	Instruction	80,732,959	-
0012	Instructional resources/media services	503,930	-
0013	Curriculum and staff development	628,358	-
0021	Instructional leadership	2,938,051	-
0023	School leadership	9,692,047	-
0031	Guidance, counseling, and evaluation services	3,121,791	-
0032	Social work services	-	-
0033	Health services	1,349,688	-
0034	Student (pupil) transportation	6,640,938	-
0035	Food service	-	-
0036	Extracurricular activities	2,851,574	-
0041	General administration	4,876,904	-
0051	Plant maintenance and operations	12,760,142	-
0052	Security and monitoring services	1,520,247	-
0053	Data processing services	1,921,089	-
0071	Principal	-	7,529,932
0072	Interest	-	16,612,972
0081	Facilities acquisition and construction	-	-
0093	Shared service arrangements	-	-
6030	Total expenditures	129,537,718	24,142,904
1100	Excess (deficiency) of revenues over (under) expenditures	3,084,710	2,050,468
Other financing sources (uses)			
7912	Sale of real or personal property	728,050	-
7080	Total other financing sources (uses)	728,050	-
1200	Net change in fund balances	3,812,760	2,050,468
0100	Beginning fund balances	30,288,238	29,820,527
3000	Ending fund balances	\$ 34,100,998	\$ 31,870,995

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

60	Other Governmental Funds	98 Total Governmental Funds
Capital Projects		
\$ 264,271	\$ 4,116,191	\$ 92,862,856
7,604	2,024,456	69,973,430
-	14,041,782	16,433,818
271,875	20,182,429	179,270,104
-	6,867,827	87,600,786
-	-	503,930
-	269,692	898,050
-	442,472	3,380,523
-	6,467	9,698,514
-	1,525,160	4,646,951
-	400	400
-	-	1,349,688
-	-	6,640,938
-	7,806,734	7,806,734
-	1,107,087	3,958,661
-	-	4,876,904
-	344,695	13,104,837
-	-	1,520,247
-	930,885	2,851,974
-	-	7,529,932
-	-	16,612,972
11,772,992	-	11,772,992
-	394,891	394,891
11,772,992	19,696,310	185,149,924
(11,501,117)	486,119	(5,879,820)
-	-	728,050
-	-	728,050
(11,501,117)	486,119	(5,151,770)
54,149,163	2,986,017	117,243,945
\$ 42,648,046	\$ 3,472,136	\$ 112,092,175

Crowley Independent School District**C-2r**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
 Governmental Funds to the Statement of Activities
 Year Ended June 30, 2017

Net changes in fund balances - total governmental funds (from C-2)	\$ (5,151,770)
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.	826,862
Current year capital outlays 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 current year capital outlay is to increase net position.	2,336,489
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.	(8,088,223)
Current year principal payments on noncurrent liabilities are expenditures in the fund financial statements, whereas they are reported as reductions of noncurrent liabilities in the government-wide financial statements. The net effect of current year principal paid on bonds payable is to increase net position.	7,529,932
Premiums on bonds payable are reported as other sources of funds in the fund financial statements when the bonds are issued. Deferred charges on refunding are presented as deferred outflows of resources on the government-wide statements and amortized over the life of the related debt. Amounts are reported net of amortization on the government-wide financial statements. The net effect of these items is to increase net position.	1,206,166
Changes in the net pension 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 decrease net position.	(3,725,758)
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 increase net position.	163,542
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 effect of recording the decrease in accreted interest and the decrease in accrued interest is to increase net position.	4,570,067
Change in net position of governmental activities (from B-1)	<u><u>\$ (332,693)</u></u>

Crowley Independent School District
 Statements of Net Position
 Proprietary Funds
 June 30, 2017

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	\$ 122,624	\$ 4,031,809
1410	Prepaid expenses	13,903	-
		<hr/>	<hr/>
1000	Total assets	136,527	4,031,809
	Liabilities		
	Current liabilities		
2110	Accounts payable	-	291,471
		<hr/>	<hr/>
2000	Total liabilities	-	291,471
	Net position		
3900	Unrestricted	136,527	3,740,338
		<hr/>	<hr/>
3000	Total net position	<u>\$ 136,527</u>	<u>\$ 3,740,338</u>

Crowley Independent School District

Exhibit D-2

Statements of Revenues, Expenses, and Changes in Fund Net Position Proprietary Funds

Year Ended June 30, 2017

<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	\$ 111,165	\$ 1,177,486
5020	Total operating revenues	111,165	1,177,486
	Operating expenses		
6100	Payroll cost	4,820	19,144
6200	Contractual services	83,273	331,480
6300	Supplies	13,383	-
6030	Total operating expenses	101,476	350,624
1300	Change in net position	9,689	826,862
0100	Beginning net position	126,838	2,913,476
3300	Ending net position	<u>\$ 136,527</u>	<u>\$ 3,740,338</u>

Crowley Independent School District
 Statements of Cash Flows
 Proprietary Funds
 Year Ended June 30, 2017

Exhibit D-3

	Business-type Activities - Enterprise Community Education	Governmental Activities - Internal Service Funds
Cash flows from operating activities		
Cash received from customers	\$ 111,165	\$ 1,177,486
Cash payments to suppliers	(125,612)	(398,594)
Cash payments to employees	(4,820)	-
	<u>(19,267)</u>	<u>778,892</u>
Beginning cash and cash equivalents	<u>141,891</u>	<u>3,252,917</u>
	<u>\$ 122,624</u>	<u>\$ 4,031,809</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 9,689	\$ 826,862
Adjustments to reconcile operating income to net cash provided by operating activities		
Change in assets and liabilities		
(Increase) decrease in prepaids	(13,903)	-
Increase (decrease) in accounts payable	(15,053)	(47,970)
	<u>(19,267)</u>	<u>778,892</u>
Cash provided by operating activities	<u>\$ (19,267)</u>	<u>\$ 778,892</u>

Crowley Independent School District
 Statements of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2017

Exhibit E-1

<u>Data Control Codes</u>		<u>Private Purpose Trust</u>	<u>Agency</u>
	Assets		
1110	Cash and cash equivalents	\$ 396	\$ 171,762
	Total assets	396	\$ 171,762
	Liabilities		
2190	Due to student groups	-	\$ 171,762
2000	Total liabilities	-	\$ 171,762
3000	Net position	\$ 396	

Crowley Independent School District
 Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Year Ended June 30, 2017

Exhibit E-2

	Private Purpose Trust
	<u> </u>
Additions	
Local and intermediate sources	\$ 500
	<u> </u>
Total additions	500
Deductions	
Supplies and materials	26,095
	<u> </u>
Total deductions	<u>26,095</u>
Change in net position	(25,595)
Beginning net position	<u>25,991</u>
Ending net position	<u><u>\$ 396</u></u>

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Crowley Independent School District

Notes to 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.

Crowley Independent School District

Notes to Financial Statements

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

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

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

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

Proprietary Funds

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

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

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

Fiduciary Funds

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

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

Crowley Independent School District

Notes to Financial Statements

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.

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.

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

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

Crowley Independent School District

Notes to Financial Statements

comprised of local government officers, including participants of the pools, performs regulatory oversight to the external investment pools.

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

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

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.

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.

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.

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

Crowley Independent School District

Notes to Financial Statements

Deferred Outflows/Inflows of Resources

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

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.

Fund Balance

Fund balances in governmental funds are classified as follows:

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

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

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

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

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

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

Crowley Independent School District

Notes to Financial Statements

Net Position

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

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

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

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

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.

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. New Accounting Pronouncements

In June 2017 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.

Note 2. Stewardship, Compliance, and Accountability

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

Crowley Independent School District

Notes to Financial Statements

Note 3. Detailed Notes on All Funds

A. Deposits and Investments

Custodial Credit Risk – Deposits In the case of deposits, this is the risk that in the event of a bank failure the District's deposits may not be returned to it. The District's investment policy requires funds on deposit at the depository bank to be collateralized. As of year-end, checking and time deposits were entirely insured or collateralized with securities as provided by State laws and regulations and FDIC insurance. At year-end, the carrying amount of the District's deposits were \$9,769,045, and the bank balance was \$10,932,167, of which \$10,432,167 exceeded FDIC limits and was collateralized by securities held in the District's name.

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.

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

<u>Investments</u>	<u>Maturity</u>	<u>Amount</u>	<u>Rating</u>
Lone Star Investment Pool	25 days	\$ 96,425,023	AAA
MBIA Texas Class Investment Pool	56 days	5,419,880	AAA
Total investments		<u>\$ 101,844,903</u>	

Interest Rate Risk In accordance with its investment policy, the District manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

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.

Crowley Independent School District

Notes to Financial Statements

B. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

Governmental activities	Beginning Balances	Increases	Transfers	Decreases	Ending Balances
Capital assets not being depreciated					
Land	\$ 22,192,028	\$ -	\$ -	\$ -	\$ 22,192,028
Construction in progress	201,340	680,298	-	-	881,638
Total capital assets not being depreciated	22,393,368	680,298	-	-	23,073,666
Other capital assets					
Buildings and improvements	352,886,812	746,309	-	-	353,633,121
Furniture and equipment	16,169,745	909,882	-	-	17,079,627
Total other capital assets	369,056,557	1,656,191	-	-	370,712,748
Less accumulated depreciation for					
Buildings and improvements	(82,591,104)	(7,186,291)	-	-	(89,777,395)
Furniture and equipment	(10,670,118)	(901,932)	-	-	(11,572,050)
Total accumulated depreciation	(93,261,222)	(8,088,223)	-	-	(101,349,445)
Totals	\$ 298,188,703	\$ (5,751,734)	\$ -	\$ -	\$ 292,436,969

Depreciation was charged to governmental functions as follows:

	Governmental Activities
11 Instruction	\$ 7,520,883
12 Instructional resources/media services	11,262
23 School leadership	7,297
31 Guidance, counseling, and evaluation services	2,512
33 Health services	1,159
34 Student (pupil) transportation	74,741
35 Food services	17,809
36 Extracurricular activities	168,057
41 General administration	23,477
51 Plant maintenance and operations	261,026
	<u>\$ 8,088,223</u>

Crowley Independent School District

Notes to 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.

Governmental activities	Beginning Balances	Additions	Reductions	Ending Balances	Amounts Due Within One Year
Bonds payable					
Series 1991 Refunding	\$ 35,128	\$ -	\$ 35,128	\$ -	\$ -
Series 1993 Refunding	2,794,051	-	-	2,794,051	507,314
Series 2002 Refunding	774,812	-	-	774,812	-
Series 2006	5,065,000	-	590,000	4,475,000	-
Series 2007	3,985,000	-	600,000	3,385,000	385,000
Series 2008	12,112	-	5,541	6,571	3,313
Series 2010 Refunding	17,630,000	-	39,998	17,590,002	260,000
Series 2010	4,999,998	-	1,185,000	3,814,998	1,230,000
Series 2011 Refunding	7,974,997	-	60,000	7,914,997	60,000
Series 2012 Refunding	8,730,000	-	-	8,730,000	-
Series 2013 Refunding	20,815,452	-	215,000	20,600,452	215,000
Series 2013	24,425,000	-	50,000	24,375,000	400,000
Series 2014 Refunding	21,754,994	-	1,204,994	20,550,000	2,090,000
Series 2014 - B Refunding	15,740,000	-	325,000	15,415,000	710,000
Series 2015 - A Refunding	30,600,000	-	1,075,000	29,525,000	1,095,000
Series 2015B-Refunding	29,729,990	-	-	29,729,990	37,013
Series 2015C	30,730,000	-	89,271	30,640,729	-
Series 2016- A	21,565,000	-	440,000	21,125,000	-
Series 2016-B Refunding	77,685,000	-	1,615,000	76,070,000	-
	<u>325,046,534</u>	<u>-</u>	<u>7,529,932</u>	<u>317,516,602</u>	<u>6,992,640</u>
Other liabilities					
Bond premiums	37,692,045	-	1,893,372	35,798,673	1,893,376
Accreted interest	<u>40,044,201</u>	<u>2,465,681</u>	<u>3,780,096</u>	<u>38,729,786</u>	<u>3,619,115</u>
Total					
governmental activities	<u>\$ 402,782,780</u>	<u>\$ 2,465,681</u>	<u>\$ 13,203,400</u>	<u>\$392,045,061</u>	<u>\$12,505,131</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, 2017, \$148,570,000 of previously defeased bonds are still outstanding but are not recognized as liabilities in the District's financial statements.

Crowley Independent School District

Notes to 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
2018	\$ 6,992,640	\$ 17,086,555	\$ 24,079,195
2019	5,657,088	18,661,019	24,318,107
2020	7,194,359	17,213,968	24,408,327
2021	7,630,301	16,955,801	24,586,102
2022	7,970,068	16,736,684	24,706,752
2023-2027	59,617,445	64,742,159	124,359,604
2028-2032	48,014,701	76,721,412	124,736,113
2033-2037	92,800,000	29,140,494	121,940,494
2038-2042	67,555,000	8,392,475	75,947,475
2043 and thereafter	14,085,000	1,188,875	15,273,875
	<u>\$ 317,516,602</u>	<u>\$ 266,839,442</u>	<u>\$ 584,356,044</u>

Interfund Transactions

The interfund balances and transfers were as follows:

Due to	Due from	Amount	Purpose
General	Special revenue	\$ 444,119	Short term loans
General	Capital projects	151,793	Short term loans
Special revenue	Capital projects	5,707	Short term loans
Special revenue	General fund	10,881	Short term loans
Debt service	General fund	460,822	Short term loans

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, 2017, 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 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, 2017, and has projected open claims and incurred but not reported claims will cost \$291,471. The following is a reconciliation of changes in the aggregate liabilities for claims for the last three fiscal years:

<u>Fiscal Year</u>	<u>Beginning of Year Accrual</u>	<u>Current Year Estimates</u>	<u>Claims Payments</u>	<u>End of Year Accrual</u>
2015	\$ 464,408	\$ (287,749)	\$ 47,241	\$ 129,418
2016	129,418	357,060	147,037	339,441
2017	339,441	350,624	398,594	291,471

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). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

Crowley Independent School District

Notes to 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 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 85th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017. Rates for such plan fiscal years are as follows:

Crowley Independent School District

Notes to Financial Statements

	Contribution Rates		
	2015	2016	2017
Member	6.70%	7.20%	7.70%
Non-Employer Contributing Entity (State)	6.80%	6.80%	6.80%
Employers	6.80%	6.80%	6.80%

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

Employer Contributions	\$ 2,644,105
Member Contributions	2,449,717
NECE On-behalf Contributions	4,265,641

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.

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 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, 2016
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Discount Rate	8.00%
Long-term expected Investment Rate of Return	8.00%
Last year ending August 31 in the 2016 to 2115	
Projected period (100 years)	2115
Inflation	2.50%
Salary Increases	3.5% to 9.5% including inflation
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

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

Crowley Independent School District

Notes to Financial Statements

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2016 are summarized below:

	Long-Term Target Asset Allocation	Long-Term Expected Geometric Real Rate of Return	Expected Contribution to Long-Term Portfolio Returns ¹
Global Equity			
U.S.	18%	4.6%	1.0%
Non-US Developed	13%	5.1%	0.8%
Emerging Markets	9%	5.9%	0.7%
Directional Hedge Funds	4%	3.2%	0.1%
Private Equity	13%	7.0%	1.1%
Stable Value			
U.S. Treasuries	11%	0.7%	0.1%
Absolute Return	0%	1.8%	0.0%
Hedge Funds Stable Value	4%	3.0%	0.1%
Cash	1%	-0.2%	0.0%
Real Return			
Global Inflation-linked Bonds	3%	0.9%	0.0%
Real Assets	16%	5.1%	1.1%
Energy and Natural Resources	3%	6.6%	0.2%
Commodities	0%	1.2%	0.0%
Risk Parity			
Risk Parity	5%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
Total	<u>100%</u>		<u>8.7%</u>
¹ The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns			

Crowley Independent School District

Notes to Financial Statements

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2016 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8%)	1% Increase in Discount Rate (9.0%)
The District's proportionate share of the net pension liability:	\$ 48,670,198	\$ 31,447,600	\$ 16,839,244

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

At June 30, 2016, the District reported a liability of \$31,447,600 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	\$ 31,447,600
State's proportionate share that is associated with the District	<u>50,632,501</u>
Total	<u><u>\$ 82,080,101</u></u>

The net pension liability was measured as of August 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2015 thru August 31, 2016.

At August 31, 2016, the employer's proportion of the collective net pension liability was 0.083219840% which was an decrease from its proportion measured as of August 31, 2015 of 0.0840446%.

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

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

For the year ended June 30, 2017, the District recognized pension expense of \$3,727,886 and revenue and expense of \$4,265,641 for support provided by the State.

Crowley Independent School District

Notes to Financial Statements

At June 30, 2017, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and	\$ 493,091	\$ 939,005
Changes in actuarial assumptions	958,465	871,684
Difference between projected and	2,662,913	-
Changes in proportion and difference between the employer's contributions and the proportionate	5,203,899	-
Contributions paid to TRS subsequent to	2,507,235	
Total	\$ 11,825,603	\$ 1,810,689

The deferred outflow of resources relating to District contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the year ended June 30, 2018. The net amounts of the District's balances of the remaining deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Pension Expense Amount
2018	\$ 1,289,332
2019	1,289,332
2020	2,987,867
2021	1,158,664
2022	662,399
2023	120,085

E. Retiree Health Care Plan

Plan Description

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

Crowley Independent School District

Notes to Financial Statements

Funding Policy

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

Year	Contribution Rates					
	Active Member		State		School District	
	Rate	Amount	Rate	Amount	Rate	Amount
2017	0.65%	\$ 596,268	1.0%	\$ 21,489	0.55%	\$ 504,683
2016	0.65%	555,668	1.0%	31,126	0.55%	475,101
2015	0.65%	522,895	1.0%	39,070	0.55%	442,449

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2017, 2016, and June 30, 2015, the subsidy payments received by TRS-Care on behalf of the District were \$275,818, \$334,828, and \$288,491, respectively.

F. Shared Services Arrangements

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

G. Subsequent Events

On August 22, 2017, the District issued Unlimited Tax School Building Bonds Series 2017 for \$88,090,000 for the construction, acquisition, and equipment of school facilities in the District and to pay the costs associated with the issuance of the Bonds. The District will begin repayment of the thirty-year bonds on February 1, 2018, with repayment costs for these bonds projected to be fully absorbed by revenue from the debt-rate portion of the Districts' property taxes. The bonds will also be callable at the City's option on or after February 1, 2027.

Required Supplementary Information

Crowley Independent School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget to Actual - General Fund
 Year Ended June 30, 2017

Exhibit G-1

Data Control Codes		Budgeted Amounts			Variance with Final Budget Positive (Negative)
		Original	Final	Actual	
Revenues					
5700	Local, intermediate, and out-of-state	\$ 62,999,165	\$ 63,884,165	\$ 63,080,603	\$ (803,562)
5800	State program revenues	63,111,951	65,151,951	67,149,789	1,997,838
5900	Federal program revenues	1,500,000	2,575,000	2,392,036	(182,964)
5020	Total revenues	127,611,116	131,611,116	132,622,428	1,011,312
Expenditures					
0011	Instruction	80,492,940	82,191,837	80,732,959	1,458,878
0012	Instructional resources/media services	552,375	562,375	503,930	58,445
0013	Curriculum and staff development	511,401	707,065	628,358	78,707
0021	Instructional leadership	3,171,390	3,356,498	2,938,051	418,447
0023	School leadership	9,539,759	10,139,610	9,692,047	447,563
0031	Guidance, counseling, and evaluation services	3,127,855	3,223,959	3,121,791	102,168
0033	Health services	1,365,309	1,420,309	1,349,688	70,621
0034	Student (pupil) transportation	6,247,761	6,747,761	6,640,938	106,823
0036	Extracurricular activities	2,770,955	2,996,023	2,851,574	144,449
0041	General administration	4,906,790	5,476,790	4,876,904	599,886
0051	Plant maintenance and operations	13,912,673	13,646,982	12,760,142	886,840
0052	Security and monitoring services	1,645,742	1,710,742	1,520,247	190,495
0053	Data processing services	1,936,519	2,001,519	1,921,089	80,430
6030	Total expenditures	130,181,469	134,181,470	129,537,718	4,643,752
1100	Excess (deficiency) of revenues over (under) expenditures	(2,570,353)	(2,570,354)	3,084,710	5,655,064
Other financing sources (uses)					
7912	Sale of real or personal property	-	-	728,050	728,050
7080	Total other financing sources (uses)	-	-	728,050	728,050
1200	Net change in fund balances	(2,570,353)	(2,570,354)	3,812,760	6,383,114
0100	Beginning fund balances	30,288,238	30,288,238	30,288,238	-
3000	Ending fund balances	<u>\$ 27,717,885</u>	<u>\$ 27,717,884</u>	<u>\$ 34,100,998</u>	<u>\$ 6,383,114</u>

Crowley Independent School District

Exhibit G-2

Schedule of the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2017

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

Note: Only three years of data is presented in accordance with GASB Standard No. 68 as the data

Crowley Independent School District

Schedule of District Contributions

Year Ended June 30, 2017

Exhibit G-3

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

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

Other Supplementary Information

Crowley Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

Data Control Codes		211 ESEA Title I Part A Imp Basic Program	224 IDEA Part B Formula	225 IDEA Part B Preschool
	Assets			
1110	Cash and cash equivalents	\$ -	\$ -	\$ 562
1240	Due from other governments	65,698	45,540	-
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1410	Prepays	-	-	-
1000	Total assets	<u>\$ 65,698</u>	<u>\$ 45,540</u>	<u>\$ 562</u>
	Liabilities			
2110	Accounts payable and accrued wages and benefits payable	\$ -	\$ -	\$ -
2170	Due to other funds	65,698	45,540	-
2180	Due to other governments	-	-	562
2300	Unearned revenue	-	-	-
2000	Total liabilities	65,698	45,540	562
	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>\$ 65,698</u>	<u>\$ 45,540</u>	<u>\$ 562</u>

226	240	242	244	255	263	265
IDEA Part B Discretionary	National School Breakfast/ Lunch Program	Summer Feeding Program	Career and Technical Basic Grant	ESEA Title H Part A Training and Recruiting	Title III Part A English Language Acquisition	Title IV Part B Community Learning
\$ -	\$ 2,082,276	368,250	\$ -	\$ -	\$ -	\$ -
54,887	-	-	1,603	16,869	59,728	41,892
-	16,588	-	-	-	-	-
-	68,553	-	-	-	-	-
-	3,100	-	-	-	-	-
<u>\$ 54,887</u>	<u>\$ 2,170,517</u>	<u>\$ 368,250</u>	<u>\$ 1,603</u>	<u>\$ 16,869</u>	<u>\$ 59,728</u>	<u>\$ 41,892</u>
\$ -	\$ 1,660	\$ 22,416	\$ -	\$ -	\$ -	\$ -
54,887	-	-	1,603	16,869	59,728	41,892
-	-	-	-	-	-	-
-	41,103	-	-	-	-	-
<u>54,887</u>	<u>42,763</u>	<u>22,416</u>	<u>1,603</u>	<u>16,869</u>	<u>59,728</u>	<u>41,892</u>
-	3,100	-	-	-	-	-
-	2,124,654	345,834	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>2,127,754</u>	<u>345,834</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 54,887</u>	<u>\$ 2,170,517</u>	<u>\$ 368,250</u>	<u>\$ 1,603</u>	<u>\$ 16,869</u>	<u>\$ 59,728</u>	<u>\$ 41,892</u>

Crowley Independent School District

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2017

		289	315	316
Data Control Codes		Summer School LEP	SSA IDEA Part B Discretionary	SSA IDEA Part B Deaf
Assets				
1110	Cash and cash equivalents	\$ 37,027	\$ -	\$ -
1240	Due from other governments	-	422	-
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1410	Prepays	-	-	-
1000	Total assets	<u>\$ 37,027</u>	<u>\$ 422</u>	<u>\$ -</u>
Liabilities				
2110	Accounts payable and accrued wages and benefits payable	\$ -	\$ -	\$ -
2170	Due to other funds	-	422	-
2180	Due to other governments	-	-	-
2300	Unearned revenue	-	-	-
2000	Total liabilities	-	422	-
Fund balances				
3430	Non-spendable: Prepays	-	-	-
3450	Grant funds - restricted	37,027	-	-
3450	Grant funds - committed	-	-	-
3000	Total fund balances	<u>37,027</u>	<u>-</u>	<u>-</u>
4000	Total liabilities, deferred inflows of resources and fund balances	<u>\$ 37,027</u>	<u>\$ 422</u>	<u>\$ -</u>

317	385	392	397
SSA IDEA Part B Preschool Deaf	State Supplemental Visually Impaired	Non-Ed Community Based Support	Advanced Placement Incentives
\$ -	\$ -	\$ -	\$ -
-	-	188	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -
-	-	185	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>185</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	3	-
<u>-</u>	<u>-</u>	<u>3</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188</u>	<u>\$ -</u>

Crowley Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

Data Control Codes		410	429
		State Instructional Materials	GR/AP Payments
	Assets		
1110	Cash and cash equivalents	\$ -	\$ 42,081
1240	Due from other governments	145,724	-
1260	Due from other funds	-	-
1290	Other receivables	-	-
1410	Prepays	-	-
		<hr/>	<hr/>
1000	Total assets	<u>\$ 145,724</u>	<u>\$ 42,081</u>
	Liabilities		
2110	Accounts payable and accrued wages and benefits payable	\$ -	41,723
2170	Due to other funds	130,638	-
2180	Due to other governments	-	-
2300	Unearned revenue	15,086	-
		<hr/>	<hr/>
2000	Total liabilities	145,724	41,723
	Fund balances		
3430	Non-spendable: Prepays	-	-
3450	Grant funds - restricted	-	358
3450	Grant funds - committed	-	-
		<hr/>	<hr/>
3000	Total fund balances	-	358
		<hr/>	<hr/>
4000	Total liabilities, deferred inflows of resources and fund balances	<u>\$ 145,724</u>	<u>\$ 42,081</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	
\$ 442,094	\$ 545,723	\$ 10,752	\$ 3,528,765
-	-	-	432,551
-	-	-	16,588
-	-	-	68,553
-	-	-	3,100
<u>\$ 442,094</u>	<u>\$ 545,723</u>	<u>\$ 10,752</u>	<u>\$ 4,049,557</u>
\$ -	\$ -	\$ -	\$ 65,799
-	26,657	-	444,119
-	-	10,752	11,314
-	-	-	56,189
-	26,657	10,752	577,421
-	-	-	3,100
442,094	-	-	2,949,967
-	519,066	-	519,069
<u>442,094</u>	<u>519,066</u>	<u>-</u>	<u>3,472,136</u>
<u>\$ 442,094</u>	<u>\$ 545,723</u>	<u>\$ 10,752</u>	<u>\$ 4,049,557</u>

Crowley Independent School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 for the Year Ended June 30, 2017

Data Control Codes		211	224	225
		ESEA Title I Part A Imp. Basic Programs	IDEA Part B Formula	IDEA Part B Preschool
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	2,926,329	2,387,592	47,762
5020	Total revenues	2,926,329	2,387,592	47,762
Expenditures				
0011	Instruction	2,732,911	468,796	47,762
0013	Curriculum and staff development	76,001	-	-
0021	Instructional leadership	117,017	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling, and evaluation services	-	1,523,905	-
0032	Social work services	400	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0051	Plant maintenance and operations	-	-	-
0053	Data processing services	-	-	-
Intergovernmental				
0093	Shared service arrangements	-	394,891	-
6030	Total expenditures	2,926,329	2,387,592	47,762
1200	Net change in fund balances	-	-	-
0100	Beginning fund balances	-	-	-
3000	Ending fund balances	\$ -	\$ -	\$ -

Exhibit H-2

226	240	242	244	255	263	265
IDEA Part B Discretionary	National School Breakfast/ Lunch Program	Summer Feeding Program	Career and Technical Basic Grant	ESEA Title II Part A Training and Recruiting	Title III Part A English Language Acquisition	Title IV Part B Community Learning
\$ -	\$ 1,885,747	\$ -	\$ -	\$ -	\$ -	\$ -
-	41,425	-	-	-	-	-
54,887	6,148,105	387,201	171,486	156,389	213,155	1,489,014
54,887	8,075,277	387,201	171,486	156,389	213,155	1,489,014
54,887	-	-	120,118	31,062	213,155	1,246,870
-	-	-	35,459	121,115	-	13,587
-	-	-	8,187	4,212	-	228,557
-	-	-	6,467	-	-	-
-	-	-	1,255	-	-	-
-	-	-	-	-	-	-
-	7,751,837	54,897	-	-	-	-
-	-	-	-	-	-	-
-	344,695	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
54,887	8,096,532	54,897	171,486	156,389	213,155	1,489,014
-	(21,255)	332,304	-	-	-	-
-	2,149,009	13,530	-	-	-	-
\$ -	\$ 2,127,754	\$ 345,834	\$ -	\$ -	\$ -	\$ -

Crowley Independent School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 for the Year Ended June 30, 2017

Data Control Codes		289	315	316
		Summer School LEP	SSA IDEA Part B Discretionary	SSA IDEA Part B Deaf
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	6,990	52,872	-
5020	Total revenues	6,990	52,872	-
Expenditures				
0011	Instruction	-	52,872	-
0013	Curriculum and staff development	-	-	-
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-
0032	Social work services	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0051	Plant maintenance and operations	-	-	-
0053	Data processing services	-	-	-
Intergovernmental				
0093	Shared service arrangements	-	-	-
6030	Total expenditures	-	52,872	-
1200	Net change in fund balances	6,990	-	-
0100	Beginning fund balances	30,037	-	-
3000	Ending fund balances	\$ 37,027	\$ -	\$ -

Crowley Independent School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For The Year Ended June 30, 2017

Data Control Codes		410	429	435
		State Instructional Materials	GR/AP Payments	SSA Regional Day School For the Deaf
	Revenues			
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ 756,474
5800	State program revenues	1,407,233	141,204	425,850
5900	Federal program revenues	-	-	-
5020	Total revenues	1,407,233	141,204	1,182,324
	Expenditures			
0011	Instruction	476,348	132,122	994,121
0013	Curriculum and staff development	-	9,082	3,589
0021	Instructional leadership	-	-	84,499
0023	School leadership	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-
0032	Social work services	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0051	Plant maintenance and operations	-	-	-
0053	Data processing services	930,885	-	-
	Intergovernmental			
0093	Shared service arrangements	-	-	-
6030	Total expenditures	1,407,233	141,204	1,082,209
1200	Net change in fund balances	-	-	100,115
0100	Beginning fund balances	-	358	341,979
3000	Ending fund balances	<u>\$ -</u>	<u>\$ 358</u>	<u>\$ 442,094</u>

461	480	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Campus Activity Funds	United Way	
\$ 1,184,722	\$ 289,248	\$ 4,116,191
678	-	2,024,456
-	-	14,041,782
1,185,400	289,248	20,182,429
-	288,736	6,867,827
-	512	269,692
-	-	442,472
-	-	6,467
-	-	1,525,160
-	-	400
-	-	7,806,734
1,107,087	-	1,107,087
-	-	344,695
-	-	930,885
-	-	394,891
1,107,087	289,248	19,696,310
78,313	-	486,119
440,753	-	2,986,017
\$ 519,066	\$ -	\$ 3,472,136

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Texas Education Agency Required Schedules

Crowley Independent School District
 Schedule of Delinquent Taxes Receivable
 Year Ended June 30, 2017

Last Ten Years	1		2	3	10
	Tax Rates		Debt Service	Net Assessed/ Appraised Value For School Tax Purposes	Beginning Balance 06/30/16
	Maintenance				
2008 and prior	Various		Various	\$ Various	\$ 621,538
2009	1.0400		0.4950	4,559,083,130	66,502
2010	1.0400		0.4950	4,555,040,542	83,415
2011	1.0400		0.4950	4,432,783,770	74,594
2012	1.0400		0.4950	4,563,518,827	120,857
2013	1.0400		0.4950	4,649,374,123	187,057
2014	1.1700		0.5000	4,697,596,237	327,484
2015	1.1700		0.4800	4,953,008,170	467,578
2016	1.1700		0.4800	4,928,731,064	1,113,894
2017	1.1700		0.4800	5,352,592,155	-
					<u>\$ 3,062,919</u>

20	31	32	40	50
Current Year's Total Levy	Maintenance Total Collected	Debt Service Total Collected	Entire Year's Adjustments	Ending Balance 06/30/17
\$ -	\$ 2,775	\$ 548	\$ (54,806)	\$ 563,409
-	1,049	500	(90)	64,863
-	2,939	1,399	2,080	81,157
-	622	296	(5,997)	67,679
-	38,702	18,421	35,299	99,033
-	79,572	34,005	82,077	155,557
-	75,379	32,213	73,257	293,149
-	102,020	41,854	59,390	383,094
-	370,518	152,007	(159,321)	432,048
86,496,012	60,544,586	24,838,804	-	1,112,622
<u>\$ 86,496,012</u>	<u>\$ 61,218,162</u>	<u>\$ 25,120,047</u>	<u>\$ 31,889</u>	<u>\$ 3,252,611</u>

Crowley Independent School District
 Budgetary Comparison Schedule
 National School Breakfast and Lunch Program
 Year Ended June 30, 2017

Exhibit J-4

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
Revenues					
5700	Local, intermediate, and out-of-state	\$ 2,202,918	\$ 2,202,918	\$ 1,885,747	\$ (317,171)
5800	State program revenues	100,000	100,000	41,425	(58,575)
5900	Federal program revenues	6,438,059	6,494,302	6,148,105	(346,197)
5020	Total revenues	8,740,977	8,797,220	8,075,277	(721,943)
Expenditures					
0035	Food service	7,506,715	8,096,715	7,751,837	344,878
0051	Plant maintenance and operations	320,505	400,505	344,695	55,810
6030	Total expenditures	7,827,220	8,497,220	8,096,532	400,688
1100	Excess (deficiency) of revenues over (under) expenditures	913,757	300,000	(21,255)	(321,255)
1200	Net change in fund balances	913,757	300,000	(21,255)	(321,255)
0100	Beginning fund balances	2,149,009	2,149,009	2,149,009	-
3000	Ending fund balances	<u>\$ 3,062,766</u>	<u>\$ 2,449,009</u>	<u>\$ 2,127,754</u>	<u>\$ (321,255)</u>

Crowley Independent School District
 Budgetary Comparison Schedule
 Debt Service Fund
 Year Ended June 30, 2017

Exhibit J-5

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
Revenues					
5700	Local, intermediate, and out-of-state	\$ 25,360,940	\$ 25,535,940	\$ 25,401,791	\$ (134,149)
5800	State program revenues	-	-	791,581	791,581
5020	Total revenues	25,360,940	25,535,940	26,193,372	657,432
Expenditures					
Debt service					
0071	Principal	7,529,933	7,579,933	7,529,932	50,001
0072	Interest	16,599,572	16,674,572	16,612,972	61,600
0073	Bond issuance costs and fees	10,000	60,000	-	60,000
6030	Total expenditures	24,139,505	24,314,505	24,142,904	171,601
1100	Excess (deficiency) of revenues over (under) expenditures	1,221,435	1,221,435	2,050,468	829,033
1200	Net change in fund balances	1,221,435	1,221,435	2,050,468	829,033
100	Beginning fund balances	29,820,527	29,820,527	29,820,527	-
3000	Ending fund balances	<u>\$ 31,041,962</u>	<u>\$ 31,041,962</u>	<u>\$ 31,870,995</u>	<u>\$ 829,033</u>

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Statistical Section (Unaudited)

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STATISTICAL SECTION

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

Contents	Page
Financial Trends	76
<i>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>	
Revenue Capacity	86
<i>These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property and sales taxes.</i>	
Debt Capacity	94
<i>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.</i>	
Demographic and Economic Information	102
<i>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.</i>	
Operating Information	106
<i>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.</i>	

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

Last Ten Years

(Accrual Basis Of Accounting)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 11,605,003	\$ (18,439,516)	\$ 9,679,312	\$ 9,934,578
Restricted	5,115,620	8,106,882	27,964,055	29,284,651
Unrestricted	<u>1,979,637</u>	<u>28,365,086</u>	<u>(8,282,363)</u>	<u>(13,876,125)</u>
TOTAL GOVERNMENTAL ACTIVITIES				
NET POSITION	<u>\$ 18,700,260</u>	<u>\$ 18,032,452</u>	<u>\$ 29,361,004</u>	<u>\$ 25,343,104</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Unrestricted	<u>-</u>	<u>20,062</u>	<u>11,887</u>	<u>31,888</u>
TOTAL BUSINESS-TYPE ACTIVITIES				
NET POSITION	<u>\$ -</u>	<u>\$ 20,062</u>	<u>\$ 11,887</u>	<u>\$ 31,888</u>
Total government				
Invested in capital assets, net of related debt	11,605,003	(18,439,516)	9,679,312	9,934,578
Restricted	5,115,620	8,106,882	27,964,055	29,284,651
Unrestricted	<u>1,979,637</u>	<u>28,385,148</u>	<u>(8,270,476)</u>	<u>(13,844,237)</u>
TOTAL GOVERNMENT				
NET POSITION	<u>\$ 18,700,260</u>	<u>\$ 18,052,514</u>	<u>\$ 29,372,891</u>	<u>\$ 25,374,992</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.

Source: The Statement of Net Position

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 12,907,320	\$ 16,639,206	\$ 9,720,341	\$ 7,047,304	\$ 6,156,615	\$ (2,360,141)
28,712,542	22,112,844	22,226,778	25,167,536	21,005,745	26,838,292
<u>(16,005,650)</u>	<u>(12,254,283)</u>	<u>(11,578,516)</u>	<u>(24,401,000)</u>	<u>(22,363,516)</u>	<u>(20,012,000)</u>
<u>\$ 25,614,212</u>	<u>\$ 26,497,767</u>	<u>\$ 20,368,603</u>	<u>\$ 7,813,840</u>	<u>\$ 4,798,844</u>	<u>\$ 4,466,151</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>28,784</u>	<u>37,369</u>	<u>14,610</u>	<u>45,377</u>	<u>126,838</u>	<u>136,527</u>
<u>\$ 28,784</u>	<u>\$ 37,369</u>	<u>\$ 14,610</u>	<u>\$ 45,377</u>	<u>\$ 126,838</u>	<u>\$ 136,527</u>
12,907,320	16,639,206	9,720,341	7,047,304	6,156,615	(2,360,141)
28,712,542	22,112,844	22,226,778	25,167,536	21,005,745	26,838,292
<u>(15,976,866)</u>	<u>(12,216,914)</u>	<u>(11,563,906)</u>	<u>(24,355,623)</u>	<u>(22,236,678)</u>	<u>(19,875,473)</u>
<u>\$ 25,642,996</u>	<u>\$ 26,535,136</u>	<u>\$ 20,383,213</u>	<u>\$ 7,859,217</u>	<u>\$ 4,925,682</u>	<u>\$ 4,602,678</u>

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
EXPENSES				
Governmental activities				
Instruction	\$ 69,543,338	\$ 77,624,292	\$ 74,345,073	\$ 71,461,599
Instruction resources & media services	1,289,071	1,290,365	1,076,313	1,224,785
Curriculum & staff development	786,926	626,521	298,529	407,767
Instructional leadership	977,335	1,658,270	1,513,324	1,649,147
School leadership	6,406,629	7,446,510	6,260,458	8,043,011
Guidance, counseling & evaluation services	1,933,504	2,225,227	1,809,360	3,352,656
Social work services	-	-	-	-
Health services	1,020,872	1,084,368	1,129,345	1,345,247
Student transportation	3,278,890	4,123,449	3,992,429	4,984,419
Food service	5,004,761	5,568,067	5,548,272	6,770,082
Cocurriculum/extracurricular activities	2,769,786	3,246,364	2,767,108	3,187,996
General administration	4,011,528	3,306,058	2,927,927	7,819,529
Plant maintenance & operations	12,151,040	12,042,256	9,332,425	13,022,096
Security & monitoring services	747,327	938,445	653,059	796,197
Data processing services	796,880	901,359	1,074,268	1,332,937
Community services	3,910	500	400	200
Interest on long-term debt	13,638,806	17,221,709	14,499,894	22,908,914
Bond issuance cost & fees	-	-	-	-
Facilities maintenance	65,416	91,577	88,407	8,214,096
Payments related to SSA's	197,644	183,224	172,074	148,677
Other intergovernmental charges	1,202,261	625,935	502,111	349,671
TOTAL GOVERNMENTAL ACTIVITIES EXPENSES	<u>\$ 125,825,924</u>	<u>\$ 140,204,496</u>	<u>\$ 127,990,776</u>	<u>\$ 157,019,026</u>
Business-type Activities				
Community Education	28,383	93,995	103,278	62,439
Total Business-Type Activities Expenses	<u>28,383</u>	<u>93,995</u>	<u>103,278</u>	<u>62,439</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 125,854,307</u>	<u>\$ 140,298,491</u>	<u>\$ 128,094,054</u>	<u>\$ 157,081,465</u>
Program Revenues				
Governmental activities				
Charges for services				
Food services	2,840,481	2,686,130	2,426,582	2,488,832
Extracurricular	200,292	230,775	186,286	199,345
Other activities	55,690	74,780	49,549	2,312,976
Operating grants and contributions	15,350,387	17,132,942	22,499,261	22,626,824
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES	<u>\$ 18,446,850</u>	<u>\$ 20,124,627</u>	<u>\$ 25,161,678</u>	<u>\$ 27,627,977</u>
Business-type activities				
Charges for services				
Community Education	27,300	93,995	95,103	82,440
Total Business-Type Activities Revenues	<u>27,300</u>	<u>93,995</u>	<u>95,103</u>	<u>82,440</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 18,474,150</u>	<u>\$ 20,218,622</u>	<u>\$ 25,256,781</u>	<u>\$ 27,710,417</u>
NET (EXPENSE)/REVENUE				
Governmental activities	(107,379,074)	(120,079,869)	(102,829,098)	(118,755,078)
Business-type activities	(1,083)	-	(8,175)	20,001
TOTAL PRIMARY GOVERNMENT NET EXPENSE	<u>\$ (107,380,157)</u>	<u>\$ (120,079,869)</u>	<u>\$ (102,837,273)</u>	<u>\$ (118,735,077)</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

	2011	2012	2013	2014	2015	2016	2017
\$	71,461,599	\$ 64,744,832	\$ 70,425,667	\$ 73,241,195	\$ 84,186,905	\$ 90,863,647	\$ 97,418,337
	1,224,785	728,438	623,386	588,547	636,562	648,099	525,052
	407,767	247,908	354,312	307,836	354,643	643,624	912,408
	1,649,147	1,606,571	1,353,840	1,887,027	3,021,111	3,357,155	3,454,452
	8,043,011	7,708,084	7,713,219	8,207,218	8,688,269	9,409,838	9,954,983
	3,352,656	3,483,720	3,720,504	3,895,407	4,115,215	4,433,341	4,740,142
	-	-	-	-	-	-	400
	1,345,247	994,254	1,061,246	1,208,822	1,295,523	1,372,175	1,390,255
	4,984,419	5,372,805	5,133,306	5,267,279	5,253,263	5,863,124	6,715,679.00
	6,770,082	7,093,503	7,138,086	6,962,896	6,974,891	7,046,366	7,078,058
	3,187,996	3,221,118	3,957,841	3,768,083	5,554,913	6,073,946	4,198,028
	7,819,529	3,114,673	4,018,909	4,398,686	4,283,914	4,283,558	4,953,826
	13,022,096	12,098,821	11,358,286	12,848,794	13,093,030	13,539,521	13,270,267
	796,197	785,648	870,221	1,116,826	1,577,138	1,626,972	1,532,209
	1,332,937	2,299,803	1,758,717	2,224,300	2,785,651	2,898,038	2,895,504
	200	805	3,186	9,776	1,986	356	5,782
	22,908,914	22,760,870	22,241,895	23,999,846	14,420,164	19,244,266	10,836,737
	-	-	-	-	593,942	1,724,345	-
	8,214,096	1,110,277	1,364,481	7,505,130	604,189	1,063,919	10,346,388
	148,677	215,176	281,327	317,254	342,004	479,648	394,891
	349,671	461,432	2,939	-	-	-	-
\$	157,019,026	\$ 138,048,737	\$ 143,381,367	\$ 157,754,922	\$ 157,783,313	\$ 174,571,938	\$ 180,623,398
	62,439	50,627	24,347	41,673	110,663	75,950	101,476
	62,439	50,627	24,347	41,673	110,663	75,950	101,476
\$	157,081,465	\$ 138,099,364	\$ 143,405,714	\$ 157,796,595	\$ 157,893,976	\$ 174,647,888	\$ 180,724,874
	2,488,832	2,504,121	2,321,236	2,375,300	2,018,620	1,994,541	1,839,378
	199,345	1,199,434	218,851	198,167	218,508	204,444	220,147
	2,312,976	40,967	168,326	152,862	158,637	166,541	180,697
	22,626,824	14,289,244	19,194,802	20,348,020	22,409,321	28,053,837	25,798,678
\$	27,627,977	\$ 18,033,766	\$ 21,903,215	\$ 23,074,349	\$ 24,805,086	\$ 30,419,363	\$ 28,038,900
	82,440	47,523	32,932	18,914	141,430	157,411	111,165
	82,440	47,523	32,932	18,914	141,430	157,411	111,165
\$	27,710,417	\$ 18,081,289	\$ 21,936,147	\$ 23,093,263	\$ 24,946,516	\$ 30,576,774	\$ 28,150,065
	(118,755,078)	(116,837,211)	(121,479,348)	(136,249,595)	(132,978,227)	(144,152,575)	(152,584,498)
	20,001	(3,104)	8,585	(22,759)	30,767	81,461	9,689
\$	(118,735,077)	\$ (116,840,315)	\$ (121,470,763)	\$ (136,272,354)	\$ (132,947,460)	\$ (144,071,114)	\$ (152,574,809)

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental activities				
Property taxes				
Levied for general purposes	\$ 44,506,715	\$ 49,071,545	\$ 50,755,545	\$ 46,597,828
Levied for debt service	15,837,393	23,338,692	24,112,326	22,157,988
Investment earnings	2,881,593	1,131,108	97,374	78,479
Unrestricted grants and contributions	43,556,284	42,790,895	37,336,022	42,116,298
Miscellaneous	2,431,330	3,099,883	1,856,383	3,786,585
Transfers	-	(20,062)	-	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 109,213,315</u>	<u>\$ 119,412,061</u>	<u>\$ 114,157,650</u>	<u>\$ 114,737,178</u>
Business-type activities				
Transfers	-	20,062	-	-
Total Business-Type Activities	-	20,062	-	-
TOTAL PRIMARY GOVERNMENT	<u>\$ 109,213,315</u>	<u>\$ 119,432,123</u>	<u>\$ 114,157,650</u>	<u>\$ 114,737,178</u>
CHANGE IN NET POSITION				
Governmental activities	\$ 1,834,241	\$ (667,808)	\$ 11,328,552	\$ (4,017,900)
Business-type activities	(1,083)	20,062	(8,175)	20,001
TOTAL PRIMARY GOVERNMENT	<u>\$ 1,833,158</u>	<u>\$ (647,746)</u>	<u>\$ 11,320,377</u>	<u>\$ (3,997,899)</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

Exhibit L-3

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 47,527,300	\$ 53,725,546	\$ 54,258,721	\$ 57,176,859	\$ 56,464,390	\$ 61,654,489
22,574,374	22,949,841	23,178,093	23,446,701	23,087,160	25,285,029
53,962	51,332	32,342	47,420	249,329	575,431
46,390,016	44,520,285	53,427,592	56,187,355	59,203,538	62,926,080
562,667	1,115,899	1,536,873	2,826,724	2,133,162	1,082,726
-	-	-	-	-	728,050
<u>\$ 117,108,319</u>	<u>\$ 122,362,903</u>	<u>\$ 132,433,621</u>	<u>\$ 139,685,059</u>	<u>\$ 141,137,579</u>	<u>\$ 152,251,805</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 117,108,319</u>	<u>\$ 122,362,903</u>	<u>\$ 132,433,621</u>	<u>\$ 139,685,059</u>	<u>\$ 141,137,579</u>	<u>\$ 152,251,805</u>
\$ 271,108	\$ 883,555	\$ (3,815,974)	\$ 6,706,832	\$ (3,014,996)	\$ (332,693)
(3,104)	8,585	(22,759)	30,767	81,461	9,689
<u>\$ 268,004</u>	<u>\$ 892,140</u>	<u>\$ (3,838,733)</u>	<u>\$ 6,737,599</u>	<u>\$ (2,933,535)</u>	<u>\$ (323,004)</u>

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund				
Nonspendable	\$ 524,106	\$ 500,398	\$ 151,908	\$ 79,456
Assigned	-	-	-	3,872,338
Unassigned	<u>16,959,573</u>	<u>13,702,383</u>	<u>19,109,638</u>	<u>13,956,756</u>
TOTAL GENERAL FUND	<u>\$ 17,483,679</u>	<u>\$ 14,202,781</u>	<u>\$ 19,261,546</u>	<u>\$ 17,908,550</u>
All Other Governmental Funds				
Nonspendable	-	-	-	-
Restricted	96,997,252	43,186,920	38,894,124	36,387,847
Committed	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>\$ 96,997,252</u>	<u>\$ 43,186,920</u>	<u>\$ 38,894,124</u>	<u>\$ 36,387,847</u>

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

Source: Balance Sheet of Governmental Funds

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 552,672	\$ 795,673	\$ 632,571	\$ 159,506	\$ 431,955	\$ 411,371
-	-	-	1,500,000	1,500,000	1,500,000
<u>18,901,811</u>	<u>20,146,309</u>	<u>26,281,594</u>	<u>28,660,073</u>	<u>28,356,283</u>	<u>32,189,627</u>
<u>\$ 19,454,483</u>	<u>\$ 20,941,982</u>	<u>\$ 26,914,165</u>	<u>\$ 30,319,579</u>	<u>\$ 30,288,238</u>	<u>\$ 34,100,998</u>
-	-	-	-	-	-
35,452,918	35,813,794	53,831,903	54,038,572	86,514,950	77,472,108
-	539,894	555,543	478,439	440,757	519,069
-	(272)	-	(844)	-	-
<u>\$ 35,452,918</u>	<u>\$ 36,353,416</u>	<u>\$ 54,387,446</u>	<u>\$ 54,516,167</u>	<u>\$ 86,955,707</u>	<u>\$ 77,991,177</u>

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

	Year			
	2008	2009	2010	2011
REVENUES				
Local & intermediate sources	\$ 68,706,129	\$ 79,176,893	\$ 78,355,767	\$ 75,290,626
State program revenues	52,508,118	51,819,638	45,705,838	50,163,648
Federal program revenues	6,398,553	8,104,199	14,129,445	16,822,952
Total revenues	<u>127,612,800</u>	<u>139,100,730</u>	<u>138,191,050</u>	<u>142,277,226</u>
EXPENDITURES				
Instruction	65,929,444	72,633,051	69,206,006	71,461,601
Instructional resources & media services	1,273,143	1,272,545	1,057,060	1,224,785
Curriculum & staff development	786,926	626,521	298,529	407,767
Instructional leadership	977,335	1,658,270	1,513,324	1,649,147
School leadership	6,404,977	7,444,608	6,258,555	8,042,011
Guidance, counseling & evaluation services	1,932,890	2,224,501	1,808,634	3,352,656
Social work services	-	-	-	-
Health services	1,020,682	1,084,140	1,129,117	1,345,247
Student transportation	2,990,884	3,847,174	3,721,204	4,984,419
Food service	5,012,180	5,607,683	5,486,546	6,770,082
Cocurriculum/extracurricular activities	2,650,980	3,119,356	2,620,060	3,187,997
General administration	3,785,148	3,079,678	2,755,523	2,540,047
Plant maintenance & operations	12,003,358	11,730,524	9,067,112	13,022,096
Security & monitoring services	747,327	938,445	676,397	796,197
Data processing services	796,880	901,359	1,074,268	1,332,937
Community services	3,910	500	400	200
Principal on long-term debt	6,633,961	7,089,778	101,901	7,698,352
Interest on long-term debt	11,589,208	15,666,857	7,462,313	14,841,762
Bond issuance cost & fees	778,111	6,808	3,638	368,800
Capital outlay	52,161,485	56,828,782	22,587,118	8,214,096
Payments related to SSA's	197,644	183,224	172,074	148,677
Other intergovernmental charges	-	458,182	456,984	349,669
Total Expenditures	<u>177,676,473</u>	<u>196,401,986</u>	<u>137,456,763</u>	<u>151,738,545</u>
Excess of Revenues Over (Under) Expenditures	(50,063,673)	(57,301,256)	734,287	(9,461,319)
OTHER FINANCING SOURCES (USES)				
Capital-related debt Issued (regular bonds)	79,998,792	-	-	24,779,994
Sale of real or personal property	342,021	210,026	31,682	-
Proceeds from capital leases	691,904	-	-	116,240
Non-current loan proceeds	-	-	-	-
Transfers in	-	-	719,224	-
Premium or discount On issuance of bonds	789,903	-	-	1,776,752
Transfer out	-	-	(719,224)	-
Payment to bond refunding Escrow agent	-	-	-	(21,070,940)
Other uses	-	-	-	-
Total Other Financing Sources	<u>81,822,620</u>	<u>210,026</u>	<u>31,682</u>	<u>5,602,046</u>
NET CHANGE IN FUND BALANCES	\$ 31,758,947	\$ (57,091,230)	\$ 765,969	\$ (3,859,273)
Debt service as a percentage of noncapital expenditures	14.52%	16.30%	6.59%	15.70%

Year					
2012	2013	2014	2015	2016	2017
\$ 75,275,585	\$ 82,606,035	\$ 83,496,429	\$ 87,035,265	\$ 87,086,837	\$ 92,862,856
46,138,728	49,356,607	59,185,649	62,650,294	66,110,255	69,973,430
14,205,308	12,770,656	12,759,935	14,079,236	15,206,533	16,433,818
<u>135,619,621</u>	<u>144,733,298</u>	<u>155,442,013</u>	<u>163,764,795</u>	<u>168,403,625</u>	<u>179,270,104</u>
64,744,831	70,425,669	73,240,996	77,200,631	81,847,388	87,600,786
728,438	623,386	588,547	608,305	617,782	503,930
247,910	354,313	307,835	368,113	649,913	898,050
1,606,572	1,353,839	1,887,028	3,036,848	3,311,736	3,380,523
7,707,584	7,712,234	8,205,923	8,682,150	9,171,345	9,698,514
3,483,721	3,720,505	3,895,406	4,209,034	4,447,886	4,646,951
994,254	1,061,246	1,208,822	1,295,689	1,329,779	1,349,688
5,372,805	5,133,306	5,267,279	5,180,808	5,788,383	6,640,938
7,093,503	7,138,085	6,962,896	7,394,081	7,303,565	7,806,734
3,221,118	3,957,841	3,768,083	5,426,812	5,840,340	3,958,661
2,690,827	3,393,034	3,840,721	4,264,187	4,184,234	4,876,904
12,098,821	11,358,285	12,848,795	12,962,414	14,420,283	13,104,837
785,648	870,221	1,116,826	1,577,220	1,617,160	1,520,247
2,299,803	1,758,717	2,224,301	2,786,191	2,847,672	2,851,974
805	3,186	9,776	2,123	-	-
7,922,647	4,489,677	4,535,021	4,652,405	6,198,888	7,529,932
14,686,593	17,297,169	18,686,961	17,889,684	17,709,863	16,612,972
151,630	455,049	777,864	593,942	1,724,345	-
1,110,277	1,364,481	7,505,130	2,319,542	3,249,974	11,772,992
215,176	281,327	317,254	365,548	498,615	394,891
461,432	2,939	-	-	-	-
<u>137,624,395</u>	<u>142,754,509</u>	<u>157,195,464</u>	<u>160,815,727</u>	<u>172,759,151</u>	<u>185,149,924</u>
(2,004,774)	1,978,789	(1,753,451)	2,949,068	(4,355,526)	(5,879,820)
-	30,004,982	48,109,994	47,635,000	159,709,990	-
-	25,200	-	-	43,700	728,050
-	-	-	-	-	-
-	-	-	-	-	-
2,438,227	-	-	-	-	-
-	6,731,740	2,839,627	5,898,848	21,578,390	-
-	(63,141)	(12,200)	-	-	-
-	(36,289,573)	(25,177,757)	(52,948,781)	(144,568,355)	-
-	-	-	-	-	-
<u>2,438,227</u>	<u>409,208</u>	<u>25,759,664</u>	<u>585,067</u>	<u>36,763,725</u>	<u>728,050</u>
<u>\$ 433,453</u>	<u>\$ 2,387,997</u>	<u>\$ 24,006,213</u>	<u>\$ 3,534,135</u>	<u>\$ 32,408,199</u>	<u>\$ (5,151,770)</u>
16.56%	15.41%	15.51%	14.22%	14.10%	13.93%

Crowley Independent School District

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Years

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Residential or Real Property	\$ 4,939,814,558	\$ 5,281,085,382	\$ 5,396,657,655	\$ 4,844,541,353
Personal Property	444,400,167	385,271,304	306,990,048	232,447,866
Less Tax Exempt Property	<u>1,102,843,919</u>	<u>1,107,273,556</u>	<u>1,148,607,161</u>	<u>758,901,199</u>
TOTAL ASSESSED VALUE	<u><u>\$ 4,281,370,806</u></u>	<u><u>\$ 4,559,083,130</u></u>	<u><u>\$ 4,555,040,542</u></u>	<u><u>\$ 4,318,088,020</u></u>
Total Direct Tax Rate	1.41000	1.53500	1.53500	1.53500
Estimated Actual Taxable Value	\$ 4,281,370,806	\$ 4,559,083,130	\$ 4,555,040,542	\$ 4,432,783,770
Taxable Assessed Value as a Percentage of Actual Taxable Value	100.000%	100.000%	100.000%	97.413%

Source: Tarrant Appraisal District

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 5,168,351,212	\$ 5,241,352,853	\$ 5,553,956,405	\$ 5,393,015,732	\$ 6,082,986,814	\$ 6,623,701,914
428,187,281	449,335,891	459,431,076	463,760,283	489,674,789	522,181,183
<u>1,157,604,482</u>	<u>1,150,351,152</u>	<u>1,183,584,095</u>	<u>1,138,920,998</u>	<u>1,570,288,706</u>	<u>1,477,710,272</u>
<u>\$ 4,438,934,011</u>	<u>\$ 4,540,337,592</u>	<u>\$ 4,829,803,386</u>	<u>\$ 4,717,855,017</u>	<u>\$ 5,002,372,897</u>	<u>\$ 5,668,172,825</u>
1.53500	1.67000	1.67000	1.65000	1.65000	1.65000
\$ 4,563,518,827	\$ 4,670,349,452	\$ 4,928,578,051	\$ 5,022,616,604	\$ 5,336,218,217	\$ 5,943,363,517
97.270%	97.216%	97.996%	93.932%	93.744%	95.370%

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Crowley Independent School District				
General Purposes	\$ 1.040100	\$ 1.040100	\$ 1.040000	\$ 1.040000
Capital Purposes	0.369800	0.494950	0.495000	0.495000
TOTAL DIRECT RATES	<u>\$ 1.409900</u>	<u>\$ 1.535050</u>	<u>\$ 1.535000</u>	<u>\$ 1.535000</u>
City of Crowley	\$ 0.575500	\$ 0.575500	\$ 0.640000	\$ 0.640000
City of Fort Worth	0.855000	0.855000	0.855000	0.855000
Johnson County	0.356960	0.300590	0.327500	0.330500
Tarrant County	0.266500	0.264000	0.264000	0.264000
Tarrant County Hospital District	0.230400	0.227897	0.227897	0.227897
Tarrant County Junior College District	0.139380	0.137670	0.137640	0.148970
TOTAL DIRECT AND OVERLAPPING RATES	<u>\$ 3.833640</u>	<u>\$ 3.895707</u>	<u>\$ 3.987037</u>	<u>\$ 4.001367</u>

Source: Tarrant County Property Appraiser

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 1.040000	\$ 1.170000	\$ 1.170000	\$ 1.170000	\$ 1.170000	\$ 1.170000
0.495000	0.500000	0.500000	0.480000	0.480000	0.480000
<u>\$ 1.535000</u>	<u>\$ 1.670000</u>	<u>\$ 1.670000</u>	<u>\$ 1.650000</u>	<u>\$ 1.650000</u>	<u>\$ 1.650000</u>
\$ 0.669019	\$ 0.669020	\$ 0.696829	\$ 0.696800	\$ 0.739270	\$ 0.739270
0.855000	0.855000	0.855000	0.855000	0.855000	0.835000
0.330500	0.333230	0.371154	0.371100	0.407700	0.422663
0.264000	0.264000	0.264000	0.264000	0.264000	0.254000
0.227897	0.227900	0.227897	0.227897	0.227897	0.227897
0.148970	0.148970	0.149500	0.149500	0.149500	0.144730
<u>\$ 4.030386</u>	<u>\$ 4.168120</u>	<u>\$ 4.234380</u>	<u>\$ 4.214297</u>	<u>\$ 4.293367</u>	<u>\$ 4.273560</u>

Crowley Independent School District

Exhibit L-8

Principal Property Tax Payers

Current Year And Nine Years Ago

Property Tax Payer	2016			2007		
	Taxable Value	Rank	% of Total Taxable Value	Taxable Value	Rank	% of Total Taxable Value
Hulen Owner LP	\$ 68,065,257	1	1.38%	\$ 62,828,934	1	1.44%
Oncor Electric Delivery Co LLC	60,126,890	2	1.22%	58,929,102	2	1.35%
Wal-Mart Real Estate Business Trust	47,149,341	3	0.96%	-	n/a	n/a
Bryant Irving TX Partners LLC	40,366,892	4	0.82%	20,330,849	10	0.47%
PBH Deer Creek LLC	34,500,000	5	0.70%	-	n/a	n/a
Coventry Gardens LP	33,902,250	6	0.69%	-	n/a	n/a
Cameron Creek Apartments	33,780,000	7	0.69%	-	n/a	n/a
EG Reflections LLC	33,656,520	8	0.68%	-	n/a	n/a
Avery Pointe Owner LLC	31,680,000	9	0.64%	-	n/a	n/a
Texas Midstream Gas Services	31,032,800	8	0.63%	-	n/a	n/a
Alliance We LP	-	n/a	n/a	22,572,903	7	0.52%
Marquette Verandas LLC	-	n/a	n/a	23,336,529	6	0.54%
Independent Research	-	n/a	n/a	24,973,658	4	0.57%
Ventana Holdings LP	-	n/a	n/a	26,168,466	3	0.60%
Texas HCP Revx Lp. Etal	-	n/a	n/a	24,676,000	5	0.57%
Caj-Tex Mortgage Inc.	-	n/a	n/a	20,762,000	8	0.48%
Wri Overton Plaza LP	-	n/a	n/a	20,737,478	9	0.48%
Subtotal	\$ 414,259,950		8.41%	\$ 305,315,919		7.02%
Other Taxpayers	4,514,318,101		91.59%	4,045,886,505		92.98%
TOTAL	\$ 4,928,578,051		100.00%	\$ 4,351,202,424		100.00%

Source: Tarrant County Property Appraiser

n/a: Not applicable since it was not ranked in 2017 or 2008.

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Crowley Independent School District

Property Tax Levies and Collections

Last Ten 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>
2008	2007	\$ 1.409900	\$ 60,260,238	\$ 59,458,464	98.67%
2009	2008	1.535050	72,108,330	70,944,153	98.39%
2010	2009	1.535000	74,463,966	72,374,875	97.19%
2011	2010	1.535000	68,275,034	66,601,919	97.55%
2012	2011	1.535000	70,050,014	68,263,420	97.45%
2013	2012	1.670000	75,260,221	74,892,085	99.51%
2014	2013	1.670000	77,808,734	76,581,898	98.42%
2015	2014	1.650000	81,914,156	79,257,028	96.76%
2016	2015	1.650000	79,747,570	79,466,495	99.65%
2017	2016	1.650000	87,934,081	85,837,294	97.62%

Source: District Records

Collections in Subsequent Years	Total Collections to Date	
Amount	Amount	Percent of Levy
\$ 725,752	\$ 60,184,216	99.87%
886,317	71,830,470	99.61%
1,615,546	73,990,421	99.36%
1,381,489	67,983,408	99.57%
1,680,503	69,943,923	99.85%
363,021	75,255,106	99.99%
208,565	76,790,463	98.69%
542,130	79,799,158	97.42%
-	79,466,495	99.65%
500,915	86,338,209	98.19%

Crowley Independent School District

Ratios of Outstanding Debt by Type

Last Ten Years

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
PRIMARY GOVERNMENT				
Governmental Activities				
General obligation bonds	\$ 316,773,144	\$ 309,934,531	\$ 309,934,531	\$ 307,404,381
Loans payable	120,000	-	-	-
Capital leases	595,862	464,698	362,797	310,829
Bond Premiums				
Accreted interest on bonds	26,780,525	28,765,974	31,294,862	34,053,561
TOTAL PRIMARY GOVERNMENT	<u>\$ 344,269,531</u>	<u>\$ 339,165,203</u>	<u>\$ 341,592,190</u>	<u>\$ 341,768,771</u>
Percentage of Personal Income	0.40%	0.42%	0.40%	0.37%
Population	73,533	73,188	73,277	73,866
Outstanding Debt Per Capita	4,682	4,634	4,662	4,627

Source: Notes to the Basic Financial Statements

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 299,666,505	\$ 291,762,504	\$ 311,622,838	\$ 304,095,433	\$ 325,046,535	\$ 317,516,602
-	-	-	-	-	-
126,055	10,361	-	-	-	-
		13,558,277	18,517,606	37,692,046	35,798,673
<u>35,839,412</u>	<u>38,782,143</u>	<u>42,268,081</u>	<u>40,536,548</u>	<u>40,044,203</u>	<u>38,729,786</u>
<u>\$ 335,631,972</u>	<u>\$ 330,555,008</u>	<u>\$ 367,449,196</u>	<u>\$ 363,149,587</u>	<u>\$ 402,782,784</u>	<u>\$ 392,045,061</u>
0.35%	0.33%	0.34%	N/A	N/A	N/A
73,436	73,089	86,222	94,991	96,804	96,804
4,570	4,523	4,262	3,823	4,161	4,050

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
NET ASSESSED VALUE				
All property	\$ 4,281,370,806	\$ 4,559,083,130	\$ 4,555,040,542	\$ 4,318,088,020
NET BONDED DEBT				
Gross bonded debt	\$ 316,773,144	\$ 309,934,531	\$ 309,934,531	\$ 307,404,381
Less debt service funds	5,940,514	7,955,157	26,709,325	27,589,932
TOTAL NET BONDED DEBT	<u>\$ 310,832,630</u>	<u>\$ 301,979,374</u>	<u>\$ 283,225,206</u>	<u>\$ 279,814,449</u>
Ratio of Net Bonded Debt To Assessed Value	7.26%	6.62%	6.22%	6.48%
Population	73,533	73,188	73,277	73,866
Net Bonded Debt Per Capita	\$ 4,227	\$ 4,126	\$ 3,865	\$ 3,788

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

Exhibit L-11

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 4,563,518,827	\$ 4,670,349,452	\$ 4,928,578,051	\$ 5,022,616,604	\$ 5,336,218,217	\$ 5,943,363,517
\$ 299,666,505 27,783,481	\$ 291,762,504 29,629,841	\$ 311,622,838 29,606,269	\$ 304,095,433 30,314,436	\$ 402,782,780 18,528,038	\$ 392,045,061 23,885,222
<u>\$ 271,883,024</u>	<u>\$ 262,132,663</u>	<u>\$ 282,016,569</u>	<u>\$ 273,780,997</u>	<u>\$ 384,254,742</u>	<u>\$ 368,159,839</u>
5.96%	5.61%	5.72%	5.45%	7.20%	6.19%
73,436	73,089	86,222	94,991	96,804	96,804
\$ 3,702	\$ 3,586	\$ 3,271	\$ 2,882	\$ 3,969	\$ 3,803

Crowley Independent School District
 Direct and Overlapping Governmental Activities Debt
 June 30, 2017

Exhibit L-12

	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Share of Overlapping Debt</u>
GOVERNMENTAL UNIT			
City of Crowley	\$ 25,315,000	99.400%	\$ 25,163,110
City of Fort Worth	720,525,000	7.200%	51,877,800
Johnson County	29,920,000	0.550%	164,560
Tarrant County	344,185,000	3.680%	12,666,008
Tarrant County Hospital District	20,835,000	3.680%	766,728
Tarrant County Junior College District	-	3.680%	-
			<hr/>
Subtotal, overlapping debt			90,638,206
District direct debt	392,045,061	100.000%	<hr/> 392,045,061
TOTAL DIRECT AND OVERLAPPING DEBT			<hr/> <hr/> \$ 482,683,267

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 Years

	Year			
	2008	2009	2010	2011
Debt limit	\$ 428,137,081	\$ 455,908,313	\$ 455,504,054	\$ 443,278,377
Total net debt applicable to limit	<u>310,832,630</u>	<u>301,979,374</u>	<u>283,225,206</u>	<u>279,814,449</u>
LEGAL DEBT MARGIN	<u>\$ 117,304,451</u>	<u>\$ 153,928,939</u>	<u>\$ 172,278,848</u>	<u>\$ 163,463,928</u>
Total net debt applicable to the limit as a percentage of debt limit	72.60%	66.24%	62.18%	63.12%

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value	\$ 5,943,363,517
Debt limit (10% of assessed value)	594,336,352
Debt applicable to limit	
General obligation bonds	392,045,061
Less amount set aside for repayment of general obligation debt	<u>(23,885,222)</u>
Total net debt applicable to limit	<u>368,159,839</u>
LEGAL DEBT MARGIN	<u>\$ 226,176,513</u>

Source: District Records

Year					
2012	2013	2014	2015	2016	2017
\$ 456,351,883	\$ 467,034,945	\$ 492,857,805	\$ 502,261,660	\$ 533,621,822	\$ 594,336,352
271,883,024	262,132,663	282,016,569	273,780,997	372,962,254	368,159,839
<u>\$ 184,468,859</u>	<u>\$ 204,902,282</u>	<u>\$ 210,841,236</u>	<u>\$ 228,480,663</u>	<u>\$ 160,659,568</u>	<u>\$ 226,176,513</u>
59.58%	56.13%	57.22%	54.51%	69.89%	61.94%

Crowley Independent School District
 Demographic And Economic Statistics
 Last Ten Years

Exhibit L-14

Fiscal Year Ended June 30	Fort Worth Metropolitan Division Population (1)	Fort Worth Metropolitan		Median Age	School Enrollment (2)	Unemployment Rate (3)	Educational Attainment
		Division Personal Income (1)	Division Per Capita Personal Income (1)				
2008	2,123,674	85,593,338,000	40,304	N/A	14,742	4.8%	N/A
2009	2,168,853	81,453,322,000	37,556	N/A	14,695	7.7%	N/A
2010	2,203,904	85,213,120,000	38,665	N/A	14,725	8.2%	N/A
2011	2,237,268	92,115,479,000	41,173	N/A	15,009	7.8%	N/A
2012	2,274,380	96,371,508,000	42,373	N/A	14,652	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	N/A	N/A	N/A	N/A	15,097	4.6%	N/A
2017	N/A	N/A	N/A	N/A	15,212	4.3%	N/A

Source:

1. Bureau of Economic Analysis. Personal income and Per Capita for Fort Worth Metropolitan Division updated through 2014.
2. District records
3. US Department of Labor

Crowley Independent School District

Enrollment and Attendance Data

June 30, 2017

Exhibit L-15

Fiscal Year	Average Daily Enrollment	Average Daily Attendance		
		Average Daily Attendance	Percent Increase/ (Decrease)	Percent of Enrollment
2008	14,742	14,057	5.02%	95.35%
2009	14,695	13,991	-0.47%	95.21%
2010	14,725	14,040	0.35%	95.35%
2011	15,009	14,176	0.97%	94.45%
2012	14,652	14,039	-0.97%	95.82%
2013	15,060	13,966	-0.52%	92.74%
2014	15,080	13,986	0.14%	92.75%
2015	14,985	13,953	-0.24%	93.11%
2016	15,097	14,020	0.48%	92.87%
2017	15,212	14,189	1.21%	93.28%

Source: District Records

Crowley Independent School District

Principal Employers

Current Year and Nine Years Ago

Exhibit L-16

Employer	2017		2008	
	Employees	Rank	Employees	Rank
Crowley ISD	1,850	1	2054	1
Harris Methodist Southwest	920	2	931	3
Harbison-Fischer Manufacturing	550	3	370	7
First Command Financial Planning	549	4		
Wal-Mart Supercenter	430	5	450	5
Dillard's	400	6	400	6
Super Target	400	7	335	8
The Broadway Plaza at Cityview	350	8	325	9
Power House Retail	340	9		
Macy's	166	10	265	10
All Saints-Cityview Hospital			1668	2
SCS Frigette			480	4
	<u>5,955</u>		<u>7,278</u>	

Note: Comparative Information for 2007 was not available.

Source: District Records

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Crowley Independent School District

Operating Statistics

Last Ten Years

	Year			
	2008	2009	2010	2011
AVERAGE DAILY MEMBERSHIP	14,905	14,986	15,126	15,009
OPERATING EXPENDITURES	\$ 94,971,457	\$ 102,188,916	\$ 89,185,975	\$ 100,892,102
Cost per pupil	6,372	6,819	5,896	6,722
Percentage change	4.90%	7.02%	-13.53%	14.01%
TEACHING STAFF	901	1012	967	928
Pupil-teacher ratio	16.5	14.8	15.6	16.2
NUMBER OF STUDENTS				
Economically Disadvantaged	6,752	6,448	7,439	8,099
LIMITED ENGLISH PROFICIENCY	1,367	1,455	1,510	1,562

Source: District Records

Year					
2012	2013	2014	2015	2016	2017
14,639	15,012	14,326	14,918	15,050	15,182
\$ 96,129,073	\$ 102,788,822	\$ 109,470,365	\$ 117,309,867	\$ 125,141,794	\$ 129,537,718
6,567	6,847	7,641	7,864	8,315	8,532
-0.52%	4.47%	11.60%	2.91%	5.74%	2.61%
940	906	941	964	988.2	1,014
15.6	16.57	15.22	15.48	15.23	14.97
8,068	8,926	9,284	9,559	9,186	10,559
1,548	1,733	1,800	1,944	2,109	2,261

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

District Positions	2008	2009	2010	2011
Teachers	901	1011.9	966.7	928
Professional support	117.7	130.1	131.7	137.8
Campus administration	52.4	62.0	61.0	61.0
Central administration	8.0	8.0	7.0	6.0
TOTAL PROFESSIONAL STAFF	1079.1	1212.0	1166.4	1132.8
Educational aides	145.7	255.3	217.1	231.6
Auxiliary staff	104.0	474.5	464.2	317.8
TOTAL DISTRICT POSITIONS	1,328.8	1,941.8	1,847.7	1,682.2
Percentage Change	-32.02%	46.13%	-4.85%	-8.96%

Source: District Records

Exhibit L-18

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
900.2	905.8	941.02	963.69	988.2	1014
125.3	117.6	155.21	167.6	175.77	191.4
57.5	57.7	61.1	61.0	60.2	65.8
10.0	9.9	10.0	12.0	12.0	10.5
<u>1093.0</u>	<u>1091.0</u>	<u>1167.3</u>	<u>1204.3</u>	<u>1236.2</u>	<u>1281.7</u>
168.8	202.9	196.8	213.5	242.2	297.2
256.8	200.3	216.3	212.5	215.4	214.1
<u>1,518.6</u>	<u>1,494.2</u>	<u>1,580.4</u>	<u>1,630.3</u>	<u>1,693.8</u>	<u>1,793.0</u>
-8.10%	-1.62%	5.77%	3.16%	3.90%	5.86%

Crowley Independent School District

Teacher Base Salaries

Last Seven Years (1)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
MINIMUM SALARY				
Bachelor's Degree	\$ 44,010	\$ 45,500	\$ 45,500	\$ 47,308
Master's Degree	45,555	47,045	47,045	48,853
MAXIMUM SALARY				
Bachelor's Degree	63,746	65,346	58,606	60,170
Master's Degree	65,291	66,891	60,151	61,715
DISTRICT AVERAGE ACTUAL TEACHER SALARY	48,819	50,323	51,312	52,646
STATEWIDE AVERAGE ACTUAL TEACHER SALARY	46,178	47,158	48,263	48,639

Source: District Records and the Texas Education Agency

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$	47,308	\$ 48,727	\$ 50,000	\$ 51,400	\$ 52,171	\$ 52,171
	48,853	50,319	51,600	53,000	53,795	53,795
	60,170	60,009	65,379	65,749	67,007	67,007
	61,715	61,600	66,924	67,438	68,744	68,744
	52,646	51,424	54,153	55,447	56,898	58,679
	48,375	48,375	48,110	48,819	49,109	48,819

Crowley Independent School District
 School Building Information *(Page 1 Of 4)*
 Last Ten Years

		<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
ELEMENTARY					
Bess Race					
Square feet	81,630				
Capacity	726				
Enrollment		886	895	909	668
Sycamore					
Square feet	72,640				
Capacity	704				
Enrollment		755	751	787	553
Deer Creek					
Square feet	73,116				
Capacity	682				
Enrollment		597	677	671	457
Meadowcreek					
Square feet	76,788				
Capacity	858				
Enrollment		799	624	652	664
Jackie Carden					
Square feet	75,014				
Capacity	770				
Enrollment		771	554	562	564
Parkway					
Square feet	75,547				
Capacity	902				
Enrollment		857	697	693	749
Oakmont					
Square feet	75,700				
Capacity	748				
Enrollment		648	600	568	584
Dallas Park					
Square feet	77,550				
Capacity	880				
Enrollment		805	821	820	797
J.A. Hargrave					
Square feet	81,630				
Capacity	638				
Enrollment		602	652	668	639
Sidney H. Poynter					
Square feet	81,630				
Capacity	704				
Enrollment		798	731	762	582
Sue Crouch Intermediate					
Square feet	81,630				
Capacity	850				
Enrollment		801	793	776	540

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
665	697	677	673	677	661
559	564	610	575	576	616
414	458	492	535	506	450
694	709	725	695	685	666
556	536	525	485	511	532
739	768	755	704	724	681
567	531	592	561	607	598
767	743	681	644	617	678
574	548	555	530	551	586
563	520	496	532	596	620
531	512	515	501	456	438

Crowley Independent School District
 School Building Information *(Page 3 Of 4)*
 Last Ten Years

		<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
S.H. Crowley Intermediate					
Square feet	81,630				
Capacity	850				
Enrollment			667	694	508
David L. Walker Intermediate					
Square feet	81,630				
Capacity	850				678
Enrollment					
Mary Harris					
Square feet	81,630				
Capacity	850				
Enrollment					631
MIDDLE SCHOOL					
H.F. Stevens					
Square feet	159,626				
Capacity	1,675				
Enrollment		1,018	859	793	884
Crowley					
Square feet	159,626				
Capacity	1,675				
Enrollment		1,269	632	648	669
Summer Creek					
Square feet	184,824				
Capacity	1,650				
Enrollment			782	834	785
HIGH SCHOOL					
Crowley High School					
Square feet	267,023				
Capacity	2,150				
Enrollment		1,377	1,375	1,303	1,347
North Crowley High School					
Square feet	313,706				
Capacity	2,875				
Enrollment		1,765	1,774	1,793	1,738
Crowley 9th Grade					
Square feet	99,678				
Capacity	925				
Enrollment		485	441	488	480
North Crowley 9th Grade					
Square feet	119,630				
Capacity	1,050				
Enrollment		672	651	640	624

Source: District Records

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
494	465	445	456	470	466
694	645	647	643	663	660
679	648	640	668	671	677
874	902	931	912	915	930
644	615	656	615	634	661
786	841	833	779	781	789
1,374	1,320	1,490	1,502	1,484	2,100
1,646	1,635	1,762	1,783	1,746	2,403
516	538	480	531	532	527
675	614	649	659	646	600

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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
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, 2017 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 26, 2017.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

The Board of Trustees
Crowley Independent School District

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 26, 2017



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
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, 2017. 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, 2017.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
October 26, 2017

Crowley Independent School District
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2017

Section I – Summary of Auditors’ Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA Numbers

84.027A and 84.173A
 84.287C

Name of Federal Program Cluster

Special Education Cluster
 Title IV, Part B – 21st CCLC

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

Auditee qualified as low-risk auditee? Yes No

Crowley Independent School District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2017

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

NONE

Section III – Federal Award Findings And Questioned Costs

NONE

Crowley Independent School District
Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2017

A. Summary of Prior Year Audit Findings

NONE

Crowley Independent School District
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2017

Exhibit K-1

(1)	(2)	(3)	(4)
FEDERAL GRANTOR PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through State Department of Education</u>			
Title I, Part A Cluster			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	16610101220912	\$ 313,298
ESEA, Title I, Part A - Improving Basic Programs	84.010A	17610101220912	2,613,031
Total CFDA Number 84.010A			2,926,329
Special Education Cluster			
IDEA - Part B, Formula	84.027A	166600012209126000	430,877
IDEA - Part B, Formula	84.027A	176600012209126000	1,956,715
IDEA - Part B, Discretionary	84.027A	176600112209126000	48,302
IDEA - Part B, High Cost Risk Pool	84.027A	166600012209126601	4,570
IDEA - Part B, High Cost Risk Pool	84.027A	176600062209126000	54,887
Total CFDA Number 84.027			2,495,351
IDEA - Part B, Preschool	84.173A	166610012209126000	4,694
IDEA - Part B, Preschool	84.173A	176610012209126000	43,068
Total CFDA Number 84.173A			47,762
Career and Technical - Basic Grant	84.048A	17420006220912	171,486
Total CFDA Number 84.048A			171,486
Title IV, Part B - 21st CCLC	84.287C	166950197110009	138,889
Title IV, Part B - 21st CCLC	84.287C	176950197110009	1,401,153
Total CFDA Number 84.287			1,540,042
Title III, Part A - English Language Acquisition	84.365A	16671001220912	17,786
Title III, Part A - English Language Acquisition	84.365A	17671001220912	195,369
Total CFDA Number 84.365A			213,155
ESEA, Title II, Part A - Teacher/Principal Training	84.367A	17694501220912	156,389
			156,389
Title VI, Part A, Summer School	84.369A	69551102	6,990
			6,990
TOTAL DEPARTMENT OF EDUCATION			7,557,504

Crowley Independent School District
 Schedule of Expenditures of Federal Awards (Continued)
 Year Ended June 30, 2017

Exhibit K-1

PROGRAM or CLUSTER TITLE	Number	Number	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through State Department of Agriculture</u>			
Child Nutrition Cluster			
School Breakfast Program	10.553	71401601	\$ 1,558,035
National School Program Lunch	10.555	71301601	4,070,928
Child and Adult Care Food Program	10.558		387,201
USDA Commodities (noncash)	10.555	220-912	<u>519,142</u>
TOTAL DEPARTMENT OF AGRICULTURE			6,535,306
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through State Department</u>			
<u>of Health and Human Services</u>			
Medicaid Administrative Claiming Program	93.778	220-912	<u>71,357</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>71,357</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			14,164,167
School Health & Related Services (SHARS)*			<u>2,269,651</u>
TOTAL FEDERAL REVENUES, RECONCILED TO EXHIBIT C-2			<u>\$ 16,433,818</u>

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

Note 1. Basis of Presentation

The District uses the fund types specified in Texas Education Agency's Financial Accountability System Resource Guide. Special revenue funds are used to account for resources restricted to specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a special revenue fund.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government fund types are accounted for using a current financial resources measurement focus. All federal grants were accounted for in a special revenue fund which is a governmental fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used for the governmental fund types and agency funds. This basis of accounting recognizes revenues on the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due, and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

Note 2. Basis of Funding

The District participates in numerous state and federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2017 may be impaired. In the opinion of the District, there are not significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions has been recorded in the accompanying combined financial statements for such contingencies. Generally, unused balances are returned to the grantor at the close of specified project periods.