

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Fiscal year ended June 30, 2017



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CYPRESS  **FAIRBANKS**

INDEPENDENT SCHOOL DISTRICT

LEARN • EMPOWER • ACHIEVE • DREAM

Houston, Texas

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Fiscal year ended June 30, 2017



Prepared by the Finance Department

CYPRESS  **FAIRBANKS**

INDEPENDENT SCHOOL DISTRICT

LEARN • EMPOWER • ACHIEVE • DREAM

Houston, Texas

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017

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INTRODUCTORY

SECTION



November 13, 2017

Board of Trustees and Citizens
Cypress-Fairbanks Independent School District
10300 Jones Road
Houston, Texas 77065

Dear Board of Trustees and Citizens:

State law requires that each school district must have its fiscal accounts audited annually. A copy of the annual financial report, approved by the Board of Trustees, must be filed with the Texas Education Agency (TEA) by the 150th day after the end of the fiscal year. The Comprehensive Annual Financial Report (CAFR) of the Cypress-Fairbanks Independent School District (CFISD or the District) is published to fulfill that requirement for the fiscal year ended June 30, 2017.

The independent audit of the financial statements is part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District’s separately issued Single Audit Report.

The CAFR consists of management’s representations concerning the finances of the District. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District’s administration. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District’s financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the District’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Weaver and Tidwell, L.L.P., a firm of licensed certified public accountants, has issued an unmodified opinion based upon the audit of the District’s financial statements for the fiscal year ended June 30, 2017. The independent auditors’ report is presented as the first component of the financial section of 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.

PROFILE OF THE DISTRICT

During the 1939-40 school year, the voters in the Cypress and Fairbanks school systems approved the creation of the Cypress-Fairbanks Consolidated School District (Consolidated later became Independent). The District is comprised of 54 elementary schools, 18 middle schools, 11 high schools and 5 special program facilities, of which the average daily attendance reached 107,934 for the 2016-17 school year. CFISD is legally recognized as a political subdivision of the State of Texas and is located within Harris County. The District is not included in any other governmental reporting entity and there are no component units.

A seven-member Board of Trustees (the Board) governs the District and has governance responsibilities over all activities related to public elementary and secondary education. Each member is elected to an at-large position for four years in a nonpartisan election. An election is held each November for either three or four positions. Based on legislative authority codified in the Texas Education Code, the Board (1) has exclusive power to manage and govern the District; (2) can acquire and hold real and personal property; (3) shall have power to levy and collect taxes and to issue bonds; (4) can contract for appointed officers, teachers, and other personnel as well as for goods and services; and (5) has the right of eminent domain to acquire real property.

CFISD is a public educational institution which provides services for students from Pre-Kindergarten through twelfth grade. Some of the programs provided are special education services for children as early as age three through twenty-two years of age and early childhood development services. Programs are also available for four-year old students who require educational services due to limited English proficiency and low economic status. Full-day kindergarten is provided for all five-year olds. Other programs offered by CFISD are a gifted and talented program, compensatory education program for at-risk students, career and technology programs, and cocurricular/extracurricular activities. High school students may also take advantage of earning college credits through College Board Advanced Placement courses, early college, and dual credit programs. CFISD offers a strong, rich, and diverse curriculum for all of our students.

The annual budget serves as the foundation for the District's financial planning and control. The Board adopts an appropriated budget for the general fund, debt service fund, and the National School Breakfast and Lunch Program special revenue fund on a basis consistent with GAAP. Prior to June 19 each year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them. A meeting of the Board is called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given. Prior to July 1, the budget is formally approved and adopted by the Board. The appropriated budget is prepared by fund and function. Transfers of appropriations between campuses/departments require the approval of the District's management. Increasing any one of the functional spending categories or revenue object accounts and other resources require the approval of the Board.

LOCAL ECONOMY

The District comprises approximately 10% of Harris County, the most populous county of the 254 counties in Texas. There are 186 square miles of land within the boundaries of the District, much of it within or adjacent to the greater Houston area. Approximately 83% of the District's land area is developed. This size makes CFISD the second largest school system in land area out of the 22 districts in Harris County.

The District is primarily residential in character, with an average home price of approximately \$200,000. During the last fiscal year, there were approximately 2,532 new home closings and 2,879 new home starts. The greatest need for classrooms due to student enrollment growth into the foreseeable future continues to be expected in the southwest part of the District.

Located within the District are numerous multi-use developments which include retail shopping centers, low to mid-rise office buildings, hotels, industrial parks, financial institutions, medical facilities, public storage facilities, restaurants, and high-density residential projects. The District's taxable assessed value increased to \$46.7 billion in 2016-17, and has shown a significant increase over the past ten years.

The greater Houston area economy, from which most of the District's economic viability is derived, continues to recover from the recent recession that has affected state and national economies. The recovery is due in part to the relocation of key companies to the District and surrounding areas, positive trends in the housing market and completion of the Grand Parkway (State Highway 99). Houston continues to be a leader in industrial engineering and medical research. The Cypress-Fairbanks community expects to maintain steady and sustained economic growth despite the changing economic climate.

LONG-TERM FINANCIAL PLANNING

CFISD's student average daily attendance has increased 19 percent over a ten-year period and its enrollment is the third largest in the State. The District remains one of the fastest growing school districts in the county; however, the recent economic conditions have led to a slower growth rate. Enrollment is projected to increase 1 percent during the 2017-18 school year generating a projected increase of approximately 1,129 students. The District's school buildings range in age from 76 years to less than a year old. In preparation for a projected student enrollment of 120,000 students, the voters passed a \$1.2 billion bond referendum in May 2014. Proceeds of the referendum will be used by CFISD to build new facilities, purchase school sites and buses, renovate instructional facilities, enhance safety and security at all campuses, provide technology to accommodate new students and staff, replace aging technology, and increase student access to technology.

The District's approach to coping with the combination of fast student growth in a restricted funding environment with increasing academic standards has been to ensure that the budget process is instructionally driven and guided by the *Goals of the District*. The major budget priorities are to provide additional staff for student growth and increased accountability; to ensure that quality staff is retained and competitive hiring practices continue by granting a salary increase and benefit packages; to provide continuous professional development resources; to provide ongoing safety and security measures at all district facilities; and to provide additional funding for utilities and maintenance supplies associated with the bond program. The Board and administration review the *Goals of the District* every year, focusing on aligning the allocation of resources, both personnel and financial, with the accomplishment of the goals and objectives. This facilitates identification of target areas for both operating cost reductions and increases.

RELEVANT FINANCIAL POLICIES

Budget planning is an integral part of overall program planning to ensure the budget effectively reflects the District's programs and activities, and provides the resources to implement them. In the budget planning process, general educational goals, specific program goals, and alternatives for achieving program goals are considered, as well as input from the community, and District and campus-level planning and decision-making committees. Budget planning and evaluation are continuous processes and are a part of each month's activities.

MAJOR INITIATIVES

Currently, CFISD has over 100 languages and dialects that are spoken by students and approximately 14,212 of those students will enroll in the District's ESL/bilingual programs this year. Additionally, 49 percent of the District's students are economically disadvantaged and 9,098 students will receive special education services. As a result of the change in demographics, the District has responded by providing academic programs adapted to meet the needs of all children. To embrace the cultural differences of students from various ethnic backgrounds, the District provides bilingual programs at 36 elementary campuses and welcomes non-English speaking students at 13 New Arrival Centers, where students are immersed in the English language.

The District continues to meet or surpass state standards in every subject area through the use of differentiated instruction to meet the needs of all students. CFISD was the largest school district in Texas to have 100 percent of its campuses earn *Met Standard* honors in the 2017 Texas Education Agency (TEA) accountability ratings. The District has earned this honor for the fifth straight year.

By reviewing individual student test data and gauging the effectiveness of instructional programs, the District has strengthened and expanded its curriculum beyond the requirements of the state-mandated Texas Essential Knowledge and Skills (TEKS) in order to provide CFISD students with an education that is more enriched and broader in scope. Advance offerings will be expanded as more students express a desire to participate. CFISD students continue to excel in obtaining a well-rounded education as evidenced by a 96.3 percent graduated/continued rate based on TEA accountability data tables.

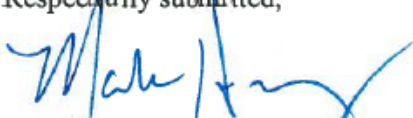
AWARDS AND ACKNOWLEDGEMENTS

Cypress-Fairbanks Independent School District received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for its CAFR for the fiscal year ended June 30, 2016. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such a CAFR must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report will conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA for their review.

The District received the Association of School Business Officials' (ASBO) Certificate of Excellence in Financial Reporting Award for the prior year. This award certifies that the CAFR for the fiscal year ended June 30, 2016, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the ASBO. We believe our current report will conform to the Certificate of Excellence Program requirements, and we are submitting it to the ASBO for their review.

We appreciate the support of the Board, the employees, the citizens of CFISD, and the business community, all of whom work cooperatively to ensure the best education for the students and the continuing development of the District. Special appreciation goes to the District's finance department and the independent auditors' staff. The preparation of this report could not have been accomplished without their efficient and dedicated service.

Respectfully submitted,



Mark Henry, Ed.D.
Superintendent



Stuart R. Snow, Jr., CPA, RTSBA
Associate Superintendent -
Chief Financial Officer



Mable Isles, CPA
Director of Financial Services



Mark Flores, CPA, CSRM, RTSBA
Director of Payroll and Insurance



Karen W. Smith, CPA, RTSBA
Assistant Superintendent-
Business and Financial Services



Melissa McAnear, CPA
Director of Business Services

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Cypress-Fairbanks Independent
School District, Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



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

Cypress-Fairbanks Independent School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

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



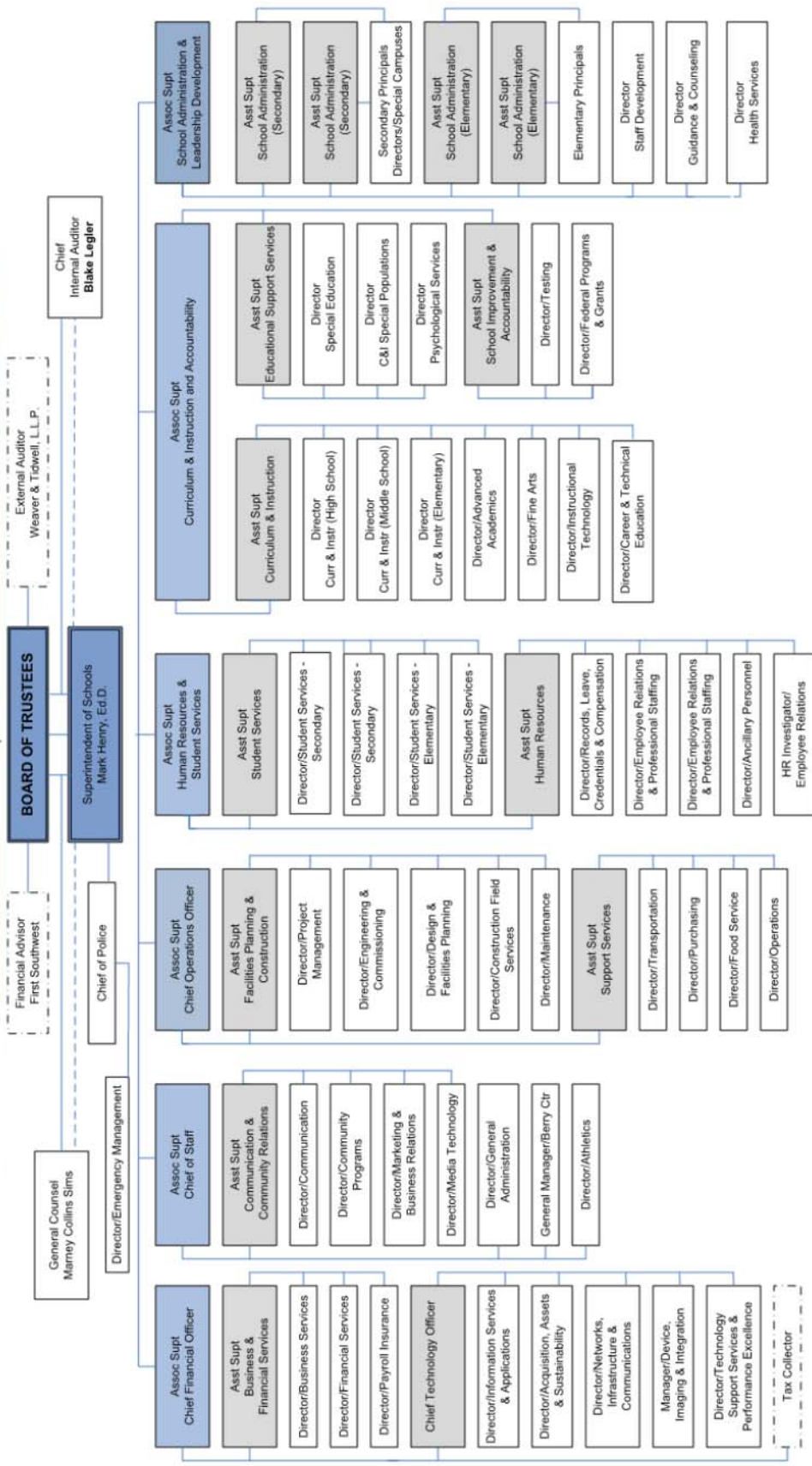
A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

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

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

John D. Musso, CAE, RSBA
Executive Director

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT Organization by Departments



CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
PRINCIPAL SCHOOL DISTRICT OFFICIALS AND ADVISORS

Board of Trustees

Darcy Mingoia	President
Dr. John Ogletree, Jr.	Vice-President
Bob R. Covey	Secretary
Debbie Blackshear	Member
Christine Hartley	Member
Thomas Jackson	Member
Don Ryan	Member

Administrative Staff

Mark Henry, Ed.D.	Superintendent
Stuart R. Snow, Jr., CPA, RTSBA	Associate Superintendent - Chief Financial Officer
Karen W. Smith, CPA, RTSBA	Assistant Superintendent - Business and Financial Services
Melissa McAnear, CPA	Director of Business Services
Mable Isles, CPA	Director of Financial Services
Mark Flores, CPA, CSRM, RTSBA	Director of Payroll and Insurance

Accountants and Advisors

Weaver and Tidwell, L.L.P.	Independent Auditors
Bracewell L.L.P	Legal Counsel/Co-Bond Counsel
Bates & Coleman, P.C.	Co-Bond Counsel
Thompson & Horton, L.L.P.	Legal Counsel
First Southwest	Financial Advisors
West & Associates, L.L.P.	Disclosure Counsel

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FINANCIAL

SECTION



Independent Auditor's Report

The Board of Trustees of
Cypress-Fairbanks Independent School District
10300 Jones Road
Houston, Texas 77065

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 Cypress-Fairbanks 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. The financial statements of Cypress-Fairbanks Independent School District Pension Plan for the Non-TRS Employees, reported as a fiduciary trust fund, were not audited in accordance with *Government Auditing Standards*. 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 Cypress-Fairbanks Independent School 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 and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cypress–Fairbanks Independent School District's basic financial statements. The Introductory Section, Supplementary Information, and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relates 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 Supplementary Information is 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 20, 2017 on our consideration of Cypress–Fairbanks Independent School 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cypress–Fairbanks Independent School District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas
October 20, 2017

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CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of the Cypress-Fairbanks Independent School District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2017.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$74,879,447 (*net position*).
- Unrestricted net position of \$105,943,614 may be used to meet the District's ongoing obligations to students and creditors.
- The District's total net position decreased by \$26,831,689.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$926,809,211, a decrease of \$58,647,216 in comparison with the prior year. The decrease in governmental fund balances was primarily due to a decrease of \$88,240,223 in the capital projects fund offset by an increase of \$25,701,068 in the general fund.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$404,083,416 or 47 percent of total general fund expenditures.
- The District's net bonded debt increased by \$173,007,454 (7 percent) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and supplementary information in addition to the basic financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused sick leave).

The government-wide financial statements of the District are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the District include Instruction, Instructional Resources and Media Services, Curriculum and Instructional Staff Development, Instructional Leadership, School Leadership, Guidance, Counseling, and Evaluation Services, Social Work Services, Health Services, Student Transportation, Food Services, Cocurricular/Extracurricular Activities, General Administration, Plant Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Community Services, Interest on Debt, Bond Issuance Costs and Fees, Facilities Repair and Maintenance, Payments to Fiscal Agents SSA, Payments to Juvenile Justice Alternative Education Programs, and Other Intergovernmental Charges. The business-type activities of the District include the operation of a before and after school care program and summer programs.

The government-wide financial statements are referenced as Exhibits A-1 and A-2 in this report.

**CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains twenty-five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and the capital projects fund, all of which are considered to be major funds. Data from the other twenty-two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the financial statements. The District adopts an annual appropriated budget for its general fund, debt service fund, and National School Breakfast and Lunch Program special revenue fund.

The basic governmental fund financial statements are referenced as Exhibits B-1, B-1R, B-2 and B-2R in this report.

Proprietary funds. The District maintains two different types of proprietary funds. *Enterprise funds* are used to report activities for which fees are charged to external users for goods or services (*business-type activities*). The function of the District's enterprise fund is to provide before and after school care for elementary and middle school students and summer programs for all students in the District. A fee is charged for these services. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various funds and functions. The District uses an internal service fund to account for its workers' compensation benefits to District employees. Because this service predominantly benefits governmental functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds statements provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary funds financial statements are referenced as Exhibits C-1 through C-3.

Fiduciary funds. The fiduciary funds are used to account for assets and activities when a governmental unit is functioning either as a trustee or an agent for another party. The District's fiduciary funds include the following:

The *pension trust fund* accounts for the operations of the Cypress-Fairbanks Independent School District's Pension Plan for Non-TRS Employees (Non-TRS). This fund uses the accrual basis of accounting and an economic resources measurement focus on the periodic determination of additions, deductions, and net position restricted for benefits. This trust fund publishes separate annual financial statements, which are available per request from the Assistant Superintendent of Business and Financial Services, Cypress-Fairbanks Independent School District, 10300 Jones Road, Houston, Texas, 77065. More information is available in Note IV, item D.

**CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

The *agency fund* accounts for resources held for the benefit of students. The agency fund is *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operation.

The basic fiduciary fund financial statements are referenced as Exhibits D-1 and D-2 in this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements immediately follow the basic financial statements in this report.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The required supplementary information relates to comparison of the original adopted budget, the final amended budget, and the actual amounts for the fiscal year. This is required supplementary information for the general fund and any major special revenue funds. The District did not have any major special revenue funds; therefore, only the general fund is presented as required supplementary information. The required supplementary information also provides information on the District's single-employer defined benefit pension plan and the cost-sharing multiple employer plan of which the District is a participant. The required supplementary information is referenced as Exhibits E-1 through F-3, and the associated notes immediately follow the exhibits in this report.

Supplementary information. The combining and individual fund statements and schedules and the compliance schedule comprise the supplementary information and are presented immediately following the required supplementary information. The supplementary information is referenced as Exhibits G-1 through J-1 in this report.

**CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$74,879,447 at the close of the fiscal year ended June 30, 2017.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$ 1,139,986,564	\$ 1,186,830,415	\$ 1,076,178	\$ 1,001,620	\$ 1,141,062,742	\$ 1,187,832,035
Capital Assets, net of						
Accumulated Depreciation	1,955,153,729	1,722,641,639	-	-	1,955,153,729	1,722,641,639
Total Assets	3,095,140,293	2,909,472,054	1,076,178	1,001,620	3,096,216,471	2,910,473,674
Total Deferred Outflows of Resources	169,384,372	193,754,832	-	-	169,384,372	193,754,832
Other Liabilities	231,015,074	213,414,313	355,193	280,859	231,370,267	213,695,172
Long-term Liabilities Outstanding	2,943,515,548	2,744,962,570	-	-	2,943,515,548	2,744,962,570
Total Liabilities	3,174,530,622	2,958,376,883	355,193	280,859	3,174,885,815	2,958,657,742
Total Deferred Inflows of Resources	15,835,581	43,859,628	-	-	15,835,581	43,859,628
Net Position:						
Net Investment in Capital Assets	(89,611,599)	(101,934,887)	-	-	(89,611,599)	(101,934,887)
Restricted for Grants	12,438,786	15,912,454	-	-	12,438,786	15,912,454
Restricted for Debt Service	46,108,646	43,013,760	-	-	46,108,646	43,013,760
Unrestricted	105,222,629	143,999,048	720,985	720,761	105,943,614	144,719,809
Total Net Position	\$ 74,158,462	\$ 100,990,375	\$ 720,985	\$ 720,761	\$ 74,879,447	\$ 101,711,136

Net investment in capital assets of (\$89.6) million reflects the District's investment of \$1.9 billion in capital assets (e.g., deferred charges and gains on refundings, land, buildings and improvements, furniture and equipment, construction in progress), less any outstanding related debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. The related debt (net) is adjusted for capital project funds that were expended, but not capitalized. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position of \$58,547,432 is an additional portion of the District's net position which represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position of \$105,943,614 may be used to meet the District's ongoing obligations to students and creditors. The District's net position decreased by \$26,831,689 primarily due to a decrease in grants and contributions from the state as a result of higher property values along with an increase in instructional expenses.

**CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

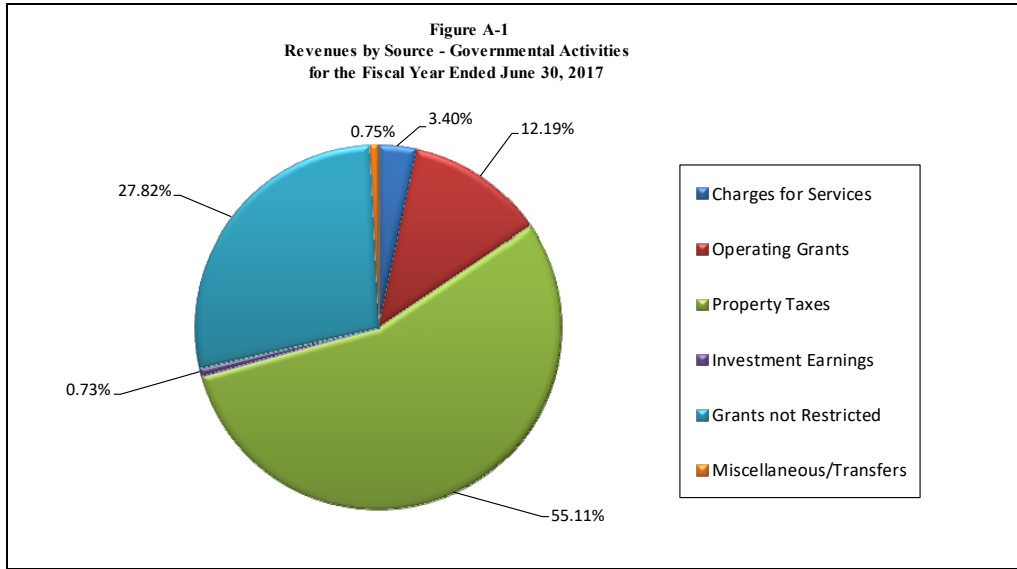
Governmental activities. Governmental activities decreased the District's net position from operations by \$26,831,913. Key elements of this decrease are as follows:

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT'S CHANGES IN NET POSITION

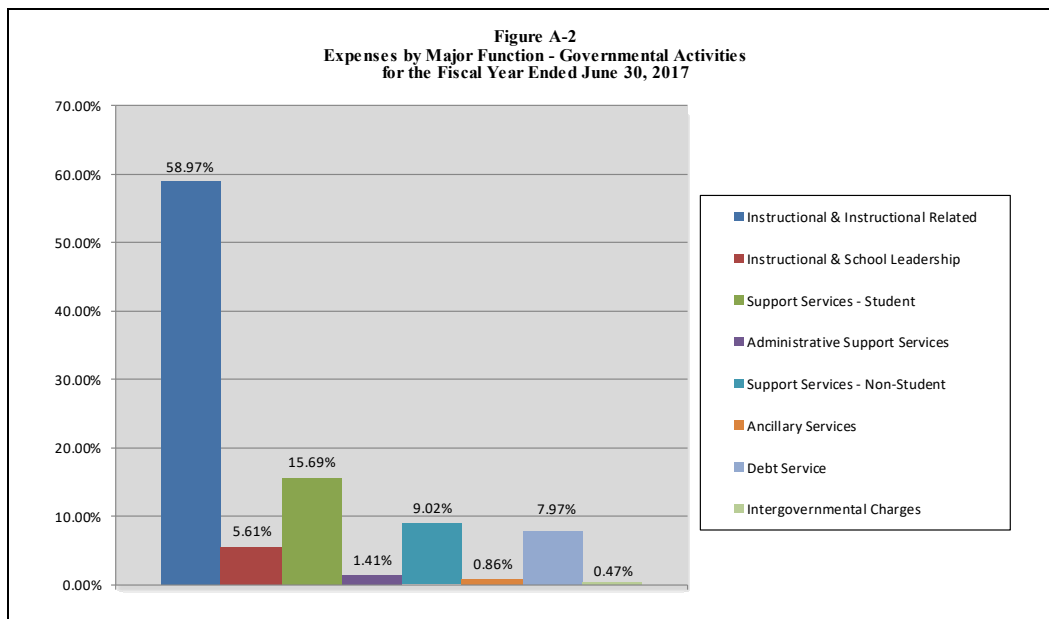
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for Services	\$ 41,195,205	\$ 40,084,773	\$ 10,809,379	\$ 10,701,748	\$ 52,004,584	\$ 50,786,521
Operating Grants and Contributions	147,853,651	147,905,436	-	-	147,853,651	147,905,436
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes	482,598,888	448,965,096	-	-	482,598,888	448,965,096
Property Taxes, Levied for Debt Service	186,052,714	172,948,374	-	-	186,052,714	172,948,374
Investment Earnings	8,825,837	4,665,229	16,025	8,138	8,841,862	4,673,367
Grants and Contributions Not Restricted to Specific Programs	337,586,938	372,830,990	-	-	337,586,938	372,830,990
Miscellaneous	8,656,413	5,138,873	-	-	8,656,413	5,138,873
Total Revenues	1,212,769,646	1,192,538,771	10,825,404	10,709,886	1,223,595,050	1,203,248,657
Expenses:						
Instruction	698,333,067	645,636,860	-	-	698,333,067	645,636,860
Instructional Resources and Media Services	10,873,350	10,125,744	-	-	10,873,350	10,125,744
Curriculum and Instructional Staff Development	22,058,882	17,319,578	-	-	22,058,882	17,319,578
Instructional Leadership	11,997,375	11,460,319	-	-	11,997,375	11,460,319
School Leadership	57,630,018	54,664,995	-	-	57,630,018	54,664,995
Guidance, Counseling, and Evaluation Services	35,865,818	32,678,851	-	-	35,865,818	32,678,851
Social Work Services	1,036,437	1,054,963	-	-	1,036,437	1,054,963
Health Services	10,885,642	10,527,342	-	-	10,885,642	10,527,342
Student Transportation	50,791,730	47,259,045	-	-	50,791,730	47,259,045
Food Services	64,439,209	61,105,272	-	-	64,439,209	61,105,272
Cocurricular/Extracurricular Activities	31,606,116	25,794,825	-	-	31,606,116	25,794,825
General Administration	17,428,978	16,922,372	-	-	17,428,978	16,922,372
Plant Maintenance and Operations	77,861,018	74,767,976	-	-	77,861,018	74,767,976
Security and Monitoring Services	11,435,763	10,636,933	-	-	11,435,763	10,636,933
Data Processing Services	14,726,806	17,800,115	-	-	14,726,806	17,800,115
Community Services	10,727,096	9,560,523	-	-	10,727,096	9,560,523
Interest on Debt	95,624,106	93,226,524	-	-	95,624,106	93,226,524
Bond Issuance Costs and Fees	3,164,626	2,794,902	-	-	3,164,626	2,794,902
Facilities Repair and Maintenance	7,873,909	2,225,983	-	-	7,873,909	2,225,983
Payments to Fiscal Agents SSA	823,895	1,121,872	-	-	823,895	1,121,872
Payments to Juvenile Justice Alternative Education Programs	7,120	3,600	-	-	7,120	3,600
Other Intergovernmental Charges	4,947,598	4,726,563	-	-	4,947,598	4,726,563
Business-type Activities	-	-	10,288,180	9,711,935	10,288,180	9,711,935
Total Expenses	1,240,138,559	1,151,415,157	10,288,180	9,711,935	1,250,426,739	1,161,127,092
Increase (Decrease) in Net Position before Transfers	(27,368,913)	41,123,614	537,224	997,951	(26,831,689)	42,121,565
Transfers	537,000	997,000	(537,000)	(997,000)	-	-
Change in Net Position	(26,831,913)	42,120,614	224	951	(26,831,689)	42,121,565
Net Position - Beginning	100,990,375	58,869,761	720,761	719,810	101,711,136	59,589,571
Net Positon - Ending	\$ 74,158,462	\$ 100,990,375	\$ 720,985	\$ 720,761	\$ 74,879,447	\$ 101,711,136

**CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

Revenues are generated primarily from two sources (see Figure A-1). Grants and contributions (program and general revenues totaling \$485,440,589) represent 40 percent of total revenues and property taxes (\$668,651,602) represent 55 percent of total revenues. The remaining 5 percent is generated from charges for services, investment earnings, and miscellaneous revenues/transfers. Grants and contributions decreased from the prior year due to a decrease in state funding resulting from increases in property values. Property taxes increased primarily due to an increase in property values.



The primary functional expense (see Figure A-2) of the District is instruction (\$698,333,067), which represents 56 percent of total expenses. Interest on debt (\$95,624,106) represents 8 percent of total expenses, plant maintenance and operations (\$77,861,018) represents 6 percent of total expenses, and food services (\$64,439,209) represents 5 percent of total expenses. The remaining individual functional categories of expenses are each less than 5 percent of total expenses. The increase in functional expenses is primarily due to an increase in instructional-related staff for student growth, issuance of debt, the opening of a new school, ongoing construction projects, and technology enhancements.



**CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

Business-type Activities. Business-type activities increased net position by \$537,224 due to the operation of the before and after school care program and the expansion of various summer programs of which \$537,000 was transferred to the general fund.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$926,809,211, a decrease of \$58,647,216 in comparison with the prior year. The decrease in ending governmental fund balances is primarily due to a decrease in the capital projects fund balance. Of the combined ending fund balances, \$404,083,416 constitutes unassigned fund balances. The remaining \$522,725,795 is reserved to indicate that it is not available for spending because it has been identified as nonspendable, restricted, committed, or assigned for other purposes.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$404,083,416, while total fund balance reached \$427,498,598. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 47 percent of total general fund expenditures, while total fund balance represents 50 percent of that same amount.

The fund balance of the District's general fund increased by \$25,701,068 during the current fiscal year primarily due to an increase in property values and conservative spending. Overall, the general fund's performance resulted in revenues over expenditures during the fiscal year ended June 30, 2017 of \$24,919,504.

The debt service fund has a total fund balance of \$89,366,687, all of which is restricted for the payment of debt service. The District makes semi-annual debt service payments in February and August of each year. Debt service payments on bonded indebtedness, including bond fees, for the year ended June 30, 2017 were \$195,813,666. The net increase in fund balance of \$3,666,549 relates to an increase in property values.

The capital projects fund has a total fund balance of \$387,112,562, all of which is restricted for authorized construction, buses, and technology projects. The net decrease in fund balance during the current year of \$88,240,223 was primarily due to the expenditures related to ongoing capital projects.

Proprietary funds. The District's proprietary fund financial statements reflect the District's internal service fund for workers' compensation and the District's enterprise fund for community programs. The decrease in net position is primarily due to the decrease in District contributions for workers' compensation and an increase in claims incurred. The net change in assets of the internal service fund is eliminated and allocated to the governmental expenses in the government-wide financial statements.

**CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget of the general fund can be briefly summarized as follows:

<u>Estimated Revenues</u>	
\$ 33,365	Increase in state revenues due to indirect costs on state grant awards.
1,038,799	Net increase in federal revenues due to indirect costs on various grant awards and receipt of SHARS reimbursements.
<u>\$ 1,072,164</u>	<i>Total Estimated Revenues Increase</i>
<u>Appropriations</u>	
\$ (8,525,000)	Net decrease in payroll costs due to Texas Education Agency approval of student-to-teacher ratio waivers.
(8,250,000)	Decrease in budgeted contingency for unexpected expenditures not needed.
(3,795,000)	Decrease in general supplies due to lower than anticipated fuel and other supply costs.
(2,515,000)	Decrease in contracted services due to lower than anticipated utility costs.
<u>\$ (23,085,000)</u>	<i>Total Estimated Appropriations Decrease</i>

The review of the final amended budget versus actual for the general fund reflected that revenues and expenditures were less than budgetary estimates. At year end, actual revenues were less than final budgeted amounts by \$8,456,550 primarily due to lower than anticipated proceeds from insurance and tax receipts. Operating expenditures were \$9,418,890 less than final budgeted amounts primarily due to payroll costs being less than anticipated.

Capital Assets and Long-term Liabilities

Capital assets. The District's investment in capital assets for its governmental type activities as of June 30, 2017, amounts to \$1,955,153,729 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment and construction in progress. The total increase in the District's investment in capital assets for the current fiscal year was 14 percent.

Major capital asset events during the current fiscal year included the following:

- Completed construction of Bridgeland High School (#12).
- Completed construction of two new elementary schools, Wells Elementary (#55) and Hoover Elementary (#56).
- Completed construction of the new Matzke Elementary School (replacement).
- Completed construction of a new district natatorium.
- Renovations and additions to existing facilities.
- Further enhancements to the District's Local Area Network and technology and computer system operations.

Construction Commitments. The District has active construction projects as of June 30, 2017. The projects include the construction and equipment of school facilities. At year end, the District's remaining commitments with contractors totaled \$87,953,913 for all ongoing projects.

**CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

**CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT'S CAPITAL ASSETS
(Net of Depreciation)**

	Governmental Activities	
	2017	2016
Land	\$ 105,621,895	\$ 101,010,731
Buildings and Improvements	1,664,068,286	1,253,338,522
Furniture and Equipment	102,650,530	100,298,810
Construction in Progress	82,813,018	267,993,576
Totals	\$ 1,955,153,729	\$ 1,722,641,639

Additional information on the District's capital assets can be found in Note III, item C of the notes to the financial statements.

Long-term liabilities. At the end of the current fiscal year, the District had total long-term liabilities outstanding of \$2,943,515,548. Of this amount, \$2,675,810,167 comprises debt backed by the full faith and credit of the District, as further guaranteed by the Texas Permanent School Fund Guarantee Program, \$4,372,732 is a liability for workers' compensation claims, \$7,577,275 is a liability for compensated absences, and \$255,755,374 is a liability for pensions.

The District's net bonded debt increased by \$173,007,454 (7 percent) during the current fiscal year.

The District's net pension liability (NPL) increased by \$26,156,214 as a result of differences between projected and actual investment earnings and changes in proportion and differences between the District's contributions and its proportionate share of contributions.

The following table provides key pension statistics by pension system as of and for the fiscal year ended June 30, 2017:

	Summary of District Pension Information		
	TRS	Non-TRS	Total
Net Pension Liability (NPL)	\$ 255,755,374	\$ -	\$ 255,755,374
Pension Expense	61,799,027	1,698,522	63,497,549

The District terminated the Non-TRS Plan as of December 31, 2015 and all member accounts were closed and the plan was liquidated as of December 31, 2016.

Additional information on the District's long-term liabilities can be found in Note III, item E and Note IV, item D of the notes to the financial statements.

**CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

Economic Factors and Next Year's Budgets and Tax Rates

The primary factors considered in preparing the District's budget for the 2017-18 fiscal year were a decrease in state funding based on prior year property value increases, a 6 percent increase in local property values, and the opening of new facilities. The Board of Trustees adopted an \$18.2 million deficit budget for 2017-18 which provides for a cost of living raise for all staff, additional staff for student enrollment growth and the opening of a new high school, two new elementary schools, natatorium, and a new elementary school for an existing overcrowded campus. The maintenance and operations tax rate remains at \$1.04 and the interest and sinking tax rate remains at \$0.40 per \$100 of assessed value for the 2017-18 fiscal year.

The District experienced a hurricane in August 2017 which will require repairs to District facilities and the complete renovation of one elementary school. A majority of the repair costs will be covered through the District's flood and property insurance. The hurricane does not meet the criteria of an extraordinary item.

Despite challenges, the state of the District is strong because of committed staff members, students who take pride in their education, and community members who promote high standards and show tremendous support for the District. The District continues to be recognized for operating efficiently to maximize benefits that flow to students and accommodate student enrollment growth.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Assistant Superintendent of Business and Financial Services, Cypress-Fairbanks Independent School District, 10300 Jones Road, Houston, Texas, 77065.

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BASIC FINANCIAL STATEMENTS

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

Exhibit A-1

Data Control Codes		Primary Government		
		Governmental Activities	Business-type Activities	Total
	ASSETS			
1110	Cash and Cash Equivalents	\$ 23,250,295	\$ 172,393	\$ 23,422,688
1120	Current Investments	885,780,835	1,502,270	887,283,105
1225	Property Taxes Receivable (Net of allowance for uncollectibles)	16,617,998	-	16,617,998
1240	Due from Other Governments	98,376,788	-	98,376,788
1250	Accrued Interest	746,312	-	746,312
1260	Internal Balances	598,485	(598,485)	-
1290	Other Receivables	483,291	-	483,291
1300	Inventories, at Cost	6,887,265	-	6,887,265
1910	Long-term Investments	107,245,295	-	107,245,295
	Capital Assets, Not Being Depreciated:			
1510	Land	105,621,895	-	105,621,895
1580	Construction in Progress	82,813,018	-	82,813,018
	Capital Assets, Net of Accumulated Depreciation:			
1520	Buildings and Improvements	1,664,068,286	-	1,664,068,286
1530	Furniture and Equipment	102,650,530	-	102,650,530
1000	Total Assets	<u>3,095,140,293</u>	<u>1,076,178</u>	<u>3,096,216,471</u>
1700	DEFERRED OUTFLOWS OF RESOURCES	<u>169,384,372</u>	<u>-</u>	<u>169,384,372</u>
	LIABILITIES			
2110	Accounts Payable	80,069,232	16,453	80,085,685
2140	Accrued Interest Payable	40,431,212	-	40,431,212
2160	Accrued Wages Payable	100,754,826	338,740	101,093,566
2180	Due to Other Governments	9,673,851	-	9,673,851
2300	Unearned Revenue	85,953	-	85,953
	Noncurrent Liabilities:			
2501	Due within one year	89,746,366	-	89,746,366
2502	Due in more than one year	2,598,013,808	-	2,598,013,808
2540	Net Pension Liability	255,755,374	-	255,755,374
2000	Total Liabilities	<u>3,174,530,622</u>	<u>355,193</u>	<u>3,174,885,815</u>
2600	DEFERRED INFLOWS OF RESOURCES	<u>15,835,581</u>	<u>-</u>	<u>15,835,581</u>
	NET POSITION			
3200	Net Investment in Capital Assets	(89,611,599)	-	(89,611,599)
3820	Restricted for Grants	12,438,786	-	12,438,786
3850	Restricted for Debt Service	46,108,646	-	46,108,646
3900	Unrestricted	105,222,629	720,985	105,943,614
3000	Total Net Position	<u>\$ 74,158,462</u>	<u>\$ 720,985</u>	<u>\$ 74,879,447</u>

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

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Exhibit A-2

Data Control Codes	Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
	Primary Government:						
	Governmental Activities:						
0011	Instruction	\$ 698,333,067	\$ 19,236,988	\$ 64,154,259	\$ (614,941,820)	\$ -	\$ (614,941,820)
0012	Instructional Resources and Media Services	10,873,350	-	668,650	(10,204,700)	-	(10,204,700)
0013	Curriculum and Instructional Staff Development	22,058,882	-	11,966,178	(10,092,704)	-	(10,092,704)
0021	Instructional Leadership	11,997,375	-	4,655,604	(7,341,771)	-	(7,341,771)
0023	School Leadership	57,630,018	-	2,993,103	(54,636,915)	-	(54,636,915)
0031	Guidance, Counseling, and Evaluation Services	35,865,818	-	4,036,541	(31,829,277)	-	(31,829,277)
0032	Social Work Services	1,036,437	-	16,515	(1,019,922)	-	(1,019,922)
0033	Health Services	10,885,642	-	1,199,852	(9,685,790)	-	(9,685,790)
0034	Student Transportation	50,791,730	-	1,389,112	(49,402,618)	-	(49,402,618)
0035	Food Services	64,439,209	17,946,936	41,453,414	(5,038,859)	-	(5,038,859)
0036	Cocurricular/Extracurricular Activities	31,606,116	1,566,431	656,209	(29,383,476)	-	(29,383,476)
0041	General Administration	17,428,978	541,082	575,294	(16,312,602)	-	(16,312,602)
0051	Plant Maintenance and Operations	77,861,018	1,903,768	1,953,852	(74,003,398)	-	(74,003,398)
0052	Security and Monitoring Services	11,435,763	-	343,871	(11,091,892)	-	(11,091,892)
0053	Data Processing Services	14,726,806	-	201,571	(14,525,235)	-	(14,525,235)
0061	Community Services	10,727,096	-	1,825,853	(8,901,243)	-	(8,901,243)
0072	Interest on Debt	95,624,106	-	9,105,871	(86,518,235)	-	(86,518,235)
0073	Bond Issuance Costs and Fees	3,164,626	-	-	(3,164,626)	-	(3,164,626)
0081	Facilities Repair and Maintenance	7,873,909	-	657,902	(7,216,007)	-	(7,216,007)
0093	Payments to Fiscal Agents SSA	823,895	-	-	(823,895)	-	(823,895)
0095	Payments to Juvenile Justice Alternative Education Programs	7,120	-	-	(7,120)	-	(7,120)
0099	Other Intergovernmental Charges	4,947,598	-	-	(4,947,598)	-	(4,947,598)
TG	Total Governmental Activities	1,240,138,559	41,195,205	147,853,651	(1,051,089,703)	-	(1,051,089,703)
0001	Business-type Activities:						
	Community Programs	10,288,180	10,809,379	-	-	521,199	521,199
TP	Total Primary Government	\$ 1,250,426,739	\$ 52,004,584	\$ 147,853,651	(1,051,089,703)	521,199	(1,050,568,504)
	General Revenues:						
MT	Property Taxes, Levied for General Purposes				482,598,888	-	482,598,888
DT	Property Taxes, Levied for Debt Service				186,052,714	-	186,052,714
IE	Investment Earnings				8,825,837	16,025	8,841,862
GC	Grants and Contributions Not Restricted to Specific Programs				337,586,938	-	337,586,938
MI	Miscellaneous				8,656,413	-	8,656,413
FR	Transfers				537,000	(537,000)	-
TR	Total General Revenues and Transfers				1,024,257,790	(520,975)	1,023,736,815
CN	Change in Net Position				(26,831,913)	224	(26,831,689)
NB	Net Position - Beginning				100,990,375	720,761	101,711,136
NE	Net Position - Ending				\$ 74,158,462	\$ 720,985	\$ 74,879,447

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

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

<u>Data Control Codes</u>		<u>General</u>	<u>Debt Service</u>
ASSETS			
1110	Cash and Cash Equivalents	\$ 20,228,250	\$ -
1120	Current Investments	308,257,976	109,659,456
1225	Property Taxes Receivable (net of allowance for uncollectibles)	12,302,129	4,315,869
1240	Due from Other Governments	86,583,226	-
1250	Accrued Interest	431,251	-
1260	Due from Other Funds	50,428,275	324,406
1290	Other Receivables	468,372	-
1300	Inventories, at Cost	3,045,063	-
1910	Long-term Investments	99,309,018	-
1000	Total Assets	\$ <u>581,053,560</u>	\$ <u>114,299,731</u>
LIABILITIES			
2110	Accounts Payable	\$ 16,676,484	\$ -
2160	Accrued Wages Payable	94,891,168	-
2170	Due to Other Funds	23,771,544	22,073,629
2180	Due to Other Governments	9,673,851	-
2300	Unearned Revenues	26,565	-
2000	Total Liabilities	<u>145,039,612</u>	<u>22,073,629</u>
2600	DEFERRED INFLOWS OF RESOURCES	8,515,350	2,859,415
FUND BALANCES			
Nonspendable:			
3410	Inventory	3,045,063	-
Restricted For:			
3480	Debt Service	-	89,366,687
3450	Grants	-	-
3470	Construction Projects	-	-
Committed To:			
3545	Campus Activities	-	-
Assigned To:			
3590	Purchases on Order	2,162,683	-
3590	Future State Aid Reductions	18,207,436	-
3600	Unassigned:	404,083,416	-
3000	Total Fund Balances	<u>427,498,598</u>	<u>89,366,687</u>
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>581,053,560</u>	\$ <u>114,299,731</u>

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

<u>Capital Projects</u>	<u>Nonmajor Other Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 514,047	\$ 20,742,297
444,194,249	17,960,733	880,072,414
-	-	16,617,998
-	11,793,562	98,376,788
305,602	2,142	738,995
-	816,959	51,569,640
-	14,919	483,291
-	3,842,202	6,887,265
3,866,307	1,074,980	104,250,305
<u>\$ 448,366,158</u>	<u>\$ 36,019,544</u>	<u>\$ 1,179,738,993</u>
\$ 61,250,143	\$ 2,142,605	\$ 80,069,232
1,087	5,862,571	100,754,826
2,366	5,123,616	50,971,155
-	-	9,673,851
-	59,388	85,953
<u>61,253,596</u>	<u>13,188,180</u>	<u>241,555,017</u>
-	-	11,374,765
-	3,842,202	6,887,265
-	-	89,366,687
-	12,438,786	12,438,786
387,112,562	-	387,112,562
-	6,550,376	6,550,376
-	-	2,162,683
-	-	18,207,436
-	-	404,083,416
<u>387,112,562</u>	<u>22,831,364</u>	<u>926,809,211</u>
<u>\$ 448,366,158</u>	<u>\$ 36,019,544</u>	<u>\$ 1,179,738,993</u>

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CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Exhibit B-1R

Total Fund Balances - Governmental Funds (Exhibit B-1) \$ 926,809,211

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The governmental capital assets at year-end consist of:

Governmental Capital Assets Costs	\$ 2,852,699,610	
Accumulated Depreciation of Governmental Capital Assets	<u>(897,545,881)</u>	1,955,153,729

Property taxes receivable, which will be collected subsequent to year-end, but are not available soon enough to pay expenditures and, therefore, are deferred in the funds. 11,374,765

Long-term liabilities, including bonds payable, compensated absences, and net pension liability are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Liabilities at year end related to such items consist of:

Bonds Payable, at Original Par	\$ (2,419,435,000)	
Premiums, net of discounts, on Bonds Payable	(250,688,923)	
Deferred Charge on Refunding/Pension Adjustment	169,384,372	
Deferred Gain on Refunding/Pension Adjustment	(15,835,581)	
Accreted Interest on Capital Appreciation Bonds	(5,686,244)	
Accrued Interest on Bonds	(40,431,212)	
Compensated Absences	(7,577,275)	
Net Pension Liability	<u>(255,755,374)</u>	(2,826,025,237)

The internal service fund is used by the District to charge the costs of workers' compensation to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.

Workers' Compensation Fund		<u>6,845,994</u>
Total Net Position - Governmental Activities (Exhibit A-1)		\$ <u><u>74,158,462</u></u>

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

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

Data Control Codes		<u>General</u>	<u>Debt Service</u>
REVENUES			
5700	Local, Intermediate, and Out-of-State	\$ 504,539,693	\$ 187,445,936
5800	State Programs	374,858,954	4,145,478
5900	Federal Programs	7,569,451	4,960,393
5020	Total Revenues	<u>886,968,098</u>	<u>196,551,807</u>
EXPENDITURES			
Current:			
0011	Instruction	565,177,108	-
0012	Instructional Resources and Media Services	7,624,850	-
0013	Curriculum and Instructional Staff Development	10,087,307	-
0021	Instructional Leadership	7,495,290	-
0023	School Leadership	45,959,541	-
0031	Guidance, Counseling, and Evaluation Services	32,489,473	-
0032	Social Work Services	1,042,265	-
0033	Health Services	10,070,122	-
0034	Student Transportation	38,814,602	-
0035	Food Services	-	-
0036	Cocurricular/Extracurricular Activities	19,126,777	-
0041	General Administration	15,628,958	-
0051	Plant Maintenance and Operations	73,357,073	-
0052	Security and Monitoring Services	10,051,222	-
0053	Data Processing Services	9,854,980	-
0061	Community Services	9,116,207	-
Debt Service:			
0071	Principal on Long-term Debt	-	69,970,000
0072	Interest on Debt	-	104,504,040
0073	Bond Issuance Costs and Fees	-	21,339,626
Capital Outlay:			
0081	Facilities Acquisition and Construction	374,206	-
Intergovernmental:			
0093	Payments to Fiscal Agents SSA	823,895	-
0095	Payments to Juvenile Justice Alternative Education Programs	7,120	-
0099	Other Intergovernmental Charges	4,947,598	-
6030	Total Expenditures	<u>862,048,594</u>	<u>195,813,666</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>24,919,504</u>	<u>738,141</u>
OTHER FINANCING SOURCES (USES)			
7911	Issuance of Capital Related Debt	-	-
7912	Sale of Real and Personal Property	244,564	-
7915	Transfers In	537,000	-
7916	Premium from Issuance of Bonds	-	46,677,691
7901	Issuance of Refunding Bonds	-	204,500,000
8949	Payment to Refunded Bonds Escrow Agent	-	(248,249,283)
7080	Total Other Financing Sources (Uses)	<u>781,564</u>	<u>2,928,408</u>
1200	Net Change in Fund Balances	25,701,068	3,666,549
0100	Fund Balances - Beginning	401,797,530	85,700,138
3000	Fund Balances - Ending	<u>\$ 427,498,598</u>	<u>\$ 89,366,687</u>

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

Exhibit B-2

<u>Capital Projects</u>	<u>Nonmajor Other Governmental</u>	<u>Total Governmental Funds</u>
\$ 4,070,683	\$ 33,642,217	\$ 729,698,529
-	6,511,124	385,515,556
-	80,682,816	93,212,660
<u>4,070,683</u>	<u>120,836,157</u>	<u>1,208,426,745</u>
31,256,904	44,065,464	640,499,476
-	314,710	7,939,560
-	10,428,724	20,516,031
-	3,896,083	11,391,373
-	251,674	46,211,215
-	2,011,315	34,500,788
-	-	1,042,265
-	618,393	10,688,515
9,650,849	-	48,465,451
-	55,696,757	55,696,757
-	-	19,126,777
-	-	15,628,958
2,165,027	491,494	76,013,594
-	723	10,051,945
14,889,233	-	24,744,213
-	1,898,103	11,014,310
-	-	69,970,000
-	-	104,504,040
-	-	21,339,626
304,348,893	937,327	305,660,426
-	-	823,895
-	-	7,120
-	-	4,947,598
<u>362,310,906</u>	<u>120,610,767</u>	<u>1,540,783,933</u>
<u>(358,240,223)</u>	<u>225,390</u>	<u>(332,357,188)</u>
241,670,000	-	241,670,000
-	-	244,564
-	-	537,000
28,330,000	-	75,007,691
-	-	204,500,000
-	-	(248,249,283)
<u>270,000,000</u>	<u>-</u>	<u>273,709,972</u>
(88,240,223)	225,390	(58,647,216)
475,352,785	22,605,974	985,456,427
<u>\$ 387,112,562</u>	<u>\$ 22,831,364</u>	<u>\$ 926,809,211</u>

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Exhibit B-2R

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (58,647,216)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Assets increased	\$ 322,663,462	
Depreciation Expense	<u>(90,151,372)</u>	232,512,090

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues decreased by this amount this year. (2,563,811)

Issuance of bonds provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

Par Value	\$ (446,170,000)	
Premium	<u>(75,007,691)</u>	(521,177,691)

Payment to the escrow agent to refund bonds from refunding proceeds and District contributions reduces long-term liabilities. 266,424,283

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 69,970,000

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The decrease in interest reported in the statement of activities consists of the following:

Accrued Interest on Bonds Payable increased	\$ (3,254,479)	
Interest Accreted on the Capital Appreciation Bonds decreased	3,207,308	
Amortization of Bond Premium (Discount)	13,598,670	
Amortization of Deferred Gain on Refunding	99,111	
Amortization of Deferred Charge on Refunding	<u>(4,770,676)</u>	8,879,934

The net decrease in compensated absences is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. 709,913

The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities, but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.

Deferred Outflows decreased	\$ (24,629,808)	
Deferred Inflows decreased	27,924,936	
Net Pension Liability increased	<u>(26,156,214)</u>	(22,861,086)

An internal service fund is used by the District to charge the costs of workers' compensation to the individual funds. The change in net position of the following internal service fund is reported in the government-wide statements:

Workers' Compensation Fund	(78,329)
----------------------------	----------

Change in Net Position for Governmental Activities (Exhibit A-2) \$ (26,831,913)

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

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

Exhibit C-1

<u>Data Control Codes</u>	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund Community Programs</u>	<u>Internal Service Fund Workers' Compensation</u>
ASSETS		
Current Assets:		
1110	\$ 172,393	\$ 2,507,998
1120	1,502,270	5,708,421
1250	-	7,317
	<u>1,674,663</u>	<u>8,223,736</u>
Noncurrent Assets:		
1910	-	2,994,990
	<u>-</u>	<u>2,994,990</u>
1000	<u>1,674,663</u>	<u>11,218,726</u>
LIABILITIES		
Current Liabilities:		
2110	16,453	-
2123	-	1,637,936
2160	338,740	-
2170	598,485	-
	<u>953,678</u>	<u>1,637,936</u>
Noncurrent Liabilities:		
2590	-	2,734,796
	<u>-</u>	<u>2,734,796</u>
2000	<u>953,678</u>	<u>4,372,732</u>
NET POSITION		
3900	720,985	6,845,994
3000	<u>\$ 720,985</u>	<u>\$ 6,845,994</u>

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

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

Exhibit C-2

<u>Data Control Codes</u>	<u>Business-type Activities</u> <u>Enterprise Fund Community Programs</u>	<u>Governmental Activities</u> <u>Internal Service Fund Workers' Compensation</u>
OPERATING REVENUES		
5700 Charges for Services	\$ 10,809,379	\$ -
5700 Contributions from Employer	-	2,198,234
5020 Total Operating Revenues	<u>10,809,379</u>	<u>2,198,234</u>
OPERATING EXPENSES		
6100 Payroll Costs	8,494,554	55,961
6200 Purchased and Contracted Services	397,082	-
6300 Supplies and Materials	569,397	-
6400 Other Operating Expenses	827,147	2,297,457
6030 Total Operating Expenses	<u>10,288,180</u>	<u>2,353,418</u>
1200 Operating Income (Loss)	<u>521,199</u>	<u>(155,184)</u>
NONOPERATING REVENUES		
7000 Investment Earnings	<u>16,025</u>	<u>76,855</u>
7950 Total Nonoperating Revenues	<u>16,025</u>	<u>76,855</u>
Income before Transfers	537,224	(78,329)
8911 Transfers Out	<u>(537,000)</u>	<u>-</u>
1300 Change in Net Position	224	(78,329)
0100 Total Net Position - Beginning	<u>720,761</u>	<u>6,924,323</u>
3000 Total Net Position - Ending	<u><u>\$ 720,985</u></u>	<u><u>\$ 6,845,994</u></u>

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

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

Exhibit C-3

	Business-type Activities	Governmental Activities
	Enterprise Fund Community Programs	Internal Service Fund Workers' Compensation
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Employer	\$ -	\$ 2,191,267
Cash Received from Services Provided	10,362,788	-
Cash Payments for Claims	-	(2,198,234)
Cash Payments for Goods and Services	(1,791,427)	-
Cash Payments for Employees	(8,422,419)	(55,961)
Net Cash Provided by (Used for) Operating Activities	<u>148,942</u>	<u>(62,928)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to Other Funds	<u>(537,000)</u>	<u>-</u>
Net Cash Used for Noncapital Financing Activities	<u>(537,000)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends Received on Investments	16,025	76,894
Sale of Investments	<u>440,861</u>	<u>2,087,966</u>
Net Cash Provided by Investing Activities	<u>456,886</u>	<u>2,164,860</u>
Net Increase in Cash and Cash Equivalents	68,828	2,101,932
Cash and Cash Equivalents at Beginning of Year	<u>103,565</u>	<u>406,066</u>
Cash and Cash Equivalents at End of Year	<u>\$ 172,393</u>	<u>\$ 2,507,998</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 521,199	\$ (155,184)
Change in Assets and Liabilities:		
Decrease in Receivables	20,445	-
Increase in Accounts Payable/Claims Payable	2,199	99,223
Increase in Accrued Wages Payable	72,135	-
Decrease in Due to Other Funds	(467,036)	(6,967)
Net Cash Provided (Used) by Operating Activities	<u>\$ 148,942</u>	<u>\$ (62,928)</u>

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

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017
(DECEMBER 31, 2016 FOR NON-TRS PENSION TRUST FUND)

Exhibit D-1

Data Control Codes		Non-TRS Pension Trust Fund	Agency Fund
ASSETS			
1110	Cash and Cash Equivalents	\$ -	\$ 299,410
1120	Current Investments	-	2,674,413
1250	Accrued Interest	-	2,002
1290	Other Receivables	-	1,166
1910	Long-term Investments	-	975,304
1000	Total Assets	<u>-</u>	<u>\$ 3,952,295</u>
LIABILITIES			
2110	Accounts Payable		48,364
2190	Due to Student Groups	-	3,903,931
2000	Total Liabilities	<u>-</u>	<u>\$ 3,952,295</u>
NET POSITION			
3800	Restricted for Pension Benefits	-	
	Total Net Position	<u>\$ -</u>	

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

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2017
(DECEMBER 31, 2016 FOR NON-TRS PENSION TRUST FUND)

Exhibit D-2

	Non-TRS Pension Trust Fund
ADDITIONS	
Net Investment Income	\$ 19,746
Net Appreciation in Investments	83,883
Total Additions	<u>103,629</u>
DEDUCTIONS	
Benefit Payments	4,642,805
Rollover (Due to Plan Termination)	7,339,664
Remittance of Excess to Plan Sponsor	419,869
Administrative Fees	98,674
Total Deductions	<u>12,501,012</u>
Net Decrease in Net Position	(12,397,383)
NET POSITION	
Restricted for Pension Benefits	
Beginning of Year	<u>12,397,383</u>
End of Year	<u>\$ -</u>

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

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Cypress-Fairbanks Independent School District (the District) is governed by a seven-member Board of Trustees (Board), which has governance responsibilities over all activities related to public elementary and secondary education within the District. Because members of the Board are elected by the public; have authority to make decisions; appoint management and significantly influence operations; and have primary accountability for fiscal matters; the District is not included in any other governmental reporting entity. The accompanying financial statements present the operations of the District. There are no component units, entities for which the District is considered to be financially accountable, included within the reporting entity.

The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities.

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 on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Direct expenses are not eliminated from the various functional categories. Interfund services that are provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Depreciation expense and workers' compensation claims have been allocated to all applicable functions in order to present the expenses of the District more accurately in the statement of activities. *Program revenues* include 1) charges to students or users who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead 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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting policies of the District comply with the rules prescribed in the Texas Education Agency's (TEA) *Financial Accountability System Resource Guide*. These accounting policies conform to generally accepted accounting principles (GAAP) applicable to state and local governments.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds and fiduciary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The fiduciary funds financial statements reflect the District's pension trust fund and agency fund. The measurement focus of the pension trust fund is on the flow of economic resources. This focus emphasizes the determination of net income, changes in net position, and financial position. With this measurement focus, all

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

assets and liabilities associated with the operation of the fund are included on the statement of fiduciary net position. The fund uses the accrual basis of accounting whereby revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred. The agency fund reports only assets and liabilities and does not have a measurement focus.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to pension liability, compensated absences, and claims and judgments, are recorded only when payment is due.

Grant and similar revenues, revenues received from the State of Texas, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District's accounting system is organized and operated on the basis of funds, each of which is a separate accounting entity with a self-balancing set of accounts. The District's resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Major revenue sources include local property taxes and state funding under the Foundation School Program. Expenditures include all costs associated with the daily operations of the schools except for programs funded by certain local, state and federal sources, school construction and debt service.

The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. The primary revenue source is local property taxes levied specifically for debt service.

The *capital projects fund* is used to account for proceeds from sales of bonds and other revenues to be used for acquiring school sites; constructing, renovating and equipping District facilities; purchasing buses; and technology projects and enhancements.

The District reports the following nonmajor governmental funds:

The *special revenue funds* account for the District's National School Breakfast and Lunch Program, Campus Activity Funds and all federal, state and locally funded grants. These grants are awarded to the District for the purpose of accomplishing specific educational tasks as defined in the grant awards.

The District reports the following proprietary fund types:

The *internal service fund* accounts for the District's workers' compensation plan, which is supported principally by District contributions.

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The *enterprise fund* accounts for the District's operation of a before and after school care program and summer programs (Community Programs). This fund is supported principally by revenues generated through program fees.

The District reports the following fiduciary fund types:

The *pension trust fund* is used to account for the assets held in trust for the members and beneficiaries of the District's single-employer defined benefit pension plan (Non-TRS plan). The Non-TRS plan has a December 31 year end. The fund uses the accrual basis of accounting and a measurement focus on the periodic determination of additions, deductions, and net position restricted for pension benefits which is the same basis as the plan's financial statements.

The *agency fund* is used to account for assets held by the District as an agent for student organizations. The fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operation.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services that are provided and used are not eliminated in the process of consolidation.

Amounts reported as *program revenues* include 1) charges to students or users for goods, services, or privileges provided and 2) operating grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and investment income.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges to the fund for workers' compensation. Operating expenses for the internal service fund includes the cost of services and administrative expenses. The principal operating revenues of the District's enterprise fund are fees charged for before and after school care for elementary and middle school students and summer programs for all students of the District who elect to participate in the community programs. Operating expenses of the enterprise fund include the cost of payroll, contracted services, supplies, and other miscellaneous operating costs to run the program. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses for the internal service fund and the enterprise fund.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances

1. Deposits and Investments

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

Investments for the District, except for certain investment pools and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost or fair value. The fixed annuity contract is reported at contract value (a cost-based measure).

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2. *Receivables and Payables*

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

Property tax receivables include unpaid property taxes at year-end, and are shown net of an allowance for uncollectibles. Net property tax receivables are stated at the amount estimated to be collectible based on the District's collection experience. Revenues from property taxes are recognized when levied to the extent they are available (collected within 60 days after the close of the fiscal year). However, not all outstanding property taxes are expected to be collected within one year of the date of the financial statements.

Property values are determined by the Harris County Appraisal District as of January 1 of each year. Prior to July 1 of each year, the District must adopt its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy. Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of July 1 of each year. Delinquent taxes collected are prorated between the general fund and the debt service fund based on rates adopted for the year of the levy. Deferred inflows of resources are recorded in an amount equal to the net taxes receivable less subsequent 60 day collection at the fund level.

3. *Inventories and Prepaid Items*

Inventories consisting of supplies and materials are valued at weighted average cost when an item is purchased, and are subsequently recognized as expenditures when consumed. Food service commodities, transportation and maintenance supplies are charged to expenditures when received or purchased. Food service commodity inventory is recorded at fair market value on the date received. Commodities are recognized as revenues in the period received when all the eligibility requirements are met. A portion of fund balance is reported as nonspendable to reflect minimum inventory quantities considered necessary for the District's continuing operations.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid expenditures are recorded when purchased rather than when consumed.

4. *Capital Assets*

Capital assets, which include land, construction in progress, buildings and improvements, furniture and equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental column in the government-wide financial statements. The District's infrastructure includes parking lots and roads associated with various buildings. The cost of the infrastructure was initially capitalized with the building cost and is being depreciated over the same useful life as the building. Capital assets are defined by the District as assets with an initial, individual cost that equals or exceeds \$5,000 with a useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10-40
Furniture and Equipment	3-15

Land and construction in progress are not depreciated.

5. *Compensated Absences*

It is the District’s policy to permit employees to accumulate earned but unused state personal and sick leave days and local sick leave days. Upon retirement, an employee is entitled to full reimbursement for accumulated, unused days if the employee (1) has a minimum of ten (10) years of consecutive service in the District immediately preceding retirement; and (2) is eligible to receive benefits under the Texas Teacher Retirement System (TRS) on an unreduced pension/annuity immediately upon separation from the District. An eligible employee will be reimbursed a maximum of \$18,750 based on 150 of unused personal and sick leave days at \$125 per day. Employees who have been employed five to nine years with the District may draw a reduced benefit. All accumulated personal and sick leave for qualifying employees is reported in the government-wide financial statements. A liability is recorded in the governmental funds for only the amount of personal and sick leave that is due to those employees who had retired, but had not yet been paid as of June 30, 2017.

Annual vacation time is granted to 250-day non-professional and professional employees; however, any unused vacation time lapses at the end of each calendar year. A liability is recorded in the government-wide and governmental funds financial statements for only those employees with vacation days that had retired, but had not yet been paid as of June 30, 2017.

6. *Long-term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

7. *Deferred Outflows/Inflows 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. *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 or resources (revenue) until that time.

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The components of the deferred outflows of resources and deferred inflows of resources in the government-wide and fund level financial statements are as follows:

	<u>Statement of Net Position</u>	<u>Balance Sheet - Governmental Funds</u>	
	<u>Governmental Activities</u>	<u>General Fund</u>	<u>Debt Service Fund</u>
Deferred Outflows of Resources:			
Deferred Outflows from Pension Activities	\$ 111,934,199	\$ -	\$ -
Deferred Charge on Refunding	57,450,173	-	-
Total Deferred Outflows of Resources	\$ 169,384,372	\$ -	\$ -
Deferred Inflows of Resources:			
Deferred Inflows from Pension Activities	\$ 14,745,359	\$ -	\$ -
Unavailable Property Taxes	-	8,515,350	2,859,415
Deferred Gain on Refunding	1,090,222	-	-
Total Deferred Inflows of Resources	\$ 15,835,581	\$ 8,515,350	\$ 2,859,415

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan, except for projected and actual earnings differences on investments which are amortized on a closed basis over a 5-year period.
- Deferred charge/gain on refunding is amortized over the shorter of the life of the refunded or refunding debt.
- Property taxes are recognized in the period the amount becomes available.
- District contributions after the measurement date are recognized in the subsequent year.

8. Net Position Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary funds financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

9. Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). It is the District's policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental funds financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. The District considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any unrestricted fund balance classification could be used.

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10. Fund Balance Policies

In the fund financial statements, governmental funds report fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which the amounts in the respective governmental funds can be spent. The District reports the following classifications of fund balance:

The *nonspendable* classification accounts for amounts that are not in spendable form. The amounts reported in this category pertain to inventories that the District does not expect to convert to cash.

The *restricted* classification accounts for amounts that have external constraints imposed upon the use of the resources by bondholders, grantors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The amounts reported in this category include funding from external sources such as state and federal grants, tax levies for the repayment of principal and interest on long-term debt, and unspent bond proceeds for the construction and equipment of school facilities.

The *committed* classification accounts for amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board. These amounts can only be used for the purpose intended, which requires formal Board action by passage of a resolution to establish (as noted in Board minutes), unless the Board modifies or removes the specified use by taking the same formal Board action. The amounts reported in this category include the campus activity fund balances in the special revenue fund.

The *assigned* classification accounts for amounts that the District intends to use for a specific purpose. The Board delegates to the Superintendent or designee the responsibility to assign funds. The amounts reported in this category include outstanding encumbrances at the end of the fiscal year and an assignment of funds to offset reductions in future state aid.

The *unassigned* classification accounts for the residual amount in the general fund.

11. Pensions

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (see Note IV, item D and the RSI section immediately following the Notes to the Financial Statements), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The District recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or the District's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the respective pensions' fiscal year-end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred outflows of resources or deferred inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred outflows of resources or deferred inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows of resources or deferred inflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. The District charges funding requirements to pension expense in the governmental activities and business activities as incurred; however, any additional allocation of pension assets, deferred outflows, deferred inflows, and net pension liability is recognized in governmental activities due to the District's policy requiring the general fund to assume responsibility.

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12. Use of Estimates

A number of estimates relating to the reporting of revenues, expenditures, assets and liabilities, and the disclosure of contingent liabilities were used to prepare these financial statements in conformity with GAAP. Actual results could differ from those estimates.

13. Data Control Codes

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

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

The Board of Trustees adopts an appropriated budget for the general fund, debt service fund, and the National School Breakfast and Lunch Program special revenue fund on a basis consistent with GAAP. Budgetary information for the general fund appears in the required supplementary information subsection where the District compares the final amended budget to actual revenues and expenditures. Per regulatory requirements, the debt service fund and the National School Breakfast and Lunch Program special revenue fund are required to be reported with the original budget, final amended budget and actual revenues and expenditures. These schedules are included in the combining and individual fund statements and schedules subsection. All other governmental funds adopt project-length budgets. All annual appropriations lapse at fiscal year-end.

The following procedures are followed in establishing the budgetary data reflected in the financial schedules:

1. Prior to June 19 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to July 1, the budget is formally approved and adopted by the Board.

The appropriated budget is prepared by fund and function. The District's campus/department heads may make transfers of appropriations within a campus/department. Transfers of appropriations between campuses/departments require the approval of the District's management. Increasing any one of the functional spending categories, or revenues object accounts and other resources require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. The District made several supplemental budgetary revisions throughout the year, primarily in the general fund. These revisions are further detailed in the notes to the required supplementary information.

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B. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted, committed, or assigned, as appropriate.

At June 30, 2017, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. Significant encumbrances included in governmental fund balances are as follows:

	Encumbrances Included in:		
	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance
General Fund	\$ -	\$ -	\$ 2,162,683
Capital Projects Fund	151,033,354	-	-
Total Nonmajor Funds	449,745	282,436	-
<i>Total Encumbrances</i>	<u>\$ 151,483,099</u>	<u>\$ 282,436</u>	<u>\$ 2,162,683</u>

III. Detailed Notes on All Funds

A. Deposits and Investments

Cash Deposits: The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities are in compliance with the Texas Government Code, Chapter 2257 "Collateral for Public Funds", and are sufficient to meet the terms agreed to in the current depository contract as approved by TEA.

Investments: The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. The District further limits its investments to obligations of the U.S. Treasury or the State of Texas, certain U.S. Agencies, certificates of deposit, no-load money market mutual funds, certain municipal securities, repurchase agreements, banker's acceptances, commercial paper or investment pools.

For fiscal year 2017, the District invested in U.S. Government Agency securities, U.S. Treasuries, commercial paper, the Texas Local Government Investment Pool (Texpool), Texas CLASS, Texas Association of School Boards Lone Star Investment Pool (Lone Star), and Local Government Investment Cooperative (LOGIC) Investment Pool. Texpool is duly chartered and overseen by the State Comptroller's Office, administered and managed by Federated Investment Counseling. State Street Bank serves as the custodial bank. The portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; no-load money market mutual funds regulated by the Securities and Exchange Commission (SEC) and rated AAAM by Standard and Poor's; and securities lending programs. Texas CLASS is organized under the Seventh Amended and Restated Trust Agreement in accordance with all the requirements contained in section 2256.016 of the Act. Texas CLASS is administered by Public Trust Advisors, LLC and all funds are held by the custodial agent, Wells Fargo N.A. Texas CLASS may invest in obligations of the U.S. or its agencies and instrumentalities; repurchase agreements; SEC-registered money market funds rated in the highest rating category by at least one NRSRO; and commercial paper rated A-1, P-1 or equivalent by two nationally recognized rating agencies. Lone Star is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by First Public, LLC, and managed by Standish Mellon Asset Management and American Beacon Advisors. State Street Bank and Trust Company is the custodial bank. Lone Star is restricted to invest in obligations of the U.S. or its agencies and instrumentalities; other obligations insured by the U.S.; fully collateralized repurchase agreements having a defined termination date, secured by obligations described previously; and SEC-regulated no-load money market mutual funds, the assets which consist exclusively of the obligations described above. LOGIC is duly chartered by the State of Texas Interlocal Cooperation Act, is

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administered by First Southwest Asset Management, Inc. and J.P. Morgan Investment Management, Inc. (JPMIM), and managed by JPMIM, who provides custody, fund accounting and investment management. Transfer agency services are provided by Boston Financial Data Services, Inc. LOGIC may invest in obligations of the U.S. or its agencies and instrumentalities; repurchase agreements; SEC-registered money market funds rated in the highest rating category by at least one NRSRO; and commercial paper rated A-1, P-1 or equivalent by two nationally recognized rating agencies.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs-other than quoted prices within Level 1- that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

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The District's investment balances, including fiduciary funds, and weighted average maturity of such investments are as follows:

	<u>Current</u> <u>Investments</u>	<u>Long-term</u> <u>Investments</u>	<u>Fair Value</u> <u>Measurement Using</u> <u>Significant</u> <u>Other</u> <u>Observable</u> <u>Inputs</u> <u>(Level 2)</u>	<u>Percent of</u> <u>Total</u> <u>Investments</u>	<u>Weighted</u> <u>Average</u> <u>Maturity</u> <u>(Days)</u>	<u>Weighted</u> <u>Average</u> <u>Credit</u> <u>Risk</u>
Investments Measured at Amortized Cost						
Investment Pools						
Texpool	\$ 76,399	\$ -	\$ -	0.01%	37	AAAm
Investments Measured at Fair Value						
Investment Pools						
Lone Star Corporate Overnight Plus Fund	229,460,164	-	-	22.99%	47	AAAf/S1+
Texas CLASS	331,356,508	-	-	33.20%	47	AAAm
LOGIC	288,942,127	-	-	28.95%	25	AAAm
Investments Subject to Fair Value						
U.S. Government Agencies and Securities:						
Federal Farm Credit Bank	5,137,431	18,225,051	23,362,482	2.34%	563	Aaa/AA+**
Federal Home Loan Bank	16,108,243	21,011,749	37,119,992	3.72%	463	Aaa/AA+**
Federal Home Loan Mortgage Corp.	6,658,111	24,899,007	31,557,118	3.16%	584	Aaa/AA+**
Financing Corporation	-	691,343	691,343	0.07%	311	Aaa*
Federal National Mortgage Association	1,299,570	32,928,362	34,227,932	3.43%	667	Aaa/AA+**
Tennessee Valley Authority	10,918,965	-	10,918,965	1.09%	18	Aaa/AA+**
U.S. Treasury Notes	-	10,465,087	10,465,087	1.04%	514	Aaa/AAA***
Total	\$ 889,957,518	\$ 108,220,599	\$ 148,342,919	100.00%		
Portfolio Weighted Average Maturity					111	

* Moody's rating only
**Moody's and S&P rating
***Moody's and Fitch rating

Investment Pools are measured at amortized cost or fair value and are not subject to level reporting.

U.S. Government Agency Securities and *U.S. Treasury Notes* classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The *Texpool* investment pool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less and weighted average lives of 120 days or less, investments held are highly rated by nationally recognized statistical rating organizations, have no more than 5% of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. Texpool has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

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The *Lone Star, Texas CLASS*, and *LOGIC* investment pools are external investment pools measured at fair value. Lone Star, Texas CLASS, and LOGIC’s strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The District has no unfunded commitments related to the investment pools. Lone Star, Texas CLASS, and LOGIC have a redemption notice period of one day and may redeem daily. The investment pools’ authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national or state emergency that affects the pools’ liquidity.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District monitors interest rate risk utilizing weighted average maturity analysis. In accordance with its investment policy, the District reduces its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio as a whole to no more than 547 days (18 months), diversification, and by holding securities to maturity. In addition, the District shall not directly invest in an individual security maturing more than three years from the date of purchase.

Custodial Credit Risk: The District’s agent holds securities in the District’s name; therefore, the District is not exposed to custodial credit risk. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker/dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The District’s policy requires that the investments of the District shall be secured through third-party custodial and safekeeping procedures as designated by the District.

Credit Risk: State law and the District’s investment policy limits investments in all categories to top ratings issued by nationally recognized statistical rating organizations. The credit ratings for the District’s investments are disclosed in the table on the previous page.

Concentration of Credit Risk: The District’s investment policy requires the investment portfolio to be diversified in terms of investment instruments, maturity scheduling, and financial institutions in order to reduce the risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer.

The net decrease in the fair value of investments during the year ended June 30, 2017, is included in investment earnings as follows:

Investment Earnings	\$ 9,032,736
Net Decrease in Fair Value of Investments	(190,874)
Total Investment Earnings	\$ <u>8,841,862</u>

Non-TRS Pension Trust: The Non-TRS Pension Trust’s investment policy states the Non-TRS Pension Trust will invest in a variety of investment asset classes that are evaluated and monitored by the Non-TRS Pension Trust Investment Custodian and approved by the Investment Advisor and the District. The Non-TRS Pension Trust is invested in an individual annuity contract from an insurance company and publicly traded investments. Any change to the investments authorized by the Plan would require an amendment by the employer, the Non-TRS Pension Trust Administrator.

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B. Receivables

Receivables as of year-end for the District's individual major funds and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Receivables:					
Property Taxes	\$ 16,443,208	\$ 5,908,768	\$ -	\$ -	\$ 22,351,976
Due From Other Governments:					
State	86,039,294	-	-	1,705,371	87,744,665
Federal	543,932	-	-	10,088,191	10,632,123
Accrued Interest	431,251	-	305,602	2,142	738,995
Other Receivables	468,372	-	-	14,919	483,291
Gross Receivables	<u>103,926,057</u>	<u>5,908,768</u>	<u>305,602</u>	<u>11,810,623</u>	<u>121,951,050</u>
Less: Allowance for Uncollectibles	<u>(4,141,079)</u>	<u>(1,592,899)</u>	<u>-</u>	<u>-</u>	<u>(5,733,978)</u>
Net Total Receivables	\$ <u>99,784,978</u>	\$ <u>4,315,869</u>	\$ <u>305,602</u>	\$ <u>11,810,623</u>	\$ <u>116,217,072</u>

Sixty-one percent of property taxes receivable is not scheduled to be collected in the subsequent year. Receivables in the internal service fund consist of \$7,317 in accrued interest. Receivables in the fiduciary fund consist of \$2,002 in accrued interest and \$1,166 in returned checks from customers.

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenues reported in the governmental funds were as follows:

	<u>Unearned</u>
Next Year Tuition (General Fund)	\$ 26,565
Cash Advance for Grants (Nonmajor Governmental Funds)	59,388
Total Unearned Revenues For Governmental Funds	\$ <u>85,953</u>

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

C. Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers, Adjustments and Dispositions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 101,010,731	\$ 4,611,164	\$ -	\$ 105,621,895
Construction in Progress	267,993,576	77,834,701	(263,015,259)	82,813,018
<i>Total Capital Assets, not being Depreciated</i>	<u>369,004,307</u>	<u>82,445,865</u>	<u>(263,015,259)</u>	<u>188,434,913</u>
Capital Assets, being Depreciated:				
Buildings and Improvements	1,942,096,295	213,953,814	263,015,259	2,419,065,368
Furniture and Equipment	218,960,288	26,263,783	(24,742)	245,199,329
<i>Total Capital Assets, being Depreciated</i>	<u>2,161,056,583</u>	<u>240,217,597</u>	<u>262,990,517</u>	<u>2,664,264,697</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(688,757,773)	(66,239,309)	-	(754,997,082)
Furniture and Equipment	(118,661,478)	(23,912,063)	24,742	(142,548,799)
<i>Total Accumulated Depreciation</i>	<u>(807,419,251)</u>	<u>(90,151,372)</u>	<u>24,742</u>	<u>(897,545,881)</u>
<i>Total Capital Assets, being Depreciated, net</i>	<u>1,353,637,332</u>	<u>150,066,225</u>	<u>263,015,259</u>	<u>1,766,718,816</u>
<i>Governmental Activities Capital Assets, net</i>	<u>\$ 1,722,641,639</u>	<u>\$ 232,512,090</u>	<u>\$ -</u>	<u>\$ 1,955,153,729</u>

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:	
11 Instruction	\$ 38,852,955
12 Instructional Resources and Media Services	2,775,960
23 School Leadership	9,907,748
33 Health Services	4,486
34 Student Transportation	11,980,489
35 Food Services	5,666,275
36 Cocurricular/Extracurricular Activities	13,225,776
41 General Administration	1,667,983
51 Plant Maintenance and Operations	2,058,720
52 Security and Monitoring Services	1,558,350
53 Data Processing Services	2,436,826
61 Community Services	15,804
<i>Total Depreciation Expense</i>	<u>\$ 90,151,372</u>

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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Construction Commitments

The District has active construction projects as of June 30, 2017. The projects include the construction and equipment of school facilities. At year-end, the District's active commitments with contractors are as follows:

<u>Project</u>	<u>Remaining Commitment</u>
Bridgeland High School (#12)	\$ 9,575,393
Wells Elementary School (#55)	1,216,801
Hoover Elementary School (#56)	848,822
Athletic Facilities Renovations	1,667,981
Matzke Elementary School (replacement)	1,491,539
Additions and Renovations to Existing Facilities	73,153,377
<i>Totals</i>	\$ <u><u>87,953,913</u></u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2017, is as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Funds:		
General Fund	\$ 50,428,275	\$ 23,771,544
Debt Service Fund	324,406	22,073,629
Capital Projects Fund	-	2,366
Nonmajor Governmental Funds	816,959	5,123,616
<i>Total Governmental Funds</i>	<u>51,569,640</u>	<u>50,971,155</u>
Proprietary Funds:		
Enterprise Funds	-	598,485
<i>Total Proprietary Funds</i>	<u>-</u>	<u>598,485</u>
<i>Total - All Funds</i>	\$ <u><u>51,569,640</u></u>	\$ <u><u>51,569,640</u></u>

Interfund balances consist of short-term lending/borrowing arrangements that result primarily from payroll, warehouse ordering and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. Additionally, some lending/borrowing may occur between two or more nonmajor governmental funds. Interfund balances between governmental funds and proprietary funds are eliminated in the statement of net position and reported as internal balances.

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without a requirement for repayment.” The composition of interfund transfers as of June 30, 2017 is as follows:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
Enterprise Fund	General Fund	\$ 537,000

The fund balance in the enterprise fund not needed for operations was transferred to the general fund.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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E. Long-term Liabilities

The District's long-term liabilities consist of bond indebtedness, workers' compensation, compensated absences, and net pension liability. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. Other long-term liabilities are generally liquidated with resources of the general fund.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2017, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<i>Governmental Activities:</i>					
Bonds Payable:					
General Obligation Bonds	\$ 2,303,970,000	\$ 446,170,000	\$ (330,705,000)	\$ 2,419,435,000	\$ 86,205,000
Accreted Interest on Capital					
Appreciation Bonds	8,893,552	362,692	(3,570,000)	5,686,244	-
Deferred Amounts:					
For Issuance Premiums(Discounts)	189,939,161	75,007,691	(14,257,929)	250,688,923	-
Total Bonds Payable, net	2,502,802,713	521,540,383	(348,532,929)	2,675,810,167	86,205,000
Workers' Compensation	4,273,509	1,623,673	(1,524,450)	4,372,732	1,637,936
Compensated Absences	8,287,188	1,437,402	(2,147,315)	7,577,275	1,903,430
Net Pension Liability	229,599,160	48,543,181	(22,386,967)	255,755,374	-
Total Long-term Liabilities	\$ 2,744,962,570	\$ 573,144,639	\$ (374,591,661)	\$ 2,943,515,548	\$ 89,746,366

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities.

General Obligation Bonds

The District issues general obligation bonds to provide funds for the construction and equipment of school facilities, purchase of buses, and to refund general obligation bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These are issued as 10-30 year current interest bonds or capital appreciation bonds (CAB) with various amounts of principal maturing each year. Rates may be fixed or adjustable. Certain outstanding bonds may be redeemed at their par value prior to their normal maturity dates in accordance with the terms of the related bond indenture. The 2009B taxable series Build America Bonds entitle the District to receive a subsidy payment from the federal government equal to 35% of the amount of each interest payment on these taxable bonds. The 2010B taxable series qualified school construction bonds entitle the District to receive a subsidy payment from the federal government equal to 100% of the amount of each interest payment on these taxable bonds. As a result of Congressionally-mandated Sequestration, the federal subsidy payments for the Build America Bonds and the qualified school construction bonds were reduced to 6.9% in fiscal year 2017.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
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The following is a summary of changes in the general obligation bonds for the fiscal year:

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amounts Original Issue</u>	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Series 2002B	4.00-4.50%	\$ 76,500,000	2024	\$ 25,500,000	\$ -	\$ -	\$ 25,500,000
Series 2005	2.40-5.00%	150,370,000	2022	137,685,000	-	(28,225,000)	109,460,000
Series 2005A	3.50-5.00%	131,100,000	2030	16,500,000	-	-	16,500,000
Series 2007	3.90-4.50%	234,735,000	2028	231,925,000	-	(231,925,000)	-
Series 2007 (CAB)	-	1,385,000	2019	830,000	-	(325,000)	505,000
Series 2007	4.25-5.63%	268,630,000	2030	24,720,000	-	(24,720,000)	-
Series 2007A	4.00-5.00%	40,380,000	2020	15,825,000	-	(4,290,000)	11,535,000
Series 2008	3.50-5.00%	253,170,000	2035	11,355,000	-	(11,355,000)	-
Series 2009A	3.00-5.00%	33,510,000	2025	23,370,000	-	(2,110,000)	21,260,000
Series 2009B	6.53-6.63%	191,465,000	2038	191,465,000	-	-	191,465,000
Series 2010A	-	30,000,000	2026	20,000,000	-	(2,000,000)	18,000,000
Series 2010B	5.41-5.41%	25,140,000	2026	16,550,000	-	(1,655,000)	14,895,000
Series 2011	2.00-5.00%	28,390,000	2021	23,835,000	-	(4,360,000)	19,475,000
Series 2012	2.00-5.00%	106,920,000	2028	101,490,000	-	(1,590,000)	99,900,000
Series 2012A	2.00-5.00%	75,965,000	2038	72,175,000	-	(1,595,000)	70,580,000
Series 2013	2.00-5.00%	145,845,000	2027	145,615,000	-	(8,045,000)	137,570,000
Series 2014A	2.00-5.00%	40,340,000	2032	39,005,000	-	(930,000)	38,075,000
Series 2014B	2.00-3.00%	114,680,000	2044	114,680,000	-	-	114,680,000
Series 2014C	1.00-5.00%	435,740,000	2044	431,740,000	-	(4,100,000)	427,640,000
Series 2015	4.00-5.00%	308,045,000	2035	308,045,000	-	-	308,045,000
Series 2015A	2.00-5.00%	209,045,000	2026	207,915,000	-	(3,480,000)	204,435,000
Series 2015B	2.00-4.00%	143,745,000	2040	143,745,000	-	-	143,745,000
Series 2016	4.00-5.00%	446,170,000	2041	-	446,170,000	-	446,170,000
Totals				\$ 2,303,970,000	\$ 446,170,000	\$ (330,705,000)	\$ 2,419,435,000

A portion of the bonds sold in Series 2007 were capital appreciation bonds, commonly referred to as “premium compound interest bonds”. These bonds were issued at a discount to their par or maturity value and will accrete interest until maturity.

<u>Description</u>	<u>Accreted Value</u>	<u>Stated Value</u>	<u>Ending Value Accreted Interest</u>
2007	\$ 6,191,244	\$ 505,000	\$ 5,686,244

As of June 30, 2017, the District had \$546,310,500 in authorized but unissued bonds remaining from the May 10, 2014 bond election.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT

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In November 2016, the District issued \$446,170,000 of unlimited tax school building and refunding bonds (Series 2016). The proceeds of the refunding bonds were used to legally defease \$260,735,000 of previously issued District bonds in order to lower its overall debt service requirements. The reacquisition price exceeded the net carrying value of the old debt by \$9,544,094. The amount is netted against the new debt and amortized over the life of the new debt. The refunding resulted in debt service savings of \$59,793,525 and an economic gain of \$44,020,231. The bond sale generated proceeds of \$270,000,000 to be used for new and ongoing construction projects, safety and security, and technology enhancements.

The refunding portions of Series 2016 met the requirements of an insubstance debt defeasement and the liability for those bonds has been removed from the District’s long-term debt.

The District has outstanding variable rate unlimited tax school building bonds. These bonds were issued as term bonds scheduled to mature on various dates. Following the initial rate period, the bonds will bear interest at a term rate determined by the remarketing agent with a term rate period of two years unless a different rate period is specified by the District; however, the interest rate mode on the bonds may at the District’s option, be converted from time to time to a weekly rate, monthly rate, quarterly rate, semiannual rate, or a different term rate period; or to a flexible rate; or to a fixed rate until maturity. The bonds are subject to mandatory redemption and a mandatory redemption schedule for each subseries has been established.

The following is a summary of the variable rate unlimited tax school building bonds:

Variable Rate Unlimited Tax School Building Bonds

	<u>Principal Amount</u>	<u>Issue Date</u>	<u>End of Initial Period</u>	<u>Stated Maturity Date</u>	<u>Initial/ Remarketed Interest Rate</u>	<u>Initial/ Remarketed Yield</u>	<u>Step Rate</u>
Series 2014B-1	\$ 37,675,000	3/1/2014	8/15/2019	2/15/2036	3.00%	1.64%	7%
Series 2014B-2	37,625,000	3/1/2014	8/15/2017	2/15/2040	3.00%	0.91%	7%
Series 2014B-3	39,380,000	3/1/2014	8/15/2015	2/15/2044	2.00%	0.47%	7%
Series 2015B-1	49,740,000	11/1/2015	8/15/2016	2/15/2040	0.90%	0.90%	8%
Series 2015B-2	48,015,000	11/1/2015	8/15/2018	2/15/2040	3.00%	1.20%	8%
Series 2015B-3	45,990,000	11/1/2015	8/15/2019	2/15/2040	4.00%	1.40%	8%

The interest rate borne by these bonds cannot exceed the lesser of a maximum rate of 8 percent or the maximum net effective interest rate permitted under Chapter 1204, Texas Government Code, as amended. In the event of a failed remarketing, a step rate will be invoked until such a time as the bonds are successfully remarketed. A failed remarketing will not be considered an event of default.

In August 2016, \$49,740,000 of the District’s variable rate unlimited tax schoolhouse building bonds (Series 2015B-1) was remarketed at a rate of 0.90%. The remarketing was a 2-year par remarketing with a mandatory tender date of August 15, 2018.

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Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal Value At Maturity</u>	<u>Interest</u>	<u>Total Requirements</u>
2018	\$ 86,205,000	\$ 108,387,349	\$ 194,592,349
2019	82,370,000	112,852,239	195,222,239
2020	91,975,000	104,462,736	196,437,736
2021	97,000,000	100,521,775	197,521,775
2022	99,680,000	95,985,740	195,665,740
2023	104,230,000	91,396,054	195,626,054
2024	108,995,000	86,539,919	195,534,919
2025	114,090,000	81,534,308	195,624,308
2026	119,400,000	76,005,173	195,405,173
2027	124,900,000	70,481,818	195,381,818
2028	129,370,000	64,594,459	193,964,459
2029	136,645,000	58,354,382	194,999,382
2030	142,835,000	52,066,913	194,901,913
2031	91,885,000	45,562,274	137,447,274
2032	95,710,000	41,312,303	137,022,303
2033	99,165,000	36,945,044	136,110,044
2034	103,245,000	32,436,328	135,681,328
2035	107,565,000	27,755,302	135,320,302
2036	81,560,000	22,723,729	104,283,729
2037	82,495,000	18,643,519	101,138,519
2038	86,010,000	14,564,154	100,574,154
2039	55,575,000	10,308,250	65,883,250
2040	57,880,000	7,953,750	65,833,750
2041	38,715,000	5,500,350	44,215,350
2042	26,060,000	3,795,550	29,855,550
2043	27,290,000	2,588,950	29,878,950
2044	28,585,000	1,324,800	29,909,800
Totals	\$ <u>2,419,435,000</u>	\$ <u>1,374,597,168</u>	\$ <u>3,794,032,168</u>

In accordance with the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Rebutable arbitrage is the excess of the amount earned on investments purchased with bond proceeds over the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. Rebutable arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary of the bond issue and upon final redemption of all outstanding bonds of the issue. The District does not have an obligation resulting from arbitrage.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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F. Revenues from Local, Intermediate, and Out-of-State Sources

During the current year, revenues from local, intermediate, and out-of-state sources consisted of the following:

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
Property Taxes	\$ 481,897,938	\$ 185,577,466	\$ -	\$ -	\$ 667,475,404
Penalties, Interest, and Other Tax- Related Income	2,740,549	999,740	-	-	3,740,289
Charges for Services	7,778,931	-	-	33,416,274	41,195,205
Investment Earnings	3,710,706	868,730	4,070,683	98,863	8,748,982
Other	8,411,569	-	-	127,080	8,538,649
Totals	\$ 504,539,693	\$ 187,445,936	\$ 4,070,683	\$ 33,642,217	\$ 729,698,529

IV. Other Information

A. Risk Management

Property and Liability

The District is exposed to various risks of loss related to property and liability losses for which the District carries commercial insurance. There were no significant reductions in insurance coverage from the prior year. Settlements have not exceeded coverages for each of the past three fiscal years.

Workers' Compensation

The District established a limited risk management program for workers' compensation by participating as a self-funded member of the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and Chapter 504, Texas Labor Code. As a self-funded member of the Fund, Cypress-Fairbanks Independent School District is solely responsible for all claims costs, both reported and unreported. The Fund provides administrative service to its self-funded members including claims administration and customer service.

Transactions related to the plan are accounted for in an internal service fund. The actuarially-determined liability of the fund on June 30, 2017 was \$4,372,732 and has been fully funded through general fund contributions.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
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Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities also include an estimated amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from stop-loss or subrogation, are another component of the claims liability estimate. An excess coverage insurance policy covers individual claims in excess of \$600,000 up to the statutory limits for any given claim. There were no significant reductions in insurance coverage from the prior year. Settlements have not exceeded coverages for each of the past three fiscal years. Changes in the balances of claims liabilities during the past two years are as follows:

	<u>Year Ended</u> <u>6/30/2017</u>	<u>Year Ended</u> <u>6/30/2016</u>
Unpaid Claims, Beginning of Fiscal Year	\$ 4,273,509	\$ 4,636,799
Incurred Claims (including IBNRs)	1,623,673	1,368,009
Claim Payments	(1,524,450)	(1,731,299)
Unpaid Claims, End of Fiscal Year	<u>\$ 4,372,732</u>	<u>\$ 4,273,509</u>

B. Contingent Liabilities

Amounts received or receivable from grant 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, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

C. Subsequent Events

In August 2017, \$37,625,000 (Series 2014B-2) and \$39,380,000 (Series 2014B-3) of the District's variable rate unlimited tax schoolhouse building bonds were remarketed at a rate of 1.4%. The remarketing was to a new term rate period beginning on the conversion date of August 15, 2017 and ending on August 16, 2020.

In September 2017, the Board approved an order authorizing the issuance of \$62,480,000 (Series 2017A-1), \$61,075,000 (Series 2017A-2), and \$58,775,000 (Series 2017A-3) in Cypress-Fairbanks Independent School District variable rate unlimited tax school building bonds.

The District experienced flooding due to a hurricane in August 2017 which will require repairs to District facilities and the complete renovation of one elementary school. A majority of the repair costs will be covered through the District's flood and property insurance. The hurricane does not meet the criteria of an extraordinary item.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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D. Pension Plans

Plan Descriptions

The District sponsors or participates in two pension plans providing benefits to its employees, the majority of whom are members of a plan administered by the Teacher Retirement System of Texas (TRS), a cost-sharing multiple-employer defined benefit pension plan. Brief descriptions of each of the plans are as follows:

Teacher Retirement System of Texas (TRS):

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

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

Cypress-Fairbanks Independent School District Pension Plan for Non-TRS Employees (Non-TRS):

The Cypress-Fairbanks Independent School District (CFISD) administers the Cypress-Fairbanks Independent School District Pension Plan for Non-TRS Employees – a single employer defined benefit pension plan that provides pensions for employees of the District who are not a participant in the Teachers Retirement System of Texas and who are not students enrolled in CFISD. Article XIV of the plan document grants the authority to establish and amend the benefit terms to the District through a plan administrator. The Non-TRS plan was originally effective as of January 1, 1992. The Non-TRS plan was amended and restated effective as of January 1, 2006. On December 15, 2014 the Non-TRS plan was amended to (a) freeze the Non-TRS plan from participation of new employees hired after December 31, 2014 and (b) freeze the Accrued Benefit of Plan Participants as of December 31, 2014, such that no member shall accrue any additional Non-TRS plan benefit after December 31, 2014. After December 31, 2014, the Trust Fund shall still continue to be held and invested by the Trustee under the Trust Agreement for the benefit of the members and those separated members who are still entitled to further benefit payments from the Trust Fund. The Trustee shall continue to pay benefits as provided by the Non-TRS plan in accordance with the Non-TRS plan provisions and at the time therein specified. Effective December 31, 2015, the Plan was terminated with all member accounts closed and the plan was liquidated as of December 31, 2016.

Management of the Plan is entrusted in the plan administrator, the Benefits Advisory Committee, and the plan trustee, an employee of the District.

The Plan has been designated as a “governmental plan” by the U.S. Department of Labor and thus is not subject to the provisions of Title 1 of the Employee Retirement Income Security Act of 1974 (“ERISA”).

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

Pension Plan Fiduciary Net Position

TRS:

Detailed information about the TRS's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report (CAFR) 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.

Non-TRS:

Detailed information about the Non-TRS's fiduciary net position is available in a separately-issued Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained by writing to the Assistant Superintendent of Business and Financial Services, Cypress-Fairbanks Independent School District, 10300 Jones Road, Houston, Texas 77065.

Summary of Plan Benefits

TRS:

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 services 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.

Non-TRS:

Non-TRS retirement benefits for plan members are calculated based on the participants' eligible compensation as of December 31, 2014, the date the Plan was frozen. Each member's benefit shall be equal to two percent (2%) of their eligible earnings which is then multiplied by two additional factors based on their age (the Plan's age factor and the 1983 Group Annuity Mortality Unisex Table Factor) during the year the distribution takes place. Eligible earnings shall not exceed \$200,000 during a calendar year. Prior to January 1, 2002, annual eligible earnings were limited to \$150,000. Benefit payments are made in a lump sum amount. All members have a fully vested interest in their accrued benefit.

Contributions and Funding Policy

TRS:

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.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

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Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Member	7.7%	7.2%	6.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%	6.8%
Employers/District	6.8%	6.8%	6.8%
Employers/District OASDI	1.5%	1.5%	1.5%

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

District Contributions	\$ 21,580,068
Member Contributions	53,307,107
NECE On-behalf Contributions (State)	34,051,170

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.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

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Non-TRS:

Article IX of the Plan establishes the contribution requirements of the District and active plan members to the Plan. The District establishes contributions based on an actuarially determined contribution recommended by an independent actuary. The actuarially determined contribution is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The District is not required to contribute to the plan on an annual basis. The plan members are prohibited from contributing to the Plan.

Actuarial Assumptions

TRS:

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

Valuation Date	August 31, 2016
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term Expected Investment Rate of Return	8.00%
Municipal Bond Rate	N/A*
Last year ending August 31 in the 2016 to 2115 projection period (100 years)	2115
Inflation	2.5%
Salary Increases Including Inflation	3.5% to 9.5%
Benefit Changes During the Year	None
Ad hoc Post-employment Benefit Changes	None

**If a municipal bond rate was to be used, the rate would be 2.84% as of August 2016 (i.e. the weekly rate closest to but not later than the Measurement Date). The source for the rate is the Federal Reserve Statistical Release H.15, citing the Bond Buyer Index of general obligation bonds with 20 years to maturity and an average AA credit rating.*

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.

Non-TRS:

The total pension liability was determined by an actuarial valuation as of January 1, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Rate of Return	3.75%
Salary Increases	0.00%
General Inflation Rate	3.00%
Cost-of-Living Adjustments	None
Actuarial Cost Method	Traditional (Unprojected) Unit Credit
Amortization Method	Level Dollar 10-year Open Period
Asset Valuation Method	Market Value
Life Expectancy	Based on RP-2000 Mortality Table for Males and Females Projected to 2025 with Scale AA

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

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Pursuant to the plan, studies of the actuarial assumptions used to value the liability of the Non-TRS actuarially-funded plan are conducted by an independent actuarial firm at least every two years. The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study as of January 1, 2014. The Plan was liquidated during the fiscal year and does not report a net pension liability at December 31, 2016.

Discount Rate

TRS:

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System’s target asset allocation as of August 31, 2016 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Expected Contribution to Long-Term Portfolio Returns*
Global Equity			
U.S.	18.0%	4.6%	1.0%
Non-U.S. Developed	13.0%	5.1%	0.8%
Emerging Markets	9.0%	5.9%	0.7%
Directional Hedge Funds	4.0%	3.2%	0.1%
Private Equity	13.0%	7.0%	1.1%
Stable Value			
U.S. Treasuries	11.0%	0.7%	0.1%
Absolute Return	0.0%	1.8%	0.0%
Stable Value Hedge Funds	4.0%	3.0%	0.1%
Cash	1.0%	-0.2%	0.0%
Real Return			
Global Inflation Linked-Bonds	3.0%	0.9%	0.0%
Real Assets	16.0%	5.1%	1.1%
Energy and Natural Resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
Risk Parity			
Risk Parity	5.0%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
Total	100.0%		8.7%

*The expected contribution to returns incorporates the volatility drag resulting from the conversion between arithmetic and geometric mean returns.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

Discount Rate Sensitivity Analysis

The following table presents the District’s proportionate share of net pension liability for TRS calculated using the discount rate of 8.0%, as well as the District’s proportionate share of the respective net pension liability if it was calculated using a discount rate that is 1-percentage-point lower (7%) or 1-percentage-point higher (9%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
TRS	\$ 395,823,169	\$ 255,755,374	\$ 136,949,575

Non-TRS:

The District terminated the Plan as of December 31, 2015. Upon termination of the Plan, the District directed that either:

- (a) benefits be distributed to the member in one lump sum payment. The lump sum payment will be paid as soon as practicable, but not later than three years following termination, or
- (b) the benefits may rollover in distribution to another eligible retirement plan or an Individual Retirement Account.

The liquidation process was completed in June 2016, at which time approximately \$4.6 million in individual benefit distributions had been processed and approximately \$7.3 million was rolled into the members’ individual accounts. The Plan was fully liquidated as of December 31, 2016.

District Proportion of Net Pension Liability – TRS

At June 30, 2017, the District reported a liability of \$255,755,374 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 are as follows:

District's Proportionate Share of the Net Pension Liability	\$ 255,755,374
State's Proportionate Share of the Net Pension Liability Associated with the District	391,578,041
Total	\$ <u>647,333,415</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 through August 31, 2016.

At August 31, 2016, the employer’s proportion of the net pension liability was .6768072%, which was an increase of .0296574% from its proportion measured as of August 31, 2015. The change in the employer’s proportion of the net pension liability was primarily due to proportionality adjustments for contributions. Since the proportionality settle-up for the appropriation year (2016) occurs in the following fiscal year, the settle-up amounts are excluded from the measurement year (2016) amounts.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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.

Net Pension Liability – Non-TRS

The District’s net pension liability for the Non-TRS reported at June 30, 2017 was measured as of the Non-TRS fiscal year-end date, December 31, 2016. The total pension liability as of December 31, 2016 was determined by rolling-forward the December 31, 2015 liability from the actuarial valuation date of January 1, 2014 to the Plan’s fiscal year using generally accepted actuarial principles. Information about the fiduciary net position of the Non-TRS and additions to and deductions from Non-TRS’s fiduciary net position has been determined on the same basis as they are reported by the pension. For this purpose, benefits are recognized when due and payable in accordance with the terms of the Non-TRS plan and investments are reported at contract value (a cost-based measure) and fair value.

Changes in the District’s pension liability for Non-TRS for the fiscal year ended June 30, 2017 are as follows:

	Non-TRS		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 6/30/2016	\$ 13,237,703	\$ 12,397,383	\$ 840,320
Changes for Fiscal Year:			
Differences between expected and actual experience	(1,255,234)	-	(1,255,234)
Net Investment Income	-	19,746	(19,746)
Net Appreciation in Investments	-	83,883	(83,883)
Benefit Payments, Including Refunds of Employee Contributions	(4,642,805)	(4,642,805)	-
Rollover (Due to Plan Termination)	(7,339,664)	(7,339,664)	-
Remittance of Excess to Plan Sponsor	-	(419,869)	419,869
Administrative Expense	-	(98,674)	98,674
Net Changes	(13,237,703)	(12,397,383)	(840,320)
Balances at 6/30/2017	\$ -	\$ -	\$ -

Due to the District terminating the Plan as of December 31, 2015, and all benefits were paid prior to December 31, 2016, the Plan liquidation accelerated the benefit payment timing which resulted in a decrease to the total pension liability of \$1,255,234.

Due to the liquidation of the Plan, the assumptions used in the January 1, 2014 valuation (mortality rates, termination rates, and retirement rates) are no longer applicable due to the Plan’s termination.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

Pension expense recognized by the District for the fiscal year ending June 30, 2017 is as follows:

<u>Plans</u>		
TRS	\$	61,799,027
Non-TRS		1,698,522
<i>Total</i>	\$	<u><u>63,497,549</u></u>

The District recognized revenue of \$40,636,463 in governmental activities for support provided by the State towards the TRS Plan.

Deferred outflows of resources and deferred inflows of resources by source reported by the District at June 30, 2017 are as follows:

	<u>TRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 4,010,195	\$ 7,636,707
Changes of Assumptions	7,794,965	7,089,199
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	21,656,838	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions (Cost-Sharing Plan)	60,369,648	19,453
District Contribution after Measurement Date	18,102,553	-
<i>Totals</i>	<u>\$ 111,934,199</u>	<u>\$ 14,745,359</u>

The \$18,102,553 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources (deferred inflows of resources) related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30:</u>	<u>TRS</u>
2018	13,792,146
2019	13,792,146
2020	27,605,932
2021	12,730,756
2022	8,592,632
Thereafter	2,572,675
<i>Totals</i>	<u>\$ 79,086,287</u>

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

E. Retiree Health Plan

Plan Description. The Cypress-Fairbanks Independent School 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). TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under TRS. 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. TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading, or by calling the TRS Communications Department at 1-800-223-8778, or by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701-2698.

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. The State of Texas and active public school employee contribution rates were 1.0% and .65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at .55% for fiscal years 2017, 2016, and 2015. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than .25% or greater than .75% of the salary of each active employee of the public school. For staff members funded by federal programs, the federal programs are required to contribute 1.0%.

Contributions made by the State, District, and staff members, for the years ended June 30, 2017, 2016, and 2015 are as follows:

For the Year Ended June 30	State TRS-Care Contributions Made on-Behalf of the District	District Required Contributions to TRS-Care	Staff Members' Contributions to TRS-Care
2017	\$ 6,635,570	\$ 3,846,790	\$ 4,546,206
2016	6,374,016	3,697,368	4,369,616
2015	5,872,721	3,419,411	4,041,122

For the current fiscal year and each of the past two years, the District's actual contributions were equal to 100 percent of the required contributions. The contributions made by the State on behalf of the District have been recorded in the governmental funds' financial statements of the District as both state revenues and expenditures. These contributions are the legal responsibility of the State.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries know as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended June 30, 2017, 2016, and 2015, the subsidy payments received by TRS-Care on-behalf of the District were \$3,363,688, \$2,074,680, \$1,891,804, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds' financial statements of the District.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

The Early Retiree Reinsurance Program (ERRP) was established by section 1102 of the Affordable Care Act enacted on March 23, 2010. Under ERRP, TRS receives payments for a portion of the cost of providing health benefits to retirees between the ages of 55-64 and their covered dependents. The amounts of the subsidy payments are not readily determinable because they are included as gross amounts with Medicare Part D. These payments are recorded as equal revenues and expenditures in the governmental funds' financial statements of the District.

F. Shared Service Arrangement

The District is the fiscal agent for a Shared Services Arrangement (SSA) which provides deaf education services to eligible students residing in a member district, who are enrolled in the Regional Day School Program for the Deaf (RDSPD). Effective July 1, 2003, TEA issued revised procedures for RDSPD. Currently RDSPD and special education SSAs are governed by specific requirements found in the Texas Education Code (TEC) and the Texas Administrative Code (TAC). The TEC states that LEAs enter into a written contract to jointly operate their special education programs. Funds are allocated to the SSA in accordance with the SSA agreement. The District, acting as fiscal agent is responsible for budgeting, accounting, and personnel responsibilities related to the arrangement. The District is financially responsible to the TEA. In addition to the District, six other member districts are included in the SSA. According to guidance provided in TEA's Resource Guide, the District has accounted for the activities of the SSA in Special Revenue fund 435, Regional Day School for the Deaf. The SSA is accounted for using Model #2 in the Accounting and Reporting Treatment Guidance section of the Resource Guide, Update 14.0 – January 2010.

Expenditures of SSA for the fiscal year are summarized below:

Cypress-Fairbanks ISD	\$	823,895
Katy ISD		85,288
Klein ISD		535,149
Spring ISD		10,950
Spring Branch ISD		445,502
Tomball ISD		88,280
Waller ISD		66,765
Totals	\$	<u>2,055,829</u>

G. Nonmonetary Transactions

During 2017, the District received textbooks purchased by the State of Texas for the benefit of the District for a purchase price of \$2,201,958. The textbooks purchased by the State on behalf of the District have been recorded in the Instructional Materials special revenue fund as both state revenue and expenditures.

REQUIRED SUPPLEMENTARY INFORMATION

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT

Exhibit E-1

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2017

Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final Amended	Actual		
REVENUES					
5700	Local, Intermediate, and Out-of-State	\$ 510,637,040	\$ 510,637,040	\$ 504,539,693	\$ (6,097,347)
5800	State Programs	377,315,444	377,348,809	374,858,954	(2,489,855)
5900	Federal Programs	6,400,000	7,438,799	7,569,451	130,652
5020	Total Revenues	<u>894,352,484</u>	<u>895,424,648</u>	<u>886,968,098</u>	<u>(8,456,550)</u>
EXPENDITURES					
Current:					
0011	Instruction	599,595,153	567,884,745	565,177,108	2,707,637
0012	Instructional Resources and Media Services	7,533,300	7,852,800	7,624,850	227,950
0013	Curriculum and Instructional Staff Development	9,465,768	10,089,863	10,087,307	2,556
0021	Instructional Leadership	7,738,346	7,835,853	7,495,290	340,563
0023	School Leadership	45,426,780	46,253,189	45,959,541	293,648
0031	Guidance, Counseling, and Evaluation Services	32,126,714	32,620,503	32,489,473	131,030
0032	Social Work Services	1,077,777	1,127,777	1,042,265	85,512
0033	Health Services	10,084,837	10,873,338	10,070,122	803,216
0034	Student Transportation	38,951,828	40,370,612	38,814,602	1,556,010
0036	Cocurricular/Extracurricular Activities	17,870,693	19,330,666	19,126,777	203,889
0041	General Administration	16,473,098	16,023,975	15,628,958	395,017
0051	Plant Maintenance and Operations	73,564,230	73,431,582	73,357,073	74,509
0052	Security and Monitoring Services	8,811,102	10,245,470	10,051,222	194,248
0053	Data Processing Services	10,157,121	10,994,932	9,854,980	1,139,952
0061	Community Services	9,115,737	9,387,179	9,116,207	270,972
Capital Outlay:					
0081	Facilities Acquisition and Construction	385,000	810,000	374,206	435,794
Intergovernmental:					
0093	Payments to Fiscal Agents SSA	1,390,000	1,290,000	823,895	466,105
0095	Payments to Juvenile Justice Alternative Education Programs	55,000	15,000	7,120	7,880
0099	Other Intergovernmental Charges	4,730,000	5,030,000	4,947,598	82,402
6030	Total Expenditures	<u>894,552,484</u>	<u>871,467,484</u>	<u>862,048,594</u>	<u>9,418,890</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(200,000)</u>	<u>23,957,164</u>	<u>24,919,504</u>	<u>962,340</u>
OTHER FINANCING SOURCES					
7912	Sale of Real and Personal Property	200,000	400,000	244,564	(155,436)
7915	Transfers In	-	800,000	537,000	(263,000)
7080	Total Other Financing Sources	<u>200,000</u>	<u>1,200,000</u>	<u>781,564</u>	<u>(418,436)</u>
1200	Net Change in Fund Balance	-	25,157,164	25,701,068	543,904
0100	Fund Balance - Beginning	401,797,530	401,797,530	401,797,530	-
3000	Fund Balance - Ending	<u>\$ 401,797,530</u>	<u>\$ 426,954,694</u>	<u>\$ 427,498,598</u>	<u>\$ 543,904</u>

See accompanying notes to the required supplementary information.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT

Exhibit F-1

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY AND RELATED RATIOS FOR A SINGLE-EMPLOYER PENSION PLAN

CYPRESS -FAIRBANKS INDEPENDENT SCHOOL DISTRICT PENSION PLAN FOR NON-TRS EMPLOYEES FOR THE LAST THREE FISCAL YEARS*

	<u>2017</u>	<u>2016</u>	<u>2015</u>
TOTAL PENSION LIABILITY			
Service Cost	\$ -	\$ -	\$ 1,114,488
Net Investment Income	-	274,527	592,759
Changes of Benefit Terms	-	(1,413,843)	(1,189,552)
Differences Between Expected and Actual Experience	(1,255,234)	2,510,012	-
Changes of Assumptions	-	28,830	558,401
Benefit Payments	(4,642,805)	(1,019,520)	(386,102)
Rollover (Due to Plan Termination)	(7,339,664)	-	-
Net Change in Total Pension Liability	<u>(13,237,703)</u>	<u>380,006</u>	<u>689,994</u>
<i>Total Pension Liability-Beginning</i>	<u>13,237,703</u>	<u>12,857,697</u>	<u>12,167,703</u>
<i>Total Pension Liability-Ending (a)</i>	<u>\$ -</u>	<u>\$ 13,237,703</u>	<u>\$ 12,857,697</u>
Plan Fiduciary Net Position			
Contributions-Employer	\$ -	\$ 10,000,000	\$ -
Net Investment Income	19,746	36,728	90,994
Net Appreciation (Depreciation) in Investments	83,883	(44,195)	-
Benefit Payments	(4,642,805)	(1,019,520)	(386,102)
Rollover (Due to Plan Termination)	(7,339,664)	-	-
Remittance of Excess to Plan Sponsor	(419,869)	-	-
Administrative Fees	(98,674)	(79,980)	-
Other	-	-	(316)
Net Change in Plan Fiduciary Net Position	<u>(12,397,383)</u>	<u>8,893,033</u>	<u>(295,424)</u>
Plan Fiduciary Net Position-Beginning	<u>12,397,383</u>	<u>3,504,350</u>	<u>3,799,774</u>
Plan Fiduciary Net Position-Ending (b)	<u>\$ -</u>	<u>\$ 12,397,383</u>	<u>\$ 3,504,350</u>
District's Net Pension Liability-Ending (a)-(b)	<u>\$ -</u>	<u>\$ 840,320</u>	<u>\$ 9,353,347</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	93.65%	27.30%
Covered-Employee Payroll	N/A **	N/A **	\$ 13,641,221
District's Net Pension Liability as a Percentage of Covered-Employee Payroll	N/A **	N/A **	68.60%

* The amounts presented for the fiscal year were determined as of the measurement date, the Plan's fiscal year end, December 31 of the prior year. Ten years of data is not available.

** No payroll in 2015 or 2016 plan years (District fiscal years 2016 and 2017) due to the Plan was frozen in 2014 (District fiscal year 2015).

See accompanying notes to the required supplementary information.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT

Exhibit F-2

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OF A COST-SHARING MULTIPLE-EMPLOYER PENSION PLAN
TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)
FOR THE LAST THREE FISCAL YEARS***

	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension Liability	0.6768072%	0.6471498%	0.4188559%
District's Proportionate Share of the Net Pension Liability	\$ 255,755,374	\$ 228,758,840	\$ 111,882,203
State's Proportionate Share of the Net Pension Liability Associated with the District	391,578,041	368,469,604	321,404,296
Total	\$ 647,333,415	\$ 597,228,444	\$ 433,286,499
District's Covered-Employee Payroll	\$ 680,099,389	\$ 626,151,328	\$ 599,076,682
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered-Employee Payroll	37.61%	36.53%	18.68%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.00%	78.43%	83.25%

* The amounts presented for the fiscal year were determined as of the Plan's fiscal year end, August 31 of the prior year. Ten years of data is not available.

See accompanying notes to the required supplementary information.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS FOR ALL PENSION PLANS
LAST THREE FISCAL YEARS*

Exhibit F-3

	<u>2017</u>	<u>2016</u>	<u>2015</u>
TRS			
Contractually Required Contributions	\$ 21,580,068	21,172,504	\$ 17,891,734
Contributions in Relation to the Contractually Required Contributions	<u>21,580,068</u>	<u>21,172,504</u>	<u>17,891,734</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 699,416,288	672,248,677	\$ 621,711,093
Contributions as a Percentage of Covered- Employee Payroll	3.09%	3.15%	2.88%
Non-TRS**			

* The amounts presented for the fiscal year were determined as of the District's fiscal year end June 30.

** The District is not contractually required to contribute annually to the Non-TRS Plan.

See accompanying notes to the required supplementary information.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017

I. Budget

A. Budgetary Information

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the general fund, debt service fund, and the National School Breakfast and Lunch Program special revenue fund. The Texas Education Code requires the budget to be prepared not later than June 19 and adopted by June 30 of each year. The budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles.

The following procedures are followed in establishing the budgetary data reflected in the fund financial schedules:

1. Prior to June 19 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to July 1, the budget is formally approved and adopted by the Board.

The appropriated budget is prepared by fund and function. The District's campus/department heads may make transfers of appropriations within a campus or department. Transfers of appropriations between campuses or departments require the approval of the District's management. Increasing any one of the functional spending categories, or revenues object accounts and other resources require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. All annual appropriations lapse at fiscal year end.

B. Variances with Final Budget

The District's general fund budget differs from the original budget due to budget revisions that were made during the fiscal period: amendments approved shortly after the beginning of the new fiscal year period for amounts restricted, committed, or assigned in the prior year; amendments in early and late spring to revise estimates for local and state revenues based on the latest information on student attendance numbers and tax collections; and amendments during the year for unexpected occurrences.

The net increase of \$1,072,164 to estimated revenues in the final amended budget was primarily due to an increase in federal revenues for indirect costs on various grant funds and the receipt of SHARS reimbursements.

The net decrease of \$23,085,000 to appropriations in the final amended budget was primarily due to TEA approval of student-to-teacher ratios and a decrease in the budgeted contingency for unexpected expenditures not needed.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017

II. Pensions

TRS:

Actuarial Assumptions for the Contribution Rate – The information presented in the required supplementary schedules was used in the actuarial valuation for determining the actuarially determined contribution rate and the Net Pension Liability in accordance with GASB 67. Actuarial methods and assumptions used for funding purposes can be found in the Actuarial Section. The GASB 67 assumptions are as follows:

Valuation Date	August 31, 2016
Actuarial Cost Method	Ultimate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Floating
Remaining Amortization Period	33 Years
Asset Valuation Method	5 Year Smoothed Market
Actuarial Assumptions:	
Inflation	2.50%
Salary Increases	3.50% to 9.50% including inflation
Investment Rate of Return	8.00%
Ad hoc Post-Employment Benefit Changes	None
Benefit Changes During the Year	None

Non-TRS:

Actuarial Assumptions for the Contribution Rate – The information presented in the required supplementary information was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	January 1, 2014 (Plan was frozen)
Actuarial Cost Method	Traditional (Unprojected) Unit Credit
Amortization Method	Level Dollar, 10-year Open Period
Asset Valuation Method	Market Value
Investment Rate of Return	3.75%
Salary Increases	0.00%
General Inflation Rate	3.00%
Cost-of-living Adjustments	None
Mortality Rates	RP-2000 Mortality Table for Males and Females Projected to Year 2025 with Scale AA

Due to the District terminating the Plan as of December 31, 2015 and all the benefits were paid and the Plan was liquidated prior to December 31, 2016, the Plan liquidation accelerated the benefit payment timing which resulted in a decrease to the total pension liability of \$1,255,234.

Due to the liquidation of the Plan, the assumptions used in the January 1, 2014 valuation (mortality rates, termination rates, and retirement rates) are no longer applicable.

SUPPLEMENTARY INFORMATION

**Combining and Individual Fund
Financial Statements and Schedules**

MAJOR GOVERNMENTAL FUNDS

Debt Service Fund

The Debt Service Fund is used to account for revenues from property taxes levied specifically for debt service and earnings on temporary investments and the expenditure of these revenues in payment of long-term debt principal, interest, and fees.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT

Exhibit G-1

DEBT SERVICE FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2017

Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final Amended	Actual		
REVENUES					
5700	Local, Intermediate, and Out-of-State	\$ 167,389,972	\$ 186,983,174	\$ 187,445,936	\$ 462,762
5800	State Programs	3,743,837	3,961,797	4,145,478	183,681
5900	Federal Programs	4,963,055	4,963,055	4,960,393	(2,662)
5020	Total Revenues	<u>176,096,864</u>	<u>195,908,026</u>	<u>196,551,807</u>	<u>643,781</u>
EXPENDITURES					
Debt Service:					
0071	Principal on Long-term Debt	65,006,945	69,970,000	69,970,000	-
0072	Interest on Debt	106,126,864	104,504,040	104,504,040	-
0073	Bond Issuance Costs and Fees	4,963,055	21,835,976	21,339,626	496,350
6030	Total Expenditures	<u>176,096,864</u>	<u>196,310,016</u>	<u>195,813,666</u>	<u>496,350</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(401,990)</u>	<u>738,141</u>	<u>1,140,131</u>
OTHER FINANCING SOURCES (USES)					
7916	Premium from Issuance of Bonds	-	46,677,691	46,677,691	-
7989	Refunding Bonds Issued	-	204,500,000	204,500,000	-
8949	Payment to Refunded Bonds Escrow Agent	-	(248,249,283)	(248,249,283)	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>2,928,408</u>	<u>2,928,408</u>	<u>-</u>
1200	Net Change in Fund Balance	-	2,526,418	3,666,549	1,140,131
0100	Fund Balance- Beginning	<u>85,700,138</u>	<u>85,700,138</u>	<u>85,700,138</u>	-
3000	Fund Balance - Ending	<u><u>\$ 85,700,138</u></u>	<u><u>\$ 88,226,556</u></u>	<u><u>\$ 89,366,687</u></u>	<u><u>\$ 1,140,131</u></u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for specific revenue sources which are legally restricted to expenditures for specific purposes.

ESEA, Title X, Part C – Education for the Homeless Children and Youth

Accounts on a project basis for funds granted for a variety of staff development and supplemental services, including in-service training, counseling, psychological services and tutoring.

ESEA, Title I, Part A – Improving Basic Programs

Accounts on a project basis for funds allocated to the District to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children.

IDEA – Part B, Formula

Accounts on a project basis for funds granted to operate educational programs for children with disabilities.

IDEA – Part B, Preschool

Accounts on a project basis for funds granted for preschool children with disabilities.

IDEA – Part B, Discretionary

Accounts on a project basis for funds used to support Regional Day School Programs for the Deaf and other emerging needs.

IDEA – Part B, Deaf

Accounts on a project basis for funds granted to operate educational programs for children with disabilities. This fund classification includes capacity building and improvement (sliver) deaf subgrants.

National School Breakfast and Lunch Program

Accounts for programs using federal reimbursement revenues originating from the United States Department of Agriculture (USDA).

Career and Technical – Basic Grant

Accounts on a project basis for funds granted to provide Career and Technical education to develop new and/or improve Career and Technical education programs for paid and unpaid employment.

IDEA - Part C, Early Intervention (Deaf)

Accounts on a project basis for funds granted to assist local Regional Day School for the Deaf programs and the Texas School for the Deaf in providing direct services to hearing impaired infants to toddlers, ages birth through two years of age. The program provides supplemental and appropriate services to eligible students that are provided by a certified and trained teacher.

SPECIAL REVENUE FUNDS (Continued)

ESEA, Title II, Part A – Teacher and Principal Training and Recruiting

Accounts on a project basis for funds granted to provide financial assistance to the District to increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools and to hold the District accountable for improving student academic achievement.

ESEA, Title III, Part A, English Language Acquisition and Language Enhancement

Accounts on a project basis for funds granted to improve the education of limited English proficient children, by assisting the children to learn English and meet challenging State academic content and student academic achievement standards.

Medicaid Administrative Claiming Program (MAC)

Accounts on a project basis for funds allocated to the District for reimbursement of eligible administrative costs for activities attributed to the implementation of the Medicaid state plan.

Federally Funded Special Revenue Funds

Accounts on a project basis for federally funded special revenue funds that have not been specified above.

Shared Service Arrangements – IDEA – Part B, Discretionary

Accounts on a project basis for the funds used to support Regional Day School for the Deaf programs and other emerging needs.

Shared Services Arrangements – IDEA - Part C, Early Intervention (Deaf)

Accounts on a project basis for funds granted to assist local Regional Day School for the Deaf programs and the Texas School for the Deaf in providing direct services to hearing impaired infants to toddlers, age birth through two years of age. The program provides supplemental and appropriate services to eligible students that are provided by a certified and trained teacher.

State Supplemental Visually Impaired (SSVI)

Accounts for State Supplemental Visually Impaired funds.

Advanced Placement Incentives

Accounts on a project basis for funds awarded to the District under the Texas Advanced Placement Award Incentive Program, Chapter 28, Subchapter C, TEC.

Instructional Materials Fund (IMA)

Accounts on a project basis for funds awarded to school districts under the instructional materials allotment.

State Funded Special Revenue Funds

Accounts for state funded special revenue funds that have not been specified above.

Shared Services Arrangements – Regional Day School for the Deaf

Accounts on a project basis for the funds used by the fiscal agent of a shared services arrangement and the expenditure of funds for staff and activities of the Regional Day School Program for the Deaf.

Campus Activity Funds

Accounts for transactions related to a principal's activity fund that are not subject to recall by the District's Board of Trustees into the general fund.

Locally Funded Special Revenue Funds

Locally funded special revenue funds not specified above.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
JUNE 30, 2017

	206	211	224
Data Control Codes	ESEA Title X Part C Homeless Children and Youth	ESEA Title I Part A Improving Basic Programs	IDEA Part B Formula
ASSETS			
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -
1120 Current Investments	-	251,628	-
1240 Due from Other Governments	29,837	4,382,904	3,978,031
1250 Accrued Interest	-	-	-
1260 Due from Other Funds	-	-	2,294
1290 Other Receivables	-	-	403
1300 Inventories, at Cost	-	-	-
1910 Long-term Investments	-	-	-
1000 Total Assets	\$ 29,837	\$ 4,634,532	\$ 3,980,728
LIABILITIES			
2110 Accounts Payable	\$ -	\$ 460,440	\$ 126,122
2160 Accrued Wages Payable	2,350	2,283,747	1,826,830
2170 Due to Other Funds	27,487	1,890,345	2,027,776
2300 Unearned Revenues	-	-	-
2000 Total Liabilities	29,837	4,634,532	3,980,728
FUND BALANCES			
Nonspendable:			
3410 Inventory	-	-	-
Restricted For:			
3450 Grants	-	-	-
Committed To:			
3545 Campus Activities	-	-	-
3000 Total Fund Balances	-	-	-
4000 Total Liabilities and Fund Balances	\$ 29,837	\$ 4,634,532	\$ 3,980,728

225	226	227	240	244
<u>IDEA Part B Preschool</u>	<u>IDEA Part B Discretionary</u>	<u>IDEA Part B Deaf</u>	<u>National School Breakfast and Lunch Program</u>	<u>Career and Technical Basic Grant</u>
\$ -	\$ -	\$ -	\$ 449,319	\$ -
-	-	-	12,022,654	-
60,092	323	-	373,131	107,886
-	-	-	-	-
-	-	-	298	-
-	-	-	3,793	-
-	-	-	3,842,202	-
-	-	-	-	-
<u>\$ 60,092</u>	<u>\$ 323</u>	<u>\$ -</u>	<u>\$ 16,691,397</u>	<u>\$ 107,886</u>
\$ 199	\$ -	\$ -	\$ 641,115	\$ 1,813
30,014	-	-	421,000	27,751
29,879	323	-	42,769	78,322
-	-	-	-	-
<u>60,092</u>	<u>323</u>	<u>-</u>	<u>1,104,884</u>	<u>107,886</u>
-	-	-	3,842,202	-
-	-	-	11,744,311	-
-	-	-	-	-
-	-	-	15,586,513	-
<u>\$ 60,092</u>	<u>\$ 323</u>	<u>\$ -</u>	<u>\$ 16,691,397</u>	<u>\$ 107,886</u>

Continued

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
JUNE 30, 2017

Data Control Codes		253	255	263
		IDEA Part C Early Intervention (Deaf)	ESEA Title II Part A Teacher/Principal Train/Recruit	ESEA Title III Part A English Language Acquisition and Enhancement
ASSETS				
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1120	Current Investments	-	-	-
1240	Due from Other Governments	-	196,195	634,278
1250	Accrued Interest	-	-	-
1260	Due from Other Funds	-	-	1,623
1290	Other Receivables	-	-	-
1300	Inventories, at Cost	-	-	-
1910	Long-term Investments	-	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ 196,195</u>	<u>\$ 635,901</u>
LIABILITIES				
2110	Accounts Payable	\$ -	\$ 5,135	\$ 122,770
2160	Accrued Wages Payable	-	92,973	334,268
2170	Due to Other Funds	-	98,087	178,863
2300	Unearned Revenues	-	-	-
2000	Total Liabilities	<u>-</u>	<u>196,195</u>	<u>635,901</u>
FUND BALANCES				
Nonspendable:				
3410	Inventory	-	-	-
Restricted For:				
3450	Grants	-	-	-
Committed To:				
3545	Campus Activities	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 196,195</u>	<u>\$ 635,901</u>

272	289	315	340	385
<u>Medicaid Administrative Claiming Program</u>	<u>Federally Funded Special Revenue Funds</u>	<u>SSA IDEA Part B Discretionary</u>	<u>SSA IDEA Part C Early Intervention (Deaf)</u>	<u>State Supplemental Visually Impaired</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
53,479	238,371	30,866	2,798	-
-	-	-	-	-
394,180	176,639	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 447,659</u>	<u>\$ 415,010</u>	<u>\$ 30,866</u>	<u>\$ 2,798</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	168,194	19,882	-	-
-	-	10,984	2,798	-
-	-	-	-	-
<u>-</u>	<u>168,194</u>	<u>30,866</u>	<u>2,798</u>	<u>-</u>
-	-	-	-	-
447,659	246,816	-	-	-
-	-	-	-	-
<u>447,659</u>	<u>246,816</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 447,659</u>	<u>\$ 415,010</u>	<u>\$ 30,866</u>	<u>\$ 2,798</u>	<u>\$ -</u>

Continued

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
JUNE 30, 2017

	397	410	429
Data Control Codes	Advanced Placement Incentives	Instructional Materials Fund (IMA)	State Funded Special Revenue Funds
ASSETS			
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -
1120 Current Investments	-	-	-
1240 Due from Other Governments	-	898,517	31,462
1250 Accrued Interest	-	-	-
1260 Due from Other Funds	41,328	-	168
1290 Other Receivables	-	-	-
1300 Inventories, at Cost	-	-	-
1910 Long-term Investments	-	-	-
1000 Total Assets	\$ 41,328	\$ 898,517	\$ 31,630
LIABILITIES			
2110 Accounts Payable	\$ -	\$ 540,250	\$ 433
2160 Accrued Wages Payable	-	-	19,990
2170 Due to Other Funds	-	358,267	10,870
2300 Unearned Revenues	41,328	-	337
2000 Total Liabilities	41,328	898,517	31,630
FUND BALANCES			
Nonspendable:			
3410 Inventory	-	-	-
Restricted For:			
3450 Grants	-	-	-
Committed To:			
3545 Campus Activities	-	-	-
3000 Total Fund Balances	-	-	-
4000 Total Liabilities and Fund Balances	\$ 41,328	\$ 898,517	\$ 31,630

435	461	499	Total Nonmajor Governmental Funds
SSA Regional Day School for the Deaf	Campus Activity Funds	Locally Funded Special Revenue Funds	
\$ -	\$ 64,728	\$ -	\$ 514,047
-	5,686,451	-	17,960,733
775,392	-	-	11,793,562
-	2,142	-	2,142
176,182	4,559	19,688	816,959
-	10,723	-	14,919
-	-	-	3,842,202
-	1,074,980	-	1,074,980
<u>\$ 951,574</u>	<u>\$ 6,843,583</u>	<u>\$ 19,688</u>	<u>\$ 36,019,544</u>
\$ 1,952	\$ 241,455	\$ 921	\$ 2,142,605
635,572	-	-	5,862,571
314,050	51,752	1,044	5,123,616
-	-	17,723	59,388
<u>951,574</u>	<u>293,207</u>	<u>19,688</u>	<u>13,188,180</u>
-	-	-	3,842,202
-	-	-	12,438,786
-	6,550,376	-	6,550,376
-	6,550,376	-	22,831,364
<u>\$ 951,574</u>	<u>\$ 6,843,583</u>	<u>\$ 19,688</u>	<u>\$ 36,019,544</u>

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	206	211	224
Data Control Codes	ESEA Title X Part C Homeless Children and Youth	ESEA Title I Part A Improving Basic Programs	IDEA Part B Formula
REVENUES			
5700 Local, Intermediate, and Out-of-State	\$ -	\$ -	\$ -
5800 State Programs	-	-	-
5900 Federal Programs	120,626	18,383,777	16,814,743
5020 Total Revenues	<u>120,626</u>	<u>18,383,777</u>	<u>16,814,743</u>
EXPENDITURES			
Current:			
0011 Instruction	39,796	11,553,105	9,383,310
0012 Instructional Resources and Media Services	-	314,710	-
0013 Curriculum and Instructional Staff Development	2,968	5,441,790	1,834,617
0021 Instructional Leadership	77,862	165,010	3,554,744
0023 School Leadership	-	4,933	246,741
0031 Guidance, Counseling, and Evaluation Services	-	527,881	1,223,214
0033 Health Services	-	-	572,117
0035 Food Services	-	-	-
0051 Plant Maintenance and Operations	-	-	-
0052 Security and Monitoring Services	-	-	-
0061 Community Services	-	376,348	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	-	-	-
6030 Total Expenditures	<u>120,626</u>	<u>18,383,777</u>	<u>16,814,743</u>
1200 Net Change in Fund Balances	-	-	-
0100 Fund Balances - Beginning	-	-	-
3000 Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

225	226	227	240	244
<u>IDEA Part B Preschool</u>	<u>IDEA Part B Discretionary</u>	<u>IDEA Part B Deaf</u>	<u>National School Breakfast and Lunch Program</u>	<u>Career and Technical Basic Grant</u>
\$ -	\$ -	\$ -	\$ 17,190,090	\$ -
-	-	-	307,099	-
224,015	4,143	285	39,788,834	1,047,693
<u>224,015</u>	<u>4,143</u>	<u>285</u>	<u>57,286,023</u>	<u>1,047,693</u>
223,973	1,644	285	-	885,166
-	-	-	-	-
-	-	-	-	144,281
42	2,499	-	-	18,246
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	55,696,757	-
-	-	-	491,494	-
-	-	-	-	-
-	-	-	-	-
-	-	-	937,327	-
<u>224,015</u>	<u>4,143</u>	<u>285</u>	<u>57,125,578</u>	<u>1,047,693</u>
-	-	-	160,445	-
-	-	-	15,426,068	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,586,513</u>	<u>\$ -</u>

Continued

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

Data Control Codes		253	255	263
		IDEA Part C Early Intervention (Deaf)	ESEA Title II Part A Teacher/Principal Train/Recruit	ESEA Title III Part A English Language Acquisition and Enhancement
REVENUES				
5700	Local, Intermediate, and Out-of-State	\$ -	\$ -	\$ -
5800	State Programs	-	-	-
5900	Federal Programs	332	860,267	2,655,385
5020	Total Revenues	<u>332</u>	<u>860,267</u>	<u>2,655,385</u>
EXPENDITURES				
Current:				
0011	Instruction	332	-	1,133,860
0012	Instructional Resources and Media Services	-	-	-
0013	Curriculum and Instructional Staff Development	-	860,267	1,475,202
0021	Instructional Leadership	-	-	-
0023	School Leadership	-	-	-
0031	Guidance, Counseling, and Evaluation Services	-	-	-
0033	Health Services	-	-	-
0035	Food Services	-	-	-
0051	Plant Maintenance and Operations	-	-	-
0052	Security and Monitoring Services	-	-	-
0061	Community Services	-	-	46,323
Capital Outlay:				
0081	Facilities Acquisition and Construction	-	-	-
6030	Total Expenditures	<u>332</u>	<u>860,267</u>	<u>2,655,385</u>
1200	Net Change in Fund Balances	-	-	-
0100	Fund Balances - Beginning	-	-	-
3000	Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

272	289	315	340	385
<u>Medicaid Administrative Claiming Program</u>	<u>Federally Funded Special Revenue Funds</u>	<u>SSA IDEA Part B Discretionary</u>	<u>SSA IDEA Part C Early Intervention (Deaf)</u>	<u>State Supplemental Visually Impaired</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	20,000
214,078	372,191	191,404	5,043	-
<u>214,078</u>	<u>372,191</u>	<u>191,404</u>	<u>5,043</u>	<u>20,000</u>
-	136,294	127,664	5,043	20,000
-	-	-	-	-
-	-	-	-	-
-	-	63,740	-	-
-	-	-	-	-
-	-	-	-	-
46,276	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	195,610	-	-	-
-	-	-	-	-
<u>46,276</u>	<u>331,904</u>	<u>191,404</u>	<u>5,043</u>	<u>20,000</u>
167,802	40,287	-	-	-
279,857	206,529	-	-	-
<u>\$ 447,659</u>	<u>\$ 246,816</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Continued

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

		397	410	429
Data Control Codes		Advanced Placement Incentives	Instructional Materials Fund (IMA)	State Funded Special Revenue Funds
REVENUES				
5700	Local, Intermediate, and Out-of-State	\$ -	\$ -	\$ -
5800	State Programs	28,242	3,679,419	1,072,109
5900	Federal Programs	-	-	-
5020	Total Revenues	<u>28,242</u>	<u>3,679,419</u>	<u>1,072,109</u>
EXPENDITURES				
Current:				
0011	Instruction	3,527	3,679,419	116,975
0012	Instructional Resources and Media Services	-	-	-
0013	Curriculum and Instructional Staff Development	24,715	-	468,442
0021	Instructional Leadership	-	-	-
0023	School Leadership	-	-	-
0031	Guidance, Counseling, and Evaluation Services	-	-	-
0033	Health Services	-	-	-
0035	Food Services	-	-	-
0051	Plant Maintenance and Operations	-	-	-
0052	Security and Monitoring Services	-	-	-
0061	Community Services	-	-	486,692
Capital Outlay:				
0081	Facilities Acquisition and Construction	-	-	-
6030	Total Expenditures	<u>28,242</u>	<u>3,679,419</u>	<u>1,072,109</u>
1200	Net Change in Fund Balances	-	-	-
0100	Fund Balances - Beginning	-	-	-
3000	Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

435	461	499	Total Nonmajor Governmental Funds
SSA Regional Day School for the Deaf	Campus Activity Funds	Locally Funded Special Revenue Funds	
\$ 2,294,076	\$ 14,030,971	\$ 127,080	\$ 33,642,217
1,404,255	-	-	6,511,124
-	-	-	80,682,816
<u>3,698,331</u>	<u>14,030,971</u>	<u>127,080</u>	<u>120,836,157</u>
3,274,743	13,380,355	99,973	44,065,464
-	-	-	314,710
155,478	-	20,964	10,428,724
7,890	-	6,050	3,896,083
-	-	-	251,674
260,220	-	-	2,011,315
-	-	-	618,393
-	-	-	55,696,757
-	-	-	491,494
-	723	-	723
-	793,037	93	1,898,103
-	-	-	937,327
<u>3,698,331</u>	<u>14,174,115</u>	<u>127,080</u>	<u>120,610,767</u>
-	(143,144)	-	225,390
-	6,693,520	-	22,605,974
<u>\$ -</u>	<u>\$ 6,550,376</u>	<u>\$ -</u>	<u>\$ 22,831,364</u>

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CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

Exhibit H-3

Data Control Codes		Budgeted Amounts			Variance with Final Budget Positive (Negative)
		Original	Final Amended	Actual	
REVENUES					
5700	Local, Intermediate, and Out-of-State	\$ 23,193,759	\$ 19,193,759	\$ 17,190,090	\$ (2,003,669)
5800	State Programs	350,353	307,099	307,099	-
5900	Federal Programs	37,452,551	39,452,551	39,788,834	336,283
5020	Total Revenues	<u>60,996,663</u>	<u>58,953,409</u>	<u>57,286,023</u>	<u>(1,667,386)</u>
EXPENDITURES					
Current:					
0035	Food Services	59,523,323	59,623,323	55,696,757	3,926,566
0051	Plant Maintenance and Operations	1,473,340	1,073,340	491,494	581,846
0081	Facilities Acquisition and Construction	-	1,500,000	937,327	562,673
6030	Total Expenditures	<u>60,996,663</u>	<u>62,196,663</u>	<u>57,125,578</u>	<u>5,071,085</u>
1200	Net Change in Fund Balance	-	(3,243,254)	160,445	3,403,699
0100	Fund Balance - Beginning	15,426,068	15,426,068	15,426,068	-
3000	Fund Balance - Ending	<u>\$ 15,426,068</u>	<u>\$ 12,182,814</u>	<u>\$ 15,586,513</u>	<u>\$ 3,403,699</u>

FIDUCIARY FUND

Agency Fund

The District's agency fund is used to account for assets held by the District as an agent for student organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2017

Exhibit I-1

<u>AGENCY FUND:</u>					
Data Control Codes		Beginning Balance 7/1/16	Additions	Deductions	Ending Balance 6/30/17
ASSETS					
1110	Cash and Cash Equivalents	\$ 39,473	\$ 8,476,288	\$ 8,216,351	\$ 299,410
1120	Current Investments	2,145,149	1,426,515	897,251	2,674,413
1250	Accrued Interest	4,805	20,367	23,170	2,002
1290	Other Receivables	12,412	28,990	40,236	1,166
1910	Long-term Investments	1,990,023	-	1,014,719	975,304
1000	Total Assets	\$ 4,191,862	\$ 9,952,160	\$ 10,191,727	\$ 3,952,295
LIABILITIES					
2110	Accounts Payable	581,015	6,174,090	6,706,741	48,364
2190	Due to Student Groups	3,610,847	5,790,129	5,497,045	3,903,931
2000	Total Liabilities	\$ 4,191,862	\$ 11,964,219	\$ 12,203,786	\$ 3,952,295

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COMPLIANCE SCHEDULE

Schedule of Delinquent Taxes Receivable

The Schedule of Delinquent Taxes Receivable is required by the Texas Education Agency and is not a required disclosure in the Comprehensive Annual Financial Report.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2017

<u>Year Ended</u> <u>June 30</u>	<u>Tax Rates</u>		<u>Assessed Taxable</u> <u>Value For School</u> <u>Tax Purposes</u>
	<u>Maintenance</u>	<u>Debt Service</u>	
2008 and Prior Years	\$ Various	\$ Various	\$ Various
2009	1.04	0.31	30,771,104,667
2010	1.04	0.37	31,462,187,589
2011	1.04	0.39	30,719,016,084
2012	1.04	0.39	31,160,567,273
2013	1.04	0.41	32,542,953,172
2014	1.04	0.41	35,503,139,379
2015	1.04	0.40	39,903,521,736
2016	1.04	0.40	43,463,150,208
2017	1.04	0.40	46,698,749,097
Totals			

	<u>Beginning Balance 7/1/16</u>	<u>Current Year's Total Levy</u>	<u>Maintenance Collections</u>	<u>Debt Service Collections</u>	<u>Entire Year's Adjustments</u>	<u>Ending Balance 6/30/17</u>
\$	4,136,500	\$ -	\$ 152,182	\$ 44,586	\$ (1,441,812)	\$ 2,497,920
	871,738	-	26,948	8,032	(25,792)	810,966
	961,473	-	13,639	4,853	(89,036)	853,945
	985,393	-	34,001	12,750	(31,988)	906,654
	1,001,984	-	209,391	78,521	212,418	926,490
	1,024,174	-	251,923	99,316	272,006	944,941
	1,296,349	-	237,494	93,627	143,206	1,108,434
	1,844,325	-	355,966	136,910	28,852	1,380,301
	7,803,734	-	(317,802)	(122,232)	(5,557,873)	2,685,895
	-	672,461,987	478,274,013	183,951,544	-	10,236,430
\$	<u>19,925,670</u>	<u>672,461,987</u>	<u>479,237,755</u>	<u>184,307,907</u>	<u>(6,490,019)</u>	<u>22,351,976</u>

Reconciliation of Ending Balance to Exhibit B-1:

Ending Balance at 6/30/17	\$ 22,351,976
Less: Uncollectible Taxes	<u>(5,733,978)</u>
Adjusted Ending Balance	<u>16,617,998</u>
Property Taxes Receivable (Net) per Exhibit B-1	\$ <u>16,617,998</u>

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STATISTICAL SECTION

STATISTICAL SECTION

The statistical section of the Cypress-Fairbanks Independent School District's Annual Financial Report presents detailed information (both current and historical) as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the District's economic condition and overall financial health. To assist financial statement users, the section is categorized as follows:

Financial Trends

These schedules contain trend information to assist in understanding how the District's financial performance and position have changed over time.

Revenue Capacity

These schedules contain information to help assess the factors affecting the District's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to assist in assessing the affordability of the District's current debt burden and its ability to issue additional debt in the future. The District is not subject to a legal debt margin.

Demographic and Economic Information

These schedules offer demographic and economic indicators to aid in understanding the socioeconomic environment in which the District operates and to facilitate comparisons over time.

Operating Information

These schedules contain information about the District's operations and resources to assist in using the financial statement information to better understand and assess the District's economic condition.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.

Note: GASB Statement No. 44 indicates governments are allowed to and should use alternative indicators for calculating ratios if they are more relevant to their circumstances (Table 9, Table 10, Table 12 and Table 15).

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental Activities:				
Net Investment in Capital Assets	\$ (89,611,599)	\$ (101,934,887)	\$ (102,396,644)	\$ (103,738,940)
Restricted	58,547,432	58,926,214	34,049,131	27,239,374
Unrestricted	105,222,629	143,999,048	127,217,274	170,562,613
Total Governmental Activities Net Position (Deficit)	<u>74,158,462</u>	<u>100,990,375</u>	<u>58,869,761</u>	<u>94,063,047</u>
Business-type Activities:				
Unrestricted	720,985	720,761	719,810	718,915
Total Business-type Activities Net Position (Deficit)	<u>720,985</u>	<u>720,761</u>	<u>719,810</u>	<u>718,915</u>
Primary Government:				
Net Investment in Capital Assets(1)	(89,611,599)	(101,934,887)	(102,396,644)	(103,738,940)
Restricted	58,547,432	58,926,214	34,049,131	27,239,374
Unrestricted	105,943,614	144,719,809	127,937,084 (2)	171,281,528
Total Primary Government Activities Net Position (Deficit)	<u>\$ 74,879,447</u>	<u>\$ 101,711,136</u>	<u>\$ 59,589,571</u>	<u>\$ 94,781,962</u>

(1) The fluctuations are due to the issuance and non-issuance of debt.

(2) Net position decreased primarily due to the effects of a prior period adjustment for the implementation of GASB 68 and GASB 71 relating to pensions.

Table 1

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	(96,589,301)	\$ (87,334,638)	\$ (78,394,299)	\$ (81,466,161)	\$ (125,751,293)	\$ (104,317,521)
	26,060,650	-	-	-	-	15,059,717
	78,562,371	35,994,025	6,777,642	1,451,257	53,847,161	35,369,282
	<u>8,033,720</u>	<u>(51,340,613)</u>	<u>(71,616,657)</u>	<u>(80,014,904)</u>	<u>(71,904,132)</u>	<u>(53,888,522)</u>
	284,681	170,301	9,709	(147,245)	-	-
	<u>284,681</u>	<u>170,301</u>	<u>9,709</u>	<u>(147,245)</u>	<u>-</u>	<u>-</u>
	(96,589,301)	(87,334,638)	(78,394,299)	(81,466,161)	(125,751,293)	(104,317,521)
	26,060,650	-	-	-	-	15,059,717
	78,847,052	36,164,326	6,787,351	1,304,012	53,847,161	35,369,282
\$	<u><u>8,318,401</u></u>	<u><u>(51,170,312)</u></u>	<u><u>(71,606,948)</u></u>	<u><u>(80,162,149)</u></u>	<u><u>(71,904,132)</u></u>	<u><u>(53,888,522)</u></u>

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Expenses	2017	2016	2015	2014
Governmental Activities:				
Instruction	\$ 698,333,067 (1)	\$ 645,636,860	\$ 581,664,409	\$ 555,173,230
Instructional Resources and Media Services	10,873,350	10,125,744	9,441,162	9,278,735
Curriculum and Instructional Staff Development	22,058,882	17,319,578	16,027,899	14,727,033
Instructional Leadership	11,997,375	11,460,319	12,129,832	11,475,146
School Leadership	57,630,018	54,664,995	49,456,275	47,777,917
Guidance, Counseling, and Evaluation Services	35,865,818	32,678,851	28,522,749	26,680,850
Social Work Services	1,036,437	1,054,963	984,274	1,029,061
Health Services	10,885,642	10,527,342	9,219,906	8,310,591
Student Transportation	50,791,730	47,259,045	45,283,427	37,321,531
Food Services	64,439,209	61,105,272	55,990,991	52,578,899
Cocurricular/Extracurricular Activities	31,606,116	25,794,825	21,681,671	24,063,915
General Administration	17,428,978	16,922,372	13,452,199	13,869,245
Plant Maintenance and Operations	77,861,018	74,767,976	67,729,057	61,463,394
Security and Monitoring Services	11,435,763	10,636,933	8,716,454	8,055,928
Data Processing Services	14,726,806	17,800,115	15,526,773	9,155,608
Community Services	10,727,096	9,560,523	8,951,229	7,913,945
Interest on Debt	95,624,106	93,226,524	87,696,344	87,477,077
Bond Issuance Costs and Fees	3,164,626	2,794,902	4,600,958	1,220,255
Facilities Repair and Maintenance	7,873,909	2,225,983	825,796	34,313
Payments to Fiscal Agents SSA	823,895	1,121,872	1,144,645	989,728
Payments to Juvenile Justice Alternative Ed. Prog.	7,120	3,600	2,160	6,064
Other Intergovernmental Charges	4,947,598	4,726,563	4,511,372	3,873,790
Total Governmental Activities Expenses	1,240,138,559	1,151,415,157	1,043,559,582	982,476,255
Business-type Activities:				
Community Programs	10,288,180	9,711,935	9,472,204	8,020,085
Total Primary Government Expenses	1,250,426,739	1,161,127,092	1,053,031,786	990,496,340
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	19,236,988	18,184,622	16,939,546	15,872,335
Food Services	17,946,936	17,452,940	18,201,344	18,341,813
Cocurricular/Extracurricular Activities	1,566,431	1,501,742	1,823,102	1,494,538
General Administration	541,082	310,135	504,830	471,551
Other Activities	1,903,768	2,635,334	2,459,251	2,593,771
Operating Grants and Contributions	147,853,651	147,905,436	126,852,388	124,163,500
Total Governmental Activities Program Revenues	189,048,856	187,990,209	166,780,461	162,937,508
Business-type Activities:				
Charges for Services	10,809,379	10,701,748	10,428,063	9,452,505
Total Primary Government Program Revenues	199,858,235	198,691,957	177,208,524	172,390,013
Net (Expense)/Revenue				
Total Primary Government Net Expense	\$ (1,050,568,504)	\$ (962,435,135)	\$ (875,823,262)	\$ (818,106,327)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes, Levied for General Purposes	482,598,888 (2)	448,965,096	415,497,287	374,123,198
Property Taxes, Levied for Debt Service	186,052,714 (2)	172,948,374	159,173,200	147,360,448
Investment Earnings	8,825,837	4,665,229	2,229,522	822,177
Grants and Contributions Not Restricted to Specific Programs	337,586,938 (3)	372,830,990	393,330,199	376,049,342
Miscellaneous	8,656,413	5,138,873	7,405,056	6,212,909
Transfers	537,000	997,000	957,000	1,000,000
Total Governmental Activities General Revenues/Transfers	1,024,257,790	1,005,545,562	978,592,264	905,568,074
Business-type Activities:				
Investment Earnings	16,025	8,138	2,036	1,814
Transfers	(537,000)	(997,000)	(957,000)	(1,000,000)
Total Business-type Activities General Revenues/Transfers	(520,975)	(988,862)	(954,964)	(998,186)
Total Primary Government Revenues	\$ 1,023,736,815	\$ 1,004,556,700	\$ 977,637,300	\$ 904,569,888
Change in Net Position				
Governmental Activities	(26,831,913)	42,120,614	101,813,143	86,029,327
Business-type Activities	224	951	895	434,234
Total Change in Net Position	\$ (26,831,689)	\$ 42,121,565	\$ 101,814,038	\$ 86,463,561

(1) The increase in expenses is due to an increase in instructional staff for student growth and the opening of a new school.

(2) The increase in property tax revenue is due to an increase in property values.

Table 2

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 507,256,467	\$ 503,690,999	\$ 531,351,407	\$ 535,190,691	\$ 497,160,650	\$ 478,811,788
8,501,349	8,100,073	8,506,537	7,939,098	7,919,067	8,211,526
13,207,813	13,043,559	17,867,155	20,714,929	16,626,787	14,383,157
11,720,258	11,569,818	11,949,159	12,841,819	13,257,743	11,017,355
45,584,610	46,464,583	49,428,554	43,683,711	42,883,376	40,190,995
24,365,712	23,833,046	24,448,879	25,546,410	25,484,231	26,103,590
949,256	888,564	978,219	988,726	1,096,066	1,154,659
7,973,461	7,668,538	8,588,045	8,226,837	7,366,423	7,237,243
34,870,129	33,533,462	34,315,296	32,793,347	33,267,773	34,898,248
49,841,436	47,906,107	46,811,570	44,040,313	39,538,407	36,529,299
22,659,734	22,177,952	22,667,440	21,816,470	21,616,965	18,396,093
12,056,790	11,204,164	12,199,997	12,323,898	11,571,617	14,330,196
59,752,450	61,194,579	66,010,640	68,969,231	64,034,625	62,084,589
6,564,760	5,120,296	4,811,537	4,969,447	4,661,233	4,390,023
12,148,343	6,928,234	4,532,730	4,426,216	4,795,731	4,074,808
5,695,008	5,491,411	3,763,869	3,401,357	3,309,624	3,793,051
81,810,935	88,865,289	91,520,109	91,417,981	80,330,802	70,340,890
4,250,725	364,840	453,400	522,006	490,509	549,092
25,838	135	50,495	49,116	45,766	32,772
1,110,321	1,188,981	913,679	952,062	855,236	-
356	45,780	41,580	-	122,220	283,500
3,745,906	3,741,286	3,791,579	3,594,061	3,337,413	-
914,091,657	903,021,696	945,001,876	944,407,726	879,772,264	836,812,874
<u>7,074,326</u>	<u>4,946,475</u>	<u>4,129,381</u>	<u>147,282</u>	<u>-</u>	<u>-</u>
<u>921,165,983</u>	<u>907,968,171</u>	<u>949,131,257</u>	<u>944,555,008</u>	<u>879,772,264</u>	<u>836,812,874</u>
15,176,617	14,575,458	13,740,003	12,964,195	14,407,813	4,342,257
19,499,351	19,254,750	18,603,198	19,411,312	19,612,337	20,152,924
1,590,401	2,027,681	1,920,820	1,596,516	1,406,577	11,573,297
441,285	407,981	371,336	547,437	-	-
3,018,504	2,118,397	1,802,405	1,543,535	1,324,371	1,394,613
118,369,676	121,255,728	182,704,870	171,461,221	118,850,966	98,525,632
158,095,834	159,639,995	219,142,632	207,524,216	155,602,064	135,988,723
<u>8,185,670</u>	<u>6,603,989</u>	<u>5,654,545</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>166,281,504</u>	<u>166,243,984</u>	<u>224,797,177</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (754,884,479)</u>	<u>\$ (741,724,187)</u>	<u>\$ (724,334,080)</u>	<u>\$ (737,030,792)</u>	<u>\$ (724,170,200)</u>	<u>\$ (700,824,151)</u>
341,647,771	325,607,783	320,037,878	332,493,637	326,198,647	292,479,689
134,247,202	121,618,732	119,871,547	117,352,659	97,383,048	84,789,662
1,510,221	1,798,594	2,300,811	4,303,296	12,916,174	18,726,036
340,733,020	310,802,392	288,140,419	270,882,974	267,601,253	255,489,947
3,411,310	2,330,244	2,536,836	3,740,172	2,055,468	2,145,916
1,000,000	1,500,000	1,370,000	-	-	-
822,549,524	763,657,745	734,257,491	728,772,738	706,154,590	653,631,250
3,036	3,078	1,790	37	-	-
(1,000,000)	(1,500,000)	(1,370,000)	-	-	-
(996,964)	(1,496,922)	(1,368,210)	37	-	-
<u>\$ 821,552,560</u>	<u>\$ 762,160,823</u>	<u>\$ 732,889,281</u>	<u>\$ 728,772,775</u>	<u>\$ 706,154,590</u>	<u>\$ 653,631,250</u>
66,553,701	20,276,044	8,398,247	(8,110,772)	(18,015,610)	(47,192,901)
114,380	160,592	156,954	(147,245)	-	-
<u>\$ 66,668,081</u>	<u>\$ 20,436,636</u>	<u>\$ 8,555,201</u>	<u>\$ (8,258,017)</u>	<u>\$ (18,015,610)</u>	<u>\$ (47,192,901)</u>

(3) The decrease in grants and contributions, not restricted, is due to a decrease in state aid funds resulting from increases in property values.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
General Fund (2)				
Nonspendable	\$ 3,045,063	\$ 3,155,866	\$ 2,973,123	\$ 3,234,177
Committed	-	-	-	-
Assigned	20,370,119	4,931,341	1,999,218	1,716,737
Unassigned	404,083,416	393,710,323	343,117,367	275,322,894
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total General Fund	<u>\$ 427,498,598</u>	<u>\$ 401,797,530</u>	<u>\$ 348,089,708</u>	<u>\$ 280,273,808</u>
All Other Governmental Funds (2)				
Nonspendable	\$ 3,842,202	\$ -	\$ 2,762,638	\$ 2,607,155
Restricted	488,918,035 (3)	576,965,377	516,911,124	328,694,727
Committed	6,550,376	6,693,520	5,723,155	5,271,424
Reserved (4)	-	-	-	-
Unreserved	-	-	-	-
Total All Other Governmental Funds	<u>\$ 499,310,613</u>	<u>\$ 583,658,897</u>	<u>\$ 525,396,917</u>	<u>\$ 336,573,306</u>

- (1) Due to the implementation of GASB 54, fund balances are classified differently than in prior years.
(2) The variances in the fiscal year fund balances are explained in the governmental funds section of the Management's Discussion and Analysis.
(3) The decrease is due to the expenditures associated with ongoing construction renovation projects.
(4) The fluctuations were primarily due to the outlay of bond proceeds for capital projects.

Table 3

<u>2013 (1)</u>	<u>2012 (1)</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 3,000,267	\$ 2,859,753	\$ 3,467,961	\$ -	\$ -	\$ -
-	-	8,003,653	-	-	-
1,819,729	4,499,583	314,078	-	-	-
210,896,033	152,150,650	120,363,224	-	-	-
-	-	-	4,407,128	5,285,121	5,167,191
-	-	-	98,314,811	68,364,467	50,345,454
<u>\$ 215,716,029</u>	<u>\$ 159,509,986</u>	<u>\$ 132,148,916</u>	<u>\$ 102,721,939</u>	<u>\$ 73,649,588</u>	<u>\$ 55,512,645</u>
\$ 2,525,059	\$ 2,778,135	\$ 1,879,068	\$ -	\$ -	\$ -
226,571,099	230,898,805	263,672,796	-	-	-
4,614,299	4,303,499	4,038,048	-	-	-
-	-	-	380,706,911	286,209,293	260,386,199
-	-	-	-	-	-
<u>\$ 233,710,457</u>	<u>\$ 237,980,439</u>	<u>\$ 269,589,912</u>	<u>\$ 380,706,911</u>	<u>\$ 286,209,293</u>	<u>\$ 260,386,199</u>

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
REVENUES				
Local, Intermediate, and Out-of-State	\$ 729,698,529 (1)	\$ 672,608,044	\$ 621,336,705	\$ 563,956,318
State Programs	385,515,556 (2)	422,098,848	439,206,260	412,496,140
Federal Programs	93,212,660	86,741,325	89,387,398	87,579,693
Total Revenues	<u>1,208,426,745</u>	<u>1,181,448,217</u>	<u>1,149,930,363</u>	<u>1,064,032,151</u>
EXPENDITURES				
Current:				
Instruction	640,499,476 (3)	599,183,399	579,868,996	532,067,403
Instructional Resources and Media Services	7,939,560	7,653,374	7,390,967	7,297,219
Curriculum and Instructional Staff Development	20,516,031	17,117,948	16,606,977	14,750,455
Instructional Leadership	11,391,373	11,264,554	12,436,167	11,718,412
School Leadership	46,211,215	44,953,409	42,103,446	40,120,566
Guidance, Counseling, and Evaluation Services	34,500,788	31,720,288	29,205,744	26,709,487
Social Work Services	1,042,265	1,027,402	987,456	1,029,532
Health Services	10,688,515	10,264,567	9,394,227	8,315,015
Student Transportation	48,465,451 (4)	43,682,524	46,504,370	33,034,889
Food Services	55,696,757	57,641,339	53,558,536	51,149,123
Cocurricular/Extracurricular Activities	19,126,777	16,587,296	16,987,733	15,130,587
General Administration	15,628,958	14,994,574	13,457,297	12,609,040
Plant Maintenance and Operations	76,013,594 (6)	71,911,847	67,260,981	61,080,568
Security and Monitoring Services	10,051,945	9,756,772	8,498,594	8,529,798
Data Processing Services	24,744,213	41,802,259	30,472,626	8,912,582
Community Services	11,014,310	9,660,075	9,531,634	8,065,005
Debt Service:				
Principal on Long-term Debt	69,970,000	55,430,767	41,522,623	40,180,987
Interest on Debt	104,504,040	110,901,194	110,907,985	103,765,309
Bond Issuance Costs and Fees	21,339,626	2,794,902	4,600,958	1,220,255
Capital Outlay:				
Facilities Acquisition and Construction	305,660,426 (6)	219,153,320	116,923,827	73,762,669
Intergovernmental:				
Payments to Fiscal Agents SSA	823,895	1,121,872	1,144,645	989,728
Payments to Juvenile Justice Alternative Education Programs	7,120	3,600	2,160	6,064
Other Intergovernmental Charges	4,947,598	4,726,563	4,511,372	3,873,790
Total Expenditures	<u>1,540,783,933</u>	<u>1,383,353,845</u>	<u>1,223,879,321</u>	<u>1,064,318,483</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(332,357,188)</u>	<u>(201,905,628)</u>	<u>(73,948,958)</u>	<u>(286,332)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Capital Related Debt	241,670,000	295,355,000	287,530,000	155,020,000
Issuance of Refunding Bonds	204,500,000	57,435,000	456,255,000	-
Premium/Discount from Issuance of Bonds	75,007,691	23,981,341	112,919,433	11,196,340
Sale of Real and Personal Property	244,564	304,159	426,351	490,620
Transfers In	537,000	997,000	957,000	1,000,000
Refund EDA Overpayment to State	-	-	-	-
Payment to Refunded Bonds Escrow Agent	(248,249,283)	(64,197,070)	(527,499,315)	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>273,709,972</u>	<u>313,875,430</u>	<u>330,588,469</u>	<u>167,706,960</u>
Net Change in Fund Balances	<u>\$ (58,647,216)</u>	<u>\$ 111,969,802</u>	<u>\$ 256,639,511</u>	<u>\$ 167,420,628</u>

Debt Service (Principal and Interest) as a Percentage of Noncapital Expenditures	14.32%	14.75%	14.22%	14.67%
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(1) Increase due to an increase in property values.

(2) Decrease primarily due to a decrease in state aid funds resulting from increases in property values.

(3) Increase due to an increase in instructional staff for student growth and the opening of a new school.

(4) Increase due to the purchase of new school buses.

(5) Variances due to reclass of county appraisal fees mandated by the Texas Education Agency.

(6) Increase due to construction of new schools and renovation of facilities.

Table 4

2013	2012	2011	2010	2009	2008
\$ 518,092,722	\$ 492,284,045	\$ 483,387,095	\$ 492,120,921	\$ 471,800,260	\$ 433,426,991
380,201,588	358,940,890	338,992,459	319,709,635	329,960,910	308,504,609
78,823,922	75,090,522	131,852,828	122,634,558	56,647,753	45,313,757
<u>977,118,232</u>	<u>926,315,457</u>	<u>954,232,382</u>	<u>934,465,114</u>	<u>858,408,923</u>	<u>787,245,357</u>
486,715,240	478,207,965	504,328,816	507,580,793	464,956,509	450,689,331
6,557,308	6,165,498	6,541,108	6,406,263	6,493,137	6,998,574
13,255,807	12,990,805	18,026,706	20,747,106	16,469,705	14,235,272
11,766,593	11,537,869	13,443,595	14,676,395	13,179,904	10,901,111
38,145,701	38,884,124	41,697,351	37,586,238	36,889,428	34,887,942
24,508,687	23,724,514	24,422,905	25,409,969	25,110,465	25,718,478
950,806	887,370	977,504	987,069	1,089,065	1,146,780
7,989,554	7,637,426	8,579,925	8,187,827	7,266,484	7,110,132
32,484,979	27,776,303	29,752,313	28,348,348	32,641,022	51,252,716
47,506,592	44,903,978	44,670,435	42,227,739	36,930,140	34,495,340
13,515,163	13,211,561	14,450,553	14,555,957	15,162,719	12,660,393
10,794,657	9,869,947	10,947,579	11,046,634	10,363,767	13,266,977
59,766,180	59,880,902	64,951,693	68,006,831	62,996,463	61,617,083
7,832,850	4,549,171	4,901,980	4,557,526	4,432,987	4,378,812
11,183,155	6,116,890	6,174,164	3,618,371	4,103,567	3,680,695
7,047,298	5,470,214	3,794,738	3,398,262	3,303,112	3,713,685
38,037,537	37,133,086	49,985,000	37,120,000	35,718,950	26,736,078
106,116,817	104,965,984	86,731,216	81,892,390	74,960,494	69,955,275
4,250,725	1,110,787	104,230	2,589,775	1,774,528	768,062
54,821,094	36,009,036	98,385,243	171,350,963	208,528,819	140,648,796
1,110,321	1,188,981	913,679	952,062	855,236	-
356	45,780	41,580	-	122,220	283,500
3,745,906	3,741,286	3,791,579	3,594,061	3,337,413 ⁽⁵⁾	-
<u>988,103,326</u>	<u>936,009,477</u>	<u>1,037,613,892</u>	<u>1,094,840,579</u>	<u>1,066,686,134</u>	<u>975,145,032</u>
(10,985,094)	(9,694,020)	(83,381,510)	(160,375,465)	(208,277,211)	(187,899,675)
53,300,000	15,875,000	-	280,115,000	250,000,000	250,000,000
168,510,000	119,435,000	-	-	3,170,000	59,010,000
41,364,292	23,826,300	-	2,779,288	7,621,522	10,041,281
496,850	184,807	321,488	1,051,146	462,652	-
1,000,000	1,500,027	1,370,000	441,947	-	7,000
-	(1,973,290)	-	-	-	-
(201,749,987)	(141,103,310)	-	-	(9,016,926)	(69,551,461)
-	(12,298,917)	-	(441,947)	-	(7,000)
<u>62,921,155</u>	<u>5,445,617</u>	<u>1,691,488</u>	<u>283,945,434</u>	<u>252,237,248</u>	<u>249,499,820</u>
\$ 51,936,061	\$ (4,248,403)	\$ (81,690,022)	\$ 123,569,969	\$ 43,960,037	\$ 61,600,145
15.66%	15.85%	14.74%	12.87%	12.90%	11.59%

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended 6/30:	Actual Value					
	Residential	Vacant Land	Acreage Farm & Ranch	Commercial	Industrial	Utilities
2017	\$ 33,640,490,726	\$ 1,015,207,211	\$ 91,799,304	\$ 15,775,507,341	\$ 7,828,075,318	\$ 362,490,182
2016	30,897,898,755	952,224,800	129,145,979	14,578,642,360	8,547,228,879	337,023,358
2015	27,378,153,309	918,102,059	187,505,407	12,866,640,450	7,962,078,449	339,771,575
2014	27,483,955,959	906,905,586	202,515,912	13,067,221,741	7,993,712,806	339,574,432
2013	22,806,904,414	704,324,036	206,654,807	11,675,308,415	6,994,344,749	354,261,575
2012	23,018,751,027	586,506,326	371,906,732	10,178,007,300	4,814,791,244	331,482,124
2011	22,681,014,902	586,925,449	342,510,694	9,570,436,774	3,932,524,375	336,512,138
2010	22,604,791,778	655,706,503	664,768,829	9,798,152,097	5,095,308,121	340,065,804
2009	22,956,766,926	729,633,387	398,319,951	10,267,092,732	5,260,900,226	373,509,555
2008	22,791,740,707	670,515,418	751,348,725	9,831,753,606	4,233,395,136	356,729,079

(1) Tax rates are per \$100 of taxable assessed value.

(2) The tax rate was reduced as a result of State legislative reform.

Source: Harris County (Texas) Appraisal District provides the District's tax office with appraised values for properties within the District's taxing authority. Actual value equals appraised value. Actual value less exemptions equals taxable assessed value. Taxable assessed value times the tax rate set by the District's Board of Trustees each fall equals the tax levy.

Table 5

Actual Value						Total	Total
Railroads, Pipelines, & Cable TV	Residential Inventory	Minerals	Miscellaneous	Less: Exemptions		Taxable Assessed Value	Direct Rate (1)
\$ 111,266,750	\$ 396,934,237	\$ 1,374,550	\$ 2,391,171,965	\$ 14,915,568,487	\$	46,698,749,097	\$ 1.440
110,144,604	310,426,114	3,194,610	2,275,710,506	14,678,489,757		43,463,150,208	1.440
104,168,783	240,861,103	7,958,390	2,415,471,053	12,517,188,842		39,903,521,736	1.440
104,168,783	77,478,299	7,497,200	147,521,331	14,827,412,670		35,503,139,379	1.450
102,145,933	120,354,489	7,674,280	111,507,876	10,540,527,402		32,542,953,172	1.450
100,159,250	138,622,452	14,989,380	108,140,221	8,502,788,783		31,160,567,273	1.430
105,019,558	182,011,712	11,508,115	119,524,351	7,148,971,984		30,719,016,084	1.430
121,635,513	155,532,338	16,626,070	2,334,375,817	10,324,775,281		31,462,187,589	1.410
74,257,493	206,440,128	16,433,170	2,686,449,313	12,198,698,214		30,771,104,667	1.350 (2)
83,038,138	255,676,331	-	449,014	11,140,146,985		27,834,499,169	1.324 (2)

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ACTUAL TAXABLE VALUE)
LAST TEN FISCAL YEARS

Taxing Authority	2017	2016	2015	2014
<u>Overlapping Rates:</u>				
City of Houston	\$0.5864	\$0.6011	\$0.6311	\$0.6388
Jersey Village	0.7425	0.7425	0.7425	0.7425
Harris County (1)	0.6352	0.6354	0.6360	0.6363
Harris County Dept. of Education	0.5200	0.5422	0.5999	0.6358
Harris Co Flood Control District (4)	0.2829	0.2733	0.2736	0.2827
HC Emerg Srv Dist 003	0.0600	0.0600	0.0578	0.0569
HC Emerg Srv Dist 009	0.0533	0.0550	0.0600	0.0600
HC ID 003	0.1400	0.1500	0.1500	0.1500
Lone Star College District (2)	0.1078	0.1079	0.1081	0.1160
Utility Districts:				
Cypress Creek UD	0.2050	0.1800	0.1800	0.1800
Emerald Forest UD	0.6600	0.6600	0.6800	0.6900
HCUD6	0.2200	0.2300	0.2350	0.2400
Lake Forest UD	0.2500	0.2500	0.2500	0.2500
Langham Creek UD	0.6300	0.6300	0.6635	0.6800
Malcomson Road UD	0.4400	0.4400	0.4800	0.5300
Prestonwood Forest UD	0.3500	0.3500	0.3500	0.3500
Rolling Creek UD	0.7800	0.8500	0.8800	0.9600
Windfern Forest UD	0.4900	0.5000	0.5200	0.5200
Municipal Utility Districts:				
Barker Cypress MUD	0.8400	0.8900	0.9000	0.9500
Camfield MUD	0.5000	0.5000	0.5000	0.5000
Chimney Hill MUD	0.7900	0.7900	0.8500	0.8800
Clay Road MUD	0.7100	0.7800	0.8700	0.9000
Cy Champ PUD	0.3700	0.3700	0.4680	0.5100
Cypress Forest PUD	0.2800	0.2930	0.3219	0.3240
Cypress Hill MUD 1	0.7700	0.7900	0.8700	0.9200
Faulkey-Gully MUD	0.3800	0.4200	0.4900	0.5260
Grant Road PUD	0.5850	0.5850	0.6250	0.6700
HCFWSD 61	0.3200	0.3300	0.3400	0.3500
HCMUD 6	0.5400	0.5900	0.6100	0.6500
HCMUD 18	0.3600	0.4000	0.4200	0.4200
HCMUD 23	0.4700	0.4700	0.4800	0.4800
HCMUD 25	0.7000	0.7200	0.7850	0.7600
HCMUD 69	0.3900	0.4000	0.4000	0.4000
HCMUD 70	0.7000	0.7300	0.7900	0.8400
HCMUD 102	0.6400	0.6900	0.7000	0.7000
HCMUD 105	0.8300	0.8500	0.9000	0.9300
HCMUD 127	0.7100	0.7800	0.8700	0.9000
HCMUD 130	0.5300	0.5800	0.6200	0.6700
HCMUD 136	0.1640	0.1780	0.1960	0.2150
HCMUD 144	0.6000	0.6150	0.6300	0.6300
HCMUD 149	0.3650	0.4800	0.5200	0.5900
HCMUD 155	0.9300	0.9300	0.9200	0.9200
HCMUD 156 (4)	0.7700	0.8700	0.9000	0.9700
HCMUD 157	0.7100	0.7300	0.8000	0.8450
HCMUD 162	0.4950	0.5000	0.5500	0.5665
HCMUD 163	0.0000	0.0970	0.1000	0.0000
HCMUD 165	1.1500	1.2000	1.3200	1.3200

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2013	2012	2011	2010	2009	2008
\$0.6388	\$0.6388	\$0.6388	\$0.6388	\$0.6388	\$0.6437
0.7425	0.7425	0.7425	0.7425	0.7425	0.7425
0.6366	0.6366	0.6360	0.6360	0.6358	0.6358
0.6617	0.6581	0.6581	0.6050	0.6050	0.5840
0.2809	0.2809	0.2923	0.2922	-	-
0.0600	0.0300	0.0300	0.0300	0.0300	0.0300
0.0600	0.0600	0.0600	0.0600	0.0591	0.0591
0.1500	0.1500	0.1500	0.1500	0.1500	0.1350
0.1210	0.1210	0.1176	0.1101	0.1101	0.1144
0.1800	0.1800	0.1700	0.0900	0.0800	0.1000
0.6900	0.6700	0.6700	0.6600	0.6500	0.6500
0.2400	0.2400	0.2400	0.2400	0.2400	0.2400
0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
0.6800	0.6800	0.6800	0.6500	0.6500	0.6600
0.5300	0.5300	0.5300	0.5000	0.5000	0.5000
0.3500	0.3500	0.3500	0.3500	0.3500	0.3500
0.9700	0.9700	0.9800	0.9900	1.0100	1.0500
0.4800	0.4800	0.4300	0.4300	0.4200	0.4200
0.9500	0.9300	0.9300	0.9000	0.9000	0.9000
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
0.8800	0.8800	0.8700	0.8700	0.8700	0.8900
0.9000	0.9100	0.9100	0.8700	0.8500	0.8500
0.5100	0.5100	0.5100	0.4800	0.4400	0.4400
0.3240	0.3240	0.3100	0.3100	0.3040	0.3000
0.9600	0.9800	0.9900	0.9900	1.0300	1.1000
0.5260	0.5180	0.4900	0.4600	0.4600	0.4600
0.6800	0.6800	0.6700	0.6300	0.6300	0.6300
0.3700	0.3900	0.4100	0.4300	0.4500	0.4900
0.6500	0.6500	0.6500	0.5400	0.4800	0.4800
0.4000	0.3170	0.3240	0.3240	0.3240	0.3100
0.4800	0.4800	0.4800	0.4800	0.4800	0.5000
0.8600	0.9000	0.8800	0.8800	0.8800	0.5000
0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
0.8900	0.9300	0.9300	0.9300	0.9300	0.9300
0.7000	0.6500	0.5850	0.5500	0.5500	0.5500
0.9300	0.9300	0.9300	0.9300	0.9300	0.9300
0.9000	0.8700	0.8700	0.8500	0.8200	0.8700
0.6700	0.6700	0.7000	0.7000	0.7500	0.8000
0.2150	0.2150	0.2150	0.2700	0.2700	0.2700
0.6500	0.6500	0.6500	0.6000	0.6000	0.6500
0.6600	0.6600	0.6600	0.6200	0.6200	0.6400
0.8850	0.8850	0.8500	0.8500	0.8500	0.8500
0.9700	1.0000	1.0500	1.1200	-	-
0.8450	0.8200	0.8200	0.8200	0.8200	0.9300
0.5665	0.5665	0.5600	0.5600	0.5600	0.5900
0.0000	0.0000	0.0000	0.0000	0.0000	0.2400
1.3200	1.3200	1.3200	1.3200	1.3200	1.3200

Continued

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ACTUAL TAXABLE VALUE)
LAST TEN FISCAL YEARS

Taxing Authority	2017	2016	2015	2014
HCMUD 166	\$0.8200	\$0.8700	\$0.9300	\$0.9300
HCMUD 167	1.0900	1.1400	1.2000	1.2500
HCMUD 168	0.5200	0.5300	0.5800	0.5800
HCMUD 170	0.2700	0.2700	0.2900	0.3000
HCMUD 172	0.7400	0.7800	0.8700	0.8900
HCMUD 173	0.5400	0.5700	0.6300	0.6700
HCMUD 179	0.2622	0.2800	0.2900	0.3000
HCMUD 183	0.4900	0.5100	0.5300	0.5400
HCMUD 185	0.5575	0.5450	0.6150	0.5475
HCMUD 186	0.2300	0.2400	0.2800	0.3100
HCMUD 188	0.4000	0.4400	0.4900	0.5300
HCMUD 191	0.2400	0.2450	0.2600	0.2800
HCMUD 196	0.6200	0.6400	0.6800	0.7400
HCMUD 208	0.4200	0.4400	0.4900	0.5900
HCMUD 220 (4)	0.9500	1.0500	1.1800	1.3000
HCMUD 222	0.3650	0.3700	0.4200	0.5400
HCMUD 230	0.5100	0.5200	0.5300	0.5700
HCMUD 239	0.6700	0.6900	0.7700	0.7700
HCMUD 248	0.5200	0.5500	0.5500	0.5500
HCMUD 250	1.1800	1.2300	1.2600	1.2600
HCMUD 255	0.2700	0.2700	0.2800	0.3500
HCMUD 257	0.5500	0.5500	0.5000	0.4000
HCMUD 261	0.5000	0.5200	0.5600	0.6200
HCMUD 264	0.3500	0.3600	0.2500	0.2500
HCMUD 276 (4)	0.6300	0.6800	0.7100	0.7900
HCMUD 284 (4)	0.8900	0.9400	1.0300	1.1500
HCMUD 286	0.1300	0.1300	0.1600	0.1800
HCMUD 322	0.5400	0.5700	0.6000	0.6200
HCMUD 341	0.3400	0.3700	0.3900	0.4200
HCMUD 354	0.4600	0.5450	0.6000	0.6450
HCMUD 358	0.7000	0.8050	0.8050	0.8100
HCMUD 360	0.3700	0.3800	0.3900	0.3900
HCMUD 364 (4)	0.4550	0.4550	0.4850	0.5000
HCMUD 365	0.4800	0.4850	0.4950	0.5200
HCMUD 370 (4)	0.3250	0.3450	0.3800	0.4300
HCMUD 371 (4)	0.8750	0.8800	0.8900	0.8950
HCMUD 374 (4)	0.9200	0.9200	0.9300	0.9500
HCMUD 389 (4)	1.0500	1.1500	1.3100	1.3500
HCMUD 391 (4)	1.1100	1.1400	1.2600	1.3100
HCMUD 396 (4)	0.7900	0.8900	1.0600	1.2000
HCMUD 397 (4)	0.7200	0.7600	0.8800	0.9800
HCMUD 419 (4)	0.9400	0.9700	1.0000	1.0000
HC ESD 13	0.0917	0.0883	0.0872	0.0882
HC ESD 16	0.0500	0.0500	0.0492	0.0492
HC ESD 20	0.1000	0.1000	0.1000	0.1000
HC ESD 21	0.1000	0.1000	0.0500	0.0500
HC ESD 29	0.0892	0.0903	0.0963	0.0978
HC ESD 48	0.1000	0.0890	0.0920	0.0920
HCWCID 109	0.2500	0.2500	0.2500	0.2500
HCWCID 113	0.7600	0.7400	0.7900	0.8790
HCWCID 116	0.2150	0.1000	0.1000	0.1000

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2013	2012	2011	2010	2009	2008
\$0.9300	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.1000
1.2500	1.2500	1.2500	1.2500	1.2500	1.3500
0.6000	0.5950	0.5950	0.5700	0.5700	0.5700
0.3000	0.3000	0.3200	0.3200	0.3500	0.5800
0.8900	0.8900	0.8900	0.8900	0.8900	0.8900
0.6900	0.7000	0.7000	0.7100	0.7200	0.7600
0.3000	0.3000	0.3000	0.3000	0.3000	0.3420
0.5400	0.5400	0.5400	0.5200	0.5200	0.5500
0.5250	0.5150	0.5000	0.5000	0.5000	0.9900
0.3150	0.4300	0.4300	0.4300	0.4300	0.4700
0.5500	0.5500	0.7000	0.7000	0.7200	0.7500
0.3000	0.3000	0.3000	0.3000	0.3300	0.3400
0.7400	0.7400	0.7100	0.7000	0.7000	0.7000
0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
1.3000	1.3000	1.3000	1.3000	-	-
0.5700	0.5800	0.5800	0.5800	0.5800	0.5800
0.5800	0.5800	0.5800	0.5800	0.5800	0.6400
0.7700	0.7600	0.7600	0.7600	0.7600	0.7600
0.6300	0.6300	0.7500	0.7500	0.7500	0.7800
1.2600	1.2600	1.2600	1.3100	1.2300	1.2300
0.5000	0.5000	0.5000	0.5000	0.5000	0.5100
0.4000	0.4000	0.4000	0.5100	0.5100	0.5100
0.6200	0.5700	0.5700	0.5900	0.5700	0.5800
0.2600	0.7000	0.7600	0.7100	0.6800	0.6800
0.7900	0.7900	0.7900	0.7900	-	-
1.1500	1.1500	1.1500	1.1500	-	-
0.1800	0.1800	0.1800	0.1800	0.1800	0.2000
0.6200	0.6300	0.6300	0.6300	0.6300	0.6300
0.4500	0.4600	0.4600	0.4600	0.4600	0.4500
0.6450	0.6450	0.6450	0.6450	0.6450	0.6700
0.8100	0.8100	0.8100	0.8100	0.8100	0.7500
0.3900	0.3900	0.3900	0.3900	0.3900	0.4000
0.5300	0.5300	0.5300	0.5300	-	-
0.5200	0.5200	0.5200	0.5000	0.5300	0.5500
0.4600	0.4800	0.4800	0.4800	-	-
0.9000	0.9000	0.9100	0.9300	-	-
0.9500	0.9500	0.9500	0.9500	-	-
1.3500	1.3500	1.3500	1.3500	-	-
1.3400	1.3800	1.3800	1.3800	-	-
1.2500	1.2800	1.3000	1.5000	-	-
1.0000	1.0900	1.1200	1.1800	-	-
1.0000	1.0000	1.0000	1.0000	-	-
0.0900	0.0900	0.0500	0.0500	0.0500	0.0500
0.0500	0.0500	0.0500	0.0500	0.0492	0.0500
0.1000	0.0940	0.0824	0.0700	0.0535	0.0515
0.0500	0.0500	0.0495	0.0490	0.0500	0.0500
0.1000	0.1000	0.0761	0.0655	0.0625	0.0469
0.0905	0.0840	0.0838	0.0817	0.0800	0.0500
0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
0.8910	0.8910	0.8910	0.8550	0.7787	0.7700
0.1000	0.1000	0.1000	0.1000	0.1000	0.1750

Continued

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ACTUAL TAXABLE VALUE)
LAST TEN FISCAL YEARS

Taxing Authority	2017	2016	2015	2014
HCWCID 136	\$0.7900	\$0.7400	\$0.7800	\$0.8300
HCWCID 145	0.0574	0.0574	0.0589	0.0600
HCWCID 155	0.1500	0.1600	0.1700	0.1950
HCWCID 157 (4)	0.4650	0.4800	0.5000	0.5000
Horsepen Bayou MUD	0.5500	0.5500	0.7000	0.7500
Jackrabbit Road PUD	0.3000	0.3000	0.3000	0.2500
Mills Road MUD	0.7600	0.8200	0.9200	0.9880
Northwest HCMUD 5	0.7800	0.7900	0.7900	0.7900
Northwest HCMUD 6	0.3830	0.3900	0.3900	0.3900
Northwest HCMUD 9	0.4850	0.5150	0.5350	0.5900
Northwest HCMUD 10	0.7100	0.7650	0.8500	0.8700
Northwest HCMUD 12	0.9300	0.9800	1.0400	1.0600
Northwest HCMUD 16	1.1200	1.1600	1.1900	1.2100
Northwest HCMUD 29	0.3000	0.3500	0.3700	0.4000
Port of Houston Authority (4)	0.0133	0.1342	0.1531	0.1716
Reid Road MUD 1	0.5010	0.5136	0.5650	0.5700
Reid Road MUD 2	0.3500	0.3700	0.4000	0.4200
Remington MUD #1 (4)	0.4800	0.5200	0.5700	0.6350
Rolling Fork PUD	0.3900	0.3900	0.4000	0.4000
Spencer Road PUD	0.3700	0.3800	0.4100	0.4800
Timberlake ID	0.4200	0.4900	0.5400	0.5400
West HCMUD 1	0.2600	0.2800	0.2800	0.3650
West HCMUD 9	0.4700	0.4700	0.5200	0.5700
West HCMUD 10	0.7000	0.7100	0.7100	0.7200
West HCMUD 11 (4)	0.4700	0.5000	0.5500	0.6800
West HCMUD 14	0.5600	0.5800	0.6300	0.6600
West HCMUD 15	0.2500	0.2500	0.2700	0.2900
West HCMUD 21 (4)	0.7600	0.8500	0.9500	1.0500
White Oak Bend MUD	0.8500	0.9400	0.9900	1.0100
District Direct Rates: (3)				
Maintenance and Operations	\$1.0400	\$1.0400	\$1.0400	\$1.0400
Debt Service	0.4000	0.4000	0.4000	0.4100
Total District Direct Rates	\$1.4400	\$1.4400	\$1.4400	\$1.4500

(1) Includes Harris County Flood Control District, Hospital District, Board of Education and Port of Houston.

(2) Formerly known as North Harris-Montgomery Community College District.

(3) The District is not subject to a legal debt margin.

(4) Some of the information not available for this taxing authority for all years presented.

Sources: District Tax Office, Harris County (Texas) Appraisal District

Table 6
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2013	2012	2011	2010	2009	2008
\$0.8300	\$0.6300	\$0.4900	\$0.3600	\$0.2600	\$0.2500
0.0699	0.0648	0.0598	0.0549	0.0497	0.0470
0.2000	0.2050	0.2150	0.2150	0.2150	0.2500
0.5000	0.5000	0.5000	0.5000	-	-
0.7500	0.7500	0.7500	0.7500	0.7250	0.7250
0.2500	0.3450	0.3450	0.3450	0.3450	0.3450
0.9200	0.9100	0.8800	0.8800	0.8800	0.8800
0.7900	0.7900	0.8000	0.8000	0.8100	0.8100
0.3900	0.3900	0.3900	0.3900	0.3900	0.3900
0.6000	0.6000	0.6000	0.5800	0.6800	0.7000
0.8700	0.8700	0.8700	0.8400	0.8000	0.8000
1.0600	1.0600	1.0100	0.9600	0.9600	0.9600
1.2100	1.2100	1.2000	1.2000	1.0600	1.0600
0.4500	0.4500	0.4700	0.4700	0.4800	0.4900
0.1952	0.1856	0.2054	0.1636	-	-
0.5700	0.5700	0.5700	0.5700	0.5700	0.5700
0.4200	0.4000	0.4000	0.4000	0.4000	0.4000
0.6500	0.6350	0.6300	0.5900	-	-
0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
0.4900	0.4950	0.5000	0.5000	0.5000	0.5000
0.5400	0.5400	0.5400	0.5400	0.5400	0.4600
0.4100	0.4500	0.4500	0.4900	0.4600	0.4600
0.6000	0.6000	0.6500	0.6500	0.6500	0.5800
0.7100	0.6700	0.6500	0.6500	0.6500	0.6500
0.7300	0.7300	0.7300	0.7300	-	-
0.6800	0.6700	0.6600	0.6600	0.6600	0.6600
0.2900	0.2900	0.2900	0.2900	0.2600	0.4000
1.1500	1.1500	1.1500	1.1500	-	-
1.0100	1.0100	1.0100	1.0100	1.0100	1.0100
\$1.0400	\$1.0400	\$1.0400	\$1.0400	\$1.0400	\$1.0240
0.4100	0.3900	0.3900	0.3700	0.3100	0.3000
<u>\$1.4500</u>	<u>\$1.4300</u>	<u>\$1.4300</u>	<u>\$1.4100</u>	<u>\$1.3500</u>	<u>\$1.3240</u>

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Table 7

Taxpayer	2017			2008		
	Taxable Assessed Value (1)	Rank	Percentage of Taxable Assessed Value (2)	Taxable Assessed Value (1)	Rank	Percentage of Taxable Assessed Value (3)
National Oilwell, Inc.	\$ 442,712,492	1	0.95%	\$ 90,529,739	6	0.33%
Centerpoint Energy Inc.	293,483,055	2	0.63%	248,835,630	1	0.89%
H-E-B. Grocery Co. LP	258,935,985	3	0.55%	115,782,347	4	0.42%
GGP Willowbrook LP	242,271,975	4	0.52%	-	-	0.00%
Liberty Property	229,057,535	5	0.49%	-	-	0.00%
Dril Quip Inc.	205,747,865	6	0.44%	94,732,601	5	0.34%
CPG Houston Holdings	176,673,565	7	0.38%	-	-	0.00%
Wal-Mart	125,964,592	8	0.27%	121,816,849	3	0.44%
Kroger Co.	121,619,837	9	0.26%	-	-	0.00%
Cyrusone LLC	115,046,034	10	0.25%	-	-	0.00%
Sarasparilla Ltd. Partners	-	-	0.00%	135,428,037	2	0.49%
Southwestern Bell Telephone	-	-	0.00%	89,477,469	7	0.32%
BG Distribution Partners	-	-	0.00%	81,694,160	8	0.29%
Letourneau Technologies Drilling Systems	-	-	0.00%	78,421,011	9	0.28%
GTE Mobilnet	-	-	0.00%	69,482,750	10	0.25%
TOTALS	\$ 2,211,512,935		4.74%	\$ 1,126,200,593		4.05%

(1) Taxable assessed value equals actual/appraised value after exemptions.

(2) Taxable assessed value equals: \$ 46,698,749,097

(3) Taxable assessed value equals: \$ 27,834,499,169

Source: Harris County (Texas) Appraisal District

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Table 8

Fiscal Year Ended 6/30:	Net Tax Levy for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Net Tax Levy		Amount	Percent of Total Tax Collections To Net Tax Levy
2017	\$ 672,461,987	\$ 662,225,557	98.48%	\$ -	\$ 662,225,557	98.48%
2016	620,311,490	618,065,629	99.64%	(440,034)	617,625,595	99.57%
2015	569,435,013	567,273,857	99.62%	780,855	568,054,712	99.76%
2014	514,196,096	512,659,663	99.70%	427,999	513,087,662	99.78%
2013	472,182,354	468,178,162	99.15%	3,059,251	471,237,413	99.80%
2012	445,830,544	441,362,619	99.00%	3,541,435	444,904,054	99.79%
2011	439,867,966	434,053,777	98.68%	4,907,525	438,961,302	99.79%
2010	443,480,113	437,126,121	98.57%	5,500,047	442,626,168	99.81%
2009	415,371,820	406,440,684	97.85%	8,120,170	414,560,854	99.80%
2008	367,083,095	359,431,740	97.92%	8,588,211	368,019,951	100.26%

(1) Actual/appraised value less exemptions equal taxable assessed value. The beginning taxable assessed value net of adjustments times the tax rate set by the District's Board of Trustees each fall equals the total net tax levy. The net tax levy for prior years reflects ongoing adjustments applied to that year's tax levy.

Source: Harris County (Texas) Appraisal District provides the District's tax office with appraised values for properties within the District's taxing authority, and District financial records.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Table 9

<u>Governmental Activities</u>			
<u>Fiscal Year Ended 6/30:</u>	<u>General Obligation Bonds (1)</u>	<u>Ratio of Debt to Taxable Assessed Value (2)</u>	<u>Debt per Student (3)</u>
2017	\$ 2,675,810,167	5.73%	\$ 23,300
2016	2,502,802,713	5.76%	21,974
2015	2,270,896,891	5.69%	20,099
2014	1,980,864,869	5.58%	17,781
2013	1,878,847,297	5.77%	17,084
2012	1,862,808,087	5.98%	17,259
2011	1,885,444,719	6.14%	17,776
2010	1,930,834,555	6.14%	18,533
2009	1,680,629,610	5.46%	16,697
2008	1,463,636,655	5.26%	15,121

(1) Details regarding the District's outstanding debt, net of premiums, discounts, and adjustments can be found in the Notes to the Financial Statements.

(2) See Table 5 for taxable assessed value data.

(3) See Table 12 for student enrollment data.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Table 10

Fiscal Year Ended 6/30:	General Obligation Bonds (1)	Less Amounts Available in Debt Service Fund (2)	Net Bonded Debt	Ratio of Net Bonded Debt to Taxable Assessed Value (3)	Net Bonded Debt per Student (4)
2017	\$ 2,675,810,167	\$ 89,366,687	\$ 2,586,443,480	5.54%	\$ 22,522
2016	2,502,802,713	85,700,138	2,417,102,575	5.56%	21,222
2015	2,270,896,891	68,959,526	2,201,937,365	5.52%	19,489
2014	1,980,864,869	60,003,611	1,920,861,258	5.41%	17,242
2013	1,878,847,297	49,606,001	1,829,241,296	5.62%	16,633
2012	1,862,808,087	51,495,973	1,811,312,114	5.81%	16,782
2011	1,885,444,719	67,744,393	1,817,700,326	5.92%	17,137
2010	1,930,834,555	70,821,028	1,860,013,527	5.91%	17,854
2009	1,680,629,610	67,002,442	1,613,627,168	5.24%	16,031
2008	1,463,636,655	70,963,837	1,392,672,818	5.00%	14,388

- (1) Details regarding the District's outstanding debt, net of premiums, discounts, and adjustments can be found in the Notes to the Financial Statements.
- (2) These are the resources that are restricted for the principal payments of general obligation debt.
- (3) See Table 5 for taxable assessed value data.
- (4) See Table 12 for student enrollment data.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2017

<u>Taxing Authority</u>	<u>Gross Debt Outstanding</u>	<u>Percent Overlapping (1)</u>	<u>Amount Applicable to School District</u>
<u>Overlapping:</u>			
Barker Cypress MUD	\$ 17,215,000	100.00%	\$ 17,215,000
Champions MUD	4,435,000	100.00%	4,435,000
Chimney Hill MUD	14,545,000	100.00%	14,545,000
Clay Road MUD	5,715,000	100.00%	5,715,000
Cy-Champ PUD	16,115,000	100.00%	16,115,000
Cypress Creek UD	2,195,000	98.51%	2,162,295
Cypress Forest PUD	1,455,000	13.30%	193,515
Cypress Hill MUD #1	55,440,000	100.00%	55,440,000
Emerald Forest UD	10,375,000	100.00%	10,375,000
Faulkey Gully MUD	9,065,000	50.08%	4,539,752
Grant Road PUD	15,960,000	100.00%	15,960,000
Harris County	2,303,812,874	11.66%	268,624,581
Harris Co Dept. of Education	6,780,000	11.66%	790,548
Harris Co Flood Control District	83,075,000	11.66%	9,686,545
Harris Co FWSD #61	35,735,000	100.00%	35,735,000
Harris Co Hosp Dist	61,595,000	11.66%	7,181,977
Harris Co MUD #025	1,330,000	100.00%	1,330,000
Harris Co MUD #070	13,625,000	100.00%	13,625,000
Harris Co MUD #102	7,485,000	100.00%	7,485,000
Harris Co MUD #105	45,745,000	100.00%	45,745,000
Harris Co MUD #127	11,955,000	100.00%	11,955,000
Harris Co MUD #130	4,905,000	100.00%	4,905,000
Harris Co MUD #144	2,440,000	100.00%	2,440,000
Harris Co MUD #149	1,365,000	100.00%	1,365,000
Harris Co MUD #155	3,750,000	100.00%	3,750,000
Harris Co MUD #156	10,725,000	100.00%	10,725,000
Harris Co MUD #157	35,805,000	100.00%	35,805,000
Harris Co MUD #162	1,295,000	100.00%	1,295,000
Harris Co MUD #165	131,740,000	98.85%	130,224,990
Harris Co MUD #166	10,205,000	100.00%	10,205,000
Harris Co MUD #167	52,980,000	100.00%	52,980,000
Harris Co MUD #168	11,845,000	100.00%	11,845,000
Harris Co MUD #170	2,135,000	100.00%	2,135,000
Harris Co MUD #172	23,735,000	100.00%	23,735,000
Harris Co MUD #173	17,900,000	100.00%	17,900,000
Harris Co MUD #183	1,385,000	100.00%	1,385,000
Harris Co MUD #185	2,000,000	98.08%	1,961,600
Harris Co MUD #188	13,210,000	100.00%	13,210,000
Harris Co MUD #196	31,140,000	100.00%	31,140,000
Harris Co MUD #208	1,695,000	100.00%	1,695,000
Harris Co MUD #220	8,070,000	94.90%	7,658,430
Harris Co MUD #222	1,495,000	100.00%	1,495,000
Harris Co MUD #230	21,040,000	99.89%	21,016,856
Harris Co MUD #239	13,690,000	100.00%	13,690,000
Harris Co MUD #248	18,950,000	100.00%	18,950,000
Harris Co MUD #250	2,245,000	100.00%	2,245,000
Harris Co MUD #257	2,545,000	100.00%	2,545,000
Harris Co MUD #261	1,800,000	100.00%	1,800,000
Harris Co MUD #264	3,255,000	100.00%	3,255,000
Harris Co MUD #276	15,700,000	100.00%	15,700,000
Harris Co MUD #284	16,695,000	100.00%	16,695,000
Harris Co MUD #322	6,875,000	100.00%	6,875,000
Harris Co MUD #341	5,125,000	100.00%	5,125,000
Harris Co MUD #354	15,370,000	100.00%	15,370,000
Harris Co MUD #358	17,210,000	100.00%	17,210,000
Harris Co MUD #360	5,540,000	100.00%	5,540,000

Table 11

Taxing Authority	Gross Debt Outstanding	Percent Overlapping (1)	Amount Applicable to School District
<u>Overlapping:</u>			
Harris Co MUD #364	\$ 13,280,000	100.00%	\$ 13,280,000
Harris Co MUD #365	9,775,000	100.00%	9,775,000
Harris Co MUD #370	16,490,000	100.00%	16,490,000
Harris Co MUD #371	15,500,000	100.00%	15,500,000
Harris Co MUD #374	37,670,000	100.00%	37,670,000
Harris Co MUD #389	13,555,000	100.00%	13,555,000
Harris Co MUD #391	50,395,000	99.61%	50,198,460
Harris Co MUD #396	18,130,000	100.00%	18,130,000
Harris Co MUD #397	21,055,000	100.00%	21,055,000
Harris Co MUD #419	108,220,000	100.00%	108,220,000
Harris Co MUD #433	39,040,000	100.00%	39,040,000
Harris Co MUD #500	16,867,010	100.00%	16,867,010
Harris Co MUD #501	90,445,828	100.00%	90,445,828
Harris Co MUD #502	717,162	100.00%	717,162
Harris Co MUD #531	8,000,000	100.00%	8,000,000
Harris Co WC&ID #109	6,055,000	8.24%	498,932
Harris Co WC&ID #116	5,625,000	67.86%	3,817,125
Harris Co WC&ID #155	4,830,000	99.78%	4,819,374
Harris Co WC&ID #157	43,640,000	96.14%	41,955,496
Horsepen Bayou MUD	14,505,000	100.00%	14,505,000
Houston, City of	2,731,150,000	2.30%	62,816,450
Jersey Village, City of	19,885,000	100.00%	19,885,000
Langham Creek UD	13,835,000	100.00%	13,835,000
Lone Star College System	657,860,000	26.64%	175,253,904
Mills Road MUD	3,540,000	100.00%	3,540,000
NW Harris Co MUD #05	90,660,000	54.33%	49,255,578
NW Harris Co MUD #09	4,400,000	100.00%	4,400,000
NW Harris Co MUD #10	38,620,000	100.00%	38,620,000
NW Harris Co MUD #12	6,375,000	99.91%	6,369,263
NW Harris Co MUD #16	12,340,000	100.00%	12,340,000
NW Harris Co MUD #29	2,585,000	100.00%	2,585,000
Port of Houston Authority	657,994,397	11.66%	76,722,147
Reid Road MUD #1	8,685,000	100.00%	8,685,000
Reid Road MUD #2	2,565,000	100.00%	2,565,000
Remington MUD #1	52,325,000	100.00%	52,325,000
Rolling Creek UD	12,400,000	83.21%	10,318,040
Rolling Fork PUD	2,060,000	100.00%	2,060,000
Spencer Road PUD	3,400,000	100.00%	3,400,000
Timberlake ID	5,950,000	100.00%	5,950,000
West Harris Co MUD #01	1,030,000	100.00%	1,030,000
West Harris Co MUD #09	12,125,000	100.00%	12,125,000
West Harris Co MUD #10	12,015,000	100.00%	12,015,000
West Harris Co MUD #11	31,015,000	100.00%	31,015,000
West Harris Co MUD #14	3,375,000	100.00%	3,375,000
West Harris Co MUD #15	1,255,000	96.47%	1,210,699
West Harris Co MUD #21	4,895,000	100.00%	4,895,000
White Oak Bend MUD	675,000	100.00%	675,000
Windfern Forest UD	5,450,000	100.00%	5,450,000
SUBTOTAL, OVERLAPPING DEBT			2,209,981,557
<u>Direct:</u>			
Cypress-Fairbanks Independent School District		100.00%	2,675,810,167
TOTAL DIRECT AND OVERLAPPING DEBT			\$ 4,885,791,724

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. The percentage of overlapping debt is estimated using taxable assessed property values. Percentages were estimated by determining the portion of the overlapping taxing authorities taxable assessed value that is within the District's boundaries and dividing it by the overlapping taxing authorities' total taxable assessed value.

Source: First Southwest

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Table 12

Fiscal Year Ended 6/30:	Residential Units (1)	Taxable Assessed Value of Residential Units (1)	Average Taxable Assessed Value Per Residential Unit	Enrollment (2)	Average Daily Attendance (2)	Unemployment Rate (3)
2017	152,808	\$ 33,640,490,726	\$ 220,149	114,842	107,934	5.5%
2016	150,156	30,897,898,755	205,772	113,897	107,182	4.9%
2015	147,258	27,378,153,309	185,920	112,986	106,406	4.5%
2014	144,280	27,483,955,959	190,490	111,404	104,638	5.7%
2013	143,040	22,806,904,414	159,444	109,975	103,041	6.4%
2012	141,532	23,018,751,027	162,640	107,932	101,243	7.6%
2011	139,255	22,681,014,902	162,874	106,067	99,124	8.5%
2010	133,473	22,604,791,778	169,359	104,182	97,766	8.4%
2009	131,268	22,956,766,926	174,885	100,656	94,579	6.0%
2008	127,097	22,791,740,707	179,326	96,796	90,964	4.7%

(1) Source: Harris County (Texas) Appraisal District

(2) Source: District Records and TEA website

(3) Source: TRACER of Texas Workforce Commission; Unemployment rate is for Harris County

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Table 13

Employer	2017			2008		
	Employees	Rank	Percentage of Total Employment (1)	Employees	Rank	Percentage of Total Employment (2)
Wal-Mart	33,500	1	1.55%	21,610	1	1.17%
Memorial Hermann Healthcare System	26,062	2	1.21%	15,864	4	0.86%
H-E-B Grocery Co. LP	24,437	3	1.13%	9,043	8	0.49%
The Methodist Hospital System	21,195	4	0.98%	10,375	7	0.56%
Kroger Company	16,643	5	0.77%	15,969	3	0.86%
McDonald's Corp.	16,545	6	0.77%	12,638	6	0.68%
Cypress-Fairbanks ISD	14,940	7	0.69%	12,978	5	0.70%
Landry's	10,800	8	0.50%	-	-	-
Target Corp.	8,728	9	0.40%	-	-	-
Whataburger	7,113	10	0.33%	-	-	-
Administaff	-	-	-	18,244	2	0.99%
Walgreen's Company	-	-	-	5,113	9	0.28%
Randall's Food Markets	-	-	-	4,841	10	0.26%
	179,963		8.33%	126,675		6.85%

(1) Total Employment for 2017: 2,158,045

(2) Total Employment for 2008: 1,846,426

Sources: Houston Chronicle Top 100 List

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
DISTRICT EMPLOYEES BY POSITION (HEADCOUNT)
LAST TEN FISCAL YEARS

POSITION:	2017 (1)	2016 (1)	2015 (1)
Administrator: superintendent, associate/assistant superintendent	20	20	20
Curriculum coordinators, supervisors, teacher facilitators	181	175	168
Directors, supervisors, assistant directors, support staff	294	285	215
Special education	248	245	238
Principals and assistant principals	341	332	330
Directors of instruction	33	31	31
Counselors, psychologists, attendance officers, testing, academic specialists	273	264	314
School media specialists	89	88	90
School nurses, LVN	85	84	96
Vocational support	4	5	4
Classroom teachers	6,560	6,519	6,485
Special education teachers	729	680	685
Deaf education teachers	31	24	26
School secretaries, assistant secretaries, clerks, campus TA	526	515	516
Central administration, annex secretaries, clerks	166	167	221
Maintenance secretaries	17	18	16
Food service secretaries	15	15	15
Transportation secretaries	18	16	16
Regular aides	965	966	939
Special and deaf education aides	831	771	686
Bus drivers	728	725	823
Mechanics	54	56	52
Custodians	674	651	640
Maintenance	166	168	169
Security	96	94	90
Distribution	31	28	37
Food Service	1,183	1,147	1,072
Community Programs	582	626	528
Total Employees	14,940	14,715	14,522

(1) The District changed the categories in which some of the positions were previously reported.

Source: District Human Resource Records

Table 14

<u>2014 (1)</u>	<u>2013 (1)</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
20	19	17	19	19	19	19
168	129	54	51	51	48	47
210	210	230	249	252	251	244
231	229	121	119	119	124	119
320	313	313	311	310	299	291
32	30	29	29	28	28	27
315	303	249	255	255	251	242
85	79	80	79	79	78	76
94	88	86	91	93	90	83
4	4	3	3	3	3	2
6,167	5,888	5,885	6,102	6,154	6,151	5,852
675	643	645	645	645	807	764
31	34	34	36	36	36	35
522	522	537	537	526	496	477
231	230	179	181	186	176	185
17	15	15	15	14	14	15
15	14	14	14	14	14	14
16	16	16	16	13	13	10
853	728	705	739	772	729	748
683	692	704	722	740	699	634
826	878	928	940	1,000	1,005	1,049
52	52	34	34	34	35	31
634	621	614	648	687	699	674
170	160	165	165	161	161	158
78	59	46	38	36	31	30
37	35	41	41	40	43	46
1,061	1,055	1,210	1,175	1,173	1,105	1,106
448	443	372	192	-	-	-
<u>13,995</u>	<u>13,489</u>	<u>13,326</u>	<u>13,446</u>	<u>13,440</u>	<u>13,405</u>	<u>12,978</u>

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended 6/30:	Enrollment	Operating Expenditures (1)	Cost Per Student	Percentage Change	Government Wide Expenses
2017	114,842	\$ 1,039,309,841	\$ 9,050	3.59%	\$ 1,250,426,739
2016	113,897	995,073,662	8,737	3.93%	1,161,127,092
2015	112,986	949,923,928	8,407	10.78%	1,053,031,786
2014	111,404	845,389,263	7,589	6.33%	990,496,340
2013	109,975	784,877,153	7,137	1.78%	921,165,983
2012	107,932	756,790,584	7,012	-7.31%	907,968,171
2011	106,067	802,408,203	7,565	-1.71%	949,131,257
2010	104,182	801,887,451	7,697	3.90%	944,555,008
2009	100,656	745,703,340	7,408	-2.70%	879,772,264
2008	96,796	737,036,821	7,614	7.53%	836,812,874

(1) Operating expenditures (Table 4) are total expenditures less debt service and capital outlay.

Table 15

Cost Per Student	Percentage Change	Teaching Staff	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program
\$ 10,888	6.80%	7,320	15.69	51.5%
10,195	9.39%	7,223	15.77	50.3%
9,320	4.83%	7,196	15.70	49.0%
8,891	6.15%	6,873	16.21	49.7%
8,376	-0.43%	6,565	16.75	49.7%
8,412	-5.99%	6,564	16.44	48.0%
8,948	-1.30%	6,783	15.64	45.0%
9,066	3.73%	6,835	15.24	41.9%
8,740	1.10%	6,994	14.39	37.2%
8,645	6.17%	6,651	14.55	36.6%

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS

Table 16

Fiscal Year Ended 6/30:	District			County Average Salary (2)	Statewide Average Salary (2)
	Minimum Salary (1)	Maximum Salary (1)	Average Salary (1)		
2017	\$ 52,025	\$ 80,230	\$ 57,286	\$ 55,888	\$ 52,525
2016	51,500	78,657	56,552	55,791	51,892
2015	50,025	76,657	54,536	54,284	50,715
2014	48,000	70,257	53,124	52,356	49,692
2013	46,325	70,038	50,454	51,124	48,821
2012	45,250	69,748	49,756	50,536	48,375
2011	45,250	69,748	49,535	50,712	48,639
2010	43,000	66,612	49,753	50,236	48,263
2009	42,000	65,150	48,849	49,376	47,158
2008	42,000	65,150	46,351	48,232	46,178

(1) Source: District Human Resource records

(2) Source: Texas Education Agency website

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CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION (1)
LAST TEN FISCAL YEARS

Building	2017	2016	2015	2014
HIGH SCHOOLS				
Cypress Creek (1977)				
Square Footage	524,040			
Capacity	3,525	3,525	3,525	3,525
Enrollment	3,346	3,247	3,161	3,251
Cy-Fair (1941)				
Square Footage	485,985			
Capacity	3,660	3,660	3,660	3,660
Enrollment	3,630	3,665	3,656	3,526
Cypress Falls (1992)				
Square Footage	558,751			
Capacity	3,276	3,276	3,276	3,276
Enrollment	3,653	3,726	3,667	3,544
Cypress Lakes (2008)				
Square Footage	498,708			
Capacity	3,219	3,219	3,219	3,219
Enrollment	3,669	3,704	3,599	3,514
Cypress Park (2016)				
Square Footage	590,057			
Capacity	3,304	-	-	-
Enrollment	551	-	-	-
Cypress Ranch (2008)				
Square Footage	513,307			
Capacity	3,219	3,219	3,219	3,219
Enrollment	3,715	3,666	3,456	3,257
Cypress Ridge (2002)				
Square Footage	488,445			
Capacity	3,217	3,217	3,217	3,217
Enrollment	3,084	3,014	3,030	2,962
Cypress Springs (1997)				
Square Footage	476,259			
Capacity	3,219	3,219	3,219	3,219
Enrollment	3,140	3,148	2,942	2,716
Cypress Woods (2006)				
Square Footage	490,257			
Capacity	3,219	3,219	3,219	3,219
Enrollment	3,447	3,347	3,286	3,152
Jersey Village (1972)				
Square Footage	507,353			
Capacity	3,484	3,484	3,484	3,484
Enrollment	3,610	3,560	3,461	3,449
Langham Creek (1985)				
Square Footage	526,662			
Capacity	3,293	3,293	3,293	3,293
Enrollment	3,219	3,201	3,211	3,139

Table 17
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<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
3,525 3,298	3,525 3,385	3,525 3,299	3,380 3,293	2,780 3,191	2,780 3,131
3,660 3,440	3,660 3,363	3,660 3,316	3,340 3,194	3,340 3,072	3,340 3,273
3,276 3,560	3,276 3,383	3,276 3,377	3,110 3,360	2,970 3,308	2,970 3,485
3,219 3,402	3,219 3,369	3,219 3,208	3,090 2,389	2,950 1,535	- -
- -	- -	- -	- -	- -	- -
3,219 3,041	3,219 2,575	3,219 2,292	3,090 1,497	2,950 836	- -
3,217 2,968	3,217 3,013	3,217 3,000	3,060 2,962	2,920 3,033	2,920 3,049
3,219 2,520	3,219 2,521	3,219 2,497	3,090 2,899	2,950 3,082	2,950 3,933
3,219 3,080	3,219 2,810	3,219 2,681	3,090 3,158	2,950 3,479	2,950 3,201
3,484 3,378	3,484 3,266	3,484 3,149	3,340 2,960	2,730 2,985	2,730 3,132
3,293 3,113	3,293 3,034	3,293 2,914	3,160 3,143	2,990 3,228	2,990 3,588

Continued

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION (1)
LAST TEN FISCAL YEARS

Building	2017	2016	2015	2014
MIDDLE SCHOOLS				
Anthony (2015)				
Square Footage	244,123			
Capacity	1,559	1,559	1,559	-
Enrollment	1,421	1,332	1,224	-
Aragon (2000)				
Square Footage	216,749			
Capacity	1,539	1,539	1,539	1,539
Enrollment	1,630	1,506	1,548	1,647
Arnold (1956)				
Square Footage	205,094			
Capacity	1,464	1,464	1,464	1,464
Enrollment	1,356	1,553	1,545	1,591
Bleyl (1973)				
Square Footage	226,483			
Capacity	1,612	1,612	1,612	1,612
Enrollment	1,505	1,515	1,503	1,572
Campbell (1978)				
Square Footage	228,967			
Capacity	1,600	1,600	1,600	1,600
Enrollment	1,302	1,263	1,341	1,237
Cook (1986)				
Square Footage	201,557			
Capacity	1,590	1,590	1,590	1,590
Enrollment	1,504	1,609	1,581	1,614
Dean (1954)				
Square Footage	213,572			
Capacity	1,700	1,527	1,527	1,527
Enrollment	1,610	1,527	1,480	1,546
Goodson (2000)				
Square Footage	218,801			
Capacity	1,539	1,539	1,539	1,539
Enrollment	1,384	1,258	1,265	1,208
Hamilton (1992)				
Square Footage	189,679			
Capacity	1,560	1,560	1,560	1,560
Enrollment	1,402	1,582	1,641	1,547
Hopper (2007)				
Square Footage	226,178			
Capacity	1,539	1,539	1,539	1,539
Enrollment	1,334	1,404	1,369	1,395
Kahla (2005)				
Square Footage	218,529			
Capacity	1,539	1,539	1,539	1,539
Enrollment	1,358	1,445	1,450	1,451

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<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
-	-	-	-	-	-
1,539	1,539	1,539	1,480	1,450	1,450
1,673	1,656	1,651	1,658	1,652	1,590
1,464	1,464	1,464	1,400	1,400	1,400
1,579	1,585	1,533	1,507	1,447	1,453
1,612	1,612	1,612	1,550	1,320	1,320
1,606	1,563	1,575	1,551	1,513	1,512
1,600	1,600	1,600	1,560	1,380	1,380
1,266	1,296	1,232	1,407	1,432	1,388
1,590	1,590	1,590	1,530	1,530	1,530
1,578	1,595	1,627	1,435	1,496	1,416
1,527	1,527	1,527	1,480	1,480	1,480
1,573	1,470	1,453	1,368	1,372	1,397
1,539	1,539	1,539	1,480	1,450	1,450
1,151	1,139	1,753	1,668	1,552	1,405
1,560	1,560	1,560	1,500	1,500	1,500
1,525	1,619	1,619	1,642	1,591	1,559
1,539	1,539	1,539	1,480	1,450	1,450
1,371	1,420	1,370	1,443	1,476	1,297
1,539	1,539	1,539	1,480	1,450	1,450
1,417	1,350	1,351	1,352	1,549	1,447

Continued

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION (1)
LAST TEN FISCAL YEARS

Building	2017	2016	2015	2014
Labay (1984)				
Square Footage	189,290			
Capacity	1,578	1,578	1,578	1,578
Enrollment	1,280	1,448	1,478	1,522
Salyards (2012)				
Square Footage	237,508			
Capacity	1,559	1,559	1,559	1,559
Enrollment	1,635	1,645	1,544	1,494
Smith (2009)				
Square Footage	227,015			
Capacity	1,539	1,539	1,539	1,539
Enrollment	1,254	1,055	959	1,851
Spillane (2005)				
Square Footage	226,673			
Capacity	1,509	1,509	1,509	1,509
Enrollment	1,647	1,383	1,393	1,310
Thornton (1993)				
Square Footage	191,360			
Capacity	1,559	1,559	1,559	1,559
Enrollment	1,513	1,487	1,391	1,329
Truitt (1990)				
Square Footage	205,268			
Capacity	1,558	1,558	1,558	1,558
Enrollment	1,417	1,370	1,412	1,406
Watkins (1982)				
Square Footage	217,165			
Capacity	1,389	1,389	1,389	1,389
Enrollment	1,360	1,374	1,305	1,278
ELEMENTARY SCHOOLS				
Adam (1972)				
Square Footage	101,641			
Capacity	1,040	944	944	944
Enrollment	850	840	867	947
Andre (2006)				
Square Footage	92,476			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,169	1,166	1,235	1,296
Ault (1994)				
Square Footage	89,416			
Capacity	1,037	1,037	1,037	1,037
Enrollment	1,034	1,037	1,010	969
Bane (1972)				
Square Footage	106,804			
Capacity	1,005	1,005	1,005	1,005
Enrollment	900	887	932	893

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<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
1,578 1,517	1,578 1,594	1,578 1,603	1,490 1,528	1,490 1,506	1,490 1,428
1,559 1,460	1,559 1,361	- -	- -	- -	- -
1,539 1,694	1,539 1,563	1,539 1,354	1,480 1,106	- -	- -
1,509 1,269	1,509 1,106	1,509 1,730	1,450 1,704	1,450 1,757	1,450 1,559
1,559 1,292	1,559 1,317	1,559 1,296	1,470 1,200	1,470 1,417	1,470 1,267
1,558 1,506	1,558 1,457	1,558 1,444	1,500 1,367	1,500 1,433	1,500 1,392
1,389 1,232	1,389 1,257	1,389 1,294	1,340 1,284	1,340 1,322	1,340 1,344
944 938	944 901	944 904	900 882	880 872	880 852
1,092 1,356	1,092 1,227	1,092 1,172	1,040 1,138	1,040 1,137	1,040 1,339
1,037 882	1,037 906	1,037 953	990 975	990 1,231	990 1,097
1,005 943	1,005 971	1,005 933	960 896	960 919	960 878

Continued

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION (1)
LAST TEN FISCAL YEARS

Building	2017	2016	2015	2014
Bang (1990)				
Square Footage	85,320			
Capacity	1,037	1,037	1,037	1,037
Enrollment	949	977	959	1,011
Birkes (2003)				
Square Footage	94,200			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,164	1,180	1,246	1,305
Black (2006)				
Square Footage	95,848			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,070	1,049	1,077	1,021
Copeland (1992)				
Square Footage	84,782			
Capacity	1,037	1,037	1,037	1,037
Enrollment	1,013	1,063	1,056	1,054
Danish (2005)				
Square Footage	94,980			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,012	1,041	1,040	1,107
Duryea (2004)				
Square Footage	94,887			
Capacity	1,092	1,092	1,092	1,092
Enrollment	977	981	1,021	1,028
Emery (2010)				
Square Footage	95,366			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,029	974	913	883
Emmott (1985)				
Square Footage	73,472			
Capacity	827	827	827	827
Enrollment	859	864	852	832
Farney (2000)				
Square Footage	93,500			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,090	1,078	1,123	1,125
Fiest (1989)				
Square Footage	85,477			
Capacity	1,037	1,037	1,037	1,037
Enrollment	1,149	1,124	1,130	1,129
Francone (1979)				
Square Footage	78,422			
Capacity	861	861	861	861
Enrollment	977	936	1,068	1,019

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<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
1,037 1,033	1,037 971	1,037 905	990 953	990 957	990 847
1,092 1,335	1,092 1,329	1,092 1,356	1,040 1,390	1,020 1,314	1,020 1,167
1,092 1,031	1,092 1,043	1,092 1,042	1,040 1,066	1,040 1,001	1,040 968
1,037 1,031	1,037 996	1,037 1,094	990 1,352	990 1,314	990 988
1,092 1,107	1,092 1,137	1,092 1,145	1,040 1,224	1,040 1,126	1,030 1,062
1,092 1,055	1,092 1,103	1,092 1,094	1,040 1,153	1,040 1,118	1,040 1,267
1,092 932	1,092 863	1,092 837	- -	- -	- -
827 877	827 915	827 850	790 836	790 811	790 888
1,092 1,123	1,092 1,128	1,092 1,161	1,040 1,115	1,040 1,091	1,040 1,071
1,037 1,111	1,037 1,079	1,037 1,013	990 1,060	990 1,031	990 1,040
861 1,084	861 1,009	861 955	820 870	820 875	820 785

Continued

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION (1)
LAST TEN FISCAL YEARS

Building	2017	2016	2015	2014
Frazier (1982)				
Square Footage	76,628			
Capacity	838	838	838	838
Enrollment	721	745	773	1,071
Gleason (2000)				
Square Footage	91,424			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,020	998	1,004	887
Hairgrove (1991)				
Square Footage	85,052			
Capacity	1,037	1,037	1,037	1,037
Enrollment	726	801	835	946
Hamilton (1990)				
Square Footage	85,650			
Capacity	1,037	1,037	1,037	1,037
Enrollment	955	982	966	980
Hancock (1973)				
Square Footage	79,579			
Capacity	856	856	856	856
Enrollment	941	1,000	959	1,050
Hemmenway (2008)				
Square Footage	96,483			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,066	1,059	1,026	830
Holbrook (1968)				
Square Footage	93,985			
Capacity	976	976	976	976
Enrollment	971	992	1,106	1,123
Holmsley (1985)				
Square Footage	75,560			
Capacity	827	827	827	827
Enrollment	884	870	884	902
Horne (1979)				
Square Footage	78,665			
Capacity	975	975	975	975
Enrollment	1,049	1,035	1,091	1,092
Jowell (1986)				
Square Footage	73,726			
Capacity	827	827	827	827
Enrollment	879	925	965	953
Keith (2004)				
Square Footage	92,446			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,218	1,134	1,091	850

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<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
838 1,092	838 1,035	838 1,048	800 1,105	800 1,070	800 1,014
1,092 898	1,092 962	1,092 943	1,040 931	1,040 927	1,040 900
1,037 909	1,037 869	1,037 899	990 905	990 936	990 949
1,037 947	1,037 907	1,037 909	990 960	990 984	990 964
856 1,076	856 1,076	856 1,062	820 1,020	820 984	820 921
1,092 853	1,092 809	1,092 841	1,040 991	1,040 972	- -
976 1,194	976 1,087	976 988	740 968	740 887	740 874
827 915	827 979	827 1,008	790 1,020	790 971	790 1,210
975 1,055	975 1,130	975 1,084	930 1,025	930 1,036	930 1,003
827 1,022	827 1,041	827 1,072	790 1,114	790 1,153	790 984
1,092 819	1,092 813	1,092 831	1,040 845	1,040 1,108	1,040 1,019

Continued

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION (1)
LAST TEN FISCAL YEARS

Building	2017	2016	2015	2014
Kirk (2000)				
Square Footage	93,897			
Capacity	1,092	1,092	1,092	1,092
Enrollment	975	1,022	934	963
Lamkin (1970)				
Square Footage	112,086			
Capacity	1,029	1,029	1,029	1,029
Enrollment	913	922	965	969
Lee (2005)				
Square Footage	93,816			
Capacity	1,092	1,092	1,092	1,092
Enrollment	964	986	1,011	923
Lieder (1978)				
Square Footage	74,582			
Capacity	881	881	881	881
Enrollment	1,003	984	995	1,015
Lowery (1982)				
Square Footage	74,006			
Capacity	858	858	858	858
Enrollment	875	882	890	860
Matzke (1965)				
Square Footage	76,870			
Capacity	1,092	818	818	818
Enrollment	998	994	984	934
McFee (2007)				
Square Footage	99,395			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,127	1,117	1,113	1,234
Metcalf (1991)				
Square Footage	85,120			
Capacity	1,037	1,037	1,037	1,037
Enrollment	943	973	995	958
Millsap (1977)				
Square Footage	74,252			
Capacity	861	861	861	861
Enrollment	733	745	722	780
Moore (1980)				
Square Footage	78,747			
Capacity	974	974	974	974
Enrollment	1,115	1,073	1,069	940
Owens (1983)				
Square Footage	74,141			
Capacity	827	827	827	827
Enrollment	947	927	971	967

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<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
1,092 850	1,092 929	1,092 985	1,040 855	1,040 826	1,040 858
1,029 994	1,029 973	1,029 950	840 958	840 926	840 934
1,092 910	1,092 919	1,092 967	1,040 1,171	1,040 1,123	1,040 1,088
881 1,002	881 1,054	881 1,051	840 900	840 864	840 991
858 880	858 890	858 923	820 824	820 850	820 868
818 973	818 970	818 1,027	780 909	780 910	780 943
1,092 1,181	1,092 1,073	1,092 1,016	1,040 1,191	1,040 1,094	1,040 1,059
1,037 1,002	1,037 1,037	1,037 1,083	990 1,125	990 1,101	990 1,126
861 773	861 794	861 826	820 815	820 852	820 892
974 924	974 967	974 931	930 938	930 966	930 933
827 1,003	827 1,012	827 1,086	790 1,028	790 1,004	790 988

Continued

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION (1)
LAST TEN FISCAL YEARS

Building	2017	2016	2015	2014
Pope (2014)				
Square Footage	112,970			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,137	1,051	995	965
Post (1960)				
Square Footage	101,780			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,100	1,117	1,127	1,101
Postma (2006)				
Square Footage	95,848			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,110	1,094	1,136	1,004
Reed (1991)				
Square Footage	85,404			
Capacity	1,017	1,017	1,017	1,017
Enrollment	1,100	1,123	1,106	975
Rennell (2010)				
Square Footage	110,549			
Capacity	1,092	1,092	1,092	1,092
Enrollment	841	603	1,174	1,102
Robinson (2008)				
Square Footage	93,924			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,143	1,160	1,101	1,027
Robison (2003)				
Square Footage	92,346			
Capacity	1,092	1,092	1,092	1,092
Enrollment	878	865	935	937
Sampson (2002)				
Square Footage	91,488			
Capacity	1,092	1,092	1,092	1,092
Enrollment	969	1,021	1,093	1,166
Sheridan (1992)				
Square Footage	85,194			
Capacity	1,037	1,037	1,037	1,037
Enrollment	1,026	1,095	1,022	865
Swenke (2009)				
Square Footage	101,770			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,238	1,216	1,195	1,276
Tipps (2003)				
Square Footage	94,047			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,025	1,038	1,167	1,287

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<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
-	-	-	-	-	-
-	-	-	-	-	-
1,092	1,092	1,092	1,040	880	880
1,020	993	952	913	869	953
1,092	1,092	1,092	1,040	1,040	1,040
898	808	766	1,217	1,150	1,061
1,017	1,017	1,017	970	970	970
984	995	1,020	957	927	938
1,092	1,092	1,092	-	-	-
980	914	821	-	-	-
1,092	1,092	1,092	1,040	1,040	-
962	971	1,004	1,033	947	-
1,092	1,092	1,092	1,040	1,040	1,040
972	1,009	998	1,042	1,052	1,078
1,092	1,092	1,092	1,040	1,040	1,040
1,196	1,261	1,318	1,378	1,335	1,288
1,037	1,037	1,037	990	990	990
877	899	846	1,192	1,189	1,565
1,092	1,092	1,092	1,040	-	-
1,108	972	855	716	-	-
1,092	1,092	1,092	1,040	1,040	1,040
1,311	1,309	1,232	1,257	1,194	1,123

Continued

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION (1)
LAST TEN FISCAL YEARS

Building	2017	2016	2015	2014
Walker (2000)				
Square Footage	92,346			
Capacity	1,092	1,092	1,092	1,092
Enrollment	935	1,012	1,071	1,095
Warner (2007)				
Square Footage	92,307			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,236	1,177	1,095	940
Willbern (1992)				
Square Footage	89,993			
Capacity	1,037	1,037	1,037	1,037
Enrollment	926	921	931	968
Wilson (1983)				
Square Footage	74,240			
Capacity	827	827	827	827
Enrollment	929	871	861	1,056
Woodard (2015)				
Square Footage	115,438			
Capacity	1,092	1,092	-	-
Enrollment	987	959	-	-
Yeager (1975)				
Square Footage	74,114			
Capacity	861	861	861	861
Enrollment	1,021	955	985	1,046
SPECIAL CAMPUSES				
Adaptive Behavior Center (1984)				
Square Footage	20,351	20,351		
Enrollment (6)	-	-	-	-
Alternative Learning Ctr - East (1984)				
Square Footage	20,350	20,350		
Enrollment (6)	-	-	-	-
Alternative Learning Ctr - West (2009)				
Square Footage	50,839	50,839		
Enrollment (6)	-	-	-	-
Carlton Center (2006)				
Square Footage	37,977	37,977		
Enrollment (6)	-	-	-	-
Windfern School of Choice (1995)				
Square Footage	50,022			
Capacity	-	-	-	-
Enrollment (6)	-	222	216	240
Total Square Footage (2)	14,559,833			
Total Capacity (3)	119,459	115,612	114,520	112,961
Total Enrollment (4)	114,842	113,897	112,945	111,404
Total Capacity Utilization (5)	96%	98%	99%	99%

- (1) Source: District records, TEA website
- (2) Square Footage comprises the total enclosed space of each campus as calculated by a professional surveyor and issued August 2017.
- (3) Capacity is the recommended planning capacity for each campus as determined by the Planning and Research Department.
- (4) Enrollment is the ending enrollment as of the end of the school year 2016-17.
- (5) Capacity Utilization is a calculation dividing Total Enrollment by Total Capacity, less enrollment at Special Campuses and Windfern High School.
- (6) Enrollment included with home campus.

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<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
1,092	1,092	1,092	1,040	1,040	1,040
1,116	1,098	1,079	1,071	1,030	1,288
1,092	1,092	1,092	1,040	1,040	1,040
1,582	1,381	1,229	1,188	996	1,251
1,037	1,037	1,037	990	990	990
992	968	977	1,036	1,023	1,005
827	827	827	790	830	830
1,061	1,042	1,031	1,067	1,044	879
-	-	-	-	-	-
-	-	-	-	-	-
861	861	861	820	820	820
1,029	1,066	1,054	1,173	1,013	988
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
268	275	323	359	282	366
111,869	111,869	110,310	102,910	97,480	89,490
109,975	107,932	106,067	104,182	100,656	96,796
98%	96%	96%	101%	103%	108%

CYPRESS  **FAIRBANKS**

INDEPENDENT SCHOOL DISTRICT

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