

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2018
CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT • HOUSTON, TX



Cheering All Students to SUCCEED!



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2018
CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT • HOUSTON, TX



Prepared by the Finance Department

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
INTRODUCTORY SECTION		
Letter of Transmittal.....	1	
Certificate of Achievement for Excellence in Financial Reporting.....	6	
Certificate of Excellence in Financial Reporting	7	
Organizational Chart	8	
Principal School District Officials and Advisors	9	
FINANCIAL SECTION		
Independent Auditor’s Report	11	
Management’s Discussion and Analysis	14	
<u>BASIC FINANCIAL STATEMENTS</u>		
Government-wide Financial Statements:		
Statement of Net Position.....	26	A-1
Statement of Activities	27	A-2
Fund Financial Statements:		
Balance Sheet - Governmental Funds	28	B-1
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	31	B-1R
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	32	B-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	34	B-2R
Statement of Net Position - Proprietary Funds.....	35	C-1
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	36	C-2
Statement of Cash Flows - Proprietary Funds	37	C-3
Statement of Assets and Liabilities - Fiduciary Fund.....	38	D-1
Notes to the Financial Statements	40	

**CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2018**

**TABLE OF CONTENTS
 (CONTINUED)**

	<u>Page</u>	<u>Exhibit</u>
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.....	76	E-1
Schedule of the District’s Proportionate Share of the Net Pension Liability of a Cost-Sharing Multiple-Employer Pension Plan.....	78	F-1
Schedule of District Contributions to the Pension Plan	79	F-2
Schedule of the District’s Proportionate Share of the Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan	80	F-3
Schedule of District Contributions to the OPEB Plan.....	81	F-4
Notes to the Required Supplementary Information.....	82	
<u>SUPPLEMENTARY INFORMATION</u>		
Combining and Individual Fund Financial Statements and Schedules:		
Major Governmental Funds:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Debt Service Fund.....	87	G-1
Nonmajor Governmental Funds:		
Combining Balance Sheet - Nonmajor Governmental Funds - Special Revenue Funds.....	90	H-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds - Special Revenue Funds.....	96	H-2
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - National School Breakfast and Lunch Program	103	H-3
Fiduciary Fund:		
Statement of Changes in Assets and Liabilities - Fiduciary Fund.....	105	I-1

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS
(CONTINUED)

	<u>Page</u>	<u>Table</u>
Compliance Schedule:		
Schedule of Delinquent Taxes Receivable	108	J-1
STATISTICAL SECTION		
Financial Trends:		
Net Position by Component - Last Ten Fiscal Years	112	1
Changes in Net Position - Last Ten Fiscal Years	114	2
Fund Balances - Governmental Funds - Last Ten Fiscal Years	116	3
Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years	118	4
Revenue Capacity:		
Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years	120	5
Property Tax Rates - Direct and Overlapping Governments - Last Ten Fiscal Years	122	6
Principal Property Taxpayers - Current Year and Nine Years Ago	128	7
Property Tax Levies and Collections - Last Ten Fiscal Years	129	8
Debt Capacity:		
Outstanding Debt by Type - Last Ten Fiscal Years	130	9
Ratios of Net General Obligation Bonded Debt Outstanding - Last Ten Fiscal Years	131	10
Direct and Overlapping Governmental Activities Debt	132	11
Demographic and Economic Information:		
Demographic and Economic Statistics - Last Ten Fiscal Years	134	12
Principal Employers - Current Year and Nine Years Ago	135	13

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS
(CONCLUDED)

	<u>Page</u>	<u>Table</u>
Operating Information:		
District Employees by Position (Headcount) - Last Ten Fiscal Years	136	14
Operating Statistics - Last Ten Fiscal Years	138	15
Teacher Base Salaries - Last Ten Fiscal Years.....	140	16
School Building Information - Last Ten Fiscal Years.....	142	17
District Map.....	158	18



INTRODUCTORY SECTION



November 12, 2018

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, 2018.

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, 2018. 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 56 elementary schools, 18 middle schools, 12 high schools and 5 special program facilities, of which the average daily attendance reached 108,715 for the 2017-18 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 \$201,000. During the last fiscal year, there were approximately 2,614 new home closings and 2,624 new home starts. The greatest need for classrooms due to student enrollment growth into the foreseeable future continues to be expected in the west and southwest parts 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, restaurants, and high-density residential projects. The District's taxable assessed value increased to \$48.8 billion in 2017-18 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 15 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 2018-19 school year generating a projected increase of approximately 1,390 students. The District's school buildings range in age from 77 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 are being used by CFISD to build new schools and ancillary 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 101 languages and dialects that are spoken by students and approximately 13,861 of those students will enroll in the District's ESL/bilingual programs this year. Additionally, 53 percent of the District's students are economically disadvantaged and 9,847 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 2018 Texas Education Agency (TEA) accountability ratings. The District has earned this honor for the sixth 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 96.7 percent graduated/continued rate based on TEA accountability data tables.

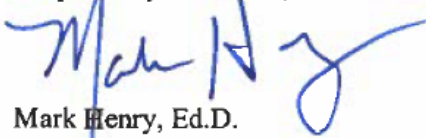
AWARDS AND ACKNOWLEDGEMENTS

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, 2017. 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.

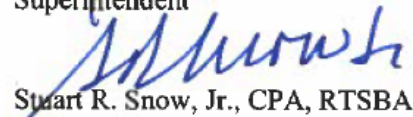
The District received the Association of School Business Officials' (ASBO) Certificate of Excellence in Financial Reporting Award for the prior year. This award certifies that the CAFR for the fiscal year ended June 30, 2017, substantially conforms to the principles and standards of financial reporting 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 staff. The preparation of this report could not have been accomplished without their efficient and dedicated service.

Respectfully submitted,



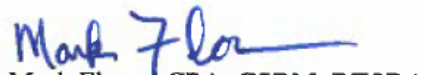
Mark Henry, Ed.D.
Superintendent




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



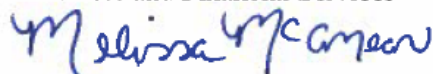
Mable Isles, CPA
Director of Financial Services



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



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



Melissa McAnear, CPA, RTSBA
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, 2017

Christopher P. Morrill

Executive Director/CEO



**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

**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, 2017.**

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

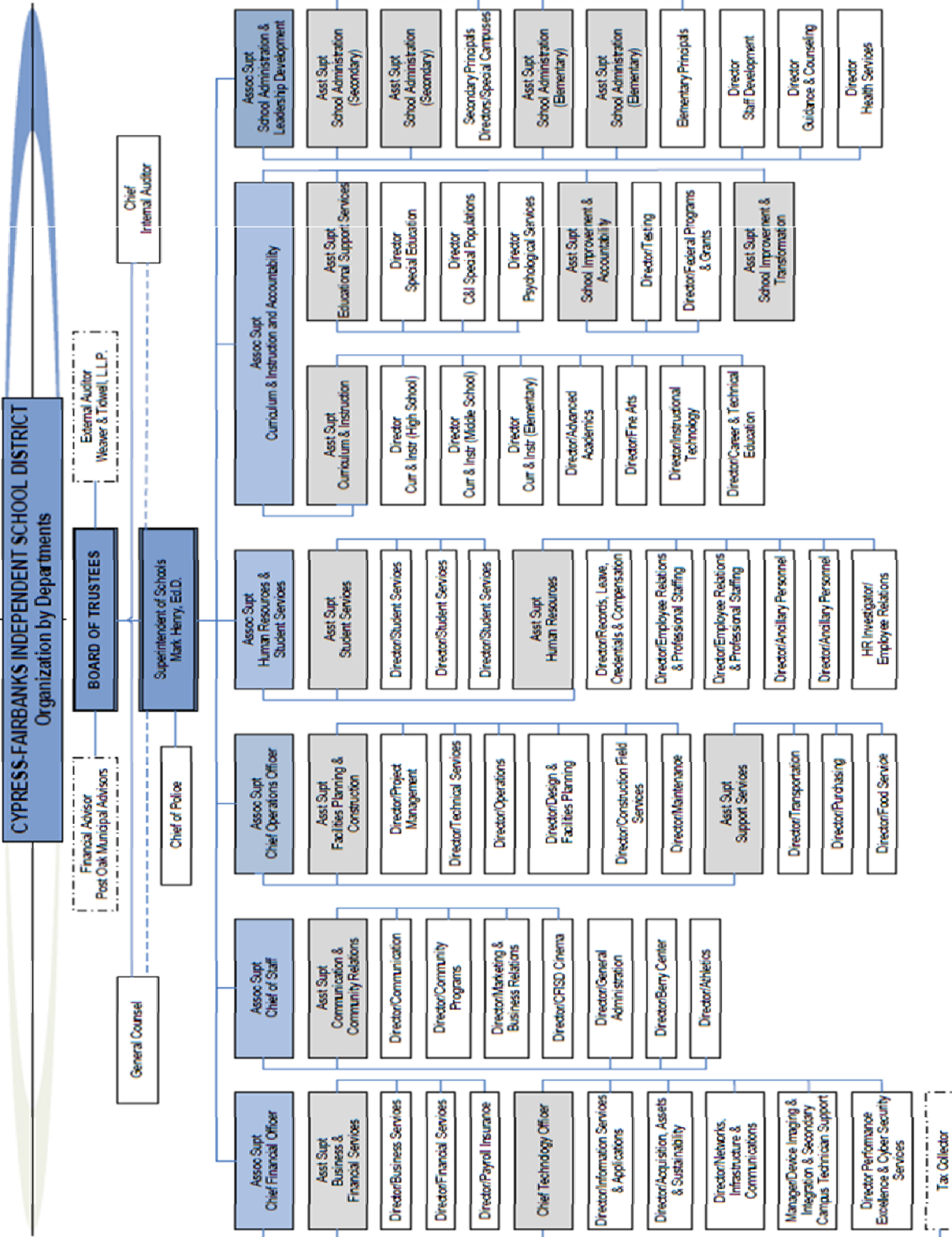


A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.'.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE
Executive Director



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

Board of Trustees

Dr. John Ogletree, Jr.	President
Bob R. Covey	Vice-President
Christine Hartley	Secretary
Debbie Blackshear	Member
Thomas Jackson	Member
Darcy Mingoia	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, RTSBA	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
Post Oak Municipal Advisors, L.L.C.	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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cypress-Fairbanks Independent School District, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note I. C. and Note IV. E. to the basic financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Beginning net position has been restated to reflect the change in accounting principle resulting from this statement. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis 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 the 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 (Other Information) 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 22, 2018 on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cypress-Fairbanks Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the 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 22, 2018

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

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, 2018.

Financial Highlights

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$437,766,061 (*net position*).
- Unrestricted net position of (\$422,917,584) reflects a deficit as a result of a prior period adjustment due to the implementation of GASB 75.
- The District's total net position decreased by \$512,645,508 after the prior period adjustment.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$947,212,762, an increase of \$20,403,551 in comparison with the prior year. The increase in governmental fund balances was primarily due to increases of \$22,921,728 in the general fund and \$11,307,763 in the debt service fund, offset by a decrease of \$13,881,068 in the capital projects fund.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$422,556,573 or 48 percent of total general fund expenditures.
- The District's net bonded debt increased by \$88,589,280 (3 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 and other 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**

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

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

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-three 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 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.

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

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 fund. The fiduciary fund is 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 has one fiduciary fund.

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 statement is referenced as Exhibit D-1 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 cost-sharing multiple-employer pension and OPEB plans of which the District is a participant. The required supplementary information is referenced as Exhibits E-1 through F-4, 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**

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, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$437,766,061 at the close of the fiscal year ended June 30, 2018.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 1,156,991,160	\$ 1,139,986,564	\$ 1,067,706	\$ 1,076,178	\$ 1,158,058,866	\$ 1,141,062,742
Capital Assets, net of						
Accumulated Depreciation	2,017,447,505	1,955,153,729	-	-	2,017,447,505	1,955,153,729
Total Assets	3,174,438,665	3,095,140,293	1,067,706	1,076,178	3,175,506,371	3,096,216,471
Total Deferred Outflows of Resources	138,019,956	169,384,372	-	-	138,019,956	169,384,372
Other Liabilities	223,630,054	231,015,074	40,915	355,193	223,670,969	231,370,267
Long-term Liabilities Outstanding	3,340,835,973	2,943,515,548	-	-	3,340,835,973	2,943,515,548
Total Liabilities	3,564,466,027	3,174,530,622	40,915	355,193	3,564,506,942	3,174,885,815
Total Deferred Inflows of Resources	186,785,446	15,835,581	-	-	186,785,446	15,835,581
Net Position:						
Net Investment in Capital Assets	(88,571,599)	(89,611,599)	-	-	(88,571,599)	(89,611,599)
Restricted for Grants	15,385,934	12,438,786	-	-	15,385,934	12,438,786
Restricted for Debt Service	58,337,188	46,108,646	-	-	58,337,188	46,108,646
Unrestricted	(423,944,375)	105,222,629	1,026,791	720,985	(422,917,584)	105,943,614
Total Net Position (Deficit)	\$ (438,792,852)	\$ 74,158,462	\$ 1,026,791	\$ 720,985	\$ (437,766,061)	\$ 74,879,447

Net investment in capital assets of (\$88.6) million reflects the District's investment of \$2 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 \$73,723,122 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 (\$422,917,584) reflects a deficit created by a prior period adjustment resulting from the implementation of GASB 75 in the current fiscal year for OPEB. Although the District reports a deficit, the deficit is primarily due to reporting the District's proportionate share of the net OPEB liability. The total district liability is reported in the governmental activities; however, the actual liability does not require the use of current resources at the fund level, which results in a timing difference since the TRS-Care plan is funded on a pay-as-you-go basis. The District has made all contractually required contributions as noted in the required supplementary information and has sufficient fund balance to meet the District's ongoing obligations to students and creditors.

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

Governmental activities. Governmental activities increased the District's net position from operations before a prior period adjustment by \$108,764,286. Key elements of this increase are as follows:

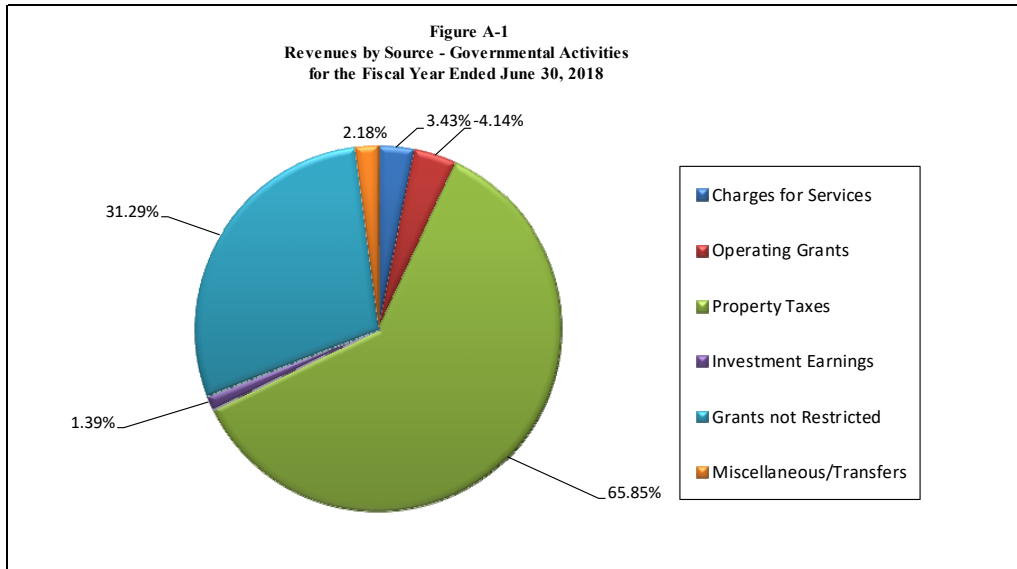
CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charges for Services	\$ 36,352,318	\$ 41,195,205	\$ 9,724,036	\$ 10,809,379	\$ 46,076,354	\$ 52,004,584
Operating Grants and Contributions	(43,825,935)	147,853,651	-	-	(43,825,935)	147,853,651
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes	499,875,369	482,598,888	-	-	499,875,369	482,598,888
Property Taxes, Levied for Debt Service	197,262,518	186,052,714	-	-	197,262,518	186,052,714
Investment Earnings	14,758,137	8,825,837	42,746	16,025	14,800,883	8,841,862
Grants and Contributions Not Restricted to Specific Programs	331,264,783	337,586,938	-	-	331,264,783	337,586,938
Miscellaneous	20,559,491	8,656,413	-	-	20,559,491	8,656,413
Total Revenues	1,056,246,681	1,212,769,646	9,766,782	10,825,404	1,066,013,463	1,223,595,050
Expenses:						
Instruction	493,963,770	698,333,067	-	-	493,963,770	698,333,067
Instructional Resources and Media Services	8,764,373	10,873,350	-	-	8,764,373	10,873,350
Curriculum and Instructional Staff Development	16,396,952	22,058,882	-	-	16,396,952	22,058,882
Instructional Leadership	7,970,060	11,997,375	-	-	7,970,060	11,997,375
School Leadership	40,903,700	57,630,018	-	-	40,903,700	57,630,018
Guidance, Counseling, and Evaluation Services	23,659,881	35,865,818	-	-	23,659,881	35,865,818
Social Work Services	908,589	1,036,437	-	-	908,589	1,036,437
Health Services	8,355,799	10,885,642	-	-	8,355,799	10,885,642
Student Transportation	40,013,922	50,791,730	-	-	40,013,922	50,791,730
Food Services	54,113,471	64,439,209	-	-	54,113,471	64,439,209
Cocurricular/Extracurricular Activities	28,434,939	31,606,116	-	-	28,434,939	31,606,116
General Administration	13,155,120	17,428,978	-	-	13,155,120	17,428,978
Plant Maintenance and Operations	64,162,311	77,861,018	-	-	64,162,311	77,861,018
Security and Monitoring Services	8,674,962	11,435,763	-	-	8,674,962	11,435,763
Data Processing Services	10,496,357	14,726,806	-	-	10,496,357	14,726,806
Community Services	4,731,910	10,727,096	-	-	4,731,910	10,727,096
Interest on Debt	99,675,434	95,624,106	-	-	99,675,434	95,624,106
Bond Issuance Costs and Fees	1,582,602	3,164,626	-	-	1,582,602	3,164,626
Facilities Repair and Maintenance	17,548,376	7,873,909	-	-	17,548,376	7,873,909
Payments to Fiscal Agents SSA	1,302,185	823,895	-	-	1,302,185	823,895
Payments to Juvenile Justice Alternative Education Programs	3,597	7,120	-	-	3,597	7,120
Other Intergovernmental Charges	5,164,085	4,947,598	-	-	5,164,085	4,947,598
Community Programs	-	-	6,960,976	10,288,180	6,960,976	10,288,180
Total Expenses	949,982,395	1,240,138,559	6,960,976	10,288,180	956,943,371	1,250,426,739
Increase (Decrease) in Net Position before Transfers	106,264,286	(27,368,913)	2,805,806	537,224	109,070,092	(26,831,689)
Transfers	2,500,000	537,000	(2,500,000)	(537,000)	-	-
Change in Net Position	108,764,286	(26,831,913)	305,806	224	109,070,092	(26,831,689)
Net Position - Beginning	74,158,462	100,990,375	720,985	720,761	74,879,447	101,711,136
Prior Period Adjustment - Implement GASB 75 for OPEB (a)	(621,715,600)	-	-	-	(621,715,600)	-
Net Position (Deficit) - Beginning, as restated	(547,557,138)	100,990,375	720,985	720,761	(546,836,153)	101,711,136
Net Position (Deficit) - Ending	\$ (438,792,852)	\$ 74,158,462	\$ 1,026,791	\$ 720,985	\$ (437,766,061)	\$ 74,879,447

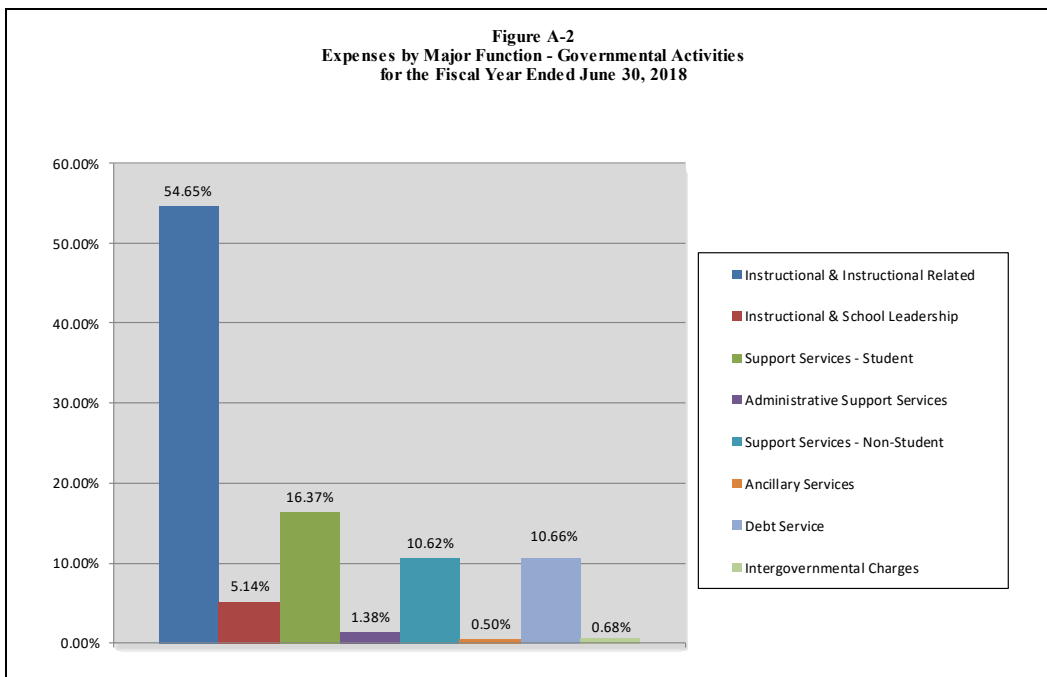
(a) The restatement of the beginning net position is the result of the District implementing GASB Statement No. 75 in fiscal year 2018.

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

Revenues are generated primarily from two sources (see Figure A-1). Grants and contributions (program and general revenues totaling \$287,438,848) represent 27 percent of total revenues and property taxes (\$697,137,887) represent 66 percent of total revenues. The remaining 7 percent is generated from charges for services, investment earnings, and miscellaneous revenues/transfers. Grants and contributions decreased from the prior year primarily due to adjustments to revenue for implementation of GASB 75. Property taxes increased primarily due to an increase in property values.



The primary functional expense (see Figure A-2) of the District is instruction (\$493,963,770), which represents 52 percent of total expenses. Interest on debt (\$99,675,434) represents 11 percent of total expenses, plant maintenance and operations (\$64,162,311) represents 7 percent of total expenses, and food services (\$54,113,471) represents 6 percent of total expenses. The remaining individual functional categories of expenses are each less than 5 percent of total expenses. The decrease in functional expenses is primarily due to adjustments to functional expenses to record the State's negative on-behalf contributions for OPEB in conjunction with the implementation of GASB 75.



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

Business-type Activities. Business-type activities increased net position by \$2,805,806 due to the operation of the before and after school care program and various summer programs of which \$2,500,000 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 \$947,212,762, an increase of \$20,403,551 in comparison with the prior year. The increase in ending governmental fund balances is primarily due to increases in the general and debt service fund balances. Of the combined ending fund balances, \$422,556,573 constitutes unassigned fund balances. The remaining \$524,656,189 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 \$422,556,573, while total fund balance reached \$450,420,326. 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 48 percent of total general fund expenditures, while total fund balance represents 51 percent of that same amount.

The fund balance of the District's general fund increased by \$22,921,728 during the current fiscal year primarily due to an increase in property values, additional at-risk state funding due to Hurricane Harvey, and the transfer of allowable costs from campuses impacted by Hurricane Harvey to emergency aid federal grants. Overall, the general fund's performance resulted in revenues over expenditures during the fiscal year ended June 30, 2018 of \$20,199,164.

The debt service fund has a total fund balance of \$100,674,450, 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, 2018 were \$196,325,930. The net increase in fund balance of \$11,307,763 relates to an increase in property values.

The capital projects fund has a total fund balance of \$373,231,494, all of which is restricted for authorized construction, equipment of schools, buses, and technology projects. The net decrease in fund balance during the current year of \$13,881,068 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 for workers' compensation is primarily due to the decrease in District contributions and an increase in claims paid. The net change in assets of the internal service fund is eliminated and allocated to the governmental expenses in the government-wide financial statements. The increase in net position for the enterprise fund is primarily due to a reduction in expenses with the elimination of various camps.

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

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>	
\$ (5,987,882)	Net decrease in local revenues due to lower than expected property values.
18,999,316	Net increase in state revenues due to additional at-risk funding due to Hurricane Harvey and the approval of a prior year property value study.
574,880	Increase in federal revenues due to indirect costs on various grant awards.
<u>\$ 13,586,314</u>	<i>Total Estimated Revenues Increase</i>
<u>Appropriations</u>	
\$ (8,465,000)	Net decrease in payroll costs due to TEA approval of student-to-teacher ratio waivers.
960,000	Net increase in contracted services due to higher property insurance renewal.
2,720,000	Net increase in general supplies due to Hurricane Harvey.
<u>\$ (4,785,000)</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 \$11,390,299 primarily due to lower than anticipated tax receipts and state funding. Operating expenditures were \$31,725,585 less than final budgeted amounts primarily due to the receipt of the Temporary Emergency Impact Aid for Displaced Students Grant (EIA) and the Immediate Aid to Restart School Operations Grant (Restart) that allowed the District to transfer allowable costs from campuses impacted by Hurricane Harvey to these federal grants.

Capital Assets and Long-term Liabilities

Capital assets. The District's investment in capital assets for its governmental type activities as of June 30, 2018, amounts to \$2,017,447,505 (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 3 percent.

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

- Completed restoration of Moore Elementary School which incurred flood damage from Hurricane Harvey.
- Further security enhancements to campus and district facilities.
- Extensive 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, 2018. The projects include the renovation and equipment of school facilities. At year end, the District's remaining commitments with contractors totaled \$112,043,356 for all ongoing projects.

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

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

	Governmental Activities	
	2018	2017
Land	\$ 110,504,735	\$ 105,621,895
Buildings and Improvements	1,723,775,169	1,664,068,286
Furniture and Equipment	85,594,402	102,650,530
Construction in Progress	97,573,199	82,813,018
Totals	\$ 2,017,447,505	\$ 1,955,153,729

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 \$3,340,835,973. Of this amount, \$2,764,399,447 comprises debt backed by the full faith and credit of the District, as further guaranteed by the Texas Permanent School Fund Guarantee Program, \$4,533,863 is a liability for workers' compensation claims, \$7,039,663 is a liability for compensated absences, \$210,690,891 is a liability for pensions, and \$354,172,109 is a liability for OPEB.

The District's net bonded debt increased by \$88,589,280 (3 percent) during the current fiscal year.

The District's net pension liability (NPL) decreased by \$45,064,483 as a result of differences between projected and actual investment earnings and changes in the district's contributions and its proportionate share of contributions.

The District implemented the requirements of the Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – which superseded GASB Statement No. 45. Implementation resulted in a prior period adjustment and a net OPEB (Retiree Health) liability in the amount of \$354,172,109.

The following table provides key pension and OPEB statistics from Teacher Retirement System as of and for the fiscal year ended June 30, 2018:

	Summary of District Pension and OPEB Benefits Information		
	Pension	OPEB	Total
Net Liability	\$ 210,690,891	\$ 354,172,109	\$ 564,863,000
Expense	34,980,183	(310,091,653)	(275,111,470)

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

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

Economic Factors and Next Year's Budgets and Tax Rates

The primary factors considered in preparing the District's budget for the 2018-19 fiscal year were a decrease in state funding based on prior year property value increases, a 4 percent increase in local property values, and safety and security. The Board of Trustees adopted a \$12.6 million deficit budget for 2018-19, prior to utilizing fund balance accumulated in prior years, which provides for a cost of living raise for all staff, additional staff for student enrollment growth and enhanced school safety and security measures.

The District's tax rate remains at \$1.44 per \$100 of assessed value for the 2018-19 fiscal year. The tax rate reflects a maintenance and operations tax rate of \$1.06 and an interest and sinking fund tax rate of \$0.38. Texas Tax Code 26.08(a) permits a district impacted by a material disaster, such as Hurricane Harvey, to adopt a maintenance and operations tax rate above \$1.04 without voter approval in the year following the year in which the disaster occurred, and the governor has requested federal disaster assistance.

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, 2018

Exhibit A-1

Data Control Codes		Primary Government		
		Governmental Activities	Business-type Activities	Total
ASSETS				
1110	Cash and Cash Equivalents	\$ 15,483,685	\$ -	\$ 15,483,685
1120	Current Investments	900,583,654	3,582,856	904,166,510
1225	Property Taxes Receivable (Net of allowance for uncollectibles)	17,332,860	-	17,332,860
1240	Due from Other Governments	113,287,573	-	113,287,573
1250	Accrued Interest	682,544	-	682,544
1260	Internal Balances	2,516,719	(2,516,719)	-
1290	Other Receivables	2,629,726	1,569	2,631,295
1300	Inventories, at Cost	6,866,249	-	6,866,249
1910	Long-term Investments	97,608,150	-	97,608,150
	Capital Assets, Not Being Depreciated:			
1510	Land	110,504,735	-	110,504,735
1580	Construction in Progress	97,573,199	-	97,573,199
	Capital Assets, Net of Accumulated Depreciation:			
1520	Buildings and Improvements	1,723,775,169	-	1,723,775,169
1530	Furniture and Equipment	85,594,402	-	85,594,402
1000	Total Assets	<u>3,174,438,665</u>	<u>1,067,706</u>	<u>3,175,506,371</u>
DEFERRED OUTFLOWS OF RESOURCES				
1705	Deferred Outflows - Pension	80,409,200	-	80,409,200
1706	Deferred Outflows - OPEB	5,079,947	-	5,079,947
1710	Deferred Charge on Refunding	52,530,809	-	52,530,809
1700	Total Deferred Outflows of Resources	<u>138,019,956</u>	<u>-</u>	<u>138,019,956</u>
LIABILITIES				
2110	Accounts Payable	69,900,438	40,235	69,940,673
2140	Accrued Interest Payable	40,691,889	-	40,691,889
2160	Accrued Wages Payable	106,593,719	-	106,593,719
2180	Due to Other Governments	1,666,577	-	1,666,577
2300	Unearned Revenue	4,777,431	680	4,778,111
	Noncurrent Liabilities:			
2501	Due within one year	92,155,657	-	92,155,657
2502	Due in more than one year	2,683,817,316	-	2,683,817,316
2540	Net Pension Liability	210,690,891	-	210,690,891
2545	Net OPEB Liability	354,172,109	-	354,172,109
2000	Total Liabilities	<u>3,564,466,027</u>	<u>40,915</u>	<u>3,564,506,942</u>
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred Inflows - Pension	37,643,473	-	37,643,473
2606	Deferred Inflows - OPEB	148,150,862	-	148,150,862
2610	Deferred Gain on Refunding	991,111	-	991,111
2600	Total Deferred Inflows of Resources	<u>186,785,446</u>	<u>-</u>	<u>186,785,446</u>
NET POSITION				
3200	Net Investment in Capital Assets	(88,571,599)	-	(88,571,599)
3820	Restricted for Grants	15,385,934	-	15,385,934
3850	Restricted for Debt Service	58,337,188	-	58,337,188
3900	Unrestricted	(423,944,375)	1,026,791	(422,917,584)
3000	Total Net Position (Deficit)	<u>\$ (438,792,852)</u>	<u>\$ 1,026,791</u>	<u>\$ (437,766,061)</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, 2018

Exhibit A-2

Data Control Codes	Functions/Programs	Expenses	Program Revenues			Governmental Activities	Business-type Activities	Total
			Charges for Services	Operating Grants and Contributions				
	Primary Government:							
	Governmental Activities:							
0011	Instruction	\$ 493,963,770	\$ 19,047,364	\$ (63,219,959)	\$ (538,136,365)	\$ -	\$ (538,136,365)	
0012	Instructional Resources and Media Services	8,764,373	-	(934,183)	(9,698,556)	-	(9,698,556)	
0013	Curriculum and Instructional Staff Development	16,396,952	-	8,942,489	(7,454,463)	-	(7,454,463)	
0021	Instructional Leadership	7,970,060	-	2,032,080	(5,937,980)	-	(5,937,980)	
0023	School Leadership	40,903,700	-	(8,546,603)	(49,450,303)	-	(49,450,303)	
0031	Guidance, Counseling, and Evaluation Services	23,659,881	-	(3,873,290)	(27,533,171)	-	(27,533,171)	
0032	Social Work Services	908,589	-	(83,358)	(991,947)	-	(991,947)	
0033	Health Services	8,355,799	-	(827,812)	(9,183,611)	-	(9,183,611)	
0034	Student Transportation	40,013,922	-	(7,383,402)	(47,397,324)	-	(47,397,324)	
0035	Food Services	54,113,471	13,539,334	38,070,915	(2,503,222)	-	(2,503,222)	
0036	Cocurricular/Extracurricular Activities	28,434,939	1,524,210	(2,037,045)	(28,947,774)	-	(28,947,774)	
0041	General Administration	13,155,120	-	(2,352,070)	(15,507,190)	-	(15,507,190)	
0051	Plant Maintenance and Operations	64,162,311	2,241,410	(7,520,780)	(69,441,681)	-	(69,441,681)	
0052	Security and Monitoring Services	8,674,962	-	(1,933,333)	(10,608,295)	-	(10,608,295)	
0053	Data Processing Services	10,496,357	-	(1,052,187)	(11,548,544)	-	(11,548,544)	
0061	Community Services	4,731,910	-	(1,993,043)	(6,724,953)	-	(6,724,953)	
0072	Interest on Debt	99,675,434	-	8,648,162	(91,027,272)	-	(91,027,272)	
0073	Bond Issuance Costs and Fees	1,582,602	-	-	(1,582,602)	-	(1,582,602)	
0081	Facilities Repair and Maintenance	17,548,376	-	237,484	(17,310,892)	-	(17,310,892)	
0093	Payments to Fiscal Agents SSA	1,302,185	-	-	(1,302,185)	-	(1,302,185)	
0095	Payments to Juvenile Justice Alternative Education Programs	3,597	-	-	(3,597)	-	(3,597)	
0099	Other Intergovernmental Charges	5,164,085	-	-	(5,164,085)	-	(5,164,085)	
TG	Total Governmental Activities	<u>949,982,395</u>	<u>36,352,318</u>	<u>(43,825,935)</u>	<u>(957,456,012)</u>	-	<u>(957,456,012)</u>	
0001	Business-type Activities:							
	Community Programs	6,960,976	9,724,036	-	-	2,763,060	2,763,060	
TP	Total Primary Government	<u>\$ 956,943,371</u>	<u>\$ 46,076,354</u>	<u>\$ (43,825,935)</u>	<u>(957,456,012)</u>	<u>2,763,060</u>	<u>(954,692,952)</u>	
	General Revenues:							
MT	Property Taxes, Levied for General Purposes				499,875,369	-	499,875,369	
DT	Property Taxes, Levied for Debt Service				197,262,518	-	197,262,518	
IE	Investment Earnings				14,758,137	42,746	14,800,883	
GC	Grants and Contributions Not Restricted to Specific Programs				331,264,783	-	331,264,783	
MI	Miscellaneous				20,559,491	-	20,559,491	
FR	Transfers				2,500,000	(2,500,000)	-	
TR	Total General Revenues and Transfers				<u>1,066,220,298</u>	<u>(2,457,254)</u>	<u>1,063,763,044</u>	
CN	Change in Net Position				108,764,286	305,806	109,070,092	
NB	Net Position - Beginning				74,158,462	720,985	74,879,447	
PA	Prior Period Adjustment - Implement GASB 75 for OPEB				(621,715,600)	-	(621,715,600)	
	Net Position (Deficit) - Beginning, as restated				<u>(547,557,138)</u>	<u>720,985</u>	<u>(546,836,153)</u>	
NE	Net Position (Deficit) - Ending				<u>\$ (438,792,852)</u>	<u>\$ 1,026,791</u>	<u>\$ (437,766,061)</u>	

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, 2018

<u>Data Control Codes</u>		<u>General</u>	<u>Debt Service</u>
ASSETS			
1110	Cash and Cash Equivalents	\$ 13,864,557	\$ -
1120	Current Investments	403,457,915	123,814,775
1225	Property Taxes Receivable (net of allowance for uncollectibles)	12,598,018	4,734,842
1240	Due from Other Governments	88,016,353	215,668
1250	Accrued Interest	394,494	-
1260	Due from Other Funds	81,920,014	3,932,981
1290	Other Receivables	899,811	-
1300	Inventories, at Cost	3,175,312	-
1910	Long-term Investments	20,064,618	-
1000	Total Assets	\$ <u>624,391,092</u>	\$ <u>132,698,266</u>
LIABILITIES			
2110	Accounts Payable	\$ 20,377,085	\$ -
2160	Accrued Wages Payable	100,489,092	-
2170	Due to Other Funds	39,984,535	27,710,696
2180	Due to Other Governments	1,666,577	-
2300	Unearned Revenues	-	-
2000	Total Liabilities	<u>162,517,289</u>	<u>27,710,696</u>
DEFERRED INFLOWS OF RESOURCES			
2600	Unavailable Revenue- Property Taxes	<u>11,453,477</u>	<u>4,313,120</u>
	Total Deferred Inflows of Resources	<u>11,453,477</u>	<u>4,313,120</u>
FUND BALANCES			
Nonspendable:			
3410	Inventory	3,175,312	-
Restricted For:			
3480	Debt Service	-	100,674,450
3450	Grants	-	-
3470	Construction Projects	-	-
Committed To:			
3545	Campus Activities	-	-
Assigned To:			
3590	Future State Aid Reductions	12,614,697	-
3590	Future Debt Service Payments	9,918,304	-
3590	Purchases on Order	2,155,440	-
3600	Unassigned:	<u>422,556,573</u>	<u>-</u>
3000	Total Fund Balances	<u>450,420,326</u>	<u>100,674,450</u>
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>624,391,092</u>	\$ <u>132,698,266</u>

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

Exhibit B-1

<u>Capital Projects</u>	<u>Nonmajor Other Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 961,977	\$ 14,826,534
344,056,594	18,837,885	890,167,169
-	-	17,332,860
-	25,055,552	113,287,573
288,050	-	682,544
-	5,335,793	91,188,788
1,682,545	47,370	2,629,726
-	3,690,937	6,866,249
77,543,532	-	97,608,150
\$ <u>423,570,721</u>	\$ <u>53,929,514</u>	\$ <u>1,234,589,593</u>
\$ 48,767,308	\$ 756,045	\$ 69,900,438
-	6,104,627	106,593,719
1,571,919	19,404,919	88,672,069
-	-	1,666,577
-	4,777,431	4,777,431
<u>50,339,227</u>	<u>31,043,022</u>	<u>271,610,234</u>
-	-	15,766,597
-	-	<u>15,766,597</u>
-	-	3,175,312
-	-	100,674,450
-	15,385,934	15,385,934
373,231,494	-	373,231,494
-	7,500,558	7,500,558
-	-	12,614,697
-	-	9,918,304
-	-	2,155,440
-	-	422,556,573
<u>373,231,494</u>	<u>22,886,492</u>	<u>947,212,762</u>
\$ <u>423,570,721</u>	\$ <u>53,929,514</u>	\$ <u>1,234,589,593</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, 2018

Exhibit B-1R

Total Fund Balances - Governmental Funds (Exhibit B-1) \$ 947,212,762

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	\$ 3,014,941,568	
Accumulated Depreciation of Governmental Capital Assets	<u>(997,494,063)</u>	2,017,447,505

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. 15,766,597

Long-term liabilities, including bonds payable, compensated absences, and net pension and OPEB liabilities 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	\$ (2,517,955,000)	
Premiums, net of discounts, on Bonds Payable	(240,485,954)	
Deferred Charge on Refunding	52,530,809	
Deferred Gain on Refunding	(991,111)	
Accreted Interest on Capital Appreciation Bonds	(5,958,493)	
Accrued Interest on Bonds	(40,691,889)	
Compensated Absences	(7,039,663)	
Net Pension Liability	(210,690,891)	
Net OPEB Liability	<u>(354,172,109)</u>	(3,325,454,301)

Deferred outflows of resources for pension represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until that time. 80,409,200

Deferred inflows of resources for pension represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. (37,643,473)

Deferred outflows of resources for OPEB represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until that time. 5,079,947

Deferred inflows of resources for OPEB represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. (148,150,862)

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		6,539,773
Total Net Position - Governmental Activities (Exhibit A-1)	\$	<u><u>(438,792,852)</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, 2018

<u>Data Control Codes</u>		<u>General</u>	<u>Debt Service</u>
REVENUES			
5700	Local, Intermediate, and Out-of-State	\$ 523,882,022	\$ 197,747,427
5800	State Programs	370,168,779	3,765,936
5900	Federal Programs	10,116,930	4,882,226
5020	Total Revenues	<u>904,167,731</u>	<u>206,395,589</u>
EXPENDITURES			
Current:			
0011	Instruction	571,870,236	-
0012	Instructional Resources and Media Services	8,006,623	-
0013	Curriculum and Instructional Staff Development	10,305,146	-
0021	Instructional Leadership	7,657,587	-
0023	School Leadership	47,905,044	-
0031	Guidance, Counseling, and Evaluation Services	33,971,788	-
0032	Social Work Services	1,081,852	-
0033	Health Services	10,714,949	-
0034	Student Transportation	42,800,153	-
0035	Food Services	-	-
0036	Cocurricular/Extracurricular Activities	20,620,595	-
0041	General Administration	16,222,364	-
0051	Plant Maintenance and Operations	75,583,091	-
0052	Security and Monitoring Services	12,037,040	-
0053	Data Processing Services	10,060,851	-
0061	Community Services	8,559,642	-
Debt Service:			
0071	Principal on Long-term Debt	-	86,205,000
0072	Interest on Debt	-	108,538,328
0073	Bond Issuance Costs and Fees	-	1,582,602
Capital Outlay:			
0081	Facilities Acquisition and Construction	101,739	-
Intergovernmental:			
0093	Payments to Fiscal Agents SSA	1,302,185	-
0095	Payments to Juvenile Justice Alternative Education Programs	3,597	-
0099	Other Intergovernmental Charges	5,164,085	-
6030	Total Expenditures	<u>883,968,567</u>	<u>196,325,930</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>20,199,164</u>	<u>10,069,659</u>
OTHER FINANCING SOURCES (USES)			
7911	Issuance of Bonds	-	77,005,000
7912	Sale of Real and Personal Property	222,564	-
7915	Transfers In	2,500,000	-
7916	Premium from Issuance of Bonds	-	1,238,104
8949	Payment to Refunded Bonds Escrow Agent	-	(77,005,000)
7080	Total Other Financing Sources (Uses)	<u>2,722,564</u>	<u>1,238,104</u>
1200	Net Change in Fund Balances	22,921,728	11,307,763
0100	Fund Balances - Beginning	427,498,598	89,366,687
3000	Fund Balances - Ending	<u>\$ 450,420,326</u>	<u>\$ 100,674,450</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>
\$ 13,079,474	\$ 29,459,985	\$ 764,168,908
-	8,001,032	381,935,747
-	98,696,447	113,695,603
<u>13,079,474</u>	<u>136,157,464</u>	<u>1,259,800,258</u>
34,543,674	59,016,506	665,430,416
-	289,589	8,296,212
-	11,657,774	21,962,920
-	3,598,141	11,255,728
-	312,731	48,217,775
-	2,670,625	36,642,413
-	-	1,081,852
-	803,096	11,518,045
-	-	42,800,153
-	55,497,606	55,497,606
-	-	20,620,595
-	-	16,222,364
2,358,738	993,351	78,935,180
-	88,936	12,125,976
3,517,789	-	13,578,640
-	1,173,981	9,733,623
-	-	86,205,000
-	-	108,538,328
-	-	1,582,602
174,040,341	-	174,142,080
-	-	1,302,185
-	-	3,597
-	-	5,164,085
<u>214,460,542</u>	<u>136,102,336</u>	<u>1,430,857,375</u>
<u>(201,381,068)</u>	<u>55,128</u>	<u>(171,057,117)</u>
184,725,000	-	261,730,000
-	-	222,564
-	-	2,500,000
2,775,000	-	4,013,104
-	-	(77,005,000)
<u>187,500,000</u>	<u>-</u>	<u>191,460,668</u>
(13,881,068)	55,128	20,403,551
387,112,562	22,831,364	926,809,211
<u>\$ 373,231,494</u>	<u>\$ 22,886,492</u>	<u>\$ 947,212,762</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, 2018

Exhibit B-2R

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)	\$	20,403,551	
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	\$	163,470,181	
Depreciation Expense		<u>(101,091,022)</u>	62,379,159
The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is a decrease to net position.			(85,383)
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 increased by this amount this year.			4,391,832
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	\$	(184,725,000)	
Premium		<u>(4,013,104)</u>	(188,738,104)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.			86,205,000
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	\$	(260,677)	
Interest Accreted on the Capital Appreciation Bonds increased		(272,249)	
Amortization of Bond Premium		14,216,073	
Amortization of Deferred Gain on Refunding		99,111	
Amortization of Deferred Charge on Refunding		<u>(4,919,364)</u>	8,862,894
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.			537,612
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. The net change consists of the following:			
Deferred Outflows decreased	\$	(31,524,999)	
Deferred Inflows increased		(22,898,114)	
Net Pension Liability decreased		<u>45,064,483</u>	(9,358,630)
The net change in net OPEB 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. The net change consists of the following:			
Deferred Outflows increased	\$	1,522,578	
Deferred Inflows increased		(148,150,862)	
Net OPEB Liability decreased		<u>271,100,860</u>	124,472,576
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			<u>(306,221)</u>
Change in Net Position for Governmental Activities (Exhibit A-2)	\$		<u>108,764,286</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
PROPRIETARY FUNDS
JUNE 30, 2018

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	Cash and Cash Equivalents	\$ -	\$ 657,151
1120	Current Investments	3,582,856	10,416,485
1290	Other Receivables	1,569	-
	Total Current Assets	<u>3,584,425</u>	<u>11,073,636</u>
1000	Total Assets	<u>3,584,425</u>	<u>11,073,636</u>
LIABILITIES			
Current Liabilities:			
2110	Accounts Payable	40,235	-
2123	Claims Payable - Due within one year	-	1,627,735
2170	Due to Other Funds	2,516,719	-
2300	Unearned Revenues	680	-
	Total Current Liabilities	<u>2,557,634</u>	<u>1,627,735</u>
Noncurrent Liabilities:			
2590	Claims Payable - Due in more than one year	-	2,906,128
	Total Noncurrent Liabilities	<u>-</u>	<u>2,906,128</u>
2000	Total Liabilities	<u>2,557,634</u>	<u>4,533,863</u>
NET POSITION			
3900	Unrestricted	<u>1,026,791</u>	<u>6,539,773</u>
3000	Total Net Position	<u>\$ 1,026,791</u>	<u>\$ 6,539,773</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, 2018

Exhibit C-2

<u>Data Control Codes</u>	<u>Business-type Activities Enterprise Fund Community Programs</u>	<u>Governmental Activities Internal Service Fund Workers' Compensation</u>
OPERATING REVENUES		
5700 Charges for Services	\$ 9,724,036	\$ -
5700 Contributions from Employer	-	1,997,207
5020 Total Operating Revenues	<u>9,724,036</u>	<u>1,997,207</u>
OPERATING EXPENSES		
6100 Payroll Costs	6,127,118	58,495
6200 Purchased and Contracted Services	319,098	-
6300 Supplies and Materials	49,275	-
6400 Other Operating Expenses	465,485	2,402,116
6030 Total Operating Expenses	<u>6,960,976</u>	<u>2,460,611</u>
1200 Operating Income (Loss)	<u>2,763,060</u>	<u>(463,404)</u>
NONOPERATING REVENUES		
7000 Investment Earnings	42,746	157,183
7950 Total Nonoperating Revenues	<u>42,746</u>	<u>157,183</u>
Income (Loss) before Transfers	2,805,806	(306,221)
8911 Transfers Out	<u>(2,500,000)</u>	<u>-</u>
1300 Change in Net Position	305,806	(306,221)
0100 Net Position - Beginning	720,985	6,845,994
3000 Net Position - Ending	<u>\$ 1,026,791</u>	<u>\$ 6,539,773</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, 2018

Exhibit C-3

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund Community Programs</u>	<u>Internal Service Fund Workers' Compensation</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Employer	\$ -	\$ 1,997,207
Cash Received from Services Provided	11,641,381	-
Cash Payments for Claims	-	(2,240,985)
Cash Payments for Goods and Services	(810,076)	-
Cash Payments for Employees	(6,465,858)	(58,495)
Net Cash Provided by (Used for) Operating Activities	<u>4,365,447</u>	<u>(302,273)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to Other Funds	(2,500,000)	-
Net Cash Used for Noncapital Financing Activities	<u>(2,500,000)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends Received on Investments	42,746	164,500
Purchase of Investments	(2,080,586)	(1,713,074)
Net Cash Used for Investing Activities	<u>(2,037,840)</u>	<u>(1,548,574)</u>
Net Decrease in Cash and Cash Equivalents	(172,393)	(1,850,847)
Cash and Cash Equivalents at Beginning of Year	172,393	2,507,998
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ 657,151</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 2,763,060	\$ (463,404)
Change in Assets and Liabilities:		
Increase in Receivables	(1,569)	-
Increase in Accounts Payable/Claims Payable	23,782	161,131
Decrease in Accrued Wages Payable	(338,740)	-
Increase in Due to Other Funds	1,918,234	-
Increase in Unearned Revenue	680	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 4,365,447</u>	<u>\$ (302,273)</u>

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

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND
JUNE 30, 2018

Exhibit D-1

Data Control Codes		Agency Fund
	ASSETS	
1110	Cash and Cash Equivalents	\$ 59,505
1120	Current Investments	4,446,823
1290	Other Receivables	10,670
1000	Total Assets	\$ 4,516,998
	LIABILITIES	
2110	Accounts Payable	\$ 114,405
2190	Due to Student Groups	4,402,593
2000	Total Liabilities	\$ 4,516,998

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

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CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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. Change in Accounting Principle

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

The requirements of Statement No. 75 apply to the financial statements of all state and local government employers whose employees are provided postemployment benefits other than pensions (OPEB) that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governments in which the non-employer contributing entity (State) and District have a legal obligation to make contributions directly to such OPEB plan. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to the OPEB plan. Note disclosure and RSI requirements about the OPEB plan also are addressed. The implementation of Statement No. 75 has no impact on the District's governmental fund financial statements, which continue to report expenditures in the contribution amount determined legislatively. The calculation of OPEB contributions is unaffected by the change. However, the implementation has resulted in the restatement

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

of the District's beginning net position for the fiscal year 2018 government-wide financial statements to reflect the reporting of net OPEB liability and deferred inflows of resources and deferred outflows of resources for its qualified OPEB plan and the recognition of OPEB expense in accordance with the provisions of the Statement. Net position as of July 1, 2017 was decreased by \$621,715,600 to reflect the cumulative effect of implementation. An aggregate net OPEB liability of \$625,272,969 offset by aggregate deferred outflows of resources of \$3,557,369 at June 30, 2017 were reported as a prior period adjustment to the net position on July 1, 2017. Refer to Note IV, item E. for more information regarding the District's OPEB plan. At transition, a government recognizes a beginning deferred outflows of resources for its OPEB contributions, if any, made subsequent to the measurement date of the beginning net OPEB liability. Since the measurement date of the OPEB plan was different than the District's fiscal year-end, the District reported contributions to the plan subsequent to the respective measurement date as an increase in deferred outflows of resources and a decrease in net position. The beginning deferred outflows for OPEB includes contributions from September 1, 2016 through June 30, 2017, totaling \$3,557,369.

D. 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 fund financial statement reflects the District's agency fund. 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 property tax revenues to be available if they are collected within 60 days and all other revenues within 120 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, OPEB 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.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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.

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 type:

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.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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.

E. 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, 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.

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.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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 activities 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 acquisition 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.

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.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018.

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, 2018.

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 represent 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 that time. *Deferred inflows of resources* represent 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.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension and OPEB activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and OPEB 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 to the pension and OPEB plans after the measurement date are recognized in the subsequent year.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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 unrestricted (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.

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 assignment of funds to offset reductions in future state aid and future debt service payments.

The *unassigned* classification accounts for the residual amount in the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

11. Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

12. Other Post-Employment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting (see Note IV, item E and the RSI section immediately following the Notes to the Financial Statements). This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS-Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.

13. 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.

14. 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.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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 financial 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.

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, 2018, 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	\$ -	\$ -	\$ 2,155,440
Capital Projects Fund	183,747,002	-	-
Total Nonmajor Funds	562,554	296,104	-
Total Encumbrances	\$ 184,309,556	\$ 296,104	\$ 2,155,440

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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 2018, 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 Corporate Overnight Plus Fund may 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; SEC-regulated no-load money market mutual funds, the assets which consist exclusively of the obligations described above; and commercial paper rated A-1, P-1 or equivalent by two nationally recognized rating agencies. LOGIC is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by Hilltop Securities, 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 DST Asset Manager Solutions, 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.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

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.

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

	<u>Current Investments</u>	<u>Long-term Investments</u>	<u>Fair Value Measurement Using Significant Other Observable Inputs (Level 2)</u>	<u>Percent of Total Investments</u>	<u>Weighted Average Maturity (Days)</u>	<u>Weighted Average Credit Risk</u>
Investments Measured at Amortized Cost						
Investment Pools						
TexPool	\$ 77,396	\$ -	\$ -	0.01%	24	AAA ^m *
Investments Measured at Fair Value						
Investment Pools						
Lone Star Corporate Overnight Plus Fund	207,700,032	-	-	20.64%	50	AAA ^f /S1+*
Texas CLASS	270,386,748	-	-	26.87%	50	AAA ^m *
LOGIC	322,013,615	-	-	32.00%	30	AAA ^m *
Investments Measured at Fair Value						
Commercial Paper	14,832,044	-	14,832,044	1.48%	170	A-1/A-1+*
U.S. Government Agencies and Securities:						
Federal Farm Credit Bank	14,908,519	13,614,572	28,523,091	2.83%	442	Aaa/AA+**
Federal Home Loan Bank	27,258,530	25,631,358	52,889,888	5.26%	420	Aaa/AA+**
Federal Home Loan Mortgage Corp.	18,096,983	41,481,048	59,578,031	5.92%	548	Aaa/AA+**
Federal National Mortgage Association	22,822,701	15,090,700	37,913,401	3.77%	391	Aaa/AA+**
U.S. Treasury Notes	10,516,765	1,790,472	12,307,237	1.22%	136	Aaa/AAA***
Total	\$ 908,613,333	\$ 97,608,150	\$ 206,043,692	100.00%		
Portfolio Weighted Average Maturity					120	

* S&P rating only

**Moody's and S&P rating

***Moody's and Fitch rating

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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

Commercial Paper, 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.

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.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

The net decrease in the fair value of investments during the year ended June 30, 2018, is included in investment earnings as follows:

Investment Earnings	\$ 16,007,444
Net Decrease in Fair Value of Investments	(1,206,561)
Total Investment Earnings	\$ <u>14,800,883</u>

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	\$ 16,501,878	\$ 6,236,493	\$ -	\$ -	\$ 22,738,371
Due From Other Governments:					
State	87,269,217	-	-	1,078,366	88,347,583
Federal	747,136	215,668	-	23,977,186	24,939,990
Accrued Interest	394,494	-	288,050	-	682,544
Other Receivables	899,811	-	1,682,545	47,370	2,629,726
Gross Receivables	<u>105,812,536</u>	<u>6,452,161</u>	<u>1,970,595</u>	<u>25,102,922</u>	<u>139,338,214</u>
Less: Allowance for Uncollectibles	(3,903,860)	(1,501,651)	-	-	(5,405,511)
Net Total Receivables	\$ <u>101,908,676</u>	\$ <u>4,950,510</u>	\$ <u>1,970,595</u>	\$ <u>25,102,922</u>	\$ <u>133,932,703</u>

Fifty-six percent of property taxes receivable is not scheduled to be collected in the subsequent year.

Receivables in the fiduciary fund consists of \$567 in returned checks from customers and \$10,103 due from other funds. Receivables in the enterprise fund consists of \$1,569 due from the fiduciary fund.

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:

	Unearned
Cash Advance for Federal Grants (Nonmajor Governmental Funds)	\$ <u>4,777,431</u>
Total Unearned Revenues For Governmental Funds	\$ <u>4,777,431</u>

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

C. Capital Assets

Capital asset activity for the year ended June 30, 2018, 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	\$ 105,621,895	\$ 4,301,054	\$ 581,786	\$ 110,504,735
Construction in Progress	82,813,018	52,549,961	(37,789,780)	97,573,199
<i>Total Capital Assets, not being Depreciated</i>	<u>188,434,913</u>	<u>56,851,015</u>	<u>(37,207,994)</u>	<u>208,077,934</u>
Capital Assets, being Depreciated:				
Buildings and Improvements	2,419,065,368	99,833,673	37,207,994	2,556,107,035
Furniture and Equipment	245,199,329	6,785,493	(1,228,223)	250,756,599
<i>Total Capital Assets, being Depreciated</i>	<u>2,664,264,697</u>	<u>106,619,166</u>	<u>35,979,771</u>	<u>2,806,863,634</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(754,997,082)	(77,334,784)	-	(832,331,866)
Furniture and Equipment	(142,548,799)	(23,756,238)	1,142,840	(165,162,197)
<i>Total Accumulated Depreciation</i>	<u>(897,545,881)</u>	<u>(101,091,022)</u>	<u>1,142,840</u>	<u>(997,494,063)</u>
<i>Total Capital Assets, being Depreciated, net</i>	<u>1,766,718,816</u>	<u>5,528,144</u>	<u>37,122,611</u>	<u>1,809,369,571</u>
Governmental Activities Capital Assets, net	<u>\$ 1,955,153,729</u>	<u>\$ 62,379,159</u>	<u>\$ (85,383)</u>	<u>\$ 2,017,447,505</u>

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

Governmental Activities:	
11 Instruction	\$ 48,943,772
12 Instructional Resources and Media Services	2,940,545
23 School Leadership	10,587,222
33 Health Services	4,456
34 Student Transportation	11,904,242
35 Food Services	5,870,514
36 Cocurricular/Extracurricular Activities	12,925,982
41 General Administration	1,672,134
51 Plant Maintenance and Operations	2,048,683
52 Security and Monitoring Services	1,756,824
53 Data Processing Services	2,420,946
61 Community Services	15,702
<i>Total Depreciation Expense</i>	<u>\$ 101,091,022</u>

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Construction Commitments

The District has active construction projects as of June 30, 2018. 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)	\$ 278,481
Additions and Renovations to Existing Facilities	102,843,945
High School Track Improvements	1,416,901
District-wide Security Enhancements	1,962,161
Moore Elementary School Restoration	5,469,096
Matzke Elementary School (replacement)	72,772
<i>Totals</i>	\$ <u><u>112,043,356</u></u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2018, is as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Funds:		
General Fund	\$ 81,920,014	\$ 39,984,535
Debt Service Fund	3,932,981	27,710,696
Capital Projects Fund	-	1,571,919
Nonmajor Governmental Funds	5,335,793	19,404,919
<i>Total Governmental Funds</i>	<u>91,188,788</u>	<u>88,672,069</u>
Proprietary Funds:		
Enterprise Fund	-	2,516,719
<i>Total Proprietary Funds</i>	<u>-</u>	<u>2,516,719</u>
<i>Total - All Funds</i>	\$ <u><u>91,188,788</u></u>	\$ <u><u>91,188,788</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, 2018, is as follows:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
Enterprise Fund	General Fund	\$ 2,500,000

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
JUNE 30, 2018

E. Long-term Liabilities

The District's long-term liabilities consist of bond indebtedness, workers' compensation, compensated absences, net pension liability and net OPEB liability. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. Current funding requirements for workers' compensation, pension, and OPEB plans are accounted for in the governmental and proprietary funds. Other unfunded 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, 2018, 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	\$ 2,419,435,000	\$ 261,730,000	\$ (163,210,000)	\$ 2,517,955,000	\$ 88,520,000
Accreted Interest on Capital					
Appreciation Bonds	5,686,244	272,249	-	5,958,493	-
Issuance Premiums(Discounts)	250,688,923	4,013,104	(14,216,073)	240,485,954	-
Total Bonds Payable, net	2,675,810,167	266,015,353	(177,426,073)	2,764,399,447	88,520,000
Workers' Compensation	4,372,732	1,914,614	(1,753,483)	4,533,863	1,627,735
Compensated Absences	7,577,275	1,417,519	(1,955,131)	7,039,663	2,007,922
Net Pension Liability	255,755,374	22,122,019	(67,186,502)	210,690,891	-
Net OPEB Liability *	625,272,969	59,936	(271,160,796)	354,172,109	-
Total Long-term Liabilities	\$ 3,568,788,517	\$ 291,529,441	\$ (519,481,985)	\$ 3,340,835,973	\$ 92,155,657

*Per GASB 75, beginning balance for net OPEB liability includes the restatement of net OPEB liability July 1, 2017.

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 6.6% in fiscal year 2018.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

The following is a summary of changes in the general obligation bonds for the fiscal year:

Series	Interest Rate Payable	Amounts Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
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	109,460,000	-	(27,820,000)	81,640,000
Series 2005A	3.50-5.00%	131,100,000	2030	16,500,000	-	-	16,500,000
Series 2007 (CAB)	-	1,385,000	2019	505,000	-	-	505,000
Series 2007A	4.00-5.00%	40,380,000	2020	11,535,000	-	(4,495,000)	7,040,000
Series 2009A	3.00-5.00%	33,510,000	2025	21,260,000	-	(2,225,000)	19,035,000
Series 2009B	6.53-6.63%	191,465,000	2038	191,465,000	-	-	191,465,000
Series 2010A	-	30,000,000	2026	18,000,000	-	(2,000,000)	16,000,000
Series 2010B	5.41-5.41%	25,140,000	2026	14,895,000	-	(1,655,000)	13,240,000
Series 2011	2.00-5.00%	28,390,000	2021	19,475,000	-	(7,560,000)	11,915,000
Series 2012	2.00-5.00%	106,920,000	2028	99,900,000	-	(1,195,000)	98,705,000
Series 2012A	2.00-5.00%	75,965,000	2038	70,580,000	-	(2,320,000)	68,260,000
Series 2013	2.00-5.00%	145,845,000	2027	137,570,000	-	(7,550,000)	130,020,000
Series 2014A	2.00-5.00%	40,340,000	2032	38,075,000	-	(950,000)	37,125,000
Series 2014B	1.40-3.00%	114,680,000	2044	114,680,000	77,005,000	(77,005,000)	114,680,000
Series 2014C	1.00-5.00%	435,740,000	2044	427,640,000	-	(3,895,000)	423,745,000
Series 2015	4.00-5.00%	308,045,000	2035	308,045,000	-	(6,265,000)	301,780,000
Series 2015A	2.00-5.00%	209,045,000	2040	204,435,000	-	(3,735,000)	200,700,000
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	-	(14,540,000)	431,630,000
Series 2017A	2.00-3.00%	184,725,000	2043	-	184,725,000	-	184,725,000
Totals				\$ 2,419,435,000	\$ 261,730,000	\$ (163,210,000)	\$ 2,517,955,000

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.

Description	Accreted Value	Stated Value	Ending Value Accreted Interest
2007	\$ 6,463,493	\$ 505,000	\$ 5,958,493

As of June 30, 2018, the District had \$358,810,500 in authorized but unissued bonds remaining from the May 10, 2014 bond election.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

In November 2017, the District issued \$184,725,000 of variable rate unlimited tax school building bonds (Series 2017A). The 2017A series is comprised of three subseries, \$62,500,000 (Series 2017A-1), \$61,715,000 (Series 2017A-2), and \$60,510,000 (Series 2017A-3). The bonds were issued as term bonds scheduled to mature on February 15 of years 2027, 2036, and 2043, respectively. 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 on a weekly rate, monthly rate, quarterly rate, semiannual rate, or a different term 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 all variable rate unlimited tax school building bonds issued by the District:

Variable Rate Unlimited Tax School Building Bonds

	Principal Amount	Issue Date	End of Initial Period	Stated Maturity Date	Initial/ Remarketed Interest Rate	Initial/ Remarketed Yield	Stepped Rate
Series 2014B-1	\$ 37,675,000	3/1/2014	8/15/2019	2/15/2036	3.00%	1.640%	7%
Series 2014B-2	37,625,000	3/1/2014	8/15/2017	2/15/2040	1.40%	1.400%	7%
Series 2014B-3	39,380,000	3/1/2014	8/15/2015	2/15/2044	1.40%	1.400%	7%
Series 2015B-1	49,740,000	11/1/2015	8/15/2016	2/15/2040	2.00%	0.530%	8%
Series 2015B-2	48,015,000	11/1/2015	8/15/2018	2/15/2040	3.00%	1.200%	8%
Series 2015B-3	45,990,000	11/1/2015	8/15/2019	2/15/2040	4.00%	1.400%	8%
Series 2017A-1	62,500,000	10/1/2017	8/15/2018	2/15/2027	2.00%	0.220%	7%
Series 2017A-2	61,715,000	10/1/2017	8/15/2019	2/15/2036	2.50%	1.360%	7%
Series 2017A-3	60,510,000	10/1/2017	8/17/2020	2/15/2043	3.00%	1.500%	7%

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 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, 2021.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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

Year Ending June 30	Principal Value At Maturity	Interest	Total Requirements
2019	\$ 88,520,000	\$ 116,884,559	\$ 205,404,559
2020	97,185,000	110,803,593	207,988,593
2021	104,180,000	109,776,362	213,956,362
2022	112,835,000	106,879,240	219,714,240
2023	117,670,000	101,574,304	219,244,304
2024	114,270,000	95,986,969	210,256,969
2025	119,515,000	90,656,658	210,171,658
2026	124,980,000	84,793,573	209,773,573
2027	130,645,000	78,926,718	209,571,718
2028	135,285,000	72,685,709	207,970,709
2029	142,730,000	66,081,432	208,811,432
2030	149,095,000	59,419,363	208,514,363
2031	98,330,000	52,529,274	150,859,274
2032	102,340,000	47,882,403	150,222,403
2033	105,990,000	43,106,795	149,096,795
2034	110,185,000	38,089,078	148,274,078
2035	114,710,000	32,887,352	147,597,352
2036	88,915,000	27,318,679	116,233,679
2037	90,070,000	22,684,369	112,754,369
2038	93,810,000	18,048,704	111,858,704
2039	63,605,000	13,218,950	76,823,950
2040	66,145,000	10,272,650	76,417,650
2041	47,225,000	7,208,900	54,433,900
2042	34,825,000	4,986,000	39,811,000
2043	36,310,000	3,064,350	39,374,350
2044	28,585,000	1,429,250	30,014,250
Totals	\$ 2,517,955,000	\$ 1,417,195,234	\$ 3,935,150,234

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.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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	\$ 493,779,607	\$ 194,667,926	\$ -	\$ -	\$ 688,447,533
Penalties, Interest, and Other Tax- Related Income	3,157,635	1,140,887	-	-	4,298,522
Charges for Services	7,112,560	-	-	29,239,758	36,352,318
Investment Earnings	6,134,349	1,722,946	6,570,703	172,956	14,600,954
Other	13,697,871	215,668	6,508,771	47,271	20,469,581
Totals	\$ 523,882,022	\$ 197,747,427	\$ 13,079,474	\$ 29,459,985	\$ 764,168,908

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, 2018 was \$4,533,863 and has been fully funded through general fund and nonmajor funds contributions.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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>6/30/2018</u>	<u>Year Ended</u> <u>6/30/2017</u>
Unpaid Claims, Beginning of Fiscal Year	\$ 4,372,732	\$ 4,273,509
Incurred Claims (including IBNRs)	1,914,614	1,623,673
Claim Payments	(1,753,483)	(1,524,450)
Unpaid Claims, End of Fiscal Year	<u>\$ 4,533,863</u>	<u>\$ 4,372,732</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 2018, \$49,740,000 (Series 2015B-1), \$48,015,000 (Series 2015B-2), and \$62,500,000 (Series 2017A-1) of the District's variable rate unlimited tax schoolhouse building bonds were remarketed at a rate of 2.125%. The remarketing was to a new term rate period beginning on the conversion date of August 15, 2018 and ending on August 16, 2021.

In September 2018, the Board approved an order authorizing the issuance of \$200,000,000 Series 2018 unlimited tax school building bonds.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

D. Defined Benefit Pension Plan

Plan Description

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

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

Pension Plan Fiduciary Net Position

Detailed information about the 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.

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan Description above.

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2016 through 2018. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for plan fiscal years 2016 and 2017. The 85th Texas Legislature, GAA established the employer contribution rates for plan fiscal year 2018. Rates for such plan fiscal years are as follows:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Member	7.7%	7.7%	7.2%
Non-Employer Contributing Entity (NECE - 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 2018 are as follows:

District Contributions	\$	22,641,715
Member Contributions		56,108,527
NECE On-behalf Contributions (State)		35,330,427

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 GAA.

As the NECE 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

JUNE 30, 2018

Actuarial Assumptions

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

Valuation Date	August 31, 2017
Actuarial Cost Method	Individual entry age normal
Asset Valuation Method	Market value
Single Discount Rate	8.00%
Long-term Expected Rate	8.00%
Municipal Bond Rate	N/A*
Last year ending August 31 in the 2017 to 2116 projection period (100 years)	2116
Inflation	2.50%
Salary Increases	3.50% to 9.50% including inflation
Ad hoc Post-employment Benefit Changes	None

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

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

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

Discount Rate

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8.0%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System’s target asset allocation as of August 31, 2017 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, 2018

Discount Rate Sensitivity Analysis

The following schedule 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% less than (7%) or 1% greater than (9%) the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Discount Rate Assumptions	\$ 355,183,214	\$ 210,690,891	\$ 90,377,580

District Proportion of Net Pension Liability

At June 30, 2018, the District reported a liability of \$210,690,891 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	\$ 210,690,891
State's Proportionate Share of the Net Pension Liability Associated with the District	335,905,736
Total	\$ <u>546,596,627</u>

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

At August 31, 2017, the District’s proportion of the collective net pension liability was .6589318% which was a decrease of .0178754% from its proportion measured as of August 31, 2016. The change in the District’s proportion of the net pension liability was primarily due to proportionality adjustments for contributions. Since the proportionality settle-up for the appropriation year (2017) occurs in the following year, the settle-up amounts are excluded from the measurement year (2017) amounts.

Changes Since the Prior Actuarial Valuation

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

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

For the year ended June 30, 2018, the District recognized pension expense of \$34,980,183 and revenue of \$25,621,553 for support provided by the State.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

At June 30, 2018, the District reported its contribution after the measurement date and its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,082,503	\$ 11,362,283
Changes of Assumptions	9,597,304	5,494,233
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	15,354,692
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions (Cost-Sharing Plan)	48,581,063	5,432,265
District Contribution after Measurement Date	19,148,330	-
Totals	\$ 80,409,200	\$ 37,643,473

The \$19,148,330 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, 2019. Other amounts reported as deferred outflows of resources (deferred inflows of resources) related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2019	\$ 3,957,362
2020	17,406,308
2021	2,924,013
2022	(1,127,343)
2023	1,360,209
Thereafter	(903,152)
Totals	\$ 23,617,397

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

E. Defined Other Post-Employment Benefit Plan

Plan Description

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

OPEB Plan Fiduciary Net Position

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

Benefits Provided

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

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

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with 20 to 29 years of service for the optional standard plan with Medicare Part A and Part B.

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

	<u>TRS-Care 1</u> <u>Basic Plan</u>	<u>TRS-Care 2</u> <u>Optional Plan</u>	<u>TRS-Care 3</u> <u>Optional Plan</u>
Retiree*	\$ -	\$ 70	\$ 100
Retiree and Spouse	20	175	255
Retiree* and Children	41	132	182
Retiree and Family	61	237	337
Surviving Children Only	28	62	82

* or surviving spouse

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Contributions

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Active Employee	0.65%	0.65%	0.65%
Non-employer Contribution Entity (State)	1.25%	1.00%	1.00%
Employers/District	0.75%	0.55%	0.55%
Federal/Private Funding Remitted by Employers	1.25%	1.00%	1.00%

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

District Contributions	\$	5,700,261
Member Contributions		4,736,434
NECE On-behalf Contributions (State)		12,911,822

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$15.6 million in fiscal year 2017 and \$212 million in fiscal year 2018.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

Actuarial Assumptions

The actuarial valuation of TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including mortality, and most of the economic assumptions are identical to those which were adopted by the Board in 2015 and are based on the 2014 actuarial experience study of TRS.

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates were based on the 2015 TRS of Texas Healthy Pensioner Mortality Tables.

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions employed in the August 31, 2017 TRS annual pension actuarial valuation:

Rates of Mortality	General inflation
Rates of Retirement	Wage inflation
Rates of Termination	Expected payroll growth
Additional Actuarial Methods and Assumptions:	
Valuation Date	August 31, 2017
Actuarial Cost Method	Individual entry age normal
Inflation	2.50%
Discount Rate*	3.42%*
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs.
Payroll Growth Rate	2.50%
Projected Salary Increases**	3.50% to 9.50%**
Healthcare Trend Rates***	4.50% to 12.00%***
Election Rates	Normal retirement: 70% participation prior to age 65 and 75% participation after age 65
Ad hoc Post-employment Benefit Changes	None

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

**Includes inflation at 2.50%

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

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

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

Discount Rate

A single discount rate of 3.42% was used to measure the total OPEB liability. There was a change of .44% in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to *not be able to* make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of August 31, 2017. Best estimates of geometric real rates of return for each major asset class included in the systems target allocation as of August 31, 2017 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%
<i>Total</i>	100.00%		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, 2018

Sensitivity of the Net OPEB Liability:

Discount Rate

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.42%) in measuring the Net OPEB liability:

	1% Decrease (2.42%)	Current Single Discount Rate (3.42%)	1% Increase (4.42%)
Single Discount Rate Assumptions	\$ 418,011,012	\$ 354,172,109	\$ 302,860,024

Healthcare Cost Trend Rates

The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% less than and 1% greater than the assumed health care cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Healthcare Cost Trend Rate Assumptions	\$ 294,883,664	\$ 354,172,109	\$ 431,966,021

District Proportion of Net OPEB Liability

At June 30, 2018, the District reported a liability of \$354,172,109 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's Proportionate Share of the Net OPEB Liability	\$ 354,172,109
State's Proportionate Share of the Net OPEB Liability Associated with the District	554,705,104
Total	\$ 908,877,213

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

At August 31, 2017, the District's proportion of the collective net OPEB liability was .8144462% which was the same proportion measured as of August 31, 2016.

Changes Since the Prior Actuarial Valuation

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

1. Significant plan changes were adopted during fiscal year ending August 31, 2017. Effective January 1, 2018, only one health plan option is made available (instead of three), and all retirees are required to contribute monthly premiums for coverage. The health plan changes triggered changes to several of the assumptions, including participation rates, retirement rates, and spousal participation rates.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

2. The August 31, 2016 valuation had assumed that the savings related to the Medicare Part D reimbursement would phase out by 2022. This assumption was removed for the August 31, 2017 valuation. Although there is uncertainty regarding these federal subsidies, the new assumption better reflects the current substantive plan. This change was unrelated to the plan amendment, and its impact was included as an assumption change in the reconciliation of the total OPEB liability. This change significantly lowered the OPEB liability.
3. The discount rate changed from 2.98% as of August 31, 2016 to 3.42% as of August 31, 2017. This change lowered the total OPEB liability.

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

For the year ended June 30, 2018, the District recognized a reduction of OPEB revenue and expense of (\$185,619,077) from the non-employer contributing entity (NECE) and a total reduction in OPEB expense of (\$310,091,653) from current year OPEB activities and the effect of the NECE on-behalf.

At June 30, 2018, the District reported its contribution after the measurement date and its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ -	\$ 7,393,612
Changes of Assumptions	-	140,757,250
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	53,800	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions (Cost-Sharing Plan)	1,637	-
District Contributions after Measurement Date	5,024,510	-
Totals	\$ 5,079,947	\$ 148,150,862

The \$5,024,510 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2019. Other amounts reported as deferred outflows of resources (deferred inflows of resources) related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	
2019	\$ (19,541,363)
2020	(19,541,363)
2021	(19,541,363)
2022	(19,541,363)
2023	(19,554,813)
Thereafter	(50,375,160)
Totals	\$ (148,095,425)

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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, five 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	\$	1,302,185
Klein ISD		593,074
Spring ISD		12,736
Spring Branch ISD		481,189
Tomball ISD		102,690
Waller ISD		128,162
Totals	\$	<u>2,620,036</u>

G. Nonmonetary Transactions

During 2018, the District received textbooks purchased by the State of Texas for the benefit of the District for a purchase price of \$3,538,772. 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.

H. Prior Period Adjustment

Net position at July 1, 2017 was restated per the following table for the implementation of GASB 75, as previously described in more detail in Note I, item C:

		Governmental
		Activities
Beginning Net Position, as Previously Reported	\$	74,158,462
Implementation of GASB 75 for OPEB		(621,715,600)
Beginning Net Position, Restated	\$	<u>(547,557,138)</u>

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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, 2018

Data Control Codes		Budgeted Amounts			Variance with Final Budget Positive (Negative)
		Original	Final Amended	Actual	
REVENUES					
5700	Local, Intermediate, and Out-of-State	\$ 536,512,608	\$ 530,524,726	\$ 523,882,022	\$ (6,642,704)
5800	State Programs	357,509,108	376,508,424	370,168,779	(6,339,645)
5900	Federal Programs	7,950,000	8,524,880	10,116,930	1,592,050
5020	Total Revenues	<u>901,971,716</u>	<u>915,558,030</u>	<u>904,167,731</u>	<u>(11,390,299)</u>
EXPENDITURES					
Current:					
0011	Instruction	607,103,690	589,563,184	571,870,236	17,692,948
0012	Instructional Resources and Media Services	8,079,434	8,381,757	8,006,623	375,134
0013	Curriculum and Instructional Staff Development	10,066,649	11,245,436	10,305,146	940,290
0021	Instructional Leadership	8,349,551	8,142,536	7,657,587	484,949
0023	School Leadership	47,710,208	48,014,091	47,905,044	109,047
0031	Guidance, Counseling, and Evaluation Services	33,826,208	34,231,128	33,971,788	259,340
0032	Social Work Services	1,116,278	1,216,278	1,081,852	134,426
0033	Health Services	10,925,973	10,804,538	10,714,949	89,589
0034	Student Transportation	43,558,158	44,495,526	42,800,153	1,695,373
0036	Cocurricular/Extracurricular Activities	19,250,458	20,954,278	20,620,595	333,683
0041	General Administration	16,967,487	17,354,567	16,222,364	1,132,203
0051	Plant Maintenance and Operations	77,394,455	80,189,733	75,583,091	4,606,642
0052	Security and Monitoring Services	9,420,774	12,819,162	12,037,040	782,122
0053	Data Processing Services	10,961,524	10,995,176	10,060,851	934,325
0061	Community Services	8,993,305	9,731,762	8,559,642	1,172,120
Capital Outlay:					
0081	Facilities Acquisition and Construction	335,000	675,000	101,739	573,261
Intergovernmental:					
0093	Payments to Fiscal Agents SSA	1,390,000	1,590,000	1,302,185	287,815
0095	Payments to Juvenile Justice Alternative Education Programs	55,000	15,000	3,597	11,403
0099	Other Intergovernmental Charges	4,975,000	5,275,000	5,164,085	110,915
6030	Total Expenditures	<u>920,479,152</u>	<u>915,694,152</u>	<u>883,968,567</u>	<u>31,725,585</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(18,507,436)</u>	<u>(136,122)</u>	<u>20,199,164</u>	<u>20,335,286</u>
OTHER FINANCING SOURCES					
7912	Sale of Real and Personal Property	300,000	500,000	222,564	(277,436)
7915	Transfers In	-	1,000,000	2,500,000	1,500,000
7080	Total Other Financing Sources	<u>300,000</u>	<u>1,500,000</u>	<u>2,722,564</u>	<u>1,222,564</u>
1200	Net Change in Fund Balance	(18,207,436)	1,363,878	22,921,728	21,557,850
0100	Fund Balance - Beginning	427,498,598	427,498,598	427,498,598	-
3000	Fund Balance - Ending	<u>\$ 409,291,162</u>	<u>\$ 428,862,476</u>	<u>\$ 450,420,326</u>	<u>\$ 21,557,850</u>

See accompanying notes to the required supplementary information.

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CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT

Exhibit F-1

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 YEARS ENDED JUNE 30*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension Liability	0.6589318%	0.6768072%	0.6471498%	0.4188559%
District's Proportionate Share of the Net Pension Liability	\$ 210,690,891	\$ 255,755,374	\$ 228,758,840	\$ 111,882,203
State's Proportionate Share of the Net Pension Liability Associated with the District	335,905,736	391,578,041	368,469,604	321,404,296
Total	<u>\$ 546,596,627</u>	<u>\$ 647,333,415</u>	<u>\$ 597,228,444</u>	<u>\$ 433,286,499</u>
District's Covered Payroll	\$ 702,805,721	\$ 680,099,389	\$ 626,151,328	\$ 599,076,682
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	29.98%	37.61%	36.53%	18.68%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	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 TO THE PENSION PLAN
TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)
FOR THE YEARS ENDED JUNE 30*

Exhibit F-2

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contributions	\$ 22,641,715	\$ 21,580,068	\$ 21,172,504	\$ 17,891,734
Contributions in Relation to the Contractually Required Contributions	<u>22,641,715</u>	<u>21,580,068</u>	<u>21,172,504</u>	<u>17,891,734</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 728,682,163	\$ 699,416,288	\$ 672,248,677	\$ 621,711,093
Contributions as a Percentage of Covered Payroll	3.11%	3.09%	3.15%	2.88%

* The amounts presented for the fiscal year were determined as of the District's fiscal year end June 30.
Ten years of data is not available.

See accompanying notes to the required supplementary information.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT

Exhibit F-3

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

OF A COST-SHARING MULTIPLE-EMPLOYER OPEB PLAN

TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)

FOR THE YEAR ENDED JUNE 30*

	<u>2018</u>
District's Proportion of the Net OPEB Liability	0.8144462%
District's Proportionate Share of the Net OPEB Liability	\$ 354,172,109
State's Proportionate Share of the Net OPEB Liability Associated with the District	554,705,104
<i>Total</i>	<u><u>\$ 908,877,213</u></u>
District's Covered Payroll	\$ 702,805,721
District's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll	50.39%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.91%

* 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 TO THE OPEB PLAN
TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)
FOR THE YEAR ENDED JUNE 30*

Exhibit F-4

	<u>2018</u>
Contractually Required Contributions	\$ 5,700,261
Contributions in Relation to the Contractually Required Contributions	<u>5,700,261</u>
Contribution Deficiency (Excess)	\$ <u><u>-</u></u>
District's Covered Payroll	\$ 728,682,163
Contributions as a Percentage of Covered Payroll	0.78%

* The amounts presented for the fiscal year were determined as of the District's fiscal year end, June 30.
Ten years of data is not available.

See accompanying notes to the required supplementary information.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

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 \$13,586,314 to estimated revenues in the final amended budget was primarily due to an increase in state revenue for additional at-risk funding for Hurricane Harvey and the approval of a prior year property value study.

The net decrease of \$4,785,000 to appropriations in the final amended budget was primarily due to TEA approval of student-to-teacher ratios.

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

II. Pension

Actuarial Methods and Assumptions used to determine Contribution Rate - The information presented below was used for determining the actuarially determined Teacher Retirement System of Texas (TRS) contribution rate used for funding purposes, as noted in Exhibit F-2. The methods and assumptions are as follows:

Valuation Date	August 31, 2017
Actuarial Cost Method	Ultimate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Floating
Remaining Amortization Period	34 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%

Actuarially determined contribution rates are calculated as of August 31 of the preceding fiscal year. Members and employers are based upon statutorily fixed rates.

III. OPEB

Actuarial Methods and Assumptions used to determine Contribution Rate – The information presented above was used for determining the actuarially determined TRS contribution rate used for funding purposes, as noted in Exhibit F-4. All of the demographic assumptions (rates of retirement, termination, and disability) and most of the economic assumptions (general inflation, salary increases, and general payroll growth) used in the OPEB valuation are identical to those used in the respective annual TRS pension valuation.

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, 2018

Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final Amended	Actual		
REVENUES					
5700	Local, Intermediate, and Out-of-State	\$ 186,055,026	\$ 194,805,026	\$ 197,747,427	\$ 2,942,401
5800	State Programs	3,662,951	3,662,951	3,765,936	102,985
5900	Federal Programs	4,874,373	4,874,373	4,882,226	7,853
5020	Total Revenues	<u>194,592,350</u>	<u>203,342,350</u>	<u>206,395,589</u>	<u>3,053,239</u>
EXPENDITURES					
Debt Service:					
0071	Principal on Long-term Debt	81,330,628	86,205,000	86,205,000	-
0072	Interest on Debt	108,387,349	108,538,328	108,538,328	-
0073	Bond Issuance Costs and Fees	4,874,373	1,628,951	1,582,602	46,349
6030	Total Expenditures	<u>194,592,350</u>	<u>196,372,279</u>	<u>196,325,930</u>	<u>46,349</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>6,970,071</u>	<u>10,069,659</u>	<u>3,099,588</u>
OTHER FINANCING SOURCES (USES)					
7911	Issuance of Bonds	-	77,005,000	77,005,000	-
7916	Premium from Issuance of Bonds	-	1,238,104	1,238,104	-
8949	Payment to Refunded Bonds Escrow Agent	-	(77,005,000)	(77,005,000)	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>1,238,104</u>	<u>1,238,104</u>	<u>-</u>
1200	Net Change in Fund Balance	-	8,208,175	11,307,763	3,099,588
0100	Fund Balance- Beginning	<u>89,366,687</u>	<u>89,366,687</u>	<u>89,366,687</u>	<u>-</u>
3000	Fund Balance - Ending	<u>\$ 89,366,687</u>	<u>\$ 97,574,862</u>	<u>\$ 100,674,450</u>	<u>\$ 3,099,588</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.

Child Care and Development Block Grant

Accounts on a project basis for funds granted for Child Care and Development – the primary federal funding source to help certain low-income families access child care and to improve the quality of child care for all children.

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.

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.

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.

SPECIAL REVENUE FUNDS (Continued)

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, 2018

	203	206	211
<u>Data Control Codes</u>	<u>Child Care and Development Block Grant</u>	<u>ESEA Title X Part C Homeless Children and Youth</u>	<u>ESEA Title I Part A Improving Basic Programs</u>
ASSETS			
1110	\$ -	\$ -	\$ -
1120	-	-	428,102
1240	154,359	8,635	4,555,234
1260	-	-	-
1290	-	-	-
1300	-	-	-
1000	<u>\$ 154,359</u>	<u>\$ 8,635</u>	<u>\$ 4,983,336</u>
LIABILITIES			
2110	\$ 30,152	\$ -	\$ 116,501
2160	17,603	2,430	2,455,781
2170	106,604	6,205	2,411,054
2300	-	-	-
2000	<u>154,359</u>	<u>8,635</u>	<u>4,983,336</u>
FUND BALANCES			
Restricted For:			
3450	-	-	-
Committed To:			
3545	-	-	-
3000	<u>-</u>	<u>-</u>	<u>-</u>
4000	<u>\$ 154,359</u>	<u>\$ 8,635</u>	<u>\$ 4,983,336</u>

224	225	240	244
<u>IDEA Part B Formula</u>	<u>IDEA Part B Preschool</u>	<u>National School Breakfast and Lunch Program</u>	<u>Career and Technical Basic Grant</u>
\$ -	\$ -	\$ 243,434	\$ -
-	-	10,987,539	-
3,406,641	42,303	484,002	94,088
20	-	2,324	6,423
463	-	4,074	-
-	-	3,690,937	-
<u>\$ 3,407,124</u>	<u>\$ 42,303</u>	<u>\$ 15,412,310</u>	<u>\$ 100,511</u>
\$ 37,600	\$ -	\$ 161,867	\$ 878
1,914,334	18,614	398,134	25,095
1,455,190	23,689	106,979	74,538
-	-	-	-
<u>3,407,124</u>	<u>42,303</u>	<u>666,980</u>	<u>100,511</u>
-	-	14,745,330	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>14,745,330</u>	<u>-</u>
<u>\$ 3,407,124</u>	<u>\$ 42,303</u>	<u>\$ 15,412,310</u>	<u>\$ 100,511</u>

Continued

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
JUNE 30, 2018

<u>Data Control Codes</u>	255	263	272
	<u>ESEA Title II Part A Teacher/Principal Train/Recruit</u>	<u>ESEA Title III Part A English Language Acquisition and Enhancement</u>	<u>Medicaid Administrative Claiming Program</u>
ASSETS			
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ 277,137
1120 Current Investments	-	-	-
1240 Due from Other Governments	330,460	430,735	55,889
1260 Due from Other Funds	-	1,431	-
1290 Other Receivables	13,000	-	-
1300 Inventories, at Cost	-	-	-
1000 Total Assets	\$ 343,460	\$ 432,166	\$ 333,026
LIABILITIES			
2110 Accounts Payable	\$ 22,591	\$ -	\$ 1,535
2160 Accrued Wages Payable	105,643	269,258	-
2170 Due to Other Funds	215,226	162,908	-
2300 Unearned Revenues	-	-	-
2000 Total Liabilities	343,460	432,166	1,535
FUND BALANCES			
Restricted For:			
3450 Grants	-	-	331,491
Committed To:			
3545 Campus Activities	-	-	-
3000 Total Fund Balances	-	-	331,491
4000 Total Liabilities and Fund Balances	\$ 343,460	\$ 432,166	\$ 333,026

289	315	340	385
Federally Funded Special Revenue Funds	SSA IDEA Part B Discretionary	SSA IDEA Part C Early Intervention (Deaf)	State Supplemental Visually Impaired
\$ 166,097	\$ -	\$ -	\$ -
-	-	-	-
14,539,400	27,556	2,243	-
8,975	-	-	-
-	-	-	29,000
-	-	-	-
<u>\$ 14,714,472</u>	<u>\$ 27,556</u>	<u>\$ 2,243</u>	<u>\$ 29,000</u>
\$ 1,778	\$ -	\$ -	\$ -
214,609	17,455	2,240	-
14,191,170	10,101	3	29,000
-	-	-	-
<u>14,407,557</u>	<u>27,556</u>	<u>2,243</u>	<u>29,000</u>
306,915	-	-	-
-	-	-	-
306,915	-	-	-
<u>\$ 14,714,472</u>	<u>\$ 27,556</u>	<u>\$ 2,243</u>	<u>\$ 29,000</u>

Continued

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
JUNE 30, 2018

	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	-	63,500	-
1260 Due from Other Funds	16,486	4,887,164	542
1290 Other Receivables	-	-	-
1300 Inventories, at Cost	-	-	-
1000 Total Assets	\$ 16,486	\$ 4,950,664	\$ 542
LIABILITIES			
2110 Accounts Payable	\$ -	\$ 212,707	\$ -
2160 Accrued Wages Payable	-	-	-
2170 Due to Other Funds	-	-	-
2300 Unearned Revenues	16,486	4,737,957	542
2000 Total Liabilities	16,486	4,950,664	542
FUND BALANCES			
Restricted For:			
3450 Grants	-	-	-
Committed To:			
3545 Campus Activities	-	-	-
3000 Total Fund Balances	-	-	-
4000 Total Liabilities and Fund Balances	\$ 16,486	\$ 4,950,664	\$ 542

435	461	499	Total Nonmajor Governmental Funds
SSA Regional Day School for the Deaf	Campus Activity Funds	Locally Funded Special Revenue Funds	
\$ -	\$ 275,309	\$ -	\$ 961,977
-	7,422,244	-	18,837,885
860,507	-	-	25,055,552
353,560	34,224	24,644	5,335,793
-	833	-	47,370
-	-	-	3,690,937
<u>\$ 1,214,067</u>	<u>\$ 7,732,610</u>	<u>\$ 24,644</u>	<u>\$ 53,929,514</u>
\$ 632	\$ 169,804	\$ -	\$ 756,045
663,431	-	-	6,104,627
550,004	62,248	-	19,404,919
-	-	22,446	4,777,431
<u>1,214,067</u>	<u>232,052</u>	<u>22,446</u>	<u>31,043,022</u>
-	-	2,198	15,385,934
-	7,500,558	-	7,500,558
-	7,500,558	2,198	22,886,492
<u>\$ 1,214,067</u>	<u>\$ 7,732,610</u>	<u>\$ 24,644</u>	<u>\$ 53,929,514</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, 2018

	203	206	211
Data Control Codes	Child Care and Development Block Grant	ESEA Title X Part C Homeless Children and Youth	ESEA Title I Part A Improving Basic Programs
REVENUES			
5700 Local, Intermediate, and Out-of-State	\$ -	\$ -	\$ -
5800 State Programs	-	-	-
5900 Federal Programs	424,272	128,904	18,953,203
5020 Total Revenues	<u>424,272</u>	<u>128,904</u>	<u>18,953,203</u>
EXPENDITURES			
Current:			
0011 Instruction	352,963	39,133	12,871,462
0012 Instructional Resources and Media Services	-	-	289,589
0013 Curriculum and Instructional Staff Development	62,913	935	4,422,963
0021 Instructional Leadership	8,065	88,836	162,805
0023 School Leadership	331	-	23,519
0031 Guidance, Counseling, and Evaluation Services	-	-	892,374
0033 Health Services	-	-	-
0035 Food Services	-	-	-
0051 Plant Maintenance and Operations	-	-	-
0052 Security and Monitoring Services	-	-	-
0061 Community Services	-	-	290,491
6030 Total Expenditures	<u>424,272</u>	<u>128,904</u>	<u>18,953,203</u>
1200 Net Change in Fund Balances	-	-	-
0100 Fund Balances - Beginning	-	-	-
3000 Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

224	225	240	244
<u>IDEA Part B Formula</u>	<u>IDEA Part B Preschool</u>	<u>National School Breakfast and Lunch Program</u>	<u>Career and Technical Basic Grant</u>
\$ -	\$ -	\$ 12,862,918	\$ -
-	-	306,146	-
16,581,453	254,755	42,271,330	804,941
<u>16,581,453</u>	<u>254,755</u>	<u>55,440,394</u>	<u>804,941</u>
9,040,529	253,094	-	611,023
-	-	-	-
1,927,604	1,500	-	178,584
3,270,108	161	-	15,334
288,881	-	-	-
1,479,940	-	-	-
574,391	-	-	-
-	-	55,497,606	-
-	-	783,971	-
-	-	-	-
-	-	-	-
<u>16,581,453</u>	<u>254,755</u>	<u>56,281,577</u>	<u>804,941</u>
-	-	(841,183)	-
-	-	15,586,513	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,745,330</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, 2018

<u>Data Control Codes</u>	255	263	272
	<u>ESEA Title II Part A Teacher/Principal Train/Recruit</u>	<u>ESEA Title III Part A English Language Acquisition and Enhancement</u>	<u>Medicaid Administrative Claiming Program</u>
REVENUES			
5700 Local, Intermediate, and Out-of-State	\$ -	\$ -	\$ -
5800 State Programs	-	-	-
5900 Federal Programs	1,864,435	2,213,769	112,537
5020 Total Revenues	<u>1,864,435</u>	<u>2,213,769</u>	<u>112,537</u>
EXPENDITURES			
Current:			
0011 Instruction	-	728,266	-
0012 Instructional Resources and Media Services	-	-	-
0013 Curriculum and Instructional Staff Development	1,864,435	1,465,047	-
0021 Instructional Leadership	-	-	-
0023 School Leadership	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-
0033 Health Services	-	-	228,705
0035 Food Services	-	-	-
0051 Plant Maintenance and Operations	-	-	-
0052 Security and Monitoring Services	-	-	-
0061 Community Services	-	20,456	-
6030 Total Expenditures	<u>1,864,435</u>	<u>2,213,769</u>	<u>228,705</u>
1200 Net Change in Fund Balances	-	-	(116,168)
0100 Fund Balances - Beginning	-	-	447,659
3000 Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,491</u>

289	315	340	385
<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>
\$ -	\$ -	\$ -	\$ -
-	-	-	49,000
14,905,756	177,486	3,606	-
<u>14,905,756</u>	<u>177,486</u>	<u>3,606</u>	<u>49,000</u>
14,287,602	130,354	3,606	49,000
-	-	-	-
12,424	88	-	-
16	47,044	-	-
-	-	-	-
29,398	-	-	-
-	-	-	-
-	-	-	-
209,380	-	-	-
74,324	-	-	-
232,513	-	-	-
<u>14,845,657</u>	<u>177,486</u>	<u>3,606</u>	<u>49,000</u>
60,099	-	-	-
246,816	-	-	-
<u>\$ 306,915</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, 2018

	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	39,946	4,734,791	1,547,801
5900 Federal Programs	-	-	-
5020 Total Revenues	<u>39,946</u>	<u>4,734,791</u>	<u>1,547,801</u>
EXPENDITURES			
Current:			
0011 Instruction	11,412	4,734,791	15,967
0012 Instructional Resources and Media Services	-	-	-
0013 Curriculum and Instructional Staff Development	28,534	-	1,519,191
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	-	-	12,643
6030 Total Expenditures	<u>39,946</u>	<u>4,734,791</u>	<u>1,547,801</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	
\$ 2,599,832	\$ 13,947,766	\$ 49,469	\$ 29,459,985
1,323,348	-	-	8,001,032
-	-	-	98,696,447
<u>3,923,180</u>	<u>13,947,766</u>	<u>49,469</u>	<u>136,157,464</u>
3,489,997	12,365,263	32,044	59,016,506
-	-	-	289,589
158,498	-	15,058	11,657,774
5,772	-	-	3,598,141
-	-	-	312,731
268,913	-	-	2,670,625
-	-	-	803,096
-	-	-	55,497,606
-	-	-	993,351
-	14,612	-	88,936
-	617,709	169	1,173,981
<u>3,923,180</u>	<u>12,997,584</u>	<u>47,271</u>	<u>136,102,336</u>
-	950,182	2,198	55,128
-	6,550,376	-	22,831,364
<u>\$ -</u>	<u>\$ 7,500,558</u>	<u>\$ 2,198</u>	<u>\$ 22,886,492</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, 2018

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	\$ 21,036,462	\$ 14,536,462	\$ 12,862,918	\$ (1,673,544)
5800	State Programs	351,207	351,207	306,146	(45,061)
5900	Federal Programs	40,026,794	41,426,794	42,271,330	844,536
5020	Total Revenues	<u>61,414,463</u>	<u>56,314,463</u>	<u>55,440,394</u>	<u>(874,069)</u>
EXPENDITURES					
Current:					
0035	Food Services	59,625,890	61,625,890	55,497,606	6,128,284
0051	Plant Maintenance and Operations	1,788,573	1,188,573	783,971	404,602
0081	Facilities Acquisition and Construction	-	300,000	-	300,000
6030	Total Expenditures	<u>61,414,463</u>	<u>63,114,463</u>	<u>56,281,577</u>	<u>6,832,886</u>
1200	Net Change in Fund Balance	-	(6,800,000)	(841,183)	5,958,817
0100	Fund Balance - Beginning	<u>15,586,513</u>	<u>15,586,513</u>	<u>15,586,513</u>	-
3000	Fund Balance - Ending	<u>\$ 15,586,513</u>	<u>\$ 8,786,513</u>	<u>\$ 14,745,330</u>	<u>\$ 5,958,817</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, 2018

Exhibit I-1

<u>AGENCY FUND:</u>					
Data		Beginning			Ending
Control		Balance	Additions	Deductions	Balance
Codes		7/1/17			6/30/18
	ASSETS				
1110	Cash and Cash Equivalents	\$ 299,410	\$ 8,189,722	\$ 8,429,627	\$ 59,505
1120	Current Investments	2,674,413	2,769,333	996,923	4,446,823
1250	Accrued Interest	2,002	7,389	9,391	-
1290	Other Receivables	1,166	460,481	450,977	10,670
1910	Long-term Investments	975,304	1,055	976,359	-
1000	Total Assets	\$ 3,952,295	\$ 11,427,980	\$ 10,863,277	\$ 4,516,998
	LIABILITIES				
2110	Accounts Payable	48,364	5,780,365	5,714,324	114,405
2190	Due to Student Groups	3,903,931	6,005,672	5,507,010	4,402,593
2000	Total Liabilities	\$ 3,952,295	\$ 11,786,037	\$ 11,221,334	\$ 4,516,998

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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, 2018

<u>Year Ended June 30</u>	<u>Tax Rates</u>		<u>Assessed Taxable Value For School Tax Purposes</u>
	<u>Maintenance</u>	<u>Debt Service</u>	
2009 and Prior Years	\$ Various	\$ Various	\$ Various
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
2018	1.04	0.40	48,750,997,500
Totals			

<u>Beginning Balance 7/1/17</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 6/30/18</u>
\$ 3,308,886	\$ -	\$ 212,887	\$ 42,578	\$ (445,186)	\$ 2,608,235
853,945	-	31,653	9,274	(14,976)	798,042
906,654	-	58,876	17,549	(13,503)	816,726
926,490	-	111,231	39,573	21,733	797,419
944,941	-	170,700	64,013	34,606	744,834
1,108,434	-	141,359	53,010	(52,659)	861,406
1,380,301	-	308,520	121,628	48,901	999,054
2,685,895	-	599,049	236,164	(210,131)	1,640,551
10,236,430	-	(1,365,363)	(525,139)	(8,828,218)	3,298,714
-	702,014,364	496,216,974	195,624,000	-	10,173,390
<u>\$ 22,351,976</u>	<u>\$ 702,014,364</u>	<u>\$ 496,485,886</u>	<u>\$ 195,682,650</u>	<u>\$ (9,459,433)</u>	<u>\$ 22,738,371</u>

Reconciliation of Ending Balance to Exhibit B-1:

Ending Balance at 6/30/18	\$ 22,738,371
Less: Uncollectible Taxes	<u>(5,405,511)</u>
Adjusted Ending Balance	<u>17,332,860</u>
Property Taxes Receivable (Net) per Exhibit B-1	<u>\$ 17,332,860</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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental Activities:				
Net Investment in Capital Assets	\$ (88,571,599)	\$ (89,611,599)	\$ (101,934,887)	\$ (102,396,644)
Restricted	73,723,122	58,547,432	58,926,214	34,049,131
Unrestricted	(423,944,375)	105,222,629	143,999,048	127,217,274
Total Governmental Activities Net Position (Deficit)	<u>(438,792,852)</u>	<u>74,158,462</u>	<u>100,990,375</u>	<u>58,869,761</u>
Business-type Activities:				
Unrestricted	1,026,791	720,985	720,761	719,810
Total Business-type Activities Net Position (Deficit)	<u>1,026,791</u>	<u>720,985</u>	<u>720,761</u>	<u>719,810</u>
Primary Government:				
Net Investment in Capital Assets(1)	(88,571,599)	(89,611,599)	(101,934,887)	(102,396,644)
Restricted	73,723,122	58,547,432	58,926,214	34,049,131
Unrestricted	(422,917,584) (3)	105,943,614	144,719,809	127,937,084 (2)
Total Primary Government Activities Net Position (Deficit)	<u>\$ (437,766,061)</u>	<u>\$ 74,879,447</u>	<u>\$ 101,711,136</u>	<u>\$ 59,589,571</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.

(3) Net position decreased primarily due to the effects of a prior period adjustment for the implementation of GASB 75 relating to OPEB.

Table 1

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ (103,738,940)	\$ (96,589,301)	\$ (87,334,638)	\$ (78,394,299)	\$ (81,466,161)	\$ (125,751,293)
27,239,374	26,060,650	-	-	-	-
170,562,613	78,562,371	35,994,025	6,777,642	1,451,257	53,847,161
<u>94,063,047</u>	<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>
718,915	284,681	170,301	9,709	(147,245)	-
<u>718,915</u>	<u>284,681</u>	<u>170,301</u>	<u>9,709</u>	<u>(147,245)</u>	<u>-</u>
(103,738,940)	(96,589,301)	(87,334,638)	(78,394,299)	(81,466,161)	(125,751,293)
27,239,374	26,060,650	-	-	-	-
171,281,528	78,847,052	36,164,326	6,787,351	1,304,012	53,847,161
<u>\$ 94,781,962</u>	<u>\$ 8,318,401</u>	<u>\$ (51,170,312)</u>	<u>\$ (71,606,948)</u>	<u>\$ (80,162,149)</u>	<u>\$ (71,904,132)</u>

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

Expenses	2018	2017	2016	2015
Governmental Activities:				
Instruction	\$ 493,963,770	\$ 698,333,067	\$ 645,636,860	\$ 581,664,409
Instructional Resources and Media Services	8,764,373	10,873,350	10,125,744	9,441,162
Curriculum and Instructional Staff Development	16,396,952	22,058,882	17,319,578	16,027,899
Instructional Leadership	7,970,060	11,997,375	11,460,319	12,129,832
School Leadership	40,903,700	57,630,018	54,664,995	49,456,275
Guidance, Counseling, and Evaluation Services	23,659,881	35,865,818	32,678,851	28,522,749
Social Work Services	908,589	1,036,437	1,054,963	984,274
Health Services	8,355,799	10,885,642	10,527,342	9,219,906
Student Transportation	40,013,922	50,791,730	47,259,045	45,283,427
Food Services	54,113,471	64,439,209	61,105,272	55,990,991
Cocurricular/Extracurricular Activities	28,434,939	31,606,116	25,794,825	21,681,671
General Administration	13,155,120	17,428,978	16,922,372	13,452,199
Plant Maintenance and Operations	64,162,311	77,861,018	74,767,976	67,729,057
Security and Monitoring Services	8,674,962	11,435,763	10,636,933	8,716,454
Data Processing Services	10,496,357	14,726,806	17,800,115	15,526,773
Community Services	4,731,910	10,727,096	9,560,523	8,951,229
Interest on Debt	99,675,434	95,624,106	93,226,524	87,696,344
Bond Issuance Costs and Fees	1,582,602	3,164,626	2,794,902	4,600,958
Facilities Repair and Maintenance	17,548,376	7,873,909	2,225,983	825,796
Payments to Fiscal Agents SSA	1,302,185	823,895	1,121,872	1,144,645
Payments to Juvenile Justice Alternative Ed. Prog.	3,597	7,120	3,600	2,160
Other Intergovernmental Charges	5,164,085	4,947,598	4,726,563	4,511,372
Total Governmental Activities Expenses	<u>949,982,395 (1)</u>	<u>1,240,138,559</u>	<u>1,151,415,157</u>	<u>1,043,559,582</u>
Business-type Activities:				
Community Programs	6,960,976	10,288,180	9,711,935	9,472,204
Total Primary Government Expenses	<u>956,943,371</u>	<u>1,250,426,739</u>	<u>1,161,127,092</u>	<u>1,053,031,786</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	19,047,364	19,236,988	18,184,622	16,939,546
Food Services	13,539,334	17,946,936	17,452,940	18,201,344
Cocurricular/Extracurricular Activities	1,524,210	1,566,431	1,501,742	1,823,102
General Administration	-	541,082	310,135	504,830
Other Activities	2,241,410	1,903,768	2,635,334	2,459,251
Operating Grants and Contributions	(43,825,935) (2)	147,853,651	147,905,436	126,852,388
Total Governmental Activities Program Revenues	<u>(7,473,617)</u>	<u>189,048,856</u>	<u>187,990,209</u>	<u>166,780,461</u>
Business-type Activities:				
Charges for Services	9,724,036	10,809,379	10,701,748	10,428,063
Total Primary Government Program Revenues	<u>2,250,419</u>	<u>199,858,235</u>	<u>198,691,957</u>	<u>177,208,524</u>
Net (Expense)/Revenue				
Total Primary Government Net Expense	<u>\$ (954,692,952)</u>	<u>\$ (1,050,568,504)</u>	<u>\$ (962,435,135)</u>	<u>\$ (875,823,262)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes, Levied for General Purposes	499,875,369 (3)	482,598,888	448,965,096	415,497,287
Property Taxes, Levied for Debt Service	197,262,518 (3)	186,052,714	172,948,374	159,173,200
Investment Earnings	14,758,137	8,825,837	4,665,229	2,229,522
Grants and Contributions Not Restricted to Specific Programs	331,264,783	337,586,938	372,830,990	393,330,199
Miscellaneous	20,559,491 (4)	8,656,413	5,138,873	7,405,056
Transfers	2,500,000	537,000	997,000	957,000
Total Governmental Activities General Revenues/Transfers	<u>1,066,220,298</u>	<u>1,024,257,790</u>	<u>1,005,545,562</u>	<u>978,592,264</u>
Business-type Activities:				
Investment Earnings	42,746	16,025	8,138	2,036
Transfers	(2,500,000)	(537,000)	(997,000)	(957,000)
Total Business-type Activities General Revenues/Transfers	<u>(2,457,254)</u>	<u>(520,975)</u>	<u>(988,862)</u>	<u>(954,964)</u>
Total Primary Government Revenues	<u>\$ 1,063,763,044</u>	<u>\$ 1,023,736,815</u>	<u>\$ 1,004,556,700</u>	<u>\$ 977,637,300</u>
Change in Net Position				
Governmental Activities	108,764,286	(26,831,913)	42,120,614	101,813,143
Business-type Activities	305,806	224	951	895
Total Change in Net Position	<u>\$ 109,070,092</u>	<u>\$ (26,831,689)</u>	<u>\$ 42,121,565</u>	<u>\$ 101,814,038</u>

(1) The decrease in expenses is due to adjustments to record the State's negative on-behalf contributions in conjunction with the implementation of GASB 75.
(2) The negative amount in operating grants and contributions is due to the implementation of GASB 75.

Table 2

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 555,173,230	\$ 507,256,467	\$ 503,690,999	\$ 531,351,407	\$ 535,190,691	\$ 497,160,650
9,278,735	8,501,349	8,100,073	8,506,537	7,939,098	7,919,067
14,727,033	13,207,813	13,043,559	17,867,155	20,714,929	16,626,787
11,475,146	11,720,258	11,569,818	11,949,159	12,841,819	13,257,743
47,777,917	45,584,610	46,464,583	49,428,554	43,683,711	42,883,376
26,680,850	24,365,712	23,833,046	24,448,879	25,546,410	25,484,231
1,029,061	949,256	888,564	978,219	988,726	1,096,066
8,310,591	7,973,461	7,668,538	8,588,045	8,226,837	7,366,423
37,321,531	34,870,129	33,533,462	34,315,296	32,793,347	33,267,773
52,578,899	49,841,436	47,906,107	46,811,570	44,040,313	39,538,407
24,063,915	22,659,734	22,177,952	22,667,440	21,816,470	21,616,965
13,869,245	12,056,790	11,204,164	12,199,997	12,323,898	11,571,617
61,463,394	59,752,450	61,194,579	66,010,640	68,969,231	64,034,625
8,055,928	6,564,760	5,120,296	4,811,537	4,969,447	4,661,233
9,155,608	12,148,343	6,928,234	4,532,730	4,426,216	4,795,731
7,913,945	5,695,008	5,491,411	3,763,869	3,401,357	3,309,624
87,477,077	81,810,935	88,865,289	91,520,109	91,417,981	80,330,802
1,220,255	4,250,725	364,840	453,400	522,006	490,509
34,313	25,838	135	50,495	49,116	45,766
989,728	1,110,321	1,188,981	913,679	952,062	855,236
6,064	356	45,780	41,580	-	122,220
3,873,790	3,745,906	3,741,286	3,791,579	3,594,061	3,337,413
<u>982,476,255</u>	<u>914,091,657</u>	<u>903,021,696</u>	<u>945,001,876</u>	<u>944,407,726</u>	<u>879,772,264</u>
8,020,085	7,074,326	4,946,475	4,129,381	147,282	-
<u>990,496,340</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>
15,872,335	15,176,617	14,575,458	13,740,003	12,964,195	14,407,813
18,341,813	19,499,351	19,254,750	18,603,198	19,411,312	19,612,337
1,494,538	1,590,401	2,027,681	1,920,820	1,596,516	1,406,577
471,551	441,285	407,981	371,336	547,437	-
2,593,771	3,018,504	2,118,397	1,802,405	1,543,535	1,324,371
<u>124,163,500</u>	<u>118,369,676</u>	<u>121,255,528</u>	<u>182,704,870</u>	<u>171,461,221</u>	<u>118,850,966</u>
<u>162,937,508</u>	<u>158,095,834</u>	<u>159,639,995</u>	<u>219,142,632</u>	<u>207,524,216</u>	<u>155,602,064</u>
9,452,505	8,185,670	6,603,989	5,654,545	-	-
<u>172,390,013</u>	<u>166,281,504</u>	<u>166,243,984</u>	<u>224,797,177</u>	<u>-</u>	<u>-</u>
<u>\$ (818,106,327)</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>
374,123,198	341,647,771	325,607,783	320,037,878	332,493,637	326,198,647
147,360,448	134,247,202	121,618,732	119,871,547	117,352,659	97,383,048
822,177	1,510,221	1,798,594	2,300,811	4,303,296	12,916,174
376,049,342	340,733,020	310,802,392	288,140,419	270,882,974	267,601,253
6,212,909	3,411,310	2,330,244	2,536,836	3,740,172	2,055,468
1,000,000	1,000,000	1,500,000	1,370,000	-	-
<u>905,568,074</u>	<u>822,549,524</u>	<u>763,657,745</u>	<u>734,257,491</u>	<u>728,772,738</u>	<u>706,154,590</u>
1,814	3,036	3,078	1,790	37	-
<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,500,000)</u>	<u>(1,370,000)</u>	<u>-</u>	<u>-</u>
<u>(998,186)</u>	<u>(996,964)</u>	<u>(1,496,922)</u>	<u>(1,368,210)</u>	<u>37</u>	<u>-</u>
<u>\$ 904,569,888</u>	<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>
86,029,327	66,553,701	20,276,044	8,398,247	(8,110,772)	(18,015,610)
434,234	114,380	160,592	156,954	(147,245)	-
<u>\$ 86,463,561</u>	<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>

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

(4) The increase in miscellaneous revenue is due to insurance recovery proceeds related to Hurricane Harvey.

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

	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>
General Fund (2)				
Nonspendable	\$ 3,175,312	\$ 3,045,063	\$ 3,155,866	\$ 2,973,123
Committed	-	-	-	-
Assigned	24,688,441	20,370,119	4,931,341	1,999,218
Unassigned	422,556,573	404,083,416	393,710,323	343,117,367
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total General Fund	<u>\$ 450,420,326</u>	<u>\$ 427,498,598</u>	<u>\$ 401,797,530</u>	<u>\$ 348,089,708</u>
All Other Governmental Funds (2)				
Nonspendable	\$ -	\$ 3,842,202	\$ -	\$ 2,762,638
Restricted (3)	489,291,878	488,918,035	576,965,377	516,911,124
Committed	7,500,558	6,550,376	6,693,520	5,723,155
Reserved	-	-	-	-
Total All Other Governmental Funds	<u>\$ 496,792,436</u>	<u>\$ 499,310,613</u>	<u>\$ 583,658,897</u>	<u>\$ 525,396,917</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 fluctuations were primarily due to the outlay of bond proceeds for capital projects.

Table 3

<u>2014 (1)</u>	<u>2013 (1)</u>	<u>2012 (1)</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>
\$ 3,234,177	\$ 3,000,267	\$ 2,859,753	\$ 3,467,961	\$ -	\$ -
-	-	-	8,003,653	-	-
1,716,737	1,819,729	4,499,583	314,078	-	-
275,322,894	210,896,033	152,150,650	120,363,224	-	-
-	-	-	-	4,407,128	5,285,121
-	-	-	-	98,314,811	68,364,467
<u>\$ 280,273,808</u>	<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>
\$ 2,607,155	\$ 2,525,059	\$ 2,778,135	\$ 1,879,068	\$ -	\$ -
328,694,727	226,571,099	230,898,805	263,672,796	-	-
5,271,424	4,614,299	4,303,499	4,038,048	-	-
-	-	-	-	380,706,911	286,209,293
<u>\$ 336,573,306</u>	<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>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
REVENUES				
Local, Intermediate, and Out-of-State	\$ 764,168,908 (1)	\$ 729,698,529	\$ 672,608,044	\$ 621,336,705
State Programs	381,935,747	385,515,556	422,098,848	439,206,260
Federal Programs	113,695,603 (2)	93,212,660	86,741,325	89,387,398
Total Revenues	<u>1,259,800,258</u>	<u>1,208,426,745</u>	<u>1,181,448,217</u>	<u>1,149,930,363</u>
EXPENDITURES				
Current:				
Instruction	665,430,416 (3)	640,499,476	599,183,399	579,868,996
Instructional Resources and Media Services	8,296,212	7,939,560	7,653,374	7,390,967
Curriculum and Instructional Staff Development	21,962,920	20,516,031	17,117,948	16,606,977
Instructional Leadership	11,255,728	11,391,373	11,264,554	12,436,167
School Leadership	48,217,775	46,211,215	44,953,409	42,103,446
Guidance, Counseling, and Evaluation Services	36,642,413	34,500,788	31,720,288	29,205,744
Social Work Services	1,081,852	1,042,265	1,027,402	987,456
Health Services	11,518,045	10,688,515	10,264,567	9,394,227
Student Transportation	42,800,153	48,465,451	43,682,524	46,504,370
Food Services	55,497,606	55,696,757	57,641,339	53,558,536
Cocurricular/Extracurricular Activities	20,620,595	19,126,777	16,587,296	16,987,733
General Administration	16,222,364	15,628,958	14,994,574	13,457,297
Plant Maintenance and Operations	78,935,180	76,013,594	71,911,847	67,260,981
Security and Monitoring Services	12,125,976	10,051,945	9,756,772	8,498,594
Data Processing Services	13,578,640 (4)	24,744,213	41,802,259	30,472,626
Community Services	9,733,623	11,014,310	9,660,075	9,531,634
Debt Service:				
Principal on Long-term Debt	86,205,000	69,970,000	55,430,767	41,522,623
Interest on Debt	108,538,328	104,504,040	110,901,194	110,907,985
Bond Issuance Costs and Fees	1,582,602	21,339,626	2,794,902	4,600,958
Capital Outlay:				
Facilities Acquisition and Construction	174,142,080 (4)	305,660,426	219,153,320	116,923,827
Intergovernmental:				
Payments to Fiscal Agents SSA	1,302,185	823,895	1,121,872	1,144,645
Payments to Juvenile Justice Alternative Education Programs	3,597	7,120	3,600	2,160
Other Intergovernmental Charges	5,164,085	4,947,598	4,726,563	4,511,372
Total Expenditures	<u>1,430,857,375</u>	<u>1,540,783,933</u>	<u>1,383,353,845</u>	<u>1,223,879,321</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(171,057,117)</u>	<u>(332,357,188)</u>	<u>(201,905,628)</u>	<u>(73,948,958)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	261,730,000	446,170,000	352,790,000	743,785,000
Premium from Issuance of Bonds	4,013,104	75,007,691	23,981,341	112,919,433
Sale of Real and Personal Property	222,564	244,564	304,159	426,351
Transfers In	2,500,000	537,000	997,000	957,000
Refund EDA Overpayment to State	-	-	-	-
Payment to Refunded Bonds Escrow Agent	(77,005,000)	(248,249,283)	(64,197,070)	(527,499,315)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>191,460,668</u>	<u>273,709,972</u>	<u>313,875,430</u>	<u>330,588,469</u>
Net Change in Fund Balances	<u>\$ 20,403,551</u>	<u>\$ (58,647,216)</u>	<u>\$ 111,969,802</u>	<u>\$ 256,639,511</u>

Debt Service (Principal and Interest) as a Percentage of Noncapital Expenditures	15.37%	14.32%	14.75%	14.22%
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(1) Increase due to an increase in property values.

(2) Increase primarily due to disaster recovery funding.

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

(4) Variance due to construction and renovation schedules.

Table 4

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 563,956,318	\$ 518,092,722	\$ 492,284,045	\$ 483,387,095	\$ 492,120,921	\$ 471,800,260
412,496,140	380,201,588	358,940,890	338,992,459	319,709,635	329,960,910
87,579,693	78,823,922	75,090,522	131,852,828	122,634,558	56,647,753
<u>1,064,032,151</u>	<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>
532,067,403	486,715,240	478,207,965	504,328,816	507,580,793	464,956,509
7,297,219	6,557,308	6,165,498	6,541,108	6,406,263	6,493,137
14,750,455	13,255,807	12,990,805	18,026,706	20,747,106	16,469,705
11,718,412	11,766,593	11,537,869	13,443,595	14,676,395	13,179,904
40,120,566	38,145,701	38,884,124	41,697,351	37,586,238	36,889,428
26,709,487	24,508,687	23,724,514	24,422,905	25,409,969	25,110,465
1,029,532	950,806	887,370	977,504	987,069	1,089,065
8,315,015	7,989,554	7,637,426	8,579,925	8,187,827	7,266,484
33,034,889	32,484,979	27,776,303	29,752,313	28,348,348	32,641,022
51,149,123	47,506,592	44,903,978	44,670,435	42,227,739	36,930,140
15,130,587	13,515,163	13,211,561	14,450,553	14,555,957	15,162,719
12,609,040	10,794,657	9,869,947	10,947,579	11,046,634	10,363,767
61,080,568	59,766,180	59,880,902	64,951,693	68,006,831	62,996,463
8,529,798	7,832,850	4,549,171	4,901,980	4,557,526	4,432,987
8,912,582	11,183,155	6,116,890	6,174,164	3,618,371	4,103,567
8,065,005	7,047,298	5,470,214	3,794,738	3,398,262	3,303,112
40,180,987	38,037,537	37,133,086	49,985,000	37,120,000	35,718,950
103,765,309	106,116,817	104,965,984	86,731,216	81,892,390	74,960,494
1,220,255	4,250,725	1,110,787	104,230	2,589,775	1,774,528
73,762,669	54,821,094	36,009,036	98,385,243	171,350,963	208,528,819
989,728	1,110,321	1,188,981	913,679	952,062	855,236
6,064	356	45,780	41,580	-	122,220
3,873,790	3,745,906	3,741,286	3,791,579	3,594,061	3,337,413
<u>1,064,318,483</u>	<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>
(286,332)	(10,985,094)	(9,694,020)	(83,381,510)	(160,375,465)	(208,277,211)
155,020,000	221,810,000	135,310,000	-	280,115,000	253,170,000
11,196,340	41,364,292	23,826,300	-	2,779,288	7,621,522
490,620	496,850	184,807	321,488	1,051,146	462,652
1,000,000	1,000,000	1,500,027	1,370,000	441,947	-
-	-	(1,973,290)	-	-	-
-	(201,749,987)	(141,103,310)	-	-	(9,016,926)
-	-	(12,298,917)	-	(441,947)	-
<u>167,706,960</u>	<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>\$ 167,420,628</u>	<u>\$ 51,936,061</u>	<u>\$ (4,248,403)</u>	<u>\$ (81,690,022)</u>	<u>\$ 123,569,969</u>	<u>\$ 43,960,037</u>
14.67%	15.66%	15.85%	14.74%	12.87%	12.90%

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
2018	\$ 35,651,892,935	\$ 1,033,110,317	\$ 67,223,712	\$ 16,442,451,245	\$ 7,307,981,216	\$ 373,814,361
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

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

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)
\$ 107,342,842	\$ 210,671,184	\$ 1,473,600	\$ 3,368,521,218	\$ 15,813,485,130	\$	48,750,997,500	\$ 1.440
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

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

<u>Taxing Authority</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Overlapping Rates:</u>				
City of Houston	\$0.5842	\$0.5864	\$0.6011	\$0.6311
Jersey Village	0.7425	0.7425	0.7425	0.7425
Harris County (1)	0.6352	0.6352	0.6354	0.6360
Harris County Dept. of Education	0.5195	0.5200	0.5422	0.5999
Harris Co Flood Control District (4)	0.2831	0.2829	0.2733	0.2736
HC Emerg Srv Dist 003	0.1000	0.0600	0.0600	0.0578
HC Emerg Srv Dist 009	0.0527	0.0533	0.0550	0.0600
HC ID 003	0.1375	0.1400	0.1500	0.1500
Lone Star College District (2)	0.1078	0.1078	0.1079	0.1081
Utility Districts:				
Cypress Creek UD	0.2050	0.2050	0.1800	0.1800
Emerald Forest UD	0.6550	0.6600	0.6600	0.6800
HCUD6	0.2200	0.2200	0.2300	0.2350
Lake Forest UD	0.2500	0.2500	0.2500	0.2500
Langham Creek UD	0.6300	0.6300	0.6300	0.6635
Malcomson Road UD	0.4400	0.4400	0.4400	0.4800
Prestonwood Forest UD	0.3500	0.3500	0.3500	0.3500
Rolling Creek UD	0.7000	0.7800	0.8500	0.8800
Windfern Forest UD	0.4900	0.4900	0.5000	0.5200
Municipal Utility Districts:				
Barker Cypress MUD	0.8400	0.8400	0.8900	0.9000
Camfield MUD	0.5000	0.5000	0.5000	0.5000
Chimney Hill MUD	0.7800	0.7900	0.7900	0.8500
Clay Road MUD	0.7100	0.7100	0.7800	0.8700
Cy Champ PUD	0.3700	0.3700	0.3700	0.4680
Cypress Forest PUD	0.2900	0.2800	0.2930	0.3219
Cypress Hill MUD 1	0.7500	0.7700	0.7900	0.8700
Faulkey-Gully MUD	0.3800	0.3800	0.4200	0.4900
Grant Road PUD	0.5850	0.5850	0.5850	0.6250
HCFWSD 61	0.3100	0.3200	0.3300	0.3400
HCMUD 6	0.5200	0.5400	0.5900	0.6100
HCMUD 18	0.3600	0.3600	0.4000	0.4200
HCMUD 23	0.4600	0.4700	0.4700	0.4800
HCMUD 25	0.7000	0.7000	0.7200	0.7850
HCMUD 69	0.3800	0.3900	0.4000	0.4000
HCMUD 70	0.6500	0.7000	0.7300	0.7900
HCMUD 102	0.6400	0.6400	0.6900	0.7000
HCMUD 105	0.8000	0.8300	0.8500	0.9000
HCMUD 127	0.6800	0.7100	0.7800	0.8700
HCMUD 130	0.5000	0.5300	0.5800	0.6200
HCMUD 136	0.1640	0.1640	0.1780	0.1960
HCMUD 144	0.5700	0.6000	0.6150	0.6300
HCMUD 149	0.3550	0.3650	0.4800	0.5200
HCMUD 155	0.8900	0.9300	0.9300	0.9200
HCMUD 156 (4)	0.7700	0.7700	0.8700	0.9000
HCMUD 157	0.6800	0.7100	0.7300	0.8000
HCMUD 162	0.4950	0.4950	0.5000	0.5500
HCMUD 163	0.1700	0.0000	0.0970	0.1000
HCMUD 165	1.1000	1.1500	1.2000	1.3200

Table 6
Page 1 of 3

2014	2013	2012	2011	2010	2009
\$0.6388	\$0.6388	\$0.6388	\$0.6388	\$0.6388	\$0.6388
0.7425	0.7425	0.7425	0.7425	0.7425	0.7425
0.6363	0.6366	0.6366	0.6360	0.6360	0.6358
0.6358	0.6617	0.6581	0.6581	0.6050	0.6050
0.2827	0.2809	0.2809	0.2923	0.2922	-
0.0569	0.0600	0.0300	0.0300	0.0300	0.0300
0.0600	0.0600	0.0600	0.0600	0.0600	0.0591
0.1500	0.1500	0.1500	0.1500	0.1500	0.1500
0.1160	0.1210	0.1210	0.1176	0.1101	0.1101
0.1800	0.1800	0.1800	0.1700	0.0900	0.0800
0.6900	0.6900	0.6700	0.6700	0.6600	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	0.6800	0.6500	0.6500
0.5300	0.5300	0.5300	0.5300	0.5000	0.5000
0.3500	0.3500	0.3500	0.3500	0.3500	0.3500
0.9600	0.9700	0.9700	0.9800	0.9900	1.0100
0.5200	0.4800	0.4800	0.4300	0.4300	0.4200
0.9500	0.9500	0.9300	0.9300	0.9000	0.9000
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
0.8800	0.8800	0.8800	0.8700	0.8700	0.8700
0.9000	0.9000	0.9100	0.9100	0.8700	0.8500
0.5100	0.5100	0.5100	0.5100	0.4800	0.4400
0.3240	0.3240	0.3240	0.3100	0.3100	0.3040
0.9200	0.9600	0.9800	0.9900	0.9900	1.0300
0.5260	0.5260	0.5180	0.4900	0.4600	0.4600
0.6700	0.6800	0.6800	0.6700	0.6300	0.6300
0.3500	0.3700	0.3900	0.4100	0.4300	0.4500
0.6500	0.6500	0.6500	0.6500	0.5400	0.4800
0.4200	0.4000	0.3170	0.3240	0.3240	0.3240
0.4800	0.4800	0.4800	0.4800	0.4800	0.4800
0.7600	0.8600	0.9000	0.8800	0.8800	0.8800
0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
0.8400	0.8900	0.9300	0.9300	0.9300	0.9300
0.7000	0.7000	0.6500	0.5850	0.5500	0.5500
0.9300	0.9300	0.9300	0.9300	0.9300	0.9300
0.9000	0.9000	0.8700	0.8700	0.8500	0.8200
0.6700	0.6700	0.6700	0.7000	0.7000	0.7500
0.2150	0.2150	0.2150	0.2150	0.2700	0.2700
0.6300	0.6500	0.6500	0.6500	0.6000	0.6000
0.5900	0.6600	0.6600	0.6600	0.6200	0.6200
0.9200	0.8850	0.8850	0.8500	0.8500	0.8500
0.9700	0.9700	1.0000	1.0500	1.1200	-
0.8450	0.8450	0.8200	0.8200	0.8200	0.8200
0.5665	0.5665	0.5665	0.5600	0.5600	0.5600
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
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	2018	2017	2016	2015
HCMUD 166	\$0.7900	\$0.8200	\$0.8700	\$0.9300
HCMUD 167	1.0600	1.0900	1.1400	1.2000
HCMUD 168	0.5000	0.5200	0.5300	0.5800
HCMUD 170	0.2700	0.2700	0.2700	0.2900
HCMUD 172	0.7400	0.7400	0.7800	0.8700
HCMUD 173	0.5200	0.5400	0.5700	0.6300
HCMUD 179	0.2600	0.2622	0.2800	0.2900
HCMUD 183	0.4800	0.4900	0.5100	0.5300
HCMUD 185	0.5375	0.5575	0.5450	0.6150
HCMUD 186	0.2200	0.2300	0.2400	0.2800
HCMUD 188	0.3800	0.4000	0.4400	0.4900
HCMUD 191	0.2400	0.2400	0.2450	0.2600
HCMUD 196	0.6200	0.6200	0.6400	0.6800
HCMUD 208	0.4100	0.4200	0.4400	0.4900
HCMUD 220 (4)	0.8500	0.9500	1.0500	1.1800
HCMUD 222	0.3450	0.3650	0.3700	0.4200
HCMUD 230	0.5000	0.5100	0.5200	0.5300
HCMUD 239	0.6400	0.6700	0.6900	0.7700
HCMUD 248	0.4900	0.5200	0.5500	0.5500
HCMUD 250	1.1500	1.1800	1.2300	1.2600
HCMUD 255	0.2800	0.2700	0.2700	0.2800
HCMUD 257	0.5500	0.5500	0.5500	0.5000
HCMUD 261	0.5000	0.5000	0.5200	0.5600
HCMUD 264	0.3650	0.3500	0.3600	0.2500
HCMUD 276 (4)	0.5500	0.6300	0.6800	0.7100
HCMUD 284 (4)	0.8600	0.8900	0.9400	1.0300
HCMUD 286	0.1300	0.1300	0.1300	0.1600
HCMUD 322	0.5200	0.5400	0.5700	0.6000
HCMUD 341	0.3400	0.3400	0.3700	0.3900
HCMUD 354	0.4450	0.4600	0.5450	0.6000
HCMUD 358	0.6100	0.7000	0.8050	0.8050
HCMUD 360	0.3400	0.3700	0.3800	0.3900
HCMUD 364 (4)	0.4550	0.4550	0.4550	0.4850
HCMUD 365	0.4700	0.4800	0.4850	0.4950
HCMUD 370 (4)	0.3400	0.3250	0.3450	0.3800
HCMUD 371 (4)	0.8750	0.8750	0.8800	0.8900
HCMUD 374 (4)	0.8500	0.9200	0.9200	0.9300
HCMUD 389 (4)	0.9500	1.0500	1.1500	1.3100
HCMUD 391 (4)	1.1100	1.1100	1.1400	1.2600
HCMUD 396 (4)	0.7100	0.7900	0.8900	1.0600
HCMUD 397 (4)	0.6500	0.7200	0.7600	0.8800
HCMUD 419 (4)	0.9400	0.9400	0.9700	1.0000
HC ESD 13	0.1000	0.0917	0.0883	0.0872
HC ESD 16	0.0495	0.0500	0.0500	0.0492
HC ESD 20	0.1000	0.1000	0.1000	0.1000
HC ESD 21	0.1000	0.1000	0.1000	0.0500
HC ESD 29	0.1000	0.0892	0.0903	0.0963
HC ESD 48	0.1000	0.1000	0.0890	0.0920
HCWCID 109	0.2500	0.2500	0.2500	0.2500
HCWCID 113	0.7466	0.7600	0.7400	0.7900
HCWCID 116	0.2150	0.2150	0.1000	0.1000

Table 6
Page 2 of 3

2014	2013	2012	2011	2010	2009
\$0.9300	\$0.9300	\$1.0000	\$1.0000	\$1.0000	\$1.0000
1.2500	1.2500	1.2500	1.2500	1.2500	1.2500
0.5800	0.6000	0.5950	0.5950	0.5700	0.5700
0.3000	0.3000	0.3000	0.3200	0.3200	0.3500
0.8900	0.8900	0.8900	0.8900	0.8900	0.8900
0.6700	0.6900	0.7000	0.7000	0.7100	0.7200
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
0.5400	0.5400	0.5400	0.5400	0.5200	0.5200
0.5475	0.5250	0.5150	0.5000	0.5000	0.5000
0.3100	0.3150	0.4300	0.4300	0.4300	0.4300
0.5300	0.5500	0.5500	0.7000	0.7000	0.7200
0.2800	0.3000	0.3000	0.3000	0.3000	0.3300
0.7400	0.7400	0.7400	0.7100	0.7000	0.7000
0.5900	0.6000	0.6000	0.6000	0.6000	0.6000
1.3000	1.3000	1.3000	1.3000	1.3000	-
0.5400	0.5700	0.5800	0.5800	0.5800	0.5800
0.5700	0.5800	0.5800	0.5800	0.5800	0.5800
0.7700	0.7700	0.7600	0.7600	0.7600	0.7600
0.5500	0.6300	0.6300	0.7500	0.7500	0.7500
1.2600	1.2600	1.2600	1.2600	1.3100	1.2300
0.3500	0.5000	0.5000	0.5000	0.5000	0.5000
0.4000	0.4000	0.4000	0.4000	0.5100	0.5100
0.6200	0.6200	0.5700	0.5700	0.5900	0.5700
0.2500	0.2600	0.7000	0.7600	0.7100	0.6800
0.7900	0.7900	0.7900	0.7900	0.7900	-
1.1500	1.1500	1.1500	1.1500	1.1500	-
0.1800	0.1800	0.1800	0.1800	0.1800	0.1800
0.6200	0.6200	0.6300	0.6300	0.6300	0.6300
0.4200	0.4500	0.4600	0.4600	0.4600	0.4600
0.6450	0.6450	0.6450	0.6450	0.6450	0.6450
0.8100	0.8100	0.8100	0.8100	0.8100	0.8100
0.3900	0.3900	0.3900	0.3900	0.3900	0.3900
0.5000	0.5300	0.5300	0.5300	0.5300	-
0.5200	0.5200	0.5200	0.5200	0.5000	0.5300
0.4300	0.4600	0.4800	0.4800	0.4800	-
0.8950	0.9000	0.9000	0.9100	0.9300	-
0.9500	0.9500	0.9500	0.9500	0.9500	-
1.3500	1.3500	1.3500	1.3500	1.3500	-
1.3100	1.3400	1.3800	1.3800	1.3800	-
1.2000	1.2500	1.2800	1.3000	1.5000	-
0.9800	1.0000	1.0900	1.1200	1.1800	-
1.0000	1.0000	1.0000	1.0000	1.0000	-
0.0882	0.0900	0.0900	0.0500	0.0500	0.0500
0.0492	0.0500	0.0500	0.0500	0.0500	0.0492
0.1000	0.1000	0.0940	0.0824	0.0700	0.0535
0.0500	0.0500	0.0500	0.0495	0.0490	0.0500
0.0978	0.1000	0.1000	0.0761	0.0655	0.0625
0.0920	0.0905	0.0840	0.0838	0.0817	0.0800
0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
0.8790	0.8910	0.8910	0.8910	0.8550	0.7787
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000

Continued

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

<u>Taxing Authority</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
HCWCID 136	\$0.8100	\$0.7900	\$0.7400	\$0.7800
HCWCID 145	0.0574	0.0574	0.0574	0.0589
HCWCID 155	0.1400	0.1500	0.1600	0.1700
HCWCID 157 (4)	0.4650	0.4650	0.4800	0.5000
Horsepen Bayou MUD	0.5500	0.5500	0.5500	0.7000
Jackrabbit Road PUD	0.3000	0.3000	0.3000	0.3000
Mills Road MUD	0.7000	0.7600	0.8200	0.9200
Northwest HCMUD 5	0.7800	0.7800	0.7900	0.7900
Northwest HCMUD 6	0.3830	0.3830	0.3900	0.3900
Northwest HCMUD 9	0.4550	0.4850	0.5150	0.5350
Northwest HCMUD 10	0.6700	0.7100	0.7650	0.8500
Northwest HCMUD 12	0.8500	0.9300	0.9800	1.0400
Northwest HCMUD 16	1.1200	1.1200	1.1600	1.1900
Northwest HCMUD 29	0.2900	0.3000	0.3500	0.3700
Port of Houston Authority (4)	0.0126	0.0133	0.1342	0.1531
Reid Road MUD 1	0.5000	0.5010	0.5136	0.5650
Reid Road MUD 2	0.3500	0.3500	0.3700	0.4000
Remington MUD #1 (4)	0.4800	0.4800	0.5200	0.5700
Rolling Fork PUD	0.3850	0.3900	0.3900	0.4000
Spencer Road PUD	0.3600	0.3700	0.3800	0.4100
Timberlake ID	0.4200	0.4200	0.4900	0.5400
West HCMUD 1	0.2500	0.2600	0.2800	0.2800
West HCMUD 9	0.4500	0.4700	0.4700	0.5200
West HCMUD 10	0.6500	0.7000	0.7100	0.7100
West HCMUD 11 (4)	0.4700	0.4700	0.5000	0.5500
West HCMUD 14	0.5450	0.5600	0.5800	0.6300
West HCMUD 15	0.2500	0.2500	0.2500	0.2700
West HCMUD 21 (4)	0.6600	0.7600	0.8500	0.9500
White Oak Bend MUD	0.8300	0.8500	0.9400	0.9900
<u>District Direct Rates: (3)</u>				
Maintenance and Operations	\$1.0400	\$1.0400	\$1.0400	\$1.0400
Debt Service	0.4000	0.4000	0.4000	0.4000
Total District Direct Rates	\$1.4400	\$1.4400	\$1.4400	\$1.4400

- (1) Includes 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
Page 3 of 3

2014	2013	2012	2011	2010	2009
\$0.8300	\$0.8300	\$0.6300	\$0.4900	\$0.3600	\$0.2600
0.0600	0.0699	0.0648	0.0598	0.0549	0.0497
0.1950	0.2000	0.2050	0.2150	0.2150	0.2150
0.5000	0.5000	0.5000	0.5000	0.5000	-
0.7500	0.7500	0.7500	0.7500	0.7500	0.7250
0.2500	0.2500	0.3450	0.3450	0.3450	0.3450
0.9880	0.9200	0.9100	0.8800	0.8800	0.8800
0.7900	0.7900	0.7900	0.8000	0.8000	0.8100
0.3900	0.3900	0.3900	0.3900	0.3900	0.3900
0.5900	0.6000	0.6000	0.6000	0.5800	0.6800
0.8700	0.8700	0.8700	0.8700	0.8400	0.8000
1.0600	1.0600	1.0600	1.0100	0.9600	0.9600
1.2100	1.2100	1.2100	1.2000	1.2000	1.0600
0.4000	0.4500	0.4500	0.4700	0.4700	0.4800
0.1716	0.1952	0.1856	0.2054	0.1636	-
0.5700	0.5700	0.5700	0.5700	0.5700	0.5700
0.4200	0.4200	0.4000	0.4000	0.4000	0.4000
0.6350	0.6500	0.6350	0.6300	0.5900	-
0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
0.4800	0.4900	0.4950	0.5000	0.5000	0.5000
0.5400	0.5400	0.5400	0.5400	0.5400	0.5400
0.3650	0.4100	0.4500	0.4500	0.4900	0.4600
0.5700	0.6000	0.6000	0.6500	0.6500	0.6500
0.7200	0.7100	0.6700	0.6500	0.6500	0.6500
0.6800	0.7300	0.7300	0.7300	0.7300	-
0.6600	0.6800	0.6700	0.6600	0.6600	0.6600
0.2900	0.2900	0.2900	0.2900	0.2900	0.2600
1.0500	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	\$1.0400
0.4100	0.4100	0.3900	0.3900	0.3700	0.3100
<u>\$1.4500</u>	<u>\$1.4500</u>	<u>\$1.4300</u>	<u>\$1.4300</u>	<u>\$1.4100</u>	<u>\$1.3500</u>

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

Table 7

Taxpayer	2018			2009		
	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.	\$ 429,413,182	1	0.88%	\$ 143,094,467	4	0.47%
Centerpoint Energy Inc.	288,920,160	2	0.59%	242,543,051	1	0.79%
Prologis	282,787,943	3	0.58%	-	-	-
GGP Willowbrook LP	238,626,522	4	0.49%	-	-	-
Dril Quip Inc.	234,470,438	5	0.48%	122,617,748	6	0.40%
H-E-B Grocery Co. LP	202,407,181	6	0.42%	83,408,330	9	0.27%
CPG Houston Holdings	175,125,783	7	0.36%	-	-	-
Liberty Property	164,935,154	8	0.34%	76,564,786	10	0.25%
Wal-Mart	144,908,977	9	0.30%	145,352,820	3	0.47%
Kroger	136,065,255	10	0.28%	-	-	-
BG Distribution Partners	-	-	-	86,347,730	7	0.28%
Sarasparilla Ltd. Partners	-	-	-	124,653,572	5	0.40%
Southwestern Bell Telephone	-	-	-	85,430,836	8	0.28%
Letourneau Technologies Drilling Systems	-	-	-	171,879,768	2	0.56%
TOTALS	\$ 2,297,660,595		4.72%	\$ 1,281,893,108		4.17%

- (1) Taxable assessed value equals actual/appraised value after exemptions.
- (2) Taxable assessed value equals: \$ 48,750,997,500
- (3) Taxable assessed value equals: \$ 30,771,104,667

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
2018	\$ 702,014,364	\$ 691,840,974	98.55%	\$ -	\$ 691,840,974	98.55%
2017	663,633,769	662,225,557	99.79%	(1,890,502)	660,335,055	99.50%
2016	620,101,359	618,065,629	99.67%	395,179	618,460,808	99.74%
2015	569,483,914	567,273,857	99.61%	1,211,003	568,484,860	99.82%
2014	514,143,437	512,659,663	99.71%	622,368	513,282,031	99.83%
2013	472,216,960	468,178,162	99.14%	3,293,964	471,472,126	99.84%
2012	445,852,277	441,362,619	98.99%	3,692,239	445,054,858	99.82%
2011	439,854,463	434,053,777	98.68%	4,983,950	439,037,727	99.81%
2010	443,465,137	437,126,121	98.57%	5,540,974	442,667,095	99.82%
2009	414,926,634	406,440,684	97.95%	8,375,635	414,816,319	99.97%

(1) Actual/appraised value less exemptions equal taxable assessed value. The beginning taxable assessed value net of adjustments times the taxrate 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>
2018	\$ 2,764,399,447	5.67%	\$ 23,756
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

(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)
2018	\$ 2,764,399,447	\$ 100,674,450	\$ 2,663,724,997	5.46%	\$ 22,891
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

(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, 2018

Taxing Authority	Gross Debt Outstanding	Percent Overlapping (1)	Amount Applicable to School District
<u>Overlapping:</u>			
Barker Cypress MUD	\$ 16,395,000	100.00%	\$ 16,395,000
Champions MUD	4,325,000	100.00%	4,325,000
Chimney Hill MUD	13,460,000	100.00%	13,460,000
Clay Road MUD	5,030,000	100.00%	5,030,000
Cy-Champ PUD	15,455,000	100.00%	15,455,000
Cypress Creek UD	7,110,000	98.49%	7,002,639
Cypress Forest PUD	1,305,000	12.78%	166,779
Cypress Hill MUD #1	55,780,000	100.00%	55,780,000
Emerald Forest UD	9,560,000	100.00%	9,560,000
Faulkey Gully MUD	8,060,000	49.77%	4,011,462
Grant Road PUD	15,285,000	100.00%	15,285,000
Harris County	2,208,674,361	11.45%	252,893,214
Harris Co Dept. of Education	6,555,000	11.45%	750,548
Harris Co Flood Control District	83,075,000	11.45%	9,512,088
Harris Co FWSD #61	33,470,000	100.00%	33,470,000
Harris Co Hosp Dist	59,490,000	11.55%	6,871,095
Harris Co MUD #025	1,280,000	100.00%	1,280,000
Harris Co MUD #070	12,630,000	100.00%	12,630,000
Harris Co MUD #102	6,220,000	100.00%	6,220,000
Harris Co MUD #105	44,850,000	100.00%	44,850,000
Harris Co MUD #127	11,180,000	100.00%	11,180,000
Harris Co MUD #130	4,055,000	100.00%	4,055,000
Harris Co MUD #144	2,140,000	100.00%	2,140,000
Harris Co MUD #149	1,245,000	100.00%	1,245,000
Harris Co MUD #155	3,150,000	100.00%	3,150,000
Harris Co MUD #156	10,200,000	100.00%	10,200,000
Harris Co MUD #157	40,120,000	100.00%	40,120,000
Harris Co MUD #162	1,170,000	100.00%	1,170,000
Harris Co MUD #165	124,120,000	99.42%	123,400,104
Harris Co MUD #166	9,750,000	100.00%	9,750,000
Harris Co MUD #167	51,085,000	100.00%	51,085,000
Harris Co MUD #168	18,760,000	100.00%	18,760,000
Harris Co MUD #170	2,020,000	100.00%	2,020,000
Harris Co MUD #172	22,395,000	100.00%	22,395,000
Harris Co MUD #173	17,200,000	100.00%	17,200,000
Harris Co MUD #183	3,800,000	100.00%	3,800,000
Harris Co MUD #185	1,800,000	97.77%	1,759,860
Harris Co MUD #188	12,475,000	100.00%	12,475,000
Harris Co MUD #196	30,235,000	100.00%	30,235,000
Harris Co MUD #208	1,560,000	100.00%	1,560,000
Harris Co MUD #220	7,825,000	94.10%	7,363,325
Harris Co MUD #222	1,110,000	100.00%	1,110,000
Harris Co MUD #230	20,255,000	99.89%	20,232,720
Harris Co MUD #239	13,110,000	100.00%	13,110,000
Harris Co MUD #248	17,955,000	100.00%	17,955,000
Harris Co MUD #250	2,065,000	100.00%	2,065,000
Harris Co MUD #257	9,905,000	100.00%	9,905,000
Harris Co MUD #261	1,730,000	100.00%	1,730,000
Harris Co MUD #264	3,130,000	100.00%	3,130,000
Harris Co MUD #276	14,385,000	100.00%	14,385,000
Harris Co MUD #284	18,330,000	100.00%	18,330,000
Harris Co MUD #322	5,845,000	100.00%	5,845,000
Harris Co MUD #341	4,235,000	100.00%	4,235,000
Harris Co MUD #354	13,635,000	100.00%	13,635,000
Harris Co MUD #358	16,455,000	100.00%	16,455,000
Harris Co MUD #360	4,365,000	100.00%	4,365,000

Table 11

Taxing Authority	Gross Debt Outstanding	Percent Overlapping (1)	Amount Applicable to School District
<u>Overlapping:</u>			
Harris Co MUD #364	\$ 12,205,000	100.00%	\$ 12,205,000
Harris Co MUD #365	8,645,000	100.00%	8,645,000
Harris Co MUD #370	14,845,000	100.00%	14,845,000
Harris Co MUD #371	14,845,000	100.00%	14,845,000
Harris Co MUD #374	36,640,000	100.00%	36,640,000
Harris Co MUD #389	12,870,000	100.00%	12,870,000
Harris Co MUD #391	53,190,000	99.61%	52,982,559
Harris Co MUD #396	17,205,000	100.00%	17,205,000
Harris Co MUD #397	20,115,000	100.00%	20,115,000
Harris Co MUD #419	122,875,000	100.00%	122,875,000
Harris Co MUD #433	44,475,000	100.00%	44,475,000
Harris Co MUD #500	18,407,651	100.00%	18,407,651
Harris Co MUD #501	96,023,047	100.00%	96,023,047
Harris Co MUD #502	20,579,233	100.00%	20,579,233
Harris Co MUD #531	12,020,000	100.00%	12,020,000
Harris Co WC&ID #109	5,675,000	8.41%	477,268
Harris Co WC&ID #116	5,415,000	69.69%	3,773,714
Harris Co WC&ID #155	3,665,000	99.79%	3,657,304
Harris Co WC&ID #157	54,115,000	97.49%	52,756,714
Horsepen Bayou MUD	13,160,000	100.00%	13,160,000
Houston, City of	3,742,955,000	2.30%	86,087,965
Jersey Village, City of	17,960,000	100.00%	17,960,000
Langham Creek UD	14,965,000	100.00%	14,965,000
Lone Star College System	638,425,000	26.22%	167,395,035
Mills Road MUD	2,340,000	100.00%	2,340,000
NW Harris Co MUD #05	107,655,000	49.19%	52,955,495
NW Harris Co MUD #09	4,250,000	100.00%	4,250,000
NW Harris Co MUD #10	43,470,000	100.00%	43,470,000
NW Harris Co MUD #12	13,160,000	99.95%	13,153,420
NW Harris Co MUD #16	11,860,000	100.00%	11,860,000
NW Harris Co MUD #29	2,100,000	100.00%	2,100,000
Port of Houston Authority	638,829,397	11.45%	73,145,966
Reid Road MUD #1	8,400,000	100.00%	8,400,000
Reid Road MUD #2	2,065,000	100.00%	2,065,000
Remington MUD #1	50,135,000	100.00%	50,135,000
Rolling Creek UD	11,870,000	84.42%	10,020,654
Rolling Fork PUD	1,960,000	100.00%	1,960,000
Spencer Road PUD	2,975,000	100.00%	2,975,000
Timberlake ID	5,505,000	100.00%	5,505,000
West Harris Co MUD #01	530,000	100.00%	530,000
West Harris Co MUD #09	11,690,000	100.00%	11,690,000
West Harris Co MUD #10	10,870,000	100.00%	10,870,000
West Harris Co MUD #11	28,620,000	100.00%	28,620,000
West Harris Co MUD #14	2,735,000	100.00%	2,735,000
West Harris Co MUD #15	965,000	98.43%	949,850
West Harris Co MUD #21	11,965,000	100.00%	11,965,000
White Oak Bend MUD	630,000	100.00%	630,000
Windfern Forest UD	4,795,000	100.00%	4,795,000
SUBTOTAL, OVERLAPPING DEBT			2,258,584,705
<u>Direct:</u>			
Cypress-Fairbanks Independent School District		100.00%	2,764,399,447
TOTAL DIRECT AND OVERLAPPING DEBT			\$ 5,022,984,152

(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: Texas MAC

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)
2018	155,884	\$ 35,651,892,935	\$ 228,708	116,368	108,715	4.7%
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%

(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	2018			2009		
	Employees	Rank	Percentage of Total Employment (1)	Employees	Rank	Percentage of Total Employment (2)
Wal-Mart	34,000	1	1.53%	31,900	1	1.74%
H-E-B Grocery Co. LP	26,956	2	1.22%	12,283	6	0.67%
Memorial Hermann Healthcare System	26,011	3	1.17%	20,201	2	1.10%
The Methodist Hospital System	22,247	4	1.00%	12,363	5	0.67%
Kroger	17,188	5	0.78%	14,620	3	0.80%
McDonald's Corp.	16,100	6	0.73%	-	-	-
Cypress-Fairbanks ISD	15,101	7	0.68%	13,405	4	0.73%
Landry's	11,800	8	0.53%	-	-	-
Whataburger	8,892	9	0.40%	-	-	-
Target	5,400	10	0.24%	5,300	9	0.29%
National Oilwell Varco	-	-	-	8,267	7	0.45%
Walgreens Company	-	-	-	6,497	8	0.35%
Weatherford International	-	-	-	2,662	10	0.15%
	183,695		8.28%	127,498		6.95%

(1) Total Employment for 2018: 2,218,945
(2) Total Employment for 2009: 1,833,726
Source: Houston Chronicle Top 100 List; Employee data is for Houston area

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

POSITION:	2018 (1)	2017 (1)	2016 (1)
Administrator: superintendent, associate/assistant superintendent	20	20	20
Curriculum coordinators, supervisors, teacher facilitators	182	189	175
Directors, supervisors, assistant directors, support staff	306	294	285
Special education	252	248	245
Principals and assistant principals	352	341	332
Directors of instruction	33	33	31
Counselors, psychologists, attendance officers, testing, academic specialists	286	273	264
School media specialists	91	81	88
School nurses, LVN	89	85	84
Vocational support	4	4	5
Classroom teachers	6,674	6,560	6,519
Special education teachers	760	729	680
Deaf education teachers	26	31	24
School secretaries, assistant secretaries, clerks, campus TA	547	526	515
Central administration, annex secretaries, clerks	168	166	167
Maintenance secretaries	17	17	18
Food service secretaries	15	15	15
Transportation secretaries	19	18	16
Regular aides	974	965	966
Special and deaf education aides	868	831	771
Bus drivers	720	728	725
Mechanics	51	54	56
Custodians	699	674	651
Maintenance	168	166	168
Security	96	96	94
Distribution	32	31	28
Food Service	1,204	1,183	1,147
Community Programs	448	582	626
Total Employees	15,101	14,940	14,715

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

Source: District Human Resource Records

Table 14

<u>2015 (1)</u>	<u>2014 (1)</u>	<u>2013 (1)</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
20	20	19	17	19	19	19
168	168	129	54	51	51	48
215	210	210	230	249	252	251
238	231	229	121	119	119	124
330	320	313	313	311	310	299
31	32	30	29	29	28	28
314	315	303	249	255	255	251
90	85	79	80	79	79	78
96	94	88	86	91	93	90
4	4	4	3	3	3	3
6,485	6,167	5,888	5,885	6,102	6,154	6,151
685	675	643	645	645	645	807
26	31	34	34	36	36	36
516	522	522	537	537	526	496
221	231	230	179	181	186	176
16	17	15	15	15	14	14
15	15	14	14	14	14	14
16	16	16	16	16	13	13
939	853	728	705	739	772	729
686	683	692	704	722	740	699
823	826	878	928	940	1,000	1,005
52	52	52	34	34	34	35
640	634	621	614	648	687	699
169	170	160	165	165	161	161
90	78	59	46	38	36	31
37	37	35	41	41	40	43
1,072	1,061	1,055	1,210	1,175	1,173	1,105
528	448	443	372	192	-	-
<u>14,522</u>	<u>13,995</u>	<u>13,489</u>	<u>13,326</u>	<u>13,446</u>	<u>13,440</u>	<u>13,405</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
2018	116,368	\$ 1,060,389,365	\$ 9,112	0.69%	\$ 956,943,371
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

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

(2) Percentage change from prior year is due to adjustments to expenses for implementation of GASB 75.

Table 15

<u>Cost Per Student</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Student to Teacher Ratio</u>	<u>Percentage of Students in Free/Reduced Lunch Program</u>
\$ 8,223	-24.47% (2)	7,460	15.60	55.3%
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%

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)		
2018	\$ 53,000	\$ 82,637	\$ 58,472	\$ 56,943	\$ 53,334
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

(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

<u>Building</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
HIGH SCHOOLS				
Bridgeland (2017)				
Square Footage	573,468			
Capacity	3,304	-	-	-
Enrollment	1,276	-	-	-
Cypress Creek (1977)				
Square Footage	-			
Capacity	3,525	3,525	3,525	3,525
Enrollment	3,357	3,346	3,247	3,161
Cy-Fair (1941)				
Square Footage	485,985			
Capacity	3,660	3,660	3,660	3,660
Enrollment	3,526	3,630	3,665	3,656
Cypress Falls (1992)				
Square Footage	558,751			
Capacity	3,276	3,276	3,276	3,276
Enrollment	3,499	3,653	3,726	3,667
Cypress Lakes (2008)				
Square Footage	498,708			
Capacity	3,219	3,219	3,219	3,219
Enrollment	3,523	3,669	3,704	3,599
Cypress Park (2016)				
Square Footage	590,057			
Capacity	3,304	3,304	-	-
Enrollment	1,216	551	-	-
Cypress Ranch (2008)				
Square Footage	513,307			
Capacity	3,219	3,219	3,219	3,219
Enrollment	3,114	3,715	3,666	3,456
Cypress Ridge (2002)				
Square Footage	488,445			
Capacity	3,217	3,217	3,217	3,217
Enrollment	3,114	3,084	3,014	3,030
Cypress Springs (1997)				
Square Footage	476,259			
Capacity	3,219	3,219	3,219	3,219
Enrollment	3,027	3,140	3,148	2,942
Cypress Woods (2006)				
Square Footage	490,257			
Capacity	3,219	3,219	3,219	3,219
Enrollment	3,548	3,447	3,347	3,286
Jersey Village (1972)				
Square Footage	507,353			
Capacity	3,484	3,484	3,484	3,484
Enrollment	3,521	3,610	3,560	3,461
Langham Creek (1985)				
Square Footage	526,662			
Capacity	3,293	3,293	3,293	3,293
Enrollment	3,126	3,219	3,201	3,211

Table 17
Page 1 of 8

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
-	-	-	-	-	-
-	-	-	-	-	-
3,525	3,525	3,525	3,525	3,380	2,780
3,251	3,298	3,385	3,299	3,293	3,191
3,660	3,660	3,660	3,660	3,340	3,340
3,526	3,440	3,363	3,316	3,194	3,072
3,276	3,276	3,276	3,276	3,110	2,970
3,544	3,560	3,383	3,377	3,360	3,308
3,219	3,219	3,219	3,219	3,090	2,950
3,514	3,402	3,369	3,208	2,389	1,535
-	-	-	-	-	-
-	-	-	-	-	-
3,219	3,219	3,219	3,219	3,090	2,950
3,257	3,041	2,575	2,292	1,497	836
3,217	3,217	3,217	3,217	3,060	2,920
2,962	2,968	3,013	3,000	2,962	3,033
3,219	3,219	3,219	3,219	3,090	2,950
2,716	2,520	2,521	2,497	2,899	3,082
3,219	3,219	3,219	3,219	3,090	2,950
3,152	3,080	2,810	2,681	3,158	3,479
3,484	3,484	3,484	3,484	3,340	2,730
3,449	3,378	3,266	3,149	2,960	2,985
3,293	3,293	3,293	3,293	3,160	2,990
3,139	3,113	3,034	2,914	3,143	3,228

Continued

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

<u>Building</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
MIDDLE SCHOOLS				
Anthony (2015)				
Square Footage	244,123			
Capacity	1,559	1,559	1,559	1,559
Enrollment	1,471	1,421	1,332	1,224
Aragon (2000)				
Square Footage	216,749			
Capacity	1,539	1,539	1,539	1,539
Enrollment	1,603	1,630	1,506	1,548
Arnold (1956)				
Square Footage	205,094			
Capacity	1,464	1,464	1,464	1,464
Enrollment	1,406	1,356	1,553	1,545
Bleyl (1973)				
Square Footage	226,483			
Capacity	1,612	1,612	1,612	1,612
Enrollment	1,535	1,505	1,515	1,503
Campbell (1978)				
Square Footage	228,967			
Capacity	1,600	1,600	1,600	1,600
Enrollment	1,271	1,302	1,263	1,341
Cook (1986)				
Square Footage	201,557			
Capacity	1,590	1,590	1,590	1,590
Enrollment	1,584	1,504	1,609	1,581
Dean (1954)				
Square Footage	213,572			
Capacity	1,700	1,700	1,527	1,527
Enrollment	1,653	1,610	1,527	1,480
Goodson (2000)				
Square Footage	218,801			
Capacity	1,539	1,539	1,539	1,539
Enrollment	1,366	1,384	1,258	1,265
Hamilton (1992)				
Square Footage	189,679			
Capacity	1,560	1,560	1,560	1,560
Enrollment	1,396	1,402	1,582	1,641
Hopper (2007)				
Square Footage	226,178			
Capacity	1,539	1,539	1,539	1,539
Enrollment	1,352	1,334	1,404	1,369
Kahla (2005)				
Square Footage	218,529			
Capacity	1,539	1,539	1,539	1,539
Enrollment	1,348	1,358	1,445	1,450

Table 17
Page 2 of 8

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
-	-	-	-	-	-
1,539	1,539	1,539	1,539	1,480	1,450
1,647	1,673	1,656	1,651	1,658	1,652
1,464	1,464	1,464	1,464	1,400	1,400
1,591	1,579	1,585	1,533	1,507	1,447
1,612	1,612	1,612	1,612	1,550	1,320
1,572	1,606	1,563	1,575	1,551	1,513
1,600	1,600	1,600	1,600	1,560	1,380
1,237	1,266	1,296	1,232	1,407	1,432
1,590	1,590	1,590	1,590	1,530	1,530
1,614	1,578	1,595	1,627	1,435	1,496
1,527	1,527	1,527	1,527	1,480	1,480
1,546	1,573	1,470	1,453	1,368	1,372
1,539	1,539	1,539	1,539	1,480	1,450
1,208	1,151	1,139	1,753	1,668	1,552
1,560	1,560	1,560	1,560	1,500	1,500
1,547	1,525	1,619	1,619	1,642	1,591
1,539	1,539	1,539	1,539	1,480	1,450
1,395	1,371	1,420	1,370	1,443	1,476
1,539	1,539	1,539	1,539	1,480	1,450
1,451	1,417	1,350	1,351	1,352	1,549

Continued

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

Building	2018	2017	2016	2015
Labay (1984)				
Square Footage	189,290			
Capacity	1,578	1,578	1,578	1,578
Enrollment	1,279	1,280	1,448	1,478
Salyards (2012)				
Square Footage	237,508			
Capacity	1,559	1,559	1,559	1,559
Enrollment	1,601	1,635	1,645	1,544
Smith (2009)				
Square Footage	227,015			
Capacity	1,539	1,539	1,539	1,539
Enrollment	1,447	1,254	1,055	959
Spillane (2005)				
Square Footage	226,673			
Capacity	1,509	1,509	1,509	1,509
Enrollment	1,592	1,647	1,383	1,393
Thornton (1993)				
Square Footage	191,360			
Capacity	1,559	1,559	1,559	1,559
Enrollment	1,653	1,513	1,487	1,391
Truitt (1990)				
Square Footage	205,268			
Capacity	1,558	1,558	1,558	1,558
Enrollment	1,366	1,417	1,370	1,412
Watkins (1982)				
Square Footage	217,165			
Capacity	1,389	1,389	1,389	1,389
Enrollment	1,370	1,360	1,374	1,305
ELEMENTARY SCHOOLS				
Adam (1972)				
Square Footage	101,641			
Capacity	1,040	1,040	944	944
Enrollment	843	850	840	867
Andre (2006)				
Square Footage	92,476			
Capacity	1,092	1,092	1,092	1,092
Enrollment	966	1,169	1,166	1,235
Ault (1994)				
Square Footage	89,416			
Capacity	1,037	1,037	1,037	1,037
Enrollment	1,045	1,034	1,037	1,010
Bane (1972)				
Square Footage	106,804			
Capacity	1,005	1,005	1,005	1,005
Enrollment	935	900	887	932

Table 17
Page 3 of 8

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
1,578 1,522	1,578 1,517	1,578 1,594	1,578 1,603	1,490 1,528	1,490 1,506
1,559 1,494	1,559 1,460	1,559 1,361	- -	- -	- -
1,539 1,851	1,539 1,694	1,539 1,563	1,539 1,354	1,480 1,106	- -
1,509 1,310	1,509 1,269	1,509 1,106	1,509 1,730	1,450 1,704	1,450 1,757
1,559 1,329	1,559 1,292	1,559 1,317	1,559 1,296	1,470 1,200	1,470 1,417
1,558 1,406	1,558 1,506	1,558 1,457	1,558 1,444	1,500 1,367	1,500 1,433
1,389 1,278	1,389 1,232	1,389 1,257	1,389 1,294	1,340 1,284	1,340 1,322
944 947	944 938	944 901	944 904	900 882	880 872
1,092 1,296	1,092 1,356	1,092 1,227	1,092 1,172	1,040 1,138	1,040 1,137
1,037 969	1,037 882	1,037 906	1,037 953	990 975	990 1,231
1,005 893	1,005 943	1,005 971	1,005 933	960 896	960 919

Continued

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

Building	2018	2017	2016	2015
Bang (1990)				
Square Footage	85,320			
Capacity	1,037	1,037	1,037	1,037
Enrollment	1,054	949	977	959
Birkes (2003)				
Square Footage	94,200			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,154	1,164	1,180	1,246
Black (2006)				
Square Footage	95,848			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,045	1,070	1,049	1,077
Copeland (1992)				
Square Footage	84,782			
Capacity	1,037	1,037	1,037	1,037
Enrollment	1,011	1,013	1,063	1,056
Danish (2005)				
Square Footage	94,980			
Capacity	1,092	1,092	1,092	1,092
Enrollment	986	1,012	1,041	1,040
Duryea (2004)				
Square Footage	94,887			
Capacity	1,092	1,092	1,092	1,092
Enrollment	949	977	981	1,021
Emery (2010)				
Square Footage	95,366			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,060	1,029	974	913
Emmott (1985)				
Square Footage	73,472			
Capacity	827	827	827	827
Enrollment	875	859	864	852
Farney (2000)				
Square Footage	93,500			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,079	1,090	1,078	1,123
Fiest (1989)				
Square Footage	85,477			
Capacity	1,037	1,037	1,037	1,037
Enrollment	1,131	1,149	1,124	1,130
Francone (1979)				
Square Footage	78,422			
Capacity	861	861	861	861
Enrollment	979	977	936	1,068

Table 17
Page 4 of 8

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
1,037 1,011	1,037 1,033	1,037 971	1,037 905	990 953	990 957
1,092 1,305	1,092 1,335	1,092 1,329	1,092 1,356	1,040 1,390	1,020 1,314
1,092 1,021	1,092 1,031	1,092 1,043	1,092 1,042	1,040 1,066	1,040 1,001
1,037 1,054	1,037 1,031	1,037 996	1,037 1,094	990 1,352	990 1,314
1,092 1,107	1,092 1,107	1,092 1,137	1,092 1,145	1,040 1,224	1,040 1,126
1,092 1,028	1,092 1,055	1,092 1,103	1,092 1,094	1,040 1,153	1,040 1,118
1,092 883	1,092 932	1,092 863	1,092 837	- -	- -
827 832	827 877	827 915	827 850	790 836	790 811
1,092 1,125	1,092 1,123	1,092 1,128	1,092 1,161	1,040 1,115	1,040 1,091
1,037 1,129	1,037 1,111	1,037 1,079	1,037 1,013	990 1,060	990 1,031
861 1,019	861 1,084	861 1,009	861 955	820 870	820 875

Continued

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

Building	2018	2017	2016	2015
Frazier (1982)				
Square Footage	76,628			
Capacity	838	838	838	838
Enrollment	702	721	745	773
Gleason (2000)				
Square Footage	91,424			
Capacity	1,092	1,092	1,092	1,092
Enrollment	957	1,020	998	1,004
Hairgrove (1991)				
Square Footage	85,052			
Capacity	1,037	1,037	1,037	1,037
Enrollment	797	726	801	835
Hamilton (1990)				
Square Footage	85,650			
Capacity	1,037	1,037	1,037	1,037
Enrollment	1,083	955	982	966
Hancock (1973)				
Square Footage	79,579			
Capacity	856	856	856	856
Enrollment	831	941	1,000	959
Hemmenway (2008)				
Square Footage	96,483			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,061	1,066	1,059	1,026
Holbrook (1968)				
Square Footage	93,985			
Capacity	976	976	976	976
Enrollment	1,020	971	992	1,106
Holmsley (1985)				
Square Footage	75,560			
Capacity	827	827	827	827
Enrollment	846	884	870	884
Hoover (2017)				
Square Footage	112,519			
Capacity	1,092	-	-	-
Enrollment	844	-	-	-
Horne (1979)				
Square Footage	78,665			
Capacity	975	975	975	975
Enrollment	955	1,049	1,035	1,091
Jowell (1986)				
Square Footage	73,726			
Capacity	827	827	827	827
Enrollment	786	879	925	965

Table 17
Page 5 of 8

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
838 1,071	838 1,092	838 1,035	838 1,048	800 1,105	800 1,070
1,092 887	1,092 898	1,092 962	1,092 943	1,040 931	1,040 927
1,037 946	1,037 909	1,037 869	1,037 899	990 905	990 936
1,037 980	1,037 947	1,037 907	1,037 909	990 960	990 984
856 1,050	856 1,076	856 1,076	856 1,062	820 1,020	820 984
1,092 830	1,092 853	1,092 809	1,092 841	1,040 991	1,040 972
976 1,123	976 1,194	976 1,087	976 988	740 968	740 887
827 902	827 915	827 979	827 1,008	790 1,020	790 971
- -	- -	- -	- -	- -	- -
975 1,092	975 1,055	975 1,130	975 1,084	930 1,025	930 1,036
827 953	827 1,022	827 1,041	827 1,072	790 1,114	790 1,153

Continued

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

Building	2018	2017	2016	2015
Keith (2004)				
Square Footage	92,446			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,016	1,218	1,134	1,091
Kirk (2000)				
Square Footage	93,897			
Capacity	1,092	1,092	1,092	1,092
Enrollment	952	975	1,022	934
Lamkin (1970)				
Square Footage	112,086			
Capacity	1,029	1,029	1,029	1,029
Enrollment	922	913	922	965
Lee (2005)				
Square Footage	93,816			
Capacity	1,092	1,092	1,092	1,092
Enrollment	884	964	986	1,011
Lieder (1978)				
Square Footage	74,582			
Capacity	881	881	881	881
Enrollment	910	1,003	984	995
Lowery (1982)				
Square Footage	74,006			
Capacity	858	858	858	858
Enrollment	941	875	882	890
Matzke (1965)				
Square Footage	76,870			
Capacity	1,092	1,092	818	818
Enrollment	1,054	998	994	984
McFee (2007)				
Square Footage	99,395			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,150	1,127	1,117	1,113
Metcalf (1991)				
Square Footage	85,120			
Capacity	1,037	1,037	1,037	1,037
Enrollment	877	943	973	995
Millsap (1977)				
Square Footage	74,252			
Capacity	861	861	861	861
Enrollment	823	733	745	722
Moore (1980)				
Square Footage	78,747			
Capacity	974	974	974	974
Enrollment	834	1,115	1,073	1,069

Table 17
Page 6 of 8

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
1,092 850	1,092 819	1,092 813	1,092 831	1,040 845	1,040 1,108
1,092 963	1,092 850	1,092 929	1,092 985	1,040 855	1,040 826
1,029 969	1,029 994	1,029 973	1,029 950	840 958	840 926
1,092 923	1,092 910	1,092 919	1,092 967	1,040 1,171	1,040 1,123
881 1,015	881 1,002	881 1,054	881 1,051	840 900	840 864
858 860	858 880	858 890	858 923	820 824	820 850
818 934	818 973	818 970	818 1,027	780 909	780 910
1,092 1,234	1,092 1,181	1,092 1,073	1,092 1,016	1,040 1,191	1,040 1,094
1,037 958	1,037 1,002	1,037 1,037	1,037 1,083	990 1,125	990 1,101
861 780	861 773	861 794	861 826	820 815	820 852
974 940	974 924	974 967	974 931	930 938	930 966

Continued

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

Building	2018	2017	2016	2015
Owens (1983)				
Square Footage	74,141			
Capacity	827	827	827	827
Enrollment	882	947	927	971
Pope (2014)				
Square Footage	112,970			
Capacity	1,092	1,092	1,092	1,092
Enrollment	779	1,137	1,051	995
Post (1960)				
Square Footage	101,780			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,146	1,100	1,117	1,127
Postma (2006)				
Square Footage	95,848			
Capacity	1,092	1,092	1,092	1,092
Enrollment	862	1,110	1,094	1,136
Reed (1991)				
Square Footage	85,404			
Capacity	1,017	1,017	1,017	1,017
Enrollment	1,053	1,100	1,123	1,106
Rennell (2010)				
Square Footage	110,549			
Capacity	1,092	1,092	1,092	1,092
Enrollment	818	841	603	1,174
Robinson (2008)				
Square Footage	93,924			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,140	1,143	1,160	1,101
Robison (2003)				
Square Footage	92,346			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,106	878	865	935
Sampson (2002)				
Square Footage	91,488			
Capacity	1,092	1,092	1,092	1,092
Enrollment	972	969	1,021	1,093
Sheridan (1992)				
Square Footage	85,194			
Capacity	1,037	1,037	1,037	1,037
Enrollment	1,155	1,026	1,095	1,022
Swenke (2009)				
Square Footage	101,770			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,189	1,238	1,216	1,195
Tipps (2003)				
Square Footage	94,047			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,028	1,025	1,038	1,167

Table 17
Page 7 of 8

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
827 967	827 1,003	827 1,012	827 1,086	790 1,028	790 1,004
1,092 965	- -	- -	- -	- -	- -
1,092 1,101	1,092 1,020	1,092 993	1,092 952	1,040 913	880 869
1,092 1,004	1,092 898	1,092 808	1,092 766	1,040 1,217	1,040 1,150
1,017 975	1,017 984	1,017 995	1,017 1,020	970 957	970 927
1,092 1,102	1,092 980	1,092 914	1,092 821	- -	- -
1,092 1,027	1,092 962	1,092 971	1,092 1,004	1,040 1,033	1,040 947
1,092 937	1,092 972	1,092 1,009	1,092 998	1,040 1,042	1,040 1,052
1,092 1,166	1,092 1,196	1,092 1,261	1,092 1,318	1,040 1,378	1,040 1,335
1,037 865	1,037 877	1,037 899	1,037 846	990 1,192	990 1,189
1,092 1,276	1,092 1,108	1,092 972	1,092 855	1,040 716	- -
1,092 1,287	1,092 1,311	1,092 1,309	1,092 1,232	1,040 1,257	1,040 1,194

Continued

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

Building	2018	2017	2016	2015
Walker (2000)				
Square Footage	92,346			
Capacity	1,092	1,092	1,092	1,092
Enrollment	952	935	1,012	1,071
Warner (2007)				
Square Footage	92,307			
Capacity	1,092	1,092	1,092	1,092
Enrollment	1,309	1,236	1,177	1,095
Wells (2017)				
Square Footage	122,878			
Capacity	1,092	-	-	-
Enrollment	548	-	-	-
Willbern (1992)				
Square Footage	89,993			
Capacity	1,037	1,037	1,037	1,037
Enrollment	884	926	921	931
Wilson (1983)				
Square Footage	74,240			
Capacity	827	827	827	827
Enrollment	947	929	871	861
Woodard (2015)				
Square Footage	115,438			
Capacity	1,092	1,092	1,092	-
Enrollment	1,089	987	959	-
Yeager (1975)				
Square Footage	74,114			
Capacity	861	861	861	861
Enrollment	1,012	1,021	955	985
SPECIAL CAMPUSES				
Maybelline Carpenter Center (1984)				
Square Footage	20,351	-	-	-
Enrollment (6)	-	-	-	-
Alternative Learning Ctr - East (1984)				
Square Footage	20,350	-	-	-
Enrollment (6)	-	-	-	-
Alternative Learning Ctr - West (2009)				
Square Footage	50,839	-	-	-
Enrollment (6)	-	-	-	-
Carlton Center (2006)				
Square Footage	37,977	-	-	-
Enrollment (6)	-	-	-	-
Windfern School of Choice (1995)				
Square Footage	50,022	-	-	-
Enrollment (6)	-	-	-	-
Total Square Footage (2)	14,844,658	-	-	-
Total Capacity (3)	124,947	119,459	115,612	114,520
Total Enrollment (4)	116,368	114,842	113,897	112,986
Total Capacity Utilization (5)	93%	96%	98%	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 2018.

(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 2017-18.

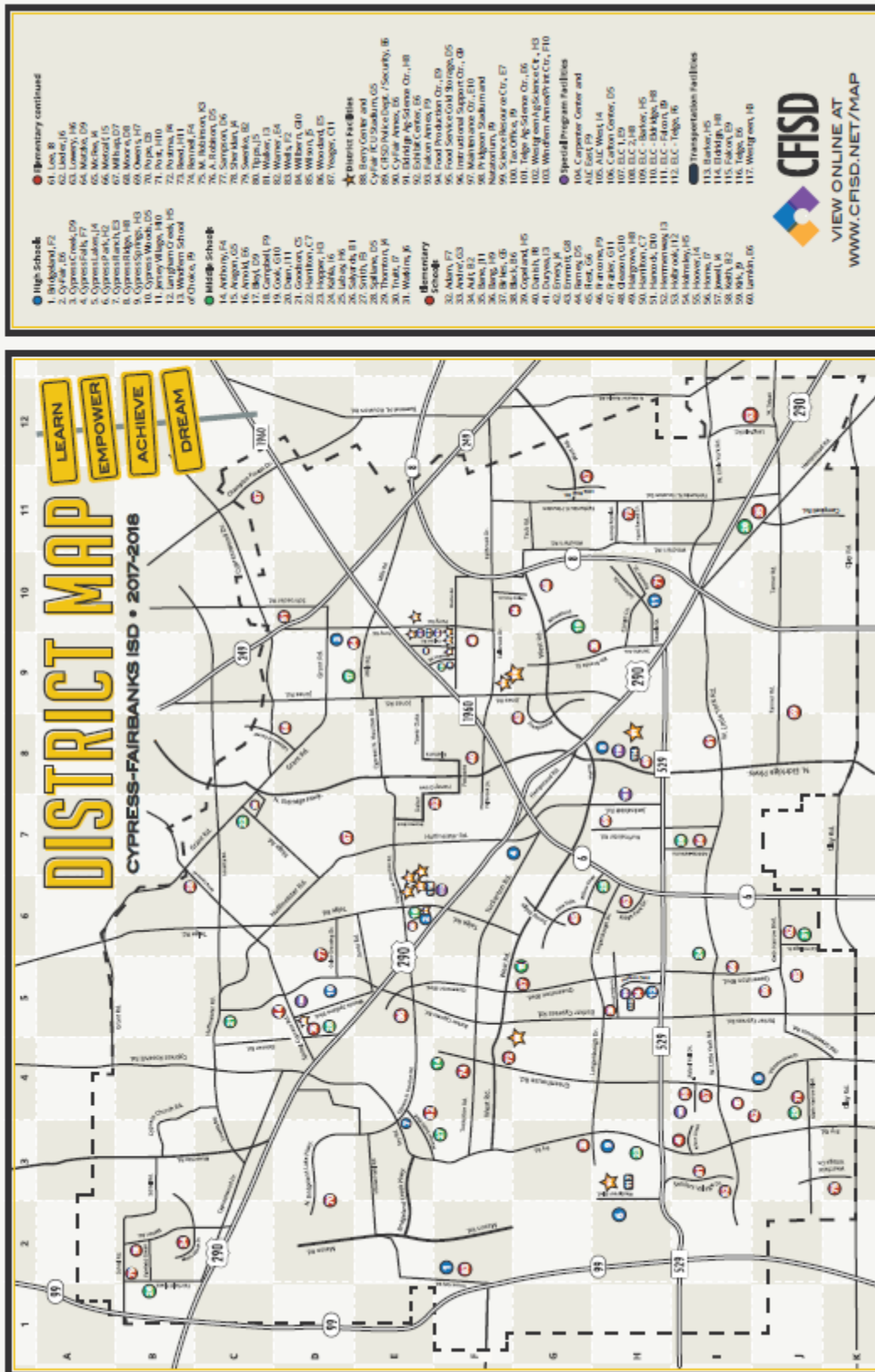
(5) Capacity Utilization is a calculation dividing Total Enrollment by Total Capacity.

(6) Enrollment included with home campus.

Table 17
Page 8 of 8

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
1,092	1,092	1,092	1,092	1,040	1,040
1,095	1,116	1,098	1,079	1,071	1,030
1,092	1,092	1,092	1,092	1,040	1,040
940	1,582	1,381	1,229	1,188	996
-	-	-	-	-	-
-	-	-	-	-	-
1,037	1,037	1,037	1,037	990	990
968	992	968	977	1,036	1,023
827	827	827	827	790	830
1,056	1,061	1,042	1,031	1,067	1,044
-	-	-	-	-	-
-	-	-	-	-	-
861	861	861	861	820	820
1,046	1,029	1,066	1,054	1,173	1,013
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
112,961	111,869	111,869	110,310	102,910	97,480
111,404	109,975	107,932	106,067	104,182	100,656
99%	98%	96%	96%	101%	103%

Table 18



CYPRESS  **FAIRBANKS**

INDEPENDENT SCHOOL DISTRICT

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