



CARROLL INDEPENDENT SCHOOL DISTRICT SOUTHLAKE, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
AUGUST 31, 2018



CARROLL INDEPENDENT SCHOOL DISTRICT
SOUTHLAKE, TEXAS



COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Fiscal Year Ended August 31, 2018

PREPARED BY:
Financial Services Department

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Carroll Independent School District
Comprehensive Annual Financial Report
For The Year Ended August 31, 2018

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INTRODUCTORY SECTION





CARROLL

INDEPENDENT SCHOOL DISTRICT

2400 North Carroll Ave, Southlake, TX 76092 817.949.8222 FAX 817.949.8277 www.southlakecarroll.edu

January 14, 2019

To the Board of Trustees and the Citizens of Carroll Independent School District:

The Texas Education Code requires that all school districts file financial statements with the Texas Education Agency (TEA) within 150 days of the close of the fiscal year. The financial statements must be presented in conformity with the generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accounts in accordance with generally accepted auditing standards. Pursuant to the requirement, we submit the Comprehensive Annual Financial Report (CAFR) of the Carroll Independent School District (the District) for the fiscal year ended August 31, 2018.

Responsibility for the accuracy, completeness, and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial operations have been included.

The CAFR is presented in four sections: (1) introductory, (2) financial, (3) statistical, and (4) federal awards. The introductory section includes this transmittal letter, the Certificate of Board, a listing of the District's principal officials and advisors, and an organizational chart of the District. The financial section includes the basic financial statements, the required supplementary information, combining and individual fund statements and schedules, and other supplementary information. Also included in the financial section is the independent auditors' report on the financial statements and Management's Discussion and Analysis (MD&A). The statistical section consists of unaudited tables which reflect both financial and demographic data. This information is for the purpose of presenting social and economic information, financial trends and fiscal capacity of the District, and is generally presented on a multi-year basis. The federal awards section includes the Single Audit report which is in conformity with the provisions of the Single Audit Act of 1996 and the United States Office of Management and Budget Uniform Guidance.

This report includes all funds of the District. The District is a public school system offering a full prekindergarten through twelve grade education for all school age residents within its geographic boundaries. The CAFR also includes any activities over which the Board has oversight responsibilities and/or the authority to make decisions. The District is not a component unit nor does it have any component units. A component unit is a legally separate organization that a primary government must include as part of its financial reporting entity for fair presentation in conformity with GAAP.

Creating an environment that fosters excellence. . .

√ Excellence √ Relationships √ Character & Integrity √ Innovation √ Open & Honest Communication √ Compassionate Service

Governing Body

The District is governed by a seven member Board of Trustees (Board) serving staggered three-year terms with elections held in May of each year. All candidates must be qualified voters and residents within the boundaries of the District. Board officers are elected by the members of the Board.

Regular meetings are scheduled for the first and third Monday of the month and are held at the Carroll ISD Administration Center. Special called meetings and workshops are scheduled as needed and announced to the public in compliance with public notice requirements.

The Board has final control over all school matters except as limited by state law, the courts, and the will of its citizens as expressed in elections. In general, the Board is responsible for adopting policy, employing and evaluating the Superintendent, adopting an annual budget and its supporting tax rate, and serving as a board of appeals in personnel and student matters.

General Information

In 1919 the Carroll Common School District was formed from independent schools near Lonesome Dove and White's Church as well as Sam's School. The District was named after B. E. Carroll, Tarrant County Superintendent of Public Instruction. The first school building was known as Carroll High School and was opened in 1919, being used continuously until the opening of the new Carroll High School in 1970-1971. In 1959, the Carroll Common School District officially became an Independent School District. Originally Carroll ISD only offered grades K-8th grade, with students having to attend Grapevine High School for grades 9-12. Then in 1961-1962, the grades were expanded to serve K-12th, with the first graduating class of Carroll High School being in 1965.

The District is located in northeast Tarrant County and encompasses approximately 21 square miles. The District serves students in Southlake, Colleyville, Grapevine, Keller, Trophy Club and Westlake. The District is one of the largest in the state of Texas to earn the top rating of "Exemplary" by the Texas Education Agency.

The District finished the year with an enrollment of 8,366 students. Enrollment has increased by 7% over the past ten years and annual growth is expected in the foreseeable future. Enrollment of 9,285 is projected by 2027-28.

	17-18	16-17	15-16	14-15	13-14
Enrollment	8,366	8,190	8,056	7,869	7,791

The District is comprised of the following eleven (11) campuses:

Carroll Senior High School	Grades 11-12
Carroll High School	Grades 9-10
Carroll Middle School	Grades 7-8
Dawson Middle School	Grades 7-8
Durham Intermediate School	Grades 5-6
Eubanks Intermediate School	Grades 5-6
Carroll Elementary School	Grades Pk-4
Johnson Elementary School	Grades K-4
Old Union Elementary School	Grades Pk-4

Rockenbaugh Elementary School
Walnut Grove Elementary School

Grades Pk-4
Grades K-4

Five schools have been named National Blue Ribbon Schools by the U.S. Department of Education. The Blue Ribbon Schools include Rockenbaugh Elementary, Johnson Elementary, Carroll Elementary, Carroll Middle School and Carroll Senior High School.

Approximately 98 percent of Carroll's seniors go on to attend a college or university after graduation. More than 90 percent of Carroll students take a college entrance exam, with composite scores on the SAT and ACT that exceed state and national averages. Carroll offers a full array of Advanced Placement and Honors courses, a challenging curriculum for gifted and talented students and special programs for students with special needs.

Each campus shares the same district mascot the Dragon superimposed on an outline of the state of Texas, in the same colors, green, white and black. The current logo was developed in 1984 and has been in use since that time. The original inspiration of the mascot was derived by combining an outline of Texas with a US Navy fighter squadron emblem.

Economic Condition and Outlook

The Southlake area was settled in the 1840s but was not incorporated as Southlake until 1956. The area remained rural until the completion of the nearby DFW International Airport in the 1970s. Due to the close proximity to the airport, Southlake became a boom-burb throughout the 1980s, 1990s and 2000s. The current population projection for Southlake is 29,580 with a projected build-out population of 34,188. Southlake has been recognized as one of the most desirable cities in which to live and work due to a highly successful combination of business, local government, school district, and the overall quality of life. The largest employers in the Southlake area include Sabre Holdings, the District, Keller Williams, Gateway Church, Verizon Wireless, the City of Southlake, Central Market, Hilton Southlake, Texas Health Harris Methodist and the Methodist Hospital.

The District's latest demographic study reports the following unemployment numbers as of October 2017:

United States	3.9%
Texas	3.5%
Dallas/Fort Worth	3.0%
Southlake	2.6%

The District had 721 home sales between January-November 2017. The average sale price of a new home was \$844,151. The average sale price of an existing home was \$661,425.

Property values have increased an average of 7% over the past five years, and the District's tax base has been increasing due to new residential construction accompanied by growth in retail and commercial development. The District's total assessed property value for the year was \$9,061,857,733 with residential property accounting for almost 72% of the value. The net taxable value after exemptions was \$8,038,054,472 which was an increase of 8.5% from the prior year. The average taxable value of a home in the District was \$614,466.

Long Range Planning

In 2014, the District appointed a Strategic Planning Committee comprised of a cross section of parents, employees, administrators and community/business leaders with varying backgrounds, experiences and expertise. The committee updated the district's mission, vision, and core values, adding belief statements and creating 11 strategic objectives.

The District's mission is "Building on a Dragon tradition of excellence, the Carroll Independent School District will foster a safe, caring, and creative learning environment that inspires students to realize their full potential as they positively impact the world around them". The mission and the District's core values of excellence, relationships, character & integrity, innovation, open & honest communication, and compassionate service help shape the decisions that are made on a daily basis. The District's employees continue to work on making progress on the 11 strategic objectives of the five-year Strategic Plan. Periodic updates are provided to help ensure alignment with the District Improvement Plan and individual Campus Improvement Plans.

The District formed a Capital Needs Planning Committee (CNPC) to serve in an advisory capacity to the Board and Administration on a temporary basis regarding the topic of short-term and long-term capital needs planning. The committee was comprised of approximately 40 citizens and employees representing each of the school attendance zones. The committee spent most of the 2015-2016 school year studying capital needs and building use, safety and security, technology and instructional needs, extra-curricular facilities, and maintenance and transportation needs. The committee made a recommendation to the Board on June 6, 2016 that led to the bond election that was held in May 2017. Following is a summary of the recommendation:

Building Use/Capital Improvements (\$18 million)

- Elementary classroom additions
- Core spaces and front office expansions
- ADA compliance projects
- Language labs and robotics
- Canopies over student walkways

Technology/Instructional Programming (\$45 million)

- Infrastructure (phones, bell system, wireless, servers, switches, etc.)
- Classroom presentation resources
- 21st Century collaborative spaces
- Student devices (combination of laptops and iPads, etc.)

Maintenance, Transportation, Safety & Security (\$104 million)

- General maintenance (flooring, ceiling tiles, paint, roofs)
- Site work (paving, sidewalks, parking lots, driveways)
- Mechanical, electrical and plumbing (MEP) projects
- School buses and maintenance vehicles
- Surveillance cameras and keyless entry systems

Extra-curricular/Co-curricular (\$41 million)

- Music facility at CSHS for band/choir
- Renovations for STEM, theatre, language labs, journalism, etc.

- Artificial field turf on competition/practice fields
- Band instruments and uniforms
- Aquatics Center and Dragon Stadium renovations

On May 6, 2017, Carroll ISD voters overwhelming passed the \$208 million bond that will provide funding for construction projects at every Carroll ISD campus and support facility over the next three to five years. Work to complete the 2017 Bond Program will be under the guidance and oversight of a Bond Advisory Committee and the Board of Trustees.

Financial Information

The District strives to provide support for all stakeholders, ensuring that all financial operations support the District's instructional goals and objectives thereby providing our students with the best education possible. The District is committed to providing fiscal management through prudent stewardship, integrity and financial transparency. In 2014, the District was awarded the Texas Comptroller Leadership Circle Platinum Award for Financial Transparency. Since that time, the Texas Comptroller has initiated a greater level of accountability and has recognized the District for going above and beyond in their transparency efforts in the areas of Traditional Finance and Debt Obligations.

The District scored the highest possible rating of "Superior" for the School FIRST (Financial Integrity Rating System of Texas), a financial accountability system for Texas school districts. The primary goal of the FIRST rating is to ensure quality performance in the management of a school district's financial resources, a goal made more significant due to the complexity of accounting associated with the Texas school finance system. Since the inception of the rating system in 2002-2003, the District has maintained the highest level of rating.

In September 2016, Moody's upgraded the District's previous general obligation bond rating from Aa2 to Aa1. The rating upgrade primarily reflected the District's trend of tax base growth, affluent residential community, enrollment growth and healthy reserves. The stable outlook reflects the expectation of stable credit fundamentals supported by the District's economy which will remain strong given its location in the Dallas-Fort Worth Metroplex and management's history of maintaining healthy reserves.

In August 2018, S&P affirmed its AA+ underlying rating and long-term rating on the District's existing general obligation debt. The outlook on all the ratings is stable. The underlying rating reflects their assessment of the District's creditworthiness, specifically its expanding property tax base, coupled with access to and participation in the broad and diverse Dallas-Fort Worth Metroplex, very strong income and extremely strong wealth indicators, and historically strong financial position, supporting the maintenance of very strong reserves.

Internal Control

The District's management is responsible for establishing and maintaining internal controls that are designed to ensure that the assets of the District are protected from loss, theft, and misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The cost of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and

(2) the valuation of the cost and benefits requires estimates and judgments by management. Management believes the internal controls adequately meet the above objectives.

Budgetary Control

State law requires that every local education agency prepare and file an annual budget of anticipated revenues and expenditures with the Texas Education Agency. The objective of budgetary controls is to ensure compliance with the legal provisions in the annual budget approved by the Board. Budgetary control, the level at which expenditures cannot legally exceed appropriations, is maintained at the functional category level within each fund. These functional categories are defined by the Texas Education Agency and identify the purpose of the transaction. The budget may be amended during the year to address unanticipated or changing needs of the District. A change to functional expenditure categories, revenue objects, or other sources and uses accounts requires the approval of the Board.

The annual budget is the foundation for the District's financial planning and control. The budget process begins in January of each year. All budget managers of the District are required to submit their requests to the Financial Services Department. The requests are compiled and summarized into a preliminary budget which is presented and discussed with the Board at one or more public budget workshops. Prior to the end of August, a board meeting is called for the purpose of discussing and adopting the budget and the proposed tax rate. The budget must be adopted prior to the beginning of the fiscal year on September 1st.

It is the intent of the District that the budgetary process provides the financial resources that are needed to meet the educational goals and objectives of the District. The ultimate decision of the level of funding and the programs to be funded rests with the Board. After considering all factors, the Board sets an ad valorem tax rate that will generate sufficient revenues to support the expenditure budget of the District. The tax rates per \$100 of assessed value for the past five years are shown on the following table.

	17-18	16-17	15-16	14-15	13-14
M&O	\$1.0400	\$1.0400	\$1.0400	\$1.0400	\$1.0400
I&S	<u>\$0.3450</u>	<u>\$0.3500</u>	<u>\$0.3550</u>	<u>\$0.3600</u>	<u>\$0.3600</u>
	\$1.3850	\$1.3900	\$1.3950	\$1.4000	\$1.4000

The District also utilizes an encumbrance accounting system to maintain budgetary control. Outstanding encumbrances at the end of a fiscal year lapse at year-end and are treated as expenditures in the subsequent year upon receipt of goods.

The cost of operating schools and the revenues to cover these costs are accounted for through the General Fund. Special programs, primarily funded by the state or federal government and designed to accomplish a defined objective, are accounted for in the Special Revenue Funds. The District allocates a portion of its tax rate for the payment of bond principal and interest and accounts for these transactions in the Debt Service Fund. The District accounts for school construction that is financed through the sale of bonds in the Capital Projects Fund. The District also maintains Trust and Agency Funds which account for private purpose trusts as well as agency funds for student activity and other granting organization.

Fund Balance

The total General Fund balance is an integral part of the subsequent year's budget adoption and tax rate setting process. The Board has been proactive in building the District's fund balances over time striving to maintain at least three months operating expenditures in the unassigned General Fund balance. The

General Fund balance at the end of August 31, 2018 was \$39,222,200 which was an increase of \$3,030,760 from the prior year.

Cash Management

In accordance with the District's investment strategy, it is the District's practice to maintain a cash management program that invests financial resources in a manner that provides primarily for the safety of principal and secondarily to achieve favorable rates of return. The program is sustained by providing a sufficient level of liquidity to support the daily cash flow needs of the District without subjecting the District to material, unfavorable market conditions and interest rate risk.

The District invests in U.S. Treasury and Agency securities as well as Certificates of Deposit. The District also participates in local government investment pools including Lone Star, Texas Class, and Texas Term. Government pools provide for liquidity, competitive markets returns, and additional diversification of the investment portfolio.

Independent Audit

State law and District policy requires an annual audit of the District's financial statements by independent certified public accountants. The annual audit was performed by Snow Garrett Williams for the year ended August 31, 2018. In addition to meeting the requirements set forth in state statutes, the audit is designed to also meet the requirements of the Government Auditing Standards issued by the Comptroller General of the United States and the Uniform Guidance. The independent auditors' report on the basic financial statements and the combining and individual fund statements and other supplemental schedules are included in the financial section of this report.

2017-2018 Achievements

As reflected in the District's mission statement, activities of the District focus on a creative learning environment that inspires students to realize their full potential as they positively impact the world around them. The following reflects the degree of success that both the District and its students have accomplished in academics, extra and co-curricular activities for the 2017-2018 fiscal year:

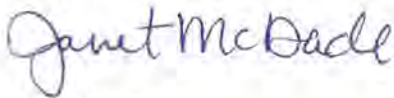
- Carroll ISD earned an "A" in the Texas Education Agency's new accountability rating system for 2018.
- Carroll ISD was one of only five districts in the state to earn the Postsecondary Readiness Distinction from the Texas Education Agency for the 5th straight year.
- Carroll ISD was named the third best school district in Texas and the tenth best in the nation by Niche.com.
- Carroll ISD had 22 students named as a National Merit Semifinalist. 51 students were named National Merit Commended Students, and 14 were named National Hispanic Scholars.
- 186 Carroll ISD students were named Advanced Placement Scholars and 82 of them were named National AP Scholars for scoring a 4 or higher on eight or more AP exams.
- Carroll ISD was named to the 8th Annual AP District Honor Roll. Districts on the AP Honor Roll have simultaneously increased access to Advanced Placement coursework while maintaining or increasing the percentage of students earning scores of 3 or higher on AP Exams. Carroll ISD has received the designation six times, more than any other district in Texas.

- Carroll ISD had a composite average ACT score of 27.1, surpassing both the state average of 20.3 and the national average of 20.8.
- Carroll ISD had a composite average SAT score of 1261 on the redesigned tests, exceeding both the state average of 1019 and the national average of 1068.
- The graduating class of 2018 earned over \$24 million in scholarships and completed more than 68,000 hours of community service in four years.
- More than 47 student athletes participated in National Signing Day, earning scholarships to further their academic and athletic careers.
- 20 graduating seniors were recognized at the Fine Arts Signing Day for being accepted into their university and Fine Arts program.
- Carroll ISD finished second in the UIL Lone Star Cup for Conference 6A for their overall achievement in a variety of sanctioned academic, athletic and music championships.
- UIL State Championships were won in baseball and boys swimming.
- The Carroll Robotics team was awarded a World Championship from a competition that included over 600 teams from around the world.
- The Carroll Senior High School debate team received a School of Honor Award in Debate at the national tournament.
- Eight Dragon Odyssey of the Mind teams advanced to the World Finals.
- The Carroll Jazz Orchestra was named one of 15 bands from around the country as an Essentially Ellington High School Jazz Band finalist.

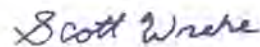
Acknowledgments

The preparation of this report could not have been accomplished without the dedication of the Financial Services Department staff and the staff of Snow Garrett Williams. We would like to extend sincere appreciation for their time and efforts. We would also like to thank the Board of Trustees for their support in ensuring fiscal transparency to the citizens of the District and for its leadership of one of the highest ranked school districts in Texas. We also want to thank the teachers, principals, administrators, and support staff who have worked so hard to foster a safe, caring, and creative learning environment that inspires students to realize their full potential as they positively impact the world around them.

Respectfully submitted,



Janet McDade
Acting Superintendent



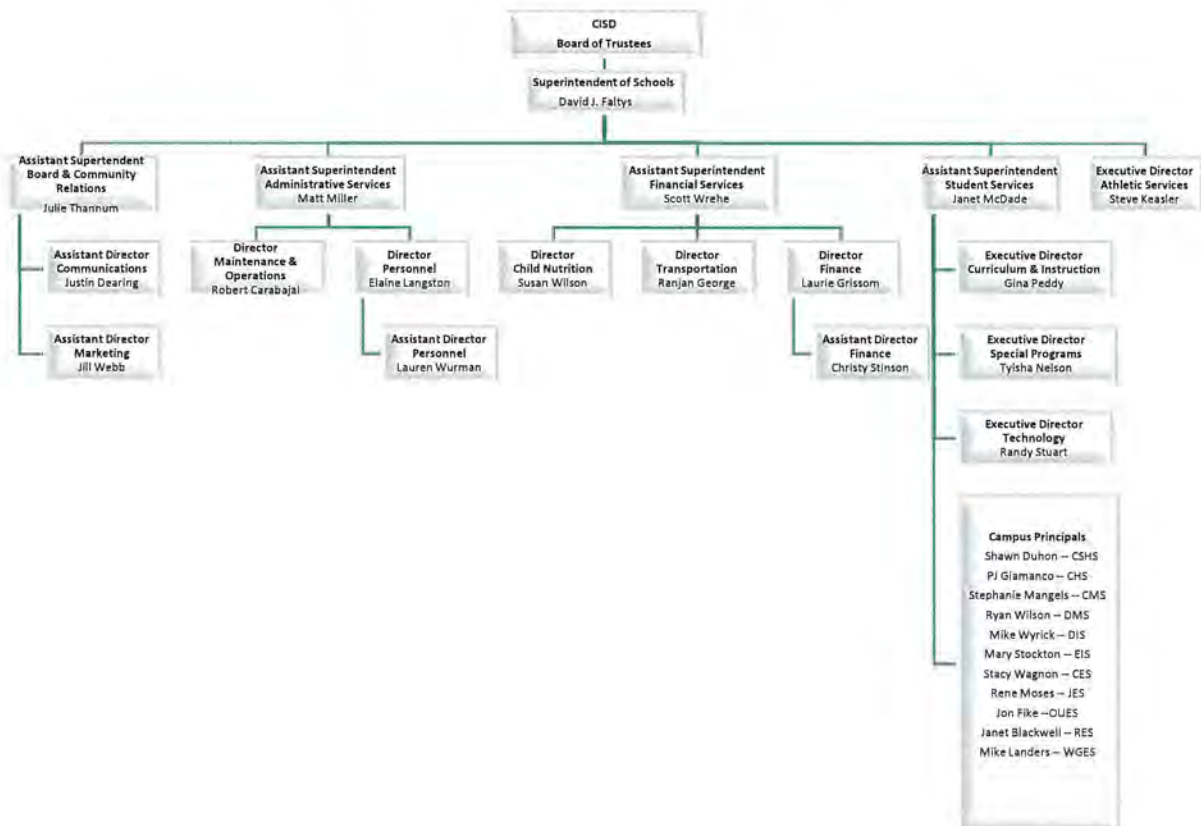
Scott Wrehe
Assistant Superintendent for Financial Services



The District's organizational hierarchy begins with the seven Board of Trustee members and Superintendent. The Superintendent is responsible for the day to day operations and operations of the District. The Superintendent's Cabinet consists of four Assistant Superintendents; Board and Community Relations, Administrative Services, Financial Services and Student Services.

The purpose of this structure is to support student instruction as it occurs on each campus. Campus leadership reports directly to the Assistant Superintendent of Student Services.

CARROLL ISD ORGANIZATIONAL STRUCTURE





CARROLL INDEPENDENT SCHOOL DISTRICT

PRINCIPAL OFFICIALS

Elected Officials:

Sheri Mills	Board President
Michelle Moore	Board Vice President
Danny Gilpin	Board Secretary
Bradley Taylor	Board Member
Matt Bryant	Board Member
Todd Carlton	Board Member
Dave Almand	Board Member

Appointed Officials:

David Faltys, Ed.D.	Superintendent
Scott Wrehe, CPA, RTSBA	Assistant Superintendent for Financial Services
Janet McDade	Assistant Superintendent for Student Services
Matt Miller	Assistant Superintendent for Administrative Services
Julie Thannum, APR	Assistant Superintendent for Board & Community Relations
Steve Keasler	Executive Director for Athletics
Tyisha Nelson	Executive Director for Special Programs
Gina Peddy	Executive Director for Curriculum & Instruction
Randy Stuart	Executive Director of Technology
Susan Wilson	Director of Child Nutrition
Bob Carabajal	Director of Facilities
Laurie Grissom, RTSBA	Director of Financial Services
Elaine Langston, Ph.D.	Director of Personnel Services
Ranjan George	Director of Transportation
Shawn Duhon	Carroll Senior High School Principal
P.J. Giamanco	Carroll High School Principal
Stephanie Mangels	Carroll Middle School Principal
Ryan Wilson	Dawson Middle School Principal
Mike Wyrick	Durham Intermediate School Principal
Mary Stockton	Eubanks Intermediate School Principal
Rene Moses, Ed.D.	Johnson Elementary School Principal
Stacy Wagnon	Carroll Elementary School Principal
Mike Landers	Walnut Grove Elementary School Principal
Janet Blackwell	Rockenbaugh Elementary School Principal
Jon Fike	Old Union Elementary School Principal

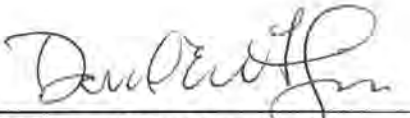
CERTIFICATE OF BOARD

Carroll Independent School District
Name of School District

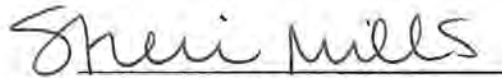
Tarrant
County

220-919
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) ✓ approved _____disapproved for the year ended August 31, 2018, at a meeting of the board of trustees of such school district on the 14 day of January, 2019.



Signature of Board Secretary



Signature of Board President

If the board of trustees disapproved of the auditor's report, the reason(s) for disapproving it is (are):
(attach list as necessary)



FINANCIAL SECTION





SNOW GARRETT WILLIAMS

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Trustees
Carroll Independent School District
2400 North Carroll Avenue
Southlake, Texas 76092

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Carroll Independent School District ("the District") as of and for the year ended August 31, 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 District'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 District'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, each major fund, and the aggregate remaining fund information of Carroll Independent School District as of August 31, 2018, and the respective changes in financial position, 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 described in Note A to the financial statements, in 2018, Carroll Independent School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. 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 budgetary comparison information and schedule of the District's proportionate share of the net pension liability and schedule of District pension contributions, and schedule of the District's proportionate share of the net OPEB liability and schedule of District OPEB contributions identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements and other supplementary information, except for Exhibit J-2, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections and Exhibit J-2 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 January 9, 2019 on our consideration of Carroll 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 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 Carroll Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "Snow Garrett Williams". The signature is written in a cursive, flowing style.

Snow Garrett Williams
January 9, 2019

Management's Discussion and Analysis (Unaudited)

As management of 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 year ended August 31, 2018. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent period by \$30,293,141 (*net position*). Of this amount, negative \$4,917,403 is *unrestricted net position*.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$101,863,293. Approximately 28 percent of this total amount, \$28,504,814, is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$28,504,814 or 26 percent of the total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis are 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 other supplementary information in addition to the basic financial statements themselves.

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 and liabilities, with the difference between the two 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 for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (*governmental activities*) as opposed to *business-type activities* that are intended to recover all or a significant portion of their costs through user fees and charges. The District has no component units for which it is financially accountable. The government-wide financial statements can be found on pages 24-25 of this report.

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 requirements. The fund financial statements provide more detailed information about the District's most significant funds-not the District as a whole.

- Some funds are required by State law and/or bond covenants.
- Other funds may be established by the Board to control and manage money for particular purposes or to show that it is properly using certain taxes or grants.

All of the funds of the District can be divided into two categories: governmental 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 government'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 government'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 adopts an annual appropriated budget for its general fund and debt service fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found on pages 26-31 of this report.
- **Fiduciary funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *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 District is the trustee, or *fiduciary*, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position that can be found on pages 32-33.

Notes to the financial statements. The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34-62 of this report.

Other 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. Required supplementary information can be found on pages 63-69 of this report.



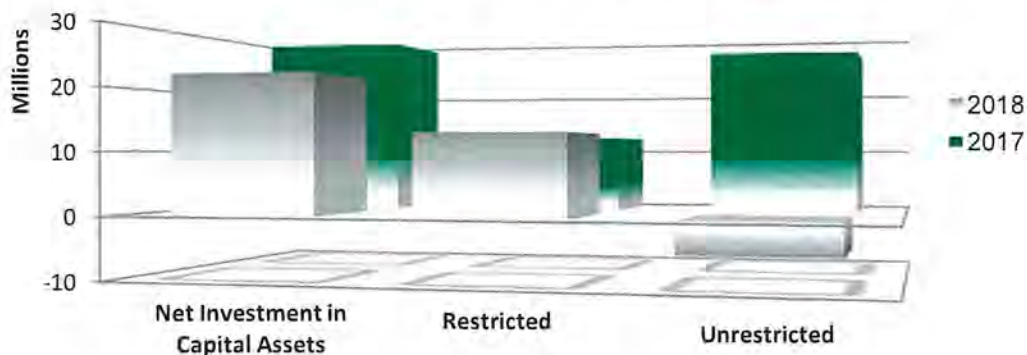
Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, governmental type assets exceeded liabilities by \$30,293,141 as of August 31, 2018.

The District's Net Position-Governmental Activities

	August 31, 2018	August 31, 2017
Current assets	\$ 107,313,931	\$ 51,142,055
Capital assets	237,119,619	226,014,055
Long-term investments	4,795,000	4,255,000
Total assets	349,228,550	281,411,110
Deferred outflows of resources:		
Deferred outflow related to pensions	6,036,196	9,156,984
Deferred outflow related to OPEB	423,659	-
Total deferred outflows	6,459,855	9,156,984
Current liabilities	10,211,919	5,593,172
Long-term liabilities outstanding	302,567,782	214,720,312
Total liabilities	312,779,701	220,313,484
Deferred inflows of resources:		
Deferred inflow related to pensions	2,207,812	2,705,264
Deferred inflow related to OPEB	10,407,751	-
Total deferred inflows	12,615,563	2,705,264
Net position		
Net Investment in capital assets	22,309,610	28,922,622
Restricted	12,900,934	12,215,234
Unrestricted	(4,917,403)	26,411,490
Total net position	\$ 30,293,141	\$ 67,549,346

Net Position as of 8/31/18



Net investment in capital assets (e.g., land, buildings, furniture and equipment, and construction in progress) is \$22,309,610. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. 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. An additional portion of the District's net position, \$12,900,934, represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, negative \$4,917,403, may be used to meet the District's ongoing obligations. This deficit is not an indication that the District has insignificant resources available to meet financial obligations next year, but rather the result of having long-term commitments that are in excess of currently available resources.

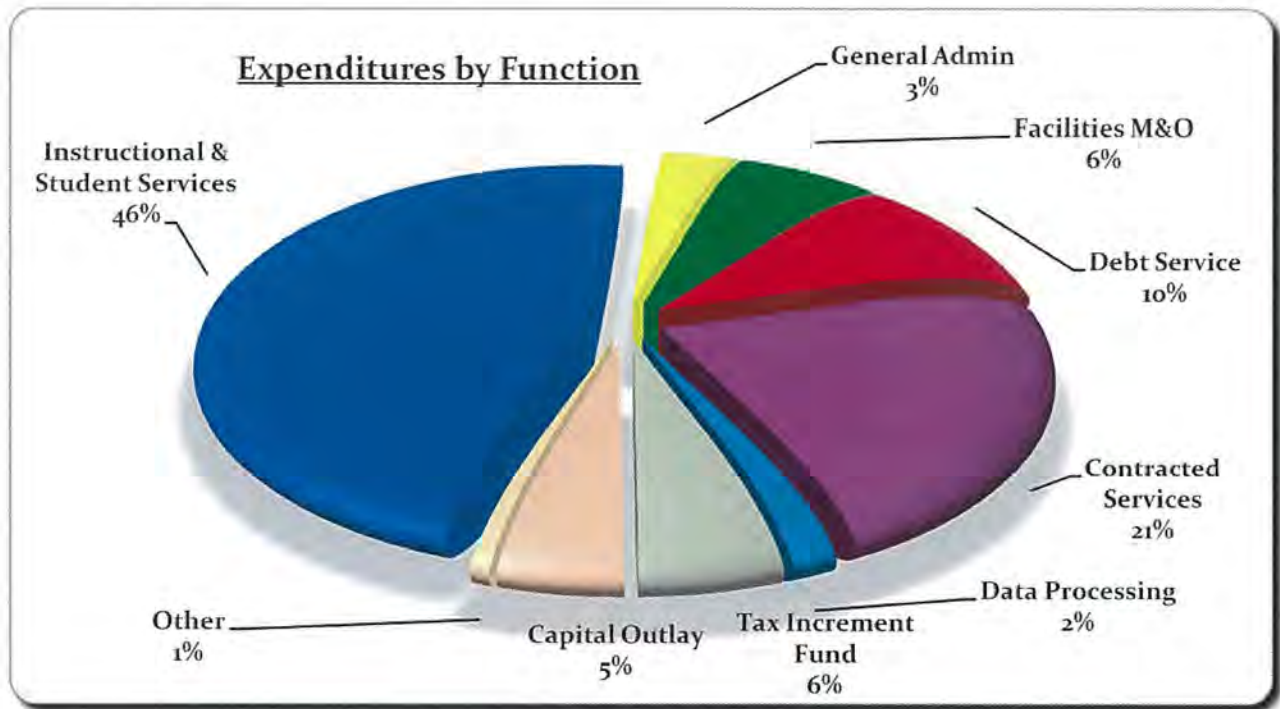
In fiscal year 2018, the District adopted the Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – which superseded GASB Statement No. 45. Statement No. 75 establishes financial reporting standards and/or accounting 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 J, Note O, and Note P.



Governmental activities. The District's total net position increased \$6,372,402. The total cost of all *governmental activities* this year was \$121,979,017. The amount that our taxpayers paid for these activities through property taxes was \$111,925,019 or 92%.

Changes in the District's Net Position

	Fiscal Year August 31, 2018	Fiscal Year August 31, 2017
Revenues:		
Program revenues		
Charges for services	\$ 7,608,180	\$ 7,460,241
Operating grants and contributions	(7,199,972)	7,979,137
General revenues		
Property taxes	111,925,019	102,099,400
State grants	5,737,651	6,699,004
Other	10,280,541	8,029,147
Total revenues	<u>128,351,419</u>	<u>132,266,929</u>
Expenses:		
Instruction	37,962,798	52,487,950
Instruction resources and media services	986,603	1,310,650
Curriculum and staff development	1,083,635	1,298,649
Instructional leadership	417,732	582,261
School leadership	3,211,053	4,628,435
Guidance, counseling & evaluation services	2,610,937	3,688,509
Health services	591,142	855,265
Student transportation	2,247,510	2,647,031
Food service	3,029,666	3,655,061
Cocurricular/extracurricular activities	3,853,624	4,588,687
General administration	3,889,777	4,048,700
Facilities maintenance and operations	7,267,979	8,797,780
Security and monitoring services	274,678	237,761
Data processing services	2,220,541	2,209,540
Community services	53,758	80,837
Interest on long-term debt	11,245,769	9,552,928
Bond issuance costs and fees	1,094,277	89,680
Capital outlay	6,042,463	511,545
Contracted instructional services	26,290,781	19,388,953
Payments related to shared service arrangements	36,443	-
Payments to tax increment fund	6,985,814	6,151,684
Other intergovernmental charges	582,037	539,237
Total expenses	<u>121,979,017</u>	<u>127,351,143</u>
Increase (decrease) in net position	6,372,402	4,915,786
Beginning net position	67,549,346	61,977,487
Prior period adjustment	(43,628,607)	656,073
Net position - beginning, as restated	<u>23,920,739</u>	<u>62,633,560</u>
Ending net position	<u>\$ 30,293,141</u>	<u>\$ 67,549,346</u>



Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes.

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 the District's net resources available for spending at the end of a fiscal year. As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$101,863,293, an increase of \$52,061,019. Approximately 28 percent of this total amount, \$28,504,814, constitutes *unassigned fund balance*. The remainder of fund balance is *restricted*, *committed*, or *assigned* to indicate that it is not available for new spending because it is (1) considered non-spendable for inventory (\$143,661) and has already been restricted to pay (2) debt service (\$7,914,412), (3) capital acquisitions (\$48,317,915), (4) other restrictions for sinking fund deposits (\$4,795,000); and committed for (5) other committed balances (\$12,187,491).

The general fund is the primary operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$28,504,814, out of a total fund balance of \$39,222,200. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total fund expenditures. Unassigned fund balance represents 26 percent of the total general fund expenditures. Total fund balance represents 35 percent of the total general fund expenditures.

The fund balance of the District's general fund increased \$3,030,760 during the current fiscal year. Key factors in this increase include an increase in property tax revenue and a transfer in from the capital projects fund to reimburse the fund for capital projects expenditures paid in fiscal year 2017 prior to the Series 2017 Building Bond proceeds being received.

The debt service fund has a total fund balance of \$12,709,412, of which \$7,914,412 is restricted for the payment of debt service and \$4,795,000 is restricted for sinking fund deposits. The net increase in fund balance during the period in the debt service was \$700,635. The key factor in the increase was an increase in property tax revenue.

The capital projects fund has a total fund balance of \$48,317,915 all of which is restricted for capital acquisitions. The net increase in fund balance during the period in the capital projects fund was \$48,259,770 which was the net effect of issuing the Series 2017 Building Bond and various capital projects expenditures.

General Fund Budgetary Highlights

During the year, the District recommended and the Board approved an amendment to provide additional funds for legal services relating to the District's boundary dispute, and an amendment to provide additional funds to cover a one-time supplemental payment to employees.

In August, the District recommended and the Board approved a revision to budget appropriations. The amendment provided for the reclassification of expenditures at the function level to account for end of year projections including payroll savings in Function 11 and TIF payments that were higher than budgeted.

The following are significant variations between the final budget and actual amounts for the general fund:

- Actual revenues were higher than budgeted by \$1,156,675, primarily related to increases in local and intermediate revenue sources, as well as, state program revenues; and
- Actual expenditures were lower than budgeted by \$1,863,275, primarily due to budgeting variances within instruction, student (pupil) transportation, food services, cocurricular/extracurricular activities, general administration, and plant maintenance and operations.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of August 31, 2018, amounts to \$237,119,619 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and construction in progress.

Major capital asset events during the year included classroom audit-video upgrades, bus purchases, turf and track replacements, softball/baseball field renovations, and renovations to various campus buildings.

District's Capital Assets (net of depreciation)

	August 31, 2018	August 31, 2017
Land	\$ 14,010,235	\$ 14,010,235
Buildings and improvements	199,677,791	205,955,540
Furniture and equipment	9,881,181	6,044,680
Construction in progress	13,550,412	3,600
Totals at historical cost	<u>\$ 237,119,619</u>	<u>\$ 226,014,055</u>

Additional information on the District's capital assets can be found in Note C on page 45 of this report.

Long-term debt. As of August 31, 2018, the District had total general obligation bonded debt outstanding of \$254,925,000, an increase of \$62,894,752 over the prior year. The District issued Tax School Building Bonds, Series 2017 during fiscal year 2018 at a par amount of \$77,545,000 and premium of \$3,546,996. The unamortized premium balance at August 31, 2018 was \$8,202,924, an increase from the prior year of \$3,083,593. Accumulated accretion on CABs decreased \$1,116,970, resulting in an ending balance of \$117,783. The net pension liability for fiscal year 2018 had an ending balance of \$14,441,119, derived from GASB 68 and a decrease of \$1,894,862 from the prior year. And finally, the net OPEB liability for fiscal year 2018 had an ending balance of \$24,880,956 due to the implementation of GASB 75.

The District's bonds are rated "AAA" by virtue of the guarantee of the Permanent School Fund of the State of Texas. The district's underlying rating on outstanding bonds is "AA+" by Standard and Poor's and "Aa1" by Moody's.

The "AAA" long-term rating on the District's Texas' bonds reflects the Texas Permanent School Fund guarantee. The "AA+" Standard & Poor's underlying rating on the District's unenhanced debt reflects the District's: (1) participation in the strong and growing Dallas/Fort Worth area economy, (2) strong administrative management, and (3) continued satisfactory financial performance.

State statutes limit the amount of general obligation debt a government entity may issue up to 10 percent of its total assessed valuation. The current debt limitation for the District is \$804,623,154, which is significantly in excess of the District's outstanding general obligation debt.

Additional information on the District's long-term debt can be found in Note F on pages 47-48 of this report.

Economic Factors and Next Year's Budgets and Rates

- The District's student attendance rate remains stable at the 96.2 percent level.
- The District's enrollment increased by approximately 176 students in 2017-2018. Enrollment for 2018-2019 is expected to increase by 91 students.
- The District's taxable valuation has increased by 10.4%.
- The District has appropriated revenues and expenditures in the 2018-2019 budgets of \$120,469,294 and \$122,895,544 respectively in its general fund. This deficit of \$2,426,250 should be offset by payroll savings as a result of vacancies and property tax revenue greater than what was anticipated at the time the budget was approved.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances as well as demonstrate accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Carroll ISD Financial Services Department, 2400 North Carroll Avenue, Southlake, TX 76092.



Basic Financial Statements

CARROLL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2018

1

Data Control Codes		Governmental Activities
ASSETS:		
1110	Cash and Cash Equivalents	\$ 3,527,926
1120	Current Investments	100,387,179
1225	Property Taxes Receivable (Net)	760,299
1240	Due from Other Governments	538,558
1267	Due from Fiduciary	776,448
1290	Other Receivables (Net)	1,084,594
1300	Inventories	143,661
1410	Unrealized Expenses	95,266
Capital Assets:		
1510	Land	14,010,235
1520	Buildings and Improvements, Net	199,677,791
1530	Furniture and Equipment, Net	9,881,181
1580	Construction in Progress	13,550,412
1910	Long-Term Investments	4,795,000
1000	Total Assets	<u>349,228,550</u>
DEFERRED OUTFLOWS OF RESOURCES:		
	Deferred Outflow Related to Pensions	6,036,196
	Deferred Outflow Related to OPEB	423,659
1700	Total Deferred Outflows of Resources	<u>6,459,855</u>
LIABILITIES:		
2110	Accounts Payable	4,325,375
2140	Interest Payable	726,580
2165	Accrued Liabilities	2,862,974
2180	Due to Other Governments	35,728
2300	Unearned Revenue	2,261,262
Noncurrent Liabilities:		
2501	Due Within One Year	9,137,836
2502	Due in More Than One Year	254,107,871
2540	Net Pension Liability	14,441,119
2545	Net OPEB Liability	24,880,956
2000	Total Liabilities	<u>312,779,701</u>
DEFERRED INFLOWS OF RESOURCES:		
	Deferred Inflow Related to Pensions	2,207,812
	Deferred Inflow Related to OPEB	10,407,751
2600	Total Deferred Inflows of Resources	<u>12,615,563</u>
NET POSITION:		
3200	Net Investment in Capital Assets	22,309,610
Restricted For:		
3890	Other Purposes - Sinking Fund	4,795,000
3850	Debt Service	8,105,934
3900	Unrestricted	(4,917,403)
3000	Total Net Position	<u>\$ 30,293,141</u>

The accompanying notes are an integral part of this statement.

CARROLL INDEPENDENT SCHOOL DISTRICT**STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED AUGUST 31, 2018

Data Control Codes	Functions/Programs	1	3	4	Net (Expense) Revenue and Changes in Net Position
		Expenses	Program Revenues Charges for Services	Operating Grants and Contributions	Governmental Activities
	Governmental Activities:				
11	Instruction	\$ 37,962,798	\$ 1,692,124	\$ (6,940,051)	\$ (43,210,725)
12	Instructional Resources and Media Services	986,603	98,303	(48,031)	(936,331)
13	Curriculum and Staff Development	1,083,635	129,441	8,118	(946,076)
21	Instructional Leadership	417,732	10,201	(33,742)	(441,273)
23	School Leadership	3,211,053	190,134	(247,573)	(3,268,492)
31	Guidance, Counseling, & Evaluation Services	2,610,937	317,272	(168,366)	(2,462,031)
33	Health Services	591,142	16,103	(47,266)	(622,305)
34	Student Transportation	2,247,510	43,457	(104,335)	(2,308,388)
35	Food Service	3,029,666	3,138,572	(106,050)	2,856
36	Cocurricular/Extracurricular Activities	3,853,624	1,166,476	(151,974)	(2,839,122)
41	General Administration	3,889,777	80,182	(107,191)	(3,916,786)
51	Facilities Maintenance and Operations	7,267,979	152,260	(133,280)	(7,248,999)
52	Security and Monitoring Services	274,678	21,309	3,550	(249,819)
53	Data Processing Services	2,220,541	36,929	68,489	(2,115,123)
61	Community Services	53,758	2,088	(4,395)	(56,065)
72	Interest on Long-term Debt	11,245,769	--	196,380	(11,049,389)
73	Bond Issuance Costs and Fees	1,094,277	--	--	(1,094,277)
81	Capital Outlay	6,042,463	--	(7,034)	(6,049,497)
91	Contracted Instructional Services between Schools	26,290,781	513,329	586,275	(25,191,177)
93	Payments Related to Shared Services Arrangements	36,443	--	36,504	61
97	Payments to Tax Increment Fund	6,985,814	--	--	(6,985,814)
99	Other Intergovernmental Charges	582,037	--	--	(582,037)
TG	Total Governmental Activities	<u>121,979,017</u>	<u>7,608,180</u>	<u>(7,199,972)</u>	<u>(121,570,809)</u>
TP	Total Primary Government	<u>\$ 121,979,017</u>	<u>\$ 7,608,180</u>	<u>\$ (7,199,972)</u>	<u>(121,570,809)</u>
General Revenues:					
MT	Property Taxes, Levied for General Purposes				84,071,750
DT	Property Taxes, Levied for Debt Service				27,853,269
IE	Investment Earnings				2,199,487
GC	Grants and Contributions Not Restricted to Specific Programs				5,737,651
MI	Miscellaneous				8,081,054
TR	Total General Revenues				<u>127,943,211</u>
CN	Change in Net Position				6,372,402
NB	Net Position - Beginning				67,549,346
PA	Prior Period Adjustment				(43,628,607)
	Net Position - Beginning, as Restated				23,920,739
NE	Net Position - Ending				<u>\$ 30,293,141</u>

The accompanying notes are an integral part of this statement.

CARROLL INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2018

Data Control Codes	10 General Fund	50 Debt Service Fund
ASSETS:		
1110 <i>Cash and Cash Equivalents</i>	\$ 1,403,603	\$ 573
1120 <i>Current Investments</i>	41,134,471	7,832,680
1225 <i>Taxes Receivable</i>	1,195,810	410,641
1230 <i>Allowance for Uncollectible Taxes (credit)</i>	(627,033)	(219,119)
1240 <i>Due from Other Governments</i>	235,853	--
1260 <i>Due from Other Funds</i>	1,079,153	81,159
1290 <i>Other Receivables</i>	308,471	--
1300 <i>Inventories</i>	143,661	--
1410 <i>Unrealized Expenditures</i>	22,266	--
1900 <i>Long Term Investments</i>	--	4,795,000
1000 Total Assets	<u>44,896,255</u>	<u>12,900,934</u>
LIABILITIES:		
Current Liabilities:		
2110 <i>Accounts Payable</i>	\$ 447,139	\$ --
2120 <i>Short-Term Debt Payable</i>	923	--
2160 <i>Accrued Wages Payable</i>	2,862,051	--
2170 <i>Due to Other Funds</i>	81,159	--
2180 <i>Due to Other Governments</i>	35,728	--
2300 <i>Unearned Revenue</i>	1,678,278	--
2000 Total Liabilities	<u>5,105,278</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES:		
<i>Property Taxes</i>	568,777	191,522
2600 Total Deferred Inflows of Resources	<u>568,777</u>	<u>191,522</u>
FUND BALANCES:		
Nonspendable Fund Balances:		
3410 <i>Inventories</i>	143,661	--
Restricted Fund Balances:		
3470 <i>Capital Acquisitions & Contractual Obligations</i>	--	--
3480 <i>Retirement of Long-Term Debt</i>	--	7,914,412
3490 <i>Other Restrictions of Fund Balance - Sinking Fund</i>	--	4,795,000
Committed Fund Balances:		
3545 <i>Other Committed Fund Balance</i>	10,573,725	--
3600 <i>Unassigned</i>	28,504,814	--
3000 Total Fund Balances	<u>39,222,200</u>	<u>12,709,412</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 44,896,255</u>	<u>\$ 12,900,934</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C-1

60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
\$ --	\$ 2,123,750	\$ 3,527,926
51,420,028	--	100,387,179
--	--	1,606,451
--	--	(846,152)
--	302,705	538,558
--	--	1,160,312
776,123	--	1,084,594
--	--	143,661
--	73,000	95,266
--	--	4,795,000
<u>52,196,151</u>	<u>2,499,455</u>	<u>112,492,795</u>
\$ 3,878,236	\$ --	\$ 4,325,375
--	--	923
--	--	2,862,051
--	302,705	383,864
--	--	35,728
--	582,984	2,261,262
<u>3,878,236</u>	<u>885,689</u>	<u>9,869,203</u>
--	--	760,299
<u>--</u>	<u>--</u>	<u>760,299</u>
--	--	143,661
48,317,915	--	48,317,915
--	--	7,914,412
--	--	4,795,000
--	1,613,766	12,187,491
--	--	28,504,814
<u>48,317,915</u>	<u>1,613,766</u>	<u>101,863,293</u>
\$ <u>52,196,151</u>	\$ <u>2,499,455</u>	\$ <u>112,492,795</u>

CARROLL INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2018

Total fund balances - governmental funds balance sheet \$ 101,863,293

Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not reported in the funds.	237,119,619
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	760,299
Payables for bond principal which are not due in the current period are not reported in the funds.	(254,925,000)
Payables for bond interest which are not due in the current period are not reported in the funds.	(726,580)
Premiums on bonds which are not due and payable in the current period are not reported in the funds.	(8,202,924)
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(14,441,119)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(2,207,812)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	6,036,196
The accumulated accretion of interest on capital appreciation bonds is not reported in the funds.	(117,783)
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(24,880,956)
Deferred Resource Inflows related to OPEB are not reported in the funds.	(10,407,751)
Deferred Resource Outflows related to the OPEB are not reported in the funds.	<u>423,659</u>

Net position of governmental activities - Statement of Net Position \$ 30,293,141

The accompanying notes are an integral part of this statement.

CARROLL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2018

Data Control Codes	10 General Fund	50 Debt Service Fund
REVENUES:		
5700 <i>Local and Intermediate Sources</i>	\$ 98,064,946	\$ 28,073,737
5800 <i>State Program Revenues</i>	9,419,943	196,380
5900 <i>Federal Program Revenues</i>	2,330,187	--
5020 Total Revenues	<u>109,815,076</u>	<u>28,270,117</u>
EXPENDITURES:		
Current:		
0011 <i>Instruction</i>	44,012,697	--
0012 <i>Instructional Resources and Media Services</i>	1,040,120	--
0013 <i>Curriculum and Staff Development</i>	1,002,691	--
0021 <i>Instructional Leadership</i>	522,978	--
0023 <i>School Leadership</i>	3,910,905	--
0031 <i>Guidance, Counseling, & Evaluation Services</i>	2,878,228	--
0033 <i>Health Services</i>	757,729	--
0034 <i>Student Transportation</i>	2,229,898	--
0035 <i>Food Service</i>	3,112,932	--
0036 <i>Cocurricular/Extracurricular Activities</i>	3,271,093	--
0041 <i>General Administration</i>	4,110,847	--
0051 <i>Facilities Maintenance and Operations</i>	7,640,926	--
0052 <i>Security and Monitoring Services</i>	244,409	--
0053 <i>Data Processing Services</i>	1,889,679	--
0061 <i>Community Services</i>	65,571	--
0071 <i>Principal on Long-term Debt</i>	--	14,650,247
0072 <i>Interest on Long-term Debt</i>	--	12,916,953
0073 <i>Bond Issuance Costs and Fees</i>	--	5,015
0081 <i>Capital Outlay</i>	--	--
0091 <i>Contracted Instructional Services</i>		
0091 <i>Between Public Schools</i>	26,290,781	--
0093 <i>Payments to Shared Service Arrangements</i>	--	--
0097 <i>Payments to Tax Increment Fund</i>	6,985,814	--
0099 <i>Other Intergovernmental Charges</i>	582,037	--
6030 Total Expenditures	<u>110,549,335</u>	<u>27,572,215</u>
1100 Excess (Deficiency) of Revenues Over (Under)		
1100 Expenditures	<u>(734,259)</u>	<u>697,902</u>
Other Financing Sources and (Uses):		
7911 <i>Capital-Related Debt Issued (Regular Bonds)</i>	--	2,733
7912 <i>Sale of Real or Personal Property</i>	209,879	--
7915 <i>Transfers In</i>	3,555,140	--
7916 <i>Premium or Discount on Issuance of Bonds</i>	--	--
8911 <i>Transfers Out</i>	--	--
7080 Total Other Financing Sources and (Uses)	<u>3,765,019</u>	<u>2,733</u>
1200 Net Change in Fund Balances	<u>3,030,760</u>	<u>700,635</u>
0100 Fund Balances - Beginning	<u>36,191,440</u>	<u>12,008,777</u>
3000 Fund Balances - Ending	<u>\$ 39,222,200</u>	<u>\$ 12,709,412</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C-2

60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 1,122,478	\$ 2,407,130	\$ 129,668,291
8,712	741,653	10,366,688
--	1,586,477	3,916,664
<u>1,131,190</u>	<u>4,735,260</u>	<u>143,951,643</u>
--	3,011,699	47,024,396
--	92,518	1,132,638
--	199,711	1,202,402
--	--	522,978
--	134,940	4,045,845
--	333,004	3,211,232
--	1,336	759,065
3,118,756	973	5,349,627
--	--	3,112,932
49,500	713,492	4,034,085
--	36,525	4,147,372
80,083	--	7,721,009
--	--	244,409
300,194	103,652	2,293,525
--	1,113	66,684
--	--	14,650,247
--	--	12,916,953
1,089,262	--	1,094,277
25,767,747	--	25,767,747
--	--	26,290,781
--	36,443	36,443
--	--	6,985,814
--	--	582,037
<u>30,405,542</u>	<u>4,665,406</u>	<u>173,192,498</u>
<u>(29,274,352)</u>	<u>69,854</u>	<u>(29,240,855)</u>
77,542,266	--	77,544,999
--	--	209,879
--	--	3,555,140
3,546,996	--	3,546,996
(3,555,140)	--	(3,555,140)
<u>77,534,122</u>	<u>--</u>	<u>81,301,874</u>
48,259,770	69,854	52,061,019
58,145	1,543,912	49,802,274
<u>\$ 48,317,915</u>	<u>\$ 1,613,766</u>	<u>\$ 101,863,293</u>

CARROLL 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 AUGUST 31, 2018*

Net change in fund balances - total governmental funds	\$ 52,061,019
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	22,961,991
The depreciation of capital assets used in governmental activities is not reported in the funds.	(11,850,701)
The gain or loss on the sale of capital assets is not reported in the funds.	204,151
All proceeds from the sale of capital assets are reported in the funds but not in the SOA.	(209,878)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(58,701)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	14,650,247
Bond premiums are amortized in the SOA but not in the funds.	463,403
The accretion of interest on capital appreciation bonds is not reported in the funds.	1,116,970
(Increase) decrease in accrued interest from beginning of period to end of period.	90,811
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(77,544,999)
Bond premiums are reported in the funds but not in the SOA.	(3,546,996)
Pension contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction to NPL.	(1,480,223)
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows.	
These contributions made after the measurement date of the plan increased net position by:	1,580,764
The proportionate share of the TRS pension expense on the plan as a whole had to be recorded.	
The net pension expense decreased net position by:	(829,015)
OPEB contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in the net OPEB liability.	(297,465)
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows.	
These contributions made after the measurement date of the plan increased net position by:	419,766
The proportionate share of the TRS Care expense on the plan as a whole had to be recorded.	
This increased net position by:	8,641,258
Change in net position of governmental activities - Statement of Activities	<u>\$ 6,372,402</u>

The accompanying notes are an integral part of this statement.

CARROLL INDEPENDENT SCHOOL DISTRICT**STATEMENT OF FIDUCIARY NET POSITION****FIDUCIARY FUNDS****AUGUST 31, 2018**

Data Control Codes		Private- Purpose Trust Funds	Agency Funds
ASSETS:			
1110	<i>Cash and Cash Equivalents</i>	\$ --	\$ 1,147,387
1800	<i>Restricted Assets</i>	8,903	33,075
1000	Total Assets	<u>8,903</u>	<u>1,180,462</u>
LIABILITIES:			
Current Liabilities:			
2150	<i>Payroll Deduction & Withholdings</i>	--	253,289
2170	<i>Due to Other Funds</i>	--	776,448
2190	<i>Due to Student Groups</i>	--	150,725
2000	Total Liabilities	<u>--</u>	<u>1,180,462</u>
NET POSITION:			
3800	<i>Held in Trust</i>	8,903	--
3000	Total Net Position	<u>\$ 8,903</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

CARROLL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2018

	Private- Purpose Trusts
Additions:	
Investment Income	\$ 103
Contributions	--
Total Additions	<u>103</u>
Deductions:	
Scholarship Awards	<u>2,667</u>
Total Deductions	<u>2,667</u>
Change in Net Position	(2,564)
Net Position-Beginning of the Year	11,467
Net Position-End of the Year	<u>\$ 8,903</u>

The accompanying notes are an integral part of this statement.

CARROLL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2018

A. Summary of Significant Accounting Policies

The basic financial statements of Carroll Independent School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide ("Resource Guide"). The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The Board of School Trustees ("Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental reporting entity and there are no component units included within the District's reporting entity.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

Debt Service Fund: This fund is used to account for and report financial resources restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Fund: This fund is used to account for all financial resources restricted, committed or assigned to expenditures for the acquisitions or construction of capital assets.

CARROLL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2018

In addition, the District reports the following fund types:

Private-Purpose Trust Funds: These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments not reported in other fiduciary fund types.

Agency Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

CARROLL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2018

3. Financial Statement Amounts

a. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

b. Inventories and Prepaid Items

Inventories of supplies on the balance sheet are stated at weighted average cost, while inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Inventory items are recorded as expenditures when they are consumed. Supplies are used for almost all functions of activity, while food commodities are used only in the food service program. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and deferred revenue when received. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount. Inventories also include plant maintenance and operation supplies as well as instructional supplies.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings & Improvements	10-50
Vehicles	7-10
Equipment	5-15

CARROLL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2018

d. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide Statement of Net Position and governmental funds balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

e. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

f. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

g. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

h. Data Control Codes

Data Control Codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

i. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

CARROLL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2018

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Trustees. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself. The District authorizes the Superintendent or the Superintendent's designee to assign fund balance.

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

The District established a minimum fund balance policy requiring at least 45 days of operating expenditures in fund balance at all times. In the event the fund balance should fall below an amount equal to 45 days of operating expenses in any year, the Board shall determine and implement measures that will increase the fund balance, if appropriate, to ensure the standard of 45 days of operating expenditures for the next school year. The District was in compliance with this policy at August 31, 2018.

j. Net Position Flow Assumption

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 fund 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.

k. 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). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund 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 fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

CARROLL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2018

4. Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS' 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.

5. Other Post-Employment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and other 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.

6. New Accounting Standards Adopted

In fiscal year 2018, the District adopted a new statement of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about support for OPEB that is provided by other entities.

This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB measurements by Agent Employers and Agent Multiple-Employer Plans*.

The financial statements and note disclosures have been updated for the affects of the adoption of GASB Statement No. 75.

B. Deposits and Investments

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

1. Cash Deposits:

At August 31, 2018, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$47,776,844 and the bank balance was \$51,663,603. The District's cash deposits at August 31, 2018 and during the year ended August 31, 2018, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

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2. Investments:

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

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The District's investments at August 31, 2018 consisted of long-term certificates of deposit, money market saving accounts, investment pools, municipal bonds, and FHLB - agency bonds. Certificates of deposits and money market savings accounts are covered by FDIC and pledged collateral by the bank and are included in the balance in Note B-1. The District's investments at August 31, 2018 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Texas CLASS - LGIP	Wtd Avg = 39 days	\$ 42,605,636
LoneStar - LGIP	Wtd Avg = 48 days	3,056,394
Texas Term (TexasDAILY) - LGIP	Daily	1,770,279
TMI Trust - Certificates of Deposit	<1 year	10,535,111
First Financial Equity		
Money Market Savings Account	N/A	680,998
Certificates of Deposit	Various	31,863,995
TD Ameritrade - Municipal Bonds		
Municipal Bonds	<2 years	6,849,074
FHLB - Agency Bonds	<2 years	181,742
Certificates of Deposit	<3 years	2,835,717
Cash Equivalents	N/A	8,234
Total Investments		<u>\$ 100,387,180</u>

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

At August 31, 2018, the District's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as follows:

Texas CLASS - LGIP	AAAm
LoneStar - LGIP	AAAm
Texas Term (TexasDAILY) - LGIP	AAAm
TD Ameritrade	
Municipal Bonds	Aa1
FHLB - Agency Bonds	Aaa

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

At year end, the District was not exposed to custodial credit risk.

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c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was exposed to interest rate risk for the investments in municipal bonds and FHLB - agency bonds described in Note B-2. The District's investments advisors used the simulation model to calculate the interest rate risk for the bonds noting that due to the short maturity of all of the bonds (less than 2 years) the interest rate risk would be minimal and the affect of the investment values would be insignificant.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

Investment Accounting Policy

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

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Lone Star

The Lone Star Investment Pool (Lone Star) is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Texas Government Code, Chapter 791, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. Lone Star is administered by First Public, a subsidiary of the Texas Association of School Boards (TASB), with Standish and American Beacon Advisors managing the investment and reinvestment of Lone Star's assets. State Street Bank provides custody and valuation services to Lone Star. All of the board of trustees' eleven members are Lone Star participants by either being employees or elected officials of a participant. Lone Star has established an advisory board composed of both pool members and non-members. Lone Star is rated AAAM by Standard and Poor's. Lone Star has no limitations or restrictions on withdrawals. The District is invested in the Corporate Overnight Plus Fund of Lone Star. Lone Star has 3 different funds: Government Overnight, Corporate Overnight, and Corporate Overnight Plus. Government and Corporate Overnight maintain a net asset value of one dollar and the Corporate Overnight Plus maintains a net asset value of 50 cents. The Government Overnight and Corporate Overnight Funds value all investments at amortized cost and are operated in accordance with GASB 79. The Corporate Overnight Plus Fund values all investments at fair value and is operated in accordance with GASB 72. Plus. Government and Corporate Overnight maintain a net asset value of one dollar and the Corporate Overnight Plus maintains a net asset value of 50 cents.

TexasTERM

The Texas Term Local Government Investment Pool (TexasTERM) is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. TexasTERM is administered by PFM Asset Management LLC, which also serves as the investment advisor. The reported value of the pool is the same as the fair value of the pool shares. Investment options include TexasDAILY, a money market portfolio, is rated AAAM by Standard & Poor's, and TexasTERM CD Purchase Program, a fixed rate, fixed-term investment option enabling investors to invest in FDIC insured CD's from banks throughout the United States. Texas Daily is operated in accordance with GASB 79 and uses amortized cost in the calculation of the net asset value at the conclusion of each business day. There are no limitations or restrictions on withdrawals.

Texas CLASS

In accordance with FASB guidance, Texas CLASS utilizes ASC 820 "Fair Value Measurement and Disclosure" to define fair value, establish a framework for measuring fair value, and expand disclosure requirements regarding fair value measurements. ASC 820 does not require new fair value measurements, but is applied to the extent that other accounting pronouncements require or permit fair value measurements. This standard emphasizes that participants would use in pricing an asset or liability. Various input are used in determining the value of Texas Class's portfolio investments defined pursuant to this standard. All investments are categorized as Level 2 for the fair value hierarchy. Level 2 inputs are prices determined using other significant observable inputs. Observable inputs are inputs that reflect the assumptions market participants would use in pricing a security and are developed based on market data obtained from sources independent of the reporting entity.

TD Ameritrade

The District's investments with TD Ameritrade consists of certificates of deposits, municipal bonds, and FHLB - agency bonds. The municipal bonds are categorized as Level 2 for the fair value hierarchy. The fair value is obtained via a pricing method used by Bloomberg Professional Services whereby bonds with similar credit qualities, coupons, maturities, state locations, etc are used to obtain a value for the portfolio bonds, as many of the bonds do not trade on a regular basis.

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Fair Value Measurements

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 the 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 included within Level 1- that are observable for an asset or liability, either directly or indirectly. See relevant investment notes above for specific valuation models used.
- Level 3 inputs are unobservable inputs for an assets 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.

In accordance with GASB Statement No. 79, Certain External Investment Pools and Pool Participants, the Local Government Investment Pools do not have any limitations and restrictions on withdrawals such as notice period of maximum transaction amounts. These pools do not impose any liquidity fees or redemption gates.

Investments' fair value measurements are as follows at August 31, 2018:

Investments	Fair Value	Fair Value Measurement Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Texas CLASS	\$ 42,605,636	--	\$ 42,605,636	--
TD Ameritrade				
Municipal Bonds	6,849,074	--	6,849,074	--
FHLB - Agency Bonds	181,742	--	181,742	--
LoneStar	3,056,394	--	3,056,394	--
Total Investments	<u>\$ 52,692,846</u>	<u>\$ --</u>	<u>\$ 52,692,846</u>	<u>\$ --</u>

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C. Capital Assets

Capital asset activity for the year ended August 31, 2018, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 14,010,235	\$ --	\$ --	\$ 14,010,235
Construction in progress	3,600	13,546,812	--	13,550,412
Total capital assets not being depreciated	<u>14,013,835</u>	<u>13,546,812</u>	<u>--</u>	<u>27,560,647</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	311,126,182	3,634,580	--	314,760,762
Equipment	29,091,411	2,636,033	--	31,727,444
Vehicles	6,656,777	3,144,566	1,285,155	8,516,188
Total capital assets being depreciated	<u>346,874,370</u>	<u>9,415,179</u>	<u>1,285,155</u>	<u>355,004,394</u>
Less accumulated depreciation for:				
Buildings and improvements	(105,170,642)	(9,912,329)	--	(115,082,971)
Equipment	(23,961,123)	(1,675,287)	--	(25,636,410)
Vehicles	(5,742,385)	(263,085)	(1,279,429)	(4,726,041)
Total accumulated depreciation	<u>(134,874,150)</u>	<u>(11,850,701)</u>	<u>(1,279,429)</u>	<u>(145,445,422)</u>
Total capital assets being depreciated, net	<u>212,000,220</u>	<u>(2,435,522)</u>	<u>5,726</u>	<u>209,558,972</u>
Governmental activities capital assets, net	<u>\$ 226,014,055</u>	<u>\$ 11,111,290</u>	<u>\$ 5,726</u>	<u>\$ 237,119,619</u>

Depreciation was charged to functions as follows:

Instruction	\$ 6,567,110
Instructional Resources and Media Services	158,176
Curriculum and Staff Development	167,919
Instructional Leadership	73,035
School Leadership	565,013
Guidance, Counseling, & Evaluation Services	448,457
Health Services	106,005
Student Transportation	747,090
Food Services	434,729
Extracurricular Activities	563,371
General Administration	579,191
Plant Maintenance and Operations	1,076,863
Security and Monitoring Services	34,132
Data Processing Services	320,297
Community Services	9,313
	<u>\$ 11,850,701</u>

CARROLL INDEPENDENT SCHOOL DISTRICT
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D. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2018, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Special Revenue Funds	\$ 302,705	For transfer of federal receipts
General Fund	Trust and Agency Funds	776,448	Short-term loan
Debt Service Fund	General Fund	81,159	Short-term loan
	Total	<u>\$ 1,160,312</u>	

All amounts due are scheduled to be repaid within one year.

2. Transfers To and From Other Funds

Transfers to and from other funds at August 31, 2018, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
Capital Projects Fund	General Fund	\$ 3,555,140	To reimburse the General Fund for prior year bond construction expenditures.
	Total	<u>\$ 3,555,140</u>	

E. Other Committed Fund Balance

The District's Other Committed Fund Balance at August 31, 2018 consists of the following:

<u>Fund</u>		
General Fund	\$ 10,573,725	State Funding Decreases
Special Revenue Fund	1,350,011	Campus Activity
Special Revenue Fund	263,755	Summer School, Scholarships, etc
Total	<u>\$ 12,187,491</u>	

CARROLL INDEPENDENT SCHOOL DISTRICT
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F. Long-Term Obligations

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2018, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
General obligation bonds	\$ 192,030,248	\$ 77,544,999	\$ 14,650,247	\$ 254,925,000	\$ 9,137,836
Premium amortized	5,119,331	3,546,996	463,403	8,202,924	--
Accumulated Accretion on CABs	1,234,753	--	1,116,970	117,783	--
Net Pension Liability *	16,335,981	(414,639)	1,480,223	14,441,119	--
Net OPEB Liability *	43,926,072	(18,747,651)	297,465	24,880,956	--
Total governmental activities	\$ 258,646,385	\$ 61,929,705	\$ 18,008,308	\$ 302,567,782	\$ 9,137,836

* Other long-term liabilities

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Net Pension Liability *	Governmental	General
Net OPEB Liability *	Governmental	General

2. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2018, are as follows:

Year Ending August 31,	Governmental Activities		
	Principal	Interest	Total
2019	\$ 9,137,836	\$ 11,449,041	\$ 20,586,877
2020	9,347,164	11,036,607	20,383,771
2021	10,805,000	10,569,496	21,374,496
2022	11,070,000	10,034,323	21,104,323
2023	11,535,000	9,449,235	20,984,235
2024-2028	75,645,000	37,825,337	113,470,337
2029-2033	70,950,000	20,140,930	91,090,930
2034-2038	37,430,000	5,407,827	42,837,827
2039-2043	19,005,000	1,211,011	20,216,011
Totals	\$ 254,925,000	\$ 117,123,807	\$ 372,048,807

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<u>General Obligation Bonds - Description</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Balance</u>
Tax School Building Bonds, Series 1997	5.000 to 6.375%	02/15/22	\$ 3,250,000
Tax School Building Bonds, Series 2009A (BAB)	5.000 to 5.409%	02/15/34	50,010,000
Tax School Building Bonds, Series 2009 QSCB	.300%	08/15/26	9,155,000
Tax School Building Bonds, Series 2009C	3.500 to 5.250%	02/15/30	15,575,000
Tax School Building Bonds, Series 2010A (BAB)	3.710 to 5.140%	02/15/35	43,235,000
Tax School Building Bonds, Series 2010B	3.000 to 4.500%	02/15/19	1,500,000
Tax School Building Bonds, Series 2010C (BAB)	6.800 to 6.950%	02/15/35	13,830,000
Tax School Refunding Bonds, Series 2011	2.500 to 4.250%	02/15/33	2,320,000
Tax School Refunding Bonds, Series 2014	3.000 to 5.000%	02/15/35	18,235,000
Tax School Refunding Bonds, Series 2015A	2.500 to 3.000%	02/15/28	1,860,000
Tax School Refunding Bonds, Series 2015B	3.000%	02/15/33	6,250,000
Tax School Refunding Bonds, Series 2016A	2.0 00to 4.000%	02/15/33	15,935,000
Tax School Refunding Bonds, Series 2016C	3.000 to 5.000%	02/15/35	2,865,000
Tax School Building Bonds, Series 2017	3.000 to 5.000%	02/15/40	\$ 70,905,000
			<u>254,925,000</u>

G. Commitments Under Noncapitalized Leases

Commitments under operating (noncapitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of August 31, 2018, as follows:

<u>Year Ending August 31,</u>	
2019	\$ 43,422
2020	33,613
2021	8,847
2022	4,745
Total Minimum Rentals	<u>\$ 90,627</u>
Rental Expenditures in 2018	<u>\$ 119,586</u>

H. Risk Management

Property Casualty Program

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2018, the District participated in the Texas Association of School Boards Risk Management Fund (the Fund) with coverage in Auto Liability, Auto Physical Damage, Legal Liability & Privacy, and Information Security. The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three years.

The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for its Auto, Liability and Property programs. The terms and limits of the stop-loss program vary by line coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended August 31, 2018, the Fund anticipates Carroll ISD has no additional liability beyond the contractual obligations for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2017 are available on the TASB Risk Managment Fund website and have been filed with the Texas Department of Insurance in Austin.

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During the year ended February 28, 2018, Carroll ISD met its statutory property casualty obligations through participation in the Property Casualty Alliance of Texas (the Fund). The Fund was created pursuant to the provisions of the Interlocal Cooperation Act, Chapter 791, Title I of the Texas Government Code. All districts participating in the Fund execute Interlocal Agreement that define the responsibilities of the parties. The Fund provides property and casualty coverage and services to its members.

The Fund and its members are protected against higher than expected claims costs through reinsurance contracts for claims in excess of the Fund's self-insured retentions. The Fund uses the services of an independent actuary to help determine the reserve adequacy. As of February 28, 2018, the Fund carries a total of \$13,182,000 in current loss reserves, including \$4,884,944 for claims incurred but not yet reported. Losses and reserves are based on estimates, and could be more or less than originally estimated.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on the last day of February. The Fund's audited financial statements are available for inspection at the Fund's administrative offices.

Workers' Compensation

During the year ended August 31, 2018, Carroll ISD met its statutory workers' compensation obligations through participating in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791, Texas Labor Code. The Fund's Workers' Compensation is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members' injured employees.

Carroll ISD participates in the Fund's reimbursable aggregate deductible program. As such, the member is responsible for a certain amount of claims liability as outlined in the member's Contribution and Coverage Summary document. After the member's deductible has been met, the Fund is responsible for additional claims liability.

The Fund and its members are protected against higher than expected claims costs through the purchase of stop loss coverage for any covered claims in excess of the Fund's self-insured retention of \$2 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of August 31, 2017 the Fund carries a discounted reserve of \$49,076,113 or future development on reported claims and claims that have been incurred but not yet reported. For the year ended August 31, 2018, the Fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions and reimbursable aggregate deductibles.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2017 are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

CARROLL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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I. Pension Plan

1. Plan Description

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

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.

2. Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://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.

3. 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 in (1.) above.

4. 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.

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

	Contribution Rates	
	2017	2018
Member	7.7%	7.7%
Non-Employer Contributing Entity (NECE - State)	6.8%	6.8%
Employers	6.8%	6.8%
District's 2018 Employer Contributions	\$ 1,580,764	
District's 2018 Member Contributions	\$ 4,165,517	
NECE 2017 On-Behalf Contributions to District	\$ 2,668,429	

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

CARROLL INDEPENDENT SCHOOL DISTRICT
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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.

5. Actuarial Assumptions

The total pension liability in the August 31, 2017 actuarial evaluation 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%
Long-term expected Investment Rate of Return	8%
Inflation	2.5%
Salary Increases including inflation	3.5% to 9.5%
Payroll Growth Rate	2.5%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

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.

6. Discount Rate

The discount rate used to measure the total pension liability was 8%. 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.

CARROLL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2017 are summarized below:

Teacher Retirement System of Texas Asset Allocation and Long-Term Expected Real Rate of Return As of August 31, 2017			
Asset Class	Target Allocation*	Long-term Expected Geometric Real Rate of Return	Expected Contribution to Long-term Portfolio Returns **
Global Equity			
U.S.	18%	4.6%	1.0%
Non-U.S. Developed	13%	5.1%	0.8%
Emerging Markets	9%	5.9%	0.7%
Directional Hedge Funds	4%	3.2%	0.1%
Private Equity	13%	7.0%	1.1%
Stable Value			
U.S. Treasuries	11%	0.7%	0.1%
Absolute Return	0%	1.8%	0.0%
Stable Value Hedge Funds	4%	3.0%	0.1%
Cash	1%	-0.2%	0.0%
Real Return			
Global Inflation Linked Bonds	3%	0.9%	0.0%
Real Assets	16%	5.1%	1.1%
Energy & Natural Resources	3%	6.6%	0.2%
Commodities	0%	1.2%	0.0%
Risk Parity			
Risk Parity	5%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
Total	100%		8.7%
* Target allocations are based on the FY2014 policy model. Infrastructure was moved from Real Assets to Energy and Natural Resources in FY2017, but the reallocation does not affect the long term expected geometric real rate of return or expected contribution to long-term portfolio returns. ** The expected contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.			

7. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate 7%	Discount Rate 8%	1% Increase in Discount Rate 9%
District's proportionate share of the net pension liability	\$ 24,344,872	\$ 14,441,119	\$ 6,194,636

CARROLL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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8. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At August 31, 2018, the District reported a liability of \$14,441,119 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 14,441,119
State's proportionate share that is associated with District	<u>26,088,035</u>
Total	<u>\$ 40,529,154</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 employer's proportion of the collective net pension liability was 0.0451643%, which was an increase of 0.0019343% from its proportion measured as of August 31, 2016.

Changes Since the Prior Actuarial Valuation - There were no changes to the actuarial assumptions of 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 August 31, 2018, the District recognized pension expense of \$1,989,892 and revenue of \$1,989,892 for support provided by the State.

At August 31, 2018, the District reported its proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to pensions from the following sources: (The amounts below will be the cumulative layers from the current and prior years combined)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 211,280	\$ 778,791
Changes in actuarial assumptions	657,816	376,584
Difference between projected and actual investment earnings	--	1,052,437
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	3,586,336	--
Contributions paid to TRS subsequent to the measurement date	<u>1,580,764</u>	<u>--</u>
Total	<u>\$ 6,036,196</u>	<u>\$ 2,207,812</u>

CARROLL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended August 31	Pension Expense Amount
2019	\$ 387,124
2020	\$ 1,308,938
2021	\$ 315,610
2022	\$ 19,995
2023	\$ 154,978
Thereafter	\$ 60,975

J. Defined Other Post-Employment Benefit Plans

1. 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.

2. OPEB Plan Fiduciary Net Position

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

Components of the net OPEB liability of the TRS-Care plan as of August 31, 2017 are as follows:

<u>Net OPEB Liability:</u>	<u>Total</u>
Total OPEB liability	\$ 43,885,784,621
Less: plan fiduciary net position	<u>399,535,986</u>
Net OPEB liability	<u>\$ 43,486,248,635</u>
Net position as a percentage of total OPEB liability	0.91%

3. Benefits Provided

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

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of 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.

CARROLL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with Medicare Parts A&B coverage, with 20 to 29 years of service for the basic plan and the two optional plans:

Monthly TRS-Care Plan Premium Rates Effective September 1, 2016 - December 31, 2017			
	TRS-Care 1 Basic Plan	TRS-Care 2 Optional Plan	TRS-Care 3 Optional Plan
Retiree*	\$ --	\$ 70	\$ 100
Retiree and Spouse	20	175	255
Retiree* and Children	41	132	182
Retiree and Family	61	237	337
Surviving Children Only	28	62	82

* or surviving spouse

4. 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 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates		
	2017	2018
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (NECE) - State	1.00%	1.25%
Employers	0.55%	0.75%
Federal/Private Funding Remitted by Employers	1.00%	1.25%

Current fiscal year District contributions	\$ 419,766
Current fiscal year Member contributions	\$ 351,634
2017 measurement year NECE contributions	\$ 507,557

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to, regardless of whether they participate in the TRS-Care OPEB program. When employers hire a TRS retiree, they are required to pay to TRS-Care a monthly surcharge of \$535 per retiree.

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

CARROLL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2018

5. Actuarial Assumptions

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

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability Incidence	

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2017
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.50%
Discount Rate *	3.42% *
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Payroll Growth Rate	2.50%
Projected Salary Increases **	3.50% to 9.50% **
Healthcare Trend Rates ***	4.50% to 12.00% ***
Election Rates	Normal Retirement: 70% participation prior to age 65 and 75% participation after age 65
Ad Hoc Post-Employment Benefit Changes	None

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

**Includes inflation at 2.50%

***Initial trend rates are 7.00% for non-Medicare 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.

CARROLL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2018

6. Discount Rate

A single discount rate of 3.42% was used to measure the total OPEB liability. There was a change of 0.44% in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, there are no investments and 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 not to 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.

7. Discount Rate Sensitivity Analysis

The following schedule shows the impact on the net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used in measuring the net OPEB liability.

	1% Decrease in Discount Rate (2.42%)	Current Single Discount Rate (3.42%)	1% Increase in Discount Rate (4.42%)
District's proportionate share of net OPEB liability	\$ 29,365,705	\$ 24,880,956	\$ 21,276,229

8. Healthcare Cost Trend Rates Sensitivity Analysis

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 healthcare cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of net OPEB liability	\$ 20,715,882	\$ 24,880,956	\$ 30,346,059

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

At August 31, 2018, the District reported a liability of \$24,880,956 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 collective net OPEB liability	\$ 24,880,956
State's proportionate share that is associated with the District	\$ 42,453,785
Total	\$ <u>67,334,741</u>

The net OPEB liability was measured as of August 31, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's contributions to their 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 0.0572157%. Since this is the first year of implementation, the District does not have the proportion measured as of August 31, 2016. The Notes to the Financial Statements for August 31, 2016 for TRS stated that the change in proportion was immaterial and, therefore, disregarded this year.

CARROLL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2018

10. Changes Since the Prior Actuarial Valuation.

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

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

The Affordable Care Act includes a 40% excise tax on high-cost health plans known as the "Cadillac tax." In this valuation the impact of this tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

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

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

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provision or applicable law.

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

For the year ended August 31, 2018, the District recognized OPEB expense of \$(14,206,165) and revenue of \$(14,206,165) for support provided by the State.

CARROLL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2018

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ --	\$ 519,409
Changes in actuarial assumptions	--	9,888,342
Differences between projected and actual investment earnings	3,779	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	114	--
Contributions paid to TRS subsequent to the measurement date	419,766	
	<u>\$ 423,659</u>	<u>10,407,751</u>

The net amounts of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended August 31,	Amount
2019	\$ (1,372,800)
2020	\$ (1,372,800)
2021	\$ (1,372,800)
2022	\$ (1,372,800)
2023	\$ (1,373,745)
Thereafter	\$ (3,538,913)

K. Employee Health Care Coverage

During the year ended August 31, 2018, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$290 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third party administrator, acting on behalf of the licensed insurer. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

The contract between the District and the third party administrator is renewable annually, and terms of coverage and premium costs are included in the contractual provisions.

Latest financial statements for the Company are available for their year end and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

CARROLL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2018

L. Commitments and Contingencies

1. Contingencies

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

As of August 31, 2018, the District had multiple construction commitments across multiple projects with remaining costs to complete totaling \$6,918,205, which will be funded from the Capital Projects Fund. The District was not obligated at August 31, 2018 for the construction commitments.

<u>Vendor</u>	<u>Amount</u>
Natex Architects	\$ 712,225
LPA	652,875
Huckabee	1,633,000
Glenn Partners	15,591
NETSYNC Network Solutions	313,359
Hellas Construction	3,472,184
Delcom Group, L.P.	118,971
Total	<u>\$ 6,918,205</u>

2. Litigation

During fiscal year 2018, the District was involved in litigation with Northwest ISD regarding the establishment of the boundary line between the two districts. An unfavorable judgement was initially obtained and the case is currently in the Court of Appeals. The possible range of loss cannot be made at this time, and therefore, a liability has not been recorded.

M. Shared Services Arrangements

Shared Services Arrangement - Membership

The District participates in a shared services arrangement ("SSA") for deaf education with the following school districts:

Member Districts

Birdville ISD
Carroll ISD
Eagle Mountain-Saginaw ISD
Grapevine-Colleyville ISD
Hurst - Euless - Bedford ISD
International Leadership Texas Charter
Keller ISD
Westlake Academy

The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in capital assets purchased by the fiscal agent, Birdville ISD, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the SSA.

CARROLL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2018

N. Subsequent Events

On October 1, 2018 the District issued Unlimited Tax School Building Bonds, Series 2018 in the amount of \$68,265,000. The proceeds of the bond will be used for the construction, renovation, acquisition, and equipment of school buildings in the District.

O. Prior Period Adjustment

During fiscal year 2018, the District adopted GASB Statement No. 75 for *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. With GASB 75, the District must assume their proportionate share of the Net OPEB liability of the Teacher Retirement System of Texas. Adoption of GASB 75 required a prior period adjustment to report the effect of GASB 75 retroactively. The prior period adjustment totaled \$(43,628,607) which resulted in a restated beginning net position balance of \$23,920,739.

P. Statement of Activities Negative Operating Grants

With the implementation of GASB 75, the District is required to report on-behalf contributions at the government-wide level for their proportion of the change in OPEB liability and deferred balances recognized by the State of Texas on-behalf of the District. As Described in Note J, the current year OPEB expense recognized by the State was a negative \$14,206,165 and the actual on-behalf payments were \$507,557. As a result of this negative amount, the Statement of Activities reflects an overall negative operating grants and contributions of \$7,199,972. Had this adjustment not been required, the Statement of Activities would have shown \$7,006,193 in program revenue for operating grants and contributions for the year ended August 31, 2018.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

CARROLL INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2018

EXHIBIT G-1

Page 1 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
	REVENUES:				
5700	<i>Local and Intermediate Sources</i>	\$ 94,695,818	\$ 97,695,818	\$ 98,064,946	\$ 369,128
5800	<i>State Program Revenues</i>	8,178,410	8,678,410	9,419,943	741,533
5900	<i>Federal Program Revenues</i>	2,275,714	2,275,714	2,330,187	54,473
5020	Total Revenues	<u>105,149,942</u>	<u>108,649,942</u>	<u>109,815,076</u>	<u>1,165,134</u>
	EXPENDITURES:				
	Current:				
	Instruction & Instructional Related Services:				
0011	<i>Instruction</i>	43,312,173	44,305,178	44,012,697	292,481
0012	<i>Instructional Resources and Media Services</i>	1,060,624	1,067,323	1,040,120	27,203
0013	<i>Curriculum and Staff Development</i>	1,120,018	1,073,671	1,002,691	70,980
	Total Instruction & Instr. Related Services	<u>45,492,815</u>	<u>46,446,172</u>	<u>46,055,508</u>	<u>390,664</u>
	Instructional and School Leadership:				
0021	<i>Instructional Leadership</i>	540,834	543,877	522,978	20,899
0023	<i>School Leadership</i>	3,904,295	3,943,865	3,910,905	32,960
	Total Instructional & School Leadership	<u>4,445,129</u>	<u>4,487,742</u>	<u>4,433,883</u>	<u>53,859</u>
	Support Services - Student (Pupil):				
0031	<i>Guidance, Counseling and Evaluation Services</i>	2,990,245	2,963,985	2,878,228	85,757
0033	<i>Health Services</i>	766,111	792,810	757,729	35,081
0034	<i>Student (Pupil) Transportation</i>	2,416,675	2,354,414	2,229,898	124,516
0035	<i>Food Services</i>	3,305,275	3,235,101	3,112,932	122,169
0036	<i>Cocurricular/Extracurricular Activities</i>	3,617,181	3,500,266	3,271,093	229,173
	Total Support Services - Student (Pupil)	<u>13,095,487</u>	<u>12,846,576</u>	<u>12,249,880</u>	<u>596,696</u>
	Administrative Support Services:				
0041	<i>General Administration</i>	3,704,249	4,518,849	4,110,847	408,002
	Total Administrative Support Services	<u>3,704,249</u>	<u>4,518,849</u>	<u>4,110,847</u>	<u>408,002</u>
	Support Services - Nonstudent Based:				
0051	<i>Plant Maintenance and Operations</i>	7,883,855	7,836,812	7,640,926	195,886
0052	<i>Security and Monitoring Services</i>	323,179	323,788	244,409	79,379
0053	<i>Data Processing Services</i>	1,926,055	1,984,577	1,889,679	94,898
	Total Support Services - Nonstudent Based	<u>10,133,089</u>	<u>10,145,177</u>	<u>9,775,014</u>	<u>370,163</u>
	Ancillary Services:				
0061	<i>Community Services</i>	68,446	78,446	65,571	12,875
	Total Ancillary Services	<u>68,446</u>	<u>78,446</u>	<u>65,571</u>	<u>12,875</u>
	Intergovernmental Charges:				
0091	<i>Contracted Instr. Services Between Public Schools</i>	26,244,648	26,306,648	26,290,781	15,867
0097	<i>Payments to Tax Increment Fund</i>	6,200,000	7,000,000	6,985,814	14,186
0099	<i>Other Intergovernmental Charges</i>	575,000	583,000	582,037	963
	Total Intergovernmental Charges	<u>33,019,648</u>	<u>33,889,648</u>	<u>33,858,632</u>	<u>31,016</u>
6030	Total Expenditures	<u>109,958,863</u>	<u>112,412,610</u>	<u>110,549,335</u>	<u>1,863,275</u>

CARROLL INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2018

EXHIBIT G-1

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>(4,808,921)</u>	<u>(3,762,668)</u>	<u>(734,259)</u>	<u>3,028,409</u>
	Other Financing Sources (Uses):				
7912	Sale of Real or Personal Property	--	--	209,879	209,879
7915	Transfers In	2,051,967	2,051,967	3,555,140	1,503,173
8911	Transfers Out	<u>(2,051,967)</u>	<u>(2,051,967)</u>	--	<u>2,051,967</u>
7080	Total Other Financing Sources and (Uses)	--	--	<u>3,765,019</u>	<u>3,765,019</u>
1200	Net Change in Fund Balance	<u>(4,808,921)</u>	<u>(3,762,668)</u>	<u>3,030,760</u>	<u>6,793,428</u>
0100	Fund Balance - Beginning	<u>36,191,440</u>	<u>36,191,440</u>	<u>36,191,440</u>	--
3000	Fund Balance - Ending	<u>\$ 31,382,519</u>	<u>\$ 32,428,772</u>	<u>\$ 39,222,200</u>	<u>\$ 6,793,428</u>

CARROLL INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF THE DISTRICT'S PROPORTIONATE****SHARE OF THE NET PENSION LIABILITY****TEACHER RETIREMENT SYSTEM OF TEXAS****LAST TEN FISCAL YEARS ***

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District's proportion of the net pension liability (asset)	0.045%	0.043%	0.044%	0.026%	--	--	--	--	--	--
District's proportionate share of the net pension liability (asset)	\$ 14,441,119	\$ 16,335,981	\$ 15,600,075	\$ 7,128,759	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
State's proportionate share of the net pension liability (asset) associated with the District	26,088,035	31,268,218	29,978,787	26,923,208	--	--	--	--	--	--
Total	<u>\$ 40,529,154</u>	<u>\$ 47,604,199</u>	<u>\$ 45,578,862</u>	<u>\$ 34,051,967</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
District's covered payroll	\$ 52,116,439	\$ 49,728,770	\$ 47,710,376	\$ 45,445,803	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	27.71%	32.85%	32.70%	15.69%	--	--	--	--	--	--
Plan fiduciary net position as a percentage of the total pension liability	82.17%	78.00%	78.43%	83.25%	--	--	--	--	--	--

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

** This schedule displays amounts for the measurement year (i.e. Fiscal Year 2018 displays amounts for Measurement Year 2017).

CARROLL INDEPENDENT SCHOOL DISTRICT
**SCHEDULE OF DISTRICT CONTRIBUTIONS
 TEACHER RETIREMENT SYSTEM OF TEXAS
 LAST TEN FISCAL YEARS ***

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 1,580,764	\$ 1,480,223	\$ 1,373,527	\$ 1,306,768	\$ 669,023	\$ --	\$ --	\$ --	\$ --	\$ --
Contributions in relation to the contractually required contribution	(1,580,764)	(1,480,223)	(1,373,527)	(1,306,768)	(669,023)	--	--	--	--	--
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
District's covered payroll	\$ 54,097,605	\$ 52,116,439	\$ 49,728,770	\$ 47,710,376	\$ 45,445,803	\$ --	\$ --	\$ --	\$ --	\$ --
Contributions as a percentage of covered-employee payroll	2.92%	2.84%	2.76%	2.74%	1.47%	--	--	--	--	--

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

CARROLL INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF THE DISTRICT'S PROPORTIONATE****SHARE OF THE NET OPEB LIABILITY****TEACHER RETIREMENT SYSTEM OF TEXAS****LAST TEN FISCAL YEARS ***

	Measurement Year Ended									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District's proportion of the collective net OPEB liability	0.057%	--	--	--	--	--	--	--	--	--
District's proportionate share of the collective net OPEB liability	\$ 24,880,956	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
State proportionate share of the collective net OPEB liability associated with the District	\$ 42,453,785	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Total	<u>\$ 67,334,741</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
District's covered payroll	\$ 52,116,439	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	47.74%	--	--	--	--	--	--	--	--	--
Plan fiduciary net position as a percentage of the total OPEB liability	0.91%	--	--	--	--	--	--	--	--	--

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

CARROLL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS *

	Fiscal Year Ended									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Statutorily or contractually required District contribution	\$ 419,766	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Contributions recognized by OPEB in relation to statutorily or contractually required contribution	(419,766)	--	--	--	--	--	--	--	--	--
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered payroll	\$ 54,097,605	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Contributions as a percentage of covered-employee payroll	0.78%	--	--	--	--	--	--	--	--	--

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

** This schedule displays amounts for the fiscal year (Fiscal Year 2018 displays amounts for the current fiscal year, not the measurement year).

CARROLL INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2018

Budget

The official budget was prepared for adoption for all Governmental Fund Types legally required to adopt a budget (General Funds and Debt Service Funds). The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data:

- a. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. 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.
- c. Prior to the beginning of the fiscal year, the budget is legally enacted through passage of a resolution by the Board.

Once a budget is approved, it can be amended at function and fund level only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings.

Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end as required by law.

Each amendment is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

Defined Benefit Pension and OPEB Plans

Changes of benefit terms

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

Changes of assumptions

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

Changes of assumptions that affected the measurement of the net OPEB liability during the measurement period are described in the notes to the financial statements (Note J).

*Combining Statements and Budget Comparisons
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

CARROLL INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS (COMPRISED OF NONMAJOR SPECIAL REVENUE FUNDS)

AUGUST 31, 2018

Data Control Codes	211 ESEA Title I Improving Basic Programs	224 IDEA-B Formula	225 IDEA-B Preschool Grant	244 Career and Tech Basic Grant
ASSETS:				
1110 <i>Cash and Cash Equivalents</i>	\$ --	\$ --	\$ --	\$ --
1240 <i>Due from Other Governments</i>	25,695	238,969	2,234	--
1410 <i>Unrealized Expenditures</i>	--	--	--	--
1000 Total Assets	<u>25,695</u>	<u>238,969</u>	<u>2,234</u>	<u>--</u>
LIABILITIES:				
Current Liabilities:				
2170 <i>Due to Other Funds</i>	\$ 25,695	\$ 238,969	\$ 2,234	\$ --
2300 <i>Unearned Revenue</i>	--	--	--	--
2000 Total Liabilities	<u>25,695</u>	<u>238,969</u>	<u>2,234</u>	<u>--</u>
FUND BALANCES:				
Committed Fund Balances:				
3545 <i>Other Committed Fund Balance</i>	--	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ 25,695</u>	<u>\$ 238,969</u>	<u>\$ 2,234</u>	<u>\$ --</u>

255 ESEA Title II Training & Recruiting	263 English Language Acquisition and Enhancement	289 Other Federal Special Revenue Fund	385 Supplemental Visually Impaired	397 Advanced Placement Incentives
\$ --	\$ --	\$ 392	\$ --	\$ 16,927
10,624	3,238	21,945	--	--
--	--	--	--	--
<u>10,624</u>	<u>3,238</u>	<u>22,337</u>	<u>--</u>	<u>16,927</u>
\$ 10,624	\$ 3,238	\$ 21,945	\$ --	\$ --
--	--	392	--	16,927
<u>10,624</u>	<u>3,238</u>	<u>22,337</u>	<u>--</u>	<u>16,927</u>
--	--	--	--	--
--	--	--	--	--
<u>\$ 10,624</u>	<u>\$ 3,238</u>	<u>\$ 22,337</u>	<u>\$ --</u>	<u>\$ 16,927</u>

CARROLL INDEPENDENT SCHOOL DISTRICT**COMBINING BALANCE SHEET****NONMAJOR GOVERNMENTAL FUNDS (COMPRISED OF NONMAJOR SPECIAL REVENUE FUNDS)****AUGUST 31, 2018**

Data Control Codes	410 State Textbook Fund	429 State Funded Special Revenue Fund	461 Campus Activity Funds
ASSETS:			
1110 <i>Cash and Cash Equivalents</i>	\$ 123,959	\$ --	\$ 1,350,011
1240 <i>Due from Other Governments</i>	--	--	--
1410 <i>Unrealized Expenditures</i>	73,000	--	--
1000 Total Assets	<u>196,959</u>	<u>--</u>	<u>1,350,011</u>
LIABILITIES:			
Current Liabilities:			
2170 <i>Due to Other Funds</i>	\$ --	\$ --	\$ --
2300 <i>Unearned Revenue</i>	196,959	--	--
2000 Total Liabilities	<u>196,959</u>	<u>--</u>	<u>--</u>
FUND BALANCES:			
Committed Fund Balances:			
3545 <i>Other Committed Fund Balance</i>	--	--	1,350,011
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>1,350,011</u>
4000 Total Liabilities and Fund Balances	<u>\$ 196,959</u>	<u>\$ --</u>	<u>\$ 1,350,011</u>

490 Department Activity Fund	497 Local Support Programs	498 We Care Program	499 Local Grants	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 176,278	\$ 387,663	\$ 31,831	\$ 36,689	\$ 2,123,750
--	--	--	--	302,705
--	--	--	--	73,000
<u>176,278</u>	<u>387,663</u>	<u>31,831</u>	<u>36,689</u>	<u>2,499,455</u>
\$ --	\$ --	\$ --	\$ --	\$ 302,705
<u>176,225</u>	<u>124,338</u>	<u>31,623</u>	<u>36,520</u>	<u>582,984</u>
<u>176,225</u>	<u>124,338</u>	<u>31,623</u>	<u>36,520</u>	<u>885,689</u>
53	263,325	208	169	1,613,766
<u>53</u>	<u>263,325</u>	<u>208</u>	<u>169</u>	<u>1,613,766</u>
\$ <u>176,278</u>	\$ <u>387,663</u>	\$ <u>31,831</u>	\$ <u>36,689</u>	\$ <u>2,499,455</u>

CARROLL INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS (COMPRISED OF NONMAJOR SPECIAL REVENUE FUNDS)

FOR THE YEAR ENDED AUGUST 31, 2018

Data Control Codes	211 ESEA Title I Improving Basic Programs	224 IDEA-B Formula	225 IDEA-B Preschool Grant	244 Career and Tech Basic Grant
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	--	--	--
5900 <i>Federal Program Revenues</i>	155,069	1,270,959	11,308	38,401
5020 <i>Total Revenues</i>	<u>155,069</u>	<u>1,270,959</u>	<u>11,308</u>	<u>38,401</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	155,069	1,211,303	11,228	38,401
0012 <i>Instructional Resources and Media Services</i>	--	--	--	--
0013 <i>Curriculum and Staff Development</i>	--	--	80	--
0023 <i>School Leadership</i>	--	--	--	--
0031 <i>Guidance, Counseling, & Evaluation Services</i>	--	23,213	--	--
0033 <i>Health Services</i>	--	--	--	--
0034 <i>Student Transportation</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	--
0041 <i>General Administration</i>	--	--	--	--
0053 <i>Data Processing Services</i>	--	--	--	--
0061 <i>Community Services</i>	--	--	--	--
0093 <i>Payments to Shared Service Arrangements</i>	--	36,443	--	--
6030 <i>Total Expenditures</i>	<u>155,069</u>	<u>1,270,959</u>	<u>11,308</u>	<u>38,401</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>	--	--	--	--
1100 <i>Expenditures</i>	--	--	--	--
1200 <i>Net Change in Fund Balances</i>	--	--	--	--
0100 <i>Fund Balances - Beginning</i>	--	--	--	--
3000 <i>Fund Balances - Ending</i>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

255 ESEA Title II Training & Recruiting	263 English Language Acquisition and Enhancement	289 Other Federal Special Revenue Fund	385 Supplemental Visually Impaired	397 Advanced Placement Incentives
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	2,882	15,664
65,542	19,428	25,770	--	--
<u>65,542</u>	<u>19,428</u>	<u>25,770</u>	<u>2,882</u>	<u>15,664</u>
65,542	19,428	24,237	2,882	671
--	--	--	--	--
--	--	1,533	--	14,993
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>65,542</u>	<u>19,428</u>	<u>25,770</u>	<u>2,882</u>	<u>15,664</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --

CARROLL INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS (COMPRISED OF NONMAJOR SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED AUGUST 31, 2018

Data Control Codes	410 State Textbook Fund	429 State Funded Special Revenue Fund	461 Campus Activity Funds
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ 2,097,090
5800 <i>State Program Revenues</i>	715,244	29	641
5900 <i>Federal Program Revenues</i>	--	--	--
5020 Total Revenues	<u>715,244</u>	<u>29</u>	<u>2,097,731</u>
EXPENDITURES:			
Current:			
0011 <i>Instruction</i>	568,482	--	665,129
0012 <i>Instructional Resources and Media Services</i>	--	29	92,489
0013 <i>Curriculum and Staff Development</i>	43,110	--	130,315
0023 <i>School Leadership</i>	--	--	134,940
0031 <i>Guidance, Counseling, & Evaluation Services</i>	--	--	309,791
0033 <i>Health Services</i>	--	--	1,336
0034 <i>Student Transportation</i>	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	713,492
0041 <i>General Administration</i>	--	--	--
0053 <i>Data Processing Services</i>	103,652	--	--
0061 <i>Community Services</i>	--	--	1,113
0093 <i>Payments to Shared Service Arrangements</i>	--	--	--
6030 Total Expenditures	<u>715,244</u>	<u>29</u>	<u>2,048,605</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>--</u>	<u>--</u>	<u>49,126</u>
1200 Net Change in Fund Balances	<u>--</u>	<u>--</u>	<u>49,126</u>
0100 Fund Balances - Beginning	<u>--</u>	<u>--</u>	<u>1,300,885</u>
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,350,011</u>

490 Department Activity Fund	497 Local Support Program	498 We Care Program	499 Local Grants	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ 1,589	\$ 129,318	\$ 36,733	\$ 142,400	\$ 2,407,130
--	7,193	--	--	741,653
--	--	--	--	1,586,477
<u>1,589</u>	<u>136,511</u>	<u>36,733</u>	<u>142,400</u>	<u>4,735,260</u>
563	116,213	--	132,551	3,011,699
--	--	--	--	92,518
--	--	--	9,680	199,711
--	--	--	--	134,940
--	--	--	--	333,004
--	--	--	--	1,336
973	--	--	--	973
--	--	--	--	713,492
--	--	36,525	--	36,525
--	--	--	--	103,652
--	--	--	--	1,113
--	--	--	--	36,443
<u>1,536</u>	<u>116,213</u>	<u>36,525</u>	<u>142,231</u>	<u>4,665,406</u>
53	20,298	208	169	69,854
<u>53</u>	<u>20,298</u>	<u>208</u>	<u>169</u>	<u>69,854</u>
--	243,027	--	--	1,543,912
<u>\$ 53</u>	<u>\$ 263,325</u>	<u>\$ 208</u>	<u>\$ 169</u>	<u>\$ 1,613,766</u>

CARROLL INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
AUGUST 31, 2018

Data Control Codes	863 Payroll Clearing	865 Student Activity	893 Annuity - VALIC	Total Agency Funds (See Exhibit E-1)
ASSETS:				
1110 <i>Cash and Cash Equivalents</i>	\$ 996,662	\$ 150,725	\$ --	\$ 1,147,387
1800 <i>Restricted Assets</i>	--	--	33,075	33,075
1000 Total Assets	<u>996,662</u>	<u>150,725</u>	<u>33,075</u>	<u>1,180,462</u>
LIABILITIES:				
Current Liabilities:				
2150 <i>Payroll Deduction & Withholdings</i>	\$ 253,289	\$ --	\$ --	\$ 253,289
2170 <i>Due to Other Funds</i>	743,373	--	33,075	776,448
2190 <i>Due to Student Groups</i>	--	150,725	--	150,725
2000 Total Liabilities	<u>996,662</u>	<u>150,725</u>	<u>33,075</u>	<u>1,180,462</u>
NET POSITION:				
3000 Total Net Position	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

CARROLL INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED AUGUST 31, 2018

EXHIBIT H-4

Data Control Codes	97 Balance September 1, 2017	5030 Additions	6050 Deductions	98 Balance August 31, 2018
STUDENT ACTIVITIES:				
ASSETS				
Cash & Temporary Investments	\$ 136,824	\$ 429,761	\$ (415,860)	\$ 150,725
Total Assets	<u>\$ 136,824</u>	<u>\$ 429,761</u>	<u>\$ (415,860)</u>	<u>\$ 150,725</u>
LIABILITIES				
Due to Student Groups	136,824	281,863	(267,962)	150,725
Total Liabilities	<u>\$ 136,824</u>	<u>\$ 281,863</u>	<u>\$ (267,962)</u>	<u>\$ 150,725</u>
CLEARING ACCOUNTS:				
ASSETS				
Cash	\$ 884,934	\$ 85,679,018	\$ (85,567,290)	\$ 996,662
Total Assets	<u>\$ 884,934</u>	<u>\$ 85,679,018</u>	<u>\$ (85,567,290)</u>	<u>\$ 996,662</u>
LIABILITIES				
Payroll Withholdings	241,220	24,930,401	(24,918,332)	253,289
Due to Other Funds	643,714	125,533	(25,874)	743,373
Total Liabilities	<u>\$ 884,934</u>	<u>\$ 25,055,934</u>	<u>\$ (24,944,206)</u>	<u>\$ 996,662</u>
Annuity - VALIC:				
ASSETS				
Restricted Assets	32,112	963	--	33,075
Total Assets	<u>\$ 32,112</u>	<u>\$ 963</u>	<u>\$ --</u>	<u>\$ 33,075</u>
LIABILITIES				
Due to Other Funds	32,112	963	--	33,075
Total Liabilities	<u>\$ 32,112</u>	<u>\$ 963</u>	<u>\$ --</u>	<u>\$ 33,075</u>
TOTAL AGENCY FUNDS:				
ASSETS				
1110 Cash & Temporary Investments	\$ 1,021,758	\$ 86,108,779	\$ (85,983,150)	\$ 1,147,387
1800 Restricted Assets	32,112	963	--	33,075
1000 Total Assets	<u>\$ 1,053,870</u>	<u>\$ 86,109,742</u>	<u>\$ (85,983,150)</u>	<u>\$ 1,180,462</u>
LIABILITIES				
2150 Payroll Withholdings	241,220	24,930,401	(24,918,332)	253,289
2170 Due to Other Governments	675,826	126,496	(25,874)	776,448
2190 Due to Student Groups	136,824	281,863	(267,962)	150,725
2000 Total Liabilities	<u>\$ 1,053,870</u>	<u>\$ 25,338,760</u>	<u>\$ (25,212,168)</u>	<u>\$ 1,180,462</u>

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

CARROLL INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2018**

Year Ended August 31	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2009 and Prior Years	\$	Various	\$	Various	\$	Various
2010		1.04		.375		5,627,437,598
2011		1.04		.375		5,524,847,802
2012		1.04		.375		5,508,840,000
2013		1.04		.360		5,477,850,143
2014		1.04		.360		6,074,605,100
2015		1.04		.360		6,199,078,884
2016		1.04		.355		6,008,873,261
2017		1.04		.350		7,346,929,640
2018 (School Year Under Audit)		1.04		.345		8,046,231,536

1000 Totals

9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code

Column 20, the current year's levy is the ending levy due provided by Tarrant County Tax Office.

Column 3, Assessed/Appraised Value for School Tax Purposes is calculated based on current year total levy divided by current year total tax rate. This amount includes adjustments for frozen values.

10 Beginning Balance 9/1/17	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/18
\$ 531,249	\$ --	\$ 1	\$ --	\$ (1)	\$ 531,247
53,863	--	78	28	1	53,758
62,682	--	2,991	1,078	--	58,613
57,456	--	5,412	1,951	--	50,093
57,072	--	19,984	6,918	23,790	53,960
54,151	--	39,227	13,578	55,100	56,446
49,520	--	49,610	17,173	66,840	49,577
208,573	--	106,630	36,398	77,330	142,875
542,864	--	184,758	62,178	(100,291)	195,637
--	111,440,307	83,369,539	27,656,239	(284)	414,245
<u>\$ 1,617,430</u>	<u>\$ 111,440,307</u>	<u>\$ 83,778,230</u>	<u>\$ 27,795,541</u>	<u>\$ 122,485</u>	<u>\$ 1,606,451</u>
\$ --	\$ --	\$ 6,045,218	\$ --	\$ --	\$ (6,045,218)

CARROLL INDEPENDENT SCHOOL DISTRICT**EXHIBIT J-2****FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET (UNAUDITED)****GENERAL FUND****AS OF AUGUST 31, 2018**

Data Control Codes	Explanation	Amount
1	Total General Fund Fund Balance as of August 31, 2018 (Exhibit C-1 object 3000 for the General Fund only)	\$ 39,222,200
2	Total General Fund Nonspendable Fund Balance (from Exhibit C-1 - total of object 341X-344X for the General Fund only)	143,661
3	Total General Fund Restricted Fund Balance (from Exhibit C-1 - total of object 345X-349X for the General Fund only)	--
4	Total General Fund Committed Fund Balance (from Exhibit C-1 - total of object 351X-354X for the General Fund only)	10,573,725
5	Total General Fund Assigned Fund Balance (from Exhibit C-1 - total of object 355X-359X for the General Fund only)	--
6	Estimated amount needed to cover fall cash flow deficits in the General Fund (net of borrowed funds and funds representing deferred revenues)	9,212,445
7	Estimate of two months' average cash disbursements during the fiscal year	18,424,890
8	Estimate of delayed payments from state sources (58XX)	25,222
9	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount	--
10	Estimate of delayed payments from federal sources (59XX)	--
11	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	--
12	General Fund Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9+10+11)	38,379,943
13	Excess (Deficit) Unassigned General Fund Fund Balance (1-12)	\$ 842,257

Excess fund balance will be used for future safety and security needs.

CARROLL INDEPENDENT SCHOOL DISTRICT

DEBT SERVICE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2018

EXHIBIT J-3

Data Control Codes	1	2	3
	Budget	Actual	Variance Positive (Negative)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 28,228,338	\$ 28,073,737	\$ (154,601)
5800 <i>State Program Revenues</i>	200,000	196,380	(3,620)
5020 <i>Total Revenues</i>	<u>28,428,338</u>	<u>28,270,117</u>	<u>(158,221)</u>
EXPENDITURES:			
Debt Service:			
0071 <i>Principal on Long-Term Debt</i>	15,190,248	14,650,247	540,001
0072 <i>Interest on Long-Term Debt</i>	12,916,953	12,916,953	--
0073 <i>Bond Issuance Costs and Fees</i>	300,000	5,015	294,985
<i>Total Debt Service</i>	<u>28,407,201</u>	<u>27,572,215</u>	<u>834,986</u>
6030 <i>Total Expenditures</i>	<u>28,407,201</u>	<u>27,572,215</u>	<u>834,986</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>			
1100 <i>Expenditures</i>	<u>21,137</u>	<u>697,902</u>	<u>676,765</u>
Other Financing Sources (Uses):			
7911 <i>Capital-Related Debt Issued (Regular Bonds)</i>	--	2,733	2,733
7080 <i>Total Other Financing Sources and (Uses)</i>	<u>--</u>	<u>2,733</u>	<u>2,733</u>
1200 <i>Net Change in Fund Balance</i>	<u>21,137</u>	<u>700,635</u>	<u>679,498</u>
0100 <i>Fund Balance - Beginning</i>	12,008,777	12,008,777	--
3000 <i>Fund Balance - Ending</i>	<u>\$ 12,029,914</u>	<u>\$ 12,709,412</u>	<u>\$ 679,498</u>



FEDERAL AWARDS SECTION





SNOW GARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Trustees
Carroll Independent School District
2400 North Carroll Avenue
Southlake, Texas 76092

Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Carroll Independent School District, as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise Carroll Independent School District's basic financial statements, and have issued our report thereon dated January 9, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters we reported to management of Carroll Independent School District in a separate letter dated January 9, 2019.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "Snow Garrett Williams". The signature is written in a cursive, flowing style.

Snow Garrett Williams
January 9, 2019



SNOW GARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Compliance for Each Major Program and on Internal
Control Over Compliance Required by the Uniform Guidance

Board of Trustees
Carroll Independent School District
2400 North Carroll Avenue
Southlake, Texas 76092

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

We have audited the Carroll Independent School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Carroll Independent School District's major federal program for the year ended August 31, 2018. Carroll Independent School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Carroll Independent School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Carroll Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Carroll Independent School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Carroll Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended August 31, 2018.

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,



Snow Garrett Williams

January 9, 2019

CARROLL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2018

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027 & 84.173	Special Education Cluster (IDEA)

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

Auditee qualified as low-risk auditee? X Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

CARROLL INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2018

A corrective action plan is not needed.

CARROLL INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

FOR THE YEAR ENDED AUGUST 31, 2018

EXHIBIT K-1

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Federal Expenditures
SPECIAL EDUCATION (IDEA) CLUSTER:			
<u>U. S. Department of Education</u>			
Passed Through State Department of Education:			
<i>IDEA-B Formula</i>	84.027	176600012209196600	\$ 16,512
<i>IDEA-B Formula</i>	84.027	186600012209196600	1,254,447
Total CFDA Number 84.027			<u>1,270,959</u>
<i>IDEA-B Preschool</i>	84.173	186610012209196610	11,308
Total Passed Through State Department of Education			<u>1,282,267</u>
Total U. S. Department of Education			<u>1,282,267</u>
Total Special Education (IDEA) Cluster			<u>1,282,267</u>
OTHER PROGRAMS:			
<u>U. S. Department of Education</u>			
Passed Through State Department of Education:			
<i>ESEA Title I Part A - Improving Basic Programs</i>	84.010	18610101220919	155,069
<i>Career and Technical - Basic Grant</i>	84.048	18420006220919	38,401
<i>Title III Part A English Language Acquisition and Language Enhancement</i>	84.365	18671001220919	19,428
<i>ESEA Title II Part A - Teacher & Principal Training & Recruiting</i>	84.367	18694501220919	65,542
<i>Title IV, Part A, Subpart 1</i>	84.424	18680101220919	1,533
<i>Summer School LEP</i>	84.369	69551702	2,293
<i>Hurricane Education Recovery</i>	84.938	51271901	21,945
Total Passed Through State Department of Education			<u>304,211</u>
Total U. S. Department of Education			<u>304,211</u>
<u>U.S. Department of the Interior</u>			
Passed Through Texas Comptroller:			
<i>Flood Control Act Lands</i>	15.433	220-919	131,872
Total Passed Through Texas Comptroller			<u>131,872</u>
Total U.S. Department of Interior			<u>131,872</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,718,350</u>

The accompanying notes are an integral part of this schedule.

CARROLL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2018

Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Carroll Independent School District. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

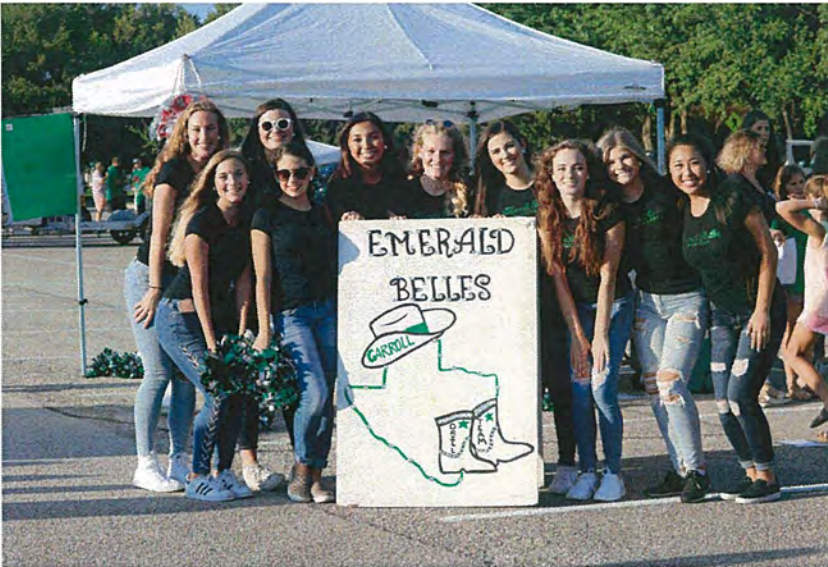
Carroll Independent School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

CARROLL INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2018**

<u>Data Control Codes</u>		<u>Responses</u>
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4	Was there an unmodified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts and laws related to local, state or federal funds?	No
SF7	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other governmental agencies?	Yes
SF8	Did the school district <u>not</u> receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	What was the total accumulated accretion on capital appreciation bonds (CABs) included in government-wide financial statements at fiscal year-end?	\$ 117,783
SF11	Net Pension Assets (object 1920) at fiscal year-end.	\$ --
SF12	Net Pension Liabilities (object 2540) at fiscal year-end.	\$ 14,441,119
SF13	Pension Expense (object 6147) at fiscal year-end.	\$ N/A



STATISTICAL SECTION



CARROLL INDEPENDENT SCHOOL DISTRICT

TABLE L-1 Page 1 of 2

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(UNAUDITED)

	Fiscal Year			
	2018	2017	2016	2015
Governmental Activities				
Net Investment in Capital Assets	\$22,309,610	\$28,922,622	\$22,850,360	\$38,377,265
Restricted	12,900,934	12,215,234	7,132,077	10,768,196
Unrestricted	(4,917,403)	26,411,490	31,995,049	14,482,655
Total Governmental Activities Net Position	<u>\$30,293,141</u>	<u>\$67,549,346</u>	<u>\$61,977,486</u>	<u>\$63,628,116</u>

Source: The Statement of Net Position for the Carroll Independent School District (Exhibit A-1)

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$24,227,515	\$22,832,910	\$24,357,723	\$9,995,552	\$15,996,552	\$13,987,383
9,696,332	12,303,125	28,728,965	50,606,111	7,629,258	6,994,584
31,390,946	34,262,797	17,314,928	1,706,639	34,390,988	29,875,005
\$65,314,793	\$69,398,832	\$70,401,616	\$62,308,302	\$58,016,798	\$50,856,972

CARROLL INDEPENDENT SCHOOL DISTRICT
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE L-2 Page 1 of 2

	Fiscal Year			
	2018	2017	2016	2015
Expenses				
Governmental Activities:				
Instruction	\$ 37,962,798	\$ 52,487,950	\$ 50,267,811	\$ 49,555,265
Instruction Resources and Media Services	986,603	1,310,650	1,240,819	1,387,042
Curriculum and Staff Development	1,083,635	1,298,649	1,039,007	1,111,869
Instructional Leadership	417,732	582,261	455,108	426,021
School Leadership	3,211,053	4,628,435	3,679,383	3,664,451
Guidance, Counseling & Evaluation Services	2,610,937	3,688,509	2,823,715	2,771,420
Health Services	591,142	855,265	689,288	721,097
Student Transportation	2,247,510	2,647,031	2,540,245	2,632,885
Food Services	3,029,666	3,655,061	3,062,717	2,639,804
Cocurricular/Extracurricular Activities	3,853,624	4,588,687	4,730,719	4,701,114
General Administration	3,889,777	4,048,700	3,259,148	3,203,532
Plant Maintenance and Operations	7,267,979	8,797,780	7,325,756	7,130,280
Security and Monitoring Services	274,678	237,761	269,427	236,232
Data Processing Services	2,220,541	2,209,540	3,537,714	3,461,029
Community Services	53,758	80,837	49,048	51,363
Debt Service-Interest on Long Term Debt	11,245,769	9,552,928	13,279,744	11,866,012
Debt Service-Bond Issuance Cost & Fees	1,094,277	89,680	267,901	356,161
Capital Outlay	6,042,463	511,545	-	-
Contracted Instructional Services	26,290,781	19,388,953	16,514,133	14,501,194
Payments to Fiscal Agent/Member Districts of SSA	36,443	-	581,877	585,937
Payments to Tax Increment Fund	6,985,814	6,151,684	5,378,155	5,211,586
Other Intergovernmental Charges	582,037	539,237	-	-
Total Governmental Activities Expenses	121,979,017	127,351,143	120,991,715	116,214,294
Business-Type Activities	\$ -	\$ -	\$ -	\$ -
Total Primary Government Expenses	\$ 121,979,017	\$ 127,351,143	\$ 120,991,715	\$ 116,214,294
Program Revenues				
Governmental Activities:				
Charges for services				
Instruction	\$ 1,692,124	\$ 1,687,643	\$ 594,654	\$ 558,358
Instructional Resources and Media Services	98,303	120,331	-	-
Curriculum and Staff Development	129,441	117,755	-	-
Instructional Leadership	10,201	9,462	-	-
School Leadership	190,134	177,925	-	-
Guidance, Counseling & Evaluation Services	317,272	294,839	-	-
Health Services	16,103	15,159	-	-
Student Transportation	43,457	43,920	400,436	404,004
Food Services	3,138,572	2,954,610	2,929,678	2,689,443
Cocurricular/Extracurricular Activities	1,166,476	1,395,388	3,912,178	3,920,217
General Administration	80,182	65,523	699,110	1,148,432
Plant Maintenance and Operations	152,260	152,764	359,841	275,632
Security and Monitoring Services	21,309	14,527	-	-
Data Processing Services	36,929	32,851	-	-
Community Services	2,088	2,258	-	-
Contracted Instructional Services	513,329	375,286	-	-
Operating grants and contributions	(7,199,972)	7,979,137	10,111,113	7,721,953
Total Governmental Activities Program Revenues	408,208	15,439,378	19,007,010	16,718,039
Business-Type Activities	\$ -	\$ -	\$ -	\$ -
Total Primary Government Program Revenues	\$ 408,208	\$ 15,439,378	\$ 19,007,010	\$ 16,718,039
Net (Expense)/Revenue				
Governmental Activities	\$ (121,570,809)	\$ (111,911,765)	\$ (101,984,705)	\$ (99,496,255)
Business-Type Activities	-	-	-	-
Total Primary Government Net Expense	\$ (121,570,809)	\$ (111,911,765)	\$ (101,984,705)	\$ (99,496,255)

Source: The Statement of Activities for the Carroll Independent School District (Exhibit B-1)

Fiscal Year						
2014	2013	2012	2011	2010	2009	
\$ 48,333,919	\$ 46,773,254	\$ 44,114,449	\$ 42,865,165	\$ 43,509,696	\$ 43,828,184	
1,303,230	1,154,951	1,173,869	1,118,947	1,242,896	1,278,166	
813,084	784,696	803,944	841,691	598,121	625,668	
434,514	436,906	454,233	555,015	986,062	954,126	
3,373,249	3,415,153	3,427,434	3,443,663	3,437,262	3,323,106	
2,368,654	2,321,022	2,327,275	2,193,476	2,302,313	2,172,971	
700,974	684,245	672,684	579,306	558,479	602,002	
2,451,218	2,412,709	2,407,123	2,293,317	2,217,718	2,119,004	
2,865,602	2,845,033	2,809,041	2,759,595	2,811,468	2,816,265	
4,528,107	4,385,658	4,253,749	4,188,672	4,186,977	4,045,948	
2,951,897	2,405,934	2,355,678	2,381,359	3,140,551	3,080,281	
7,202,017	6,796,849	7,015,054	6,966,180	8,882,077	1,919,950	
121,374	130,430	79,006	86,306	79,180	74,267	
3,503,296	2,989,805	1,795,320	1,293,877	1,086,306	1,356,948	
70,989	21,938	42,000	35,808	16,179	24,971	
13,649,181	12,492,184	11,687,040	11,248,078	10,805,702	7,279,117	
83,659	120,978	125,191	126,296	77,057	941,815	
-	-	-	-	-	-	
13,024,265	14,173,812	14,816,610	13,148,146	10,444,832	16,071,624	
627,284	627,062	687,429	884,183	443,695	420,369	
4,896,705	4,313,200	4,198,940	4,200,041	4,460,794	4,555,311	
-	-	-	-	-	-	
113,303,218	109,285,819	105,246,069	101,209,121	101,287,365	97,490,093	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ 113,303,218	\$ 109,285,819	\$ 105,246,069	\$ 101,209,121	\$ 101,287,365	\$ 97,490,093	
\$ 441,313	\$ 490,891	\$ 410,566	\$ 398,331	\$ 361,775	\$ 435,221	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
396,034	400,828	176,340	168,392	149,094	152,000	
2,623,522	2,406,774	2,354,895	2,413,914	2,354,450	2,552,952	
3,257,663	2,534,672	2,156,635	2,159,517	2,226,581	2,100,705	
440,806	399,661	246,658	274,098	297,239	341,852	
418,349	210,718	273,563	247,242	260,109	409,268	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
8,216,069	8,127,280	9,016,157	7,957,230	10,771,068	9,250,737	
15,793,756	14,570,824	14,634,814	13,618,724	16,420,316	15,242,735	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ 15,793,756	\$ 14,570,824	\$ 14,634,814	\$ 13,618,724	\$ 16,420,316	\$ 15,242,735	
\$ (97,509,462)	\$ (94,714,995)	\$ (90,611,255)	\$ (87,590,397)	\$ (84,867,049)	\$ (82,247,358)	
-	-	-	-	-	-	
\$ (97,509,462)	\$ (94,714,995)	\$ (90,611,255)	\$ (87,590,397)	\$ (84,867,049)	\$ (82,247,358)	

CARROLL INDEPENDENT SCHOOL DISTRICT
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE L-3 Page 1 of 2

	Fiscal Year			
	2018	2017	2016	2015
Net (Expense)/Revenue				
Governmental Activities	\$ (121,570,809)	\$ (111,911,765)	\$ (101,984,705)	\$ (99,496,255)
Business- type Activities	-	-	-	-
Total Primary Government Net Expense	(121,570,809)	(111,911,765)	(101,984,705)	(99,496,255)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes				
Property Taxes Levied for General Purposes	84,071,750	76,416,331	68,236,098	65,455,270
Property Taxes Levied for Debt Service	27,853,269	25,683,069	23,237,231	22,286,379
Grants and Contributions (Unrestricted)	5,737,651	6,699,004	1,526,311	536,599
Investment Earnings	2,199,487	510,181	341,411	129,691
Miscellaneous Local and Intermediate Revenues	8,081,054	7,518,966	6,993,024	-
Total Governmental Activities	127,943,211	116,827,551	100,334,075	88,407,939
Business- type Activities	-	-	-	-
Total Primary Government	\$ 127,943,211	\$ 116,827,551	\$ 100,334,075	\$ 88,407,939
Change in Net Position				
Governmental Activities	\$ 6,372,402	\$ 4,915,786	\$ (1,650,630)	\$ (11,088,316)
Business-Type Activities	-	-	-	-
Total Primary Government	\$ 6,372,402	\$ 4,915,786	\$ (1,650,630)	\$ (11,088,316)

Source: The Statement of Activities for the Carroll Independent School District (Exhibit B-1)

Fiscal Year						
2014	2013	2012	2011	2010	2009	
\$ (97,509,462)	\$ (94,714,995)	\$ (90,611,255)	\$ (87,590,397)	\$ (84,867,049)	\$ (82,247,358)	
-	-	-	-	-	-	
(97,509,462)	(94,714,995)	(90,611,255)	(87,590,397)	(84,867,049)	(82,247,358)	
61,750,103	59,192,226	57,732,713	57,048,162	58,455,404	55,189,647	
21,368,567	20,467,299	20,807,989	20,537,738	20,576,748	-	
7,006,103	8,474,633	16,044,076	6,039,857	12,548,764	14,182,464	
69,818	155,451	252,553	232,062	268,612	504,480	
3,227,832	5,422,602	3,867,238	8,024,082	177,347	15,242,735	
93,422,423	93,712,211	98,704,569	91,881,901	92,026,875	85,119,326	
-	-	-	-	-	-	
\$ 93,422,423	\$ 93,712,211	\$ 98,704,569	\$ 91,881,901	\$ 92,026,875	\$ 85,119,326	
\$ (4,087,039)	\$ (1,002,784)	\$ 8,093,314	\$ 4,291,504	\$ 7,159,826	\$ 2,871,968	
-	-	-	-	-	-	
\$ (4,087,039)	\$ (1,002,784)	\$ 8,093,314	\$ 4,291,504	\$ 7,159,826	\$ 2,871,968	

CARROLL INDEPENDENT SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCURAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE L-4 Page 1 of 2

	Fiscal Year			
	2018	2017	2016	2015
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Non-Spendable	143,661	108,895	-	-
Committed	10,573,725	10,573,725	10,573,725	10,573,725
Assigned	-	-	-	-
Unassigned	28,504,814	25,508,820	23,816,845	26,511,720
Total General Fund	\$ 39,222,200	\$ 36,191,440	\$ 34,390,570	\$ 37,085,445
All Other Governmental Funds				
Reserved				
Food Services	\$ -	\$ -	\$ -	\$ -
Debt Service Fund	-	-	-	-
Capital Projects Fund	-	-	-	-
Other Governmental Funds	-	-	-	-
Unreserved				
Debt Service Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Fund	-	-	-	-
Restricted				
Federal or State Funds Grant Restriction	-	-	-	0
Capital Acquisitions & Contractual Obligations	48,317,915	58,145	698,736	2,585,377
Retirement of Long-Term Debt	7,914,412	7,753,777	5,101,181	6,891,820
Other Restrictions of Fund Balance	4,795,000	4,255,000	-	-
Committed				
Special Revenue Funds	1,613,766	1,543,912	-	1,290,999
Total All Other Governmental Funds	\$ 62,641,093	\$ 13,610,834	\$ 5,799,917	\$ 10,768,196

Note: During 2011, the District implemented GASB 54, which changed the classifications for fund balances.

Source: The Balance Sheet of Governmental Funds for the Carroll Independent School District (Exhibit C-1)

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ -	\$ -	\$ -	\$ -	\$ 7,714,057	\$ 7,714,057
-	-	-	-	21,665,108	17,120,120
-	-	-	-	-	-
10,573,725	10,573,725	10,573,725	10,573,725	-	-
-	-	-	-	-	-
22,978,959	23,739,059	24,641,936	18,985,141	-	-
\$ 33,552,684	\$ 34,312,784	\$ 35,215,661	\$ 29,558,866	\$ 29,379,165	\$ 24,834,177
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 312,182
-	-	-	-	3,503,733	3,503,733
-	-	-	-	2,535,746	2,535,746
-	-	-	-	325,808	325,808
-	-	-	-	953,908	247,591
-	-	-	-	310,063	69,524
-	-	-	-	42,294,474	61,702,692
326,596	313,197	280,309	326,597	-	-
3,199,217	5,704,042	22,181,021	44,831,744	-	-
4,956,619	5,887,369	5,859,685	5,008,434	-	-
1,210,900	-	-	-	-	-
-	398,517	407,949	439,336	-	-
\$ 9,693,332	\$ 12,303,125	\$ 28,728,964	\$ 50,606,111	\$ 49,923,732	\$ 68,697,276

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

TABLE L-5 Page 1 of 2

	Fiscal Year			
	2018	2017	2016	2015
Revenues				
Local and Intermediate Sources	\$ 129,668,291	\$ 117,501,513	\$ 105,933,424	\$ 102,288,110
State Program Revenues	10,366,688	11,033,358	8,644,979	15,885,703
Federal Program Revenues	3,916,664	3,644,783	3,544,877	3,704,661
Total Revenues	143,951,643	132,179,654	118,123,280	121,878,474
Expenditures				
Instruction	\$ 47,024,396	\$ 43,658,838	\$ 42,887,651	\$ 42,600,799
Instruction Resources and Media Services	1,132,638	1,102,213	1,060,891	1,057,991
Curriculum and Staff Development	1,202,402	1,096,051	1,080,644	1,122,095
Instructional Leadership	522,978	485,625	474,787	428,753
School Leadership	4,045,845	3,866,900	3,863,923	3,700,140
Guidance, Counseling & Evaluation Services	3,211,232	3,077,576	2,943,782	2,796,802
Health Services	759,065	713,041	726,012	730,256
Student Transportation	5,349,627	2,273,195	2,114,594	2,150,343
Food Services	3,112,932	3,101,902	3,118,595	3,015,411
Cocurricular/Extracurricular Activities	4,034,085	3,882,143	3,760,681	3,660,580
General Administration	4,147,372	3,408,308	3,073,803	2,937,136
Plant Maintenance and Operations	7,721,009	7,775,385	7,240,235	6,856,705
Security and Monitoring Services	244,409	203,421	270,048	236,532
Data Processing Services	2,293,525	1,870,105	1,957,092	1,596,917
Community Services	66,684	68,386	49,779	52,030
Debt Service:				
Debt Service-Principal on Long-term Debt	14,650,247	11,320,800	9,496,699	9,147,042
Debt Service-Interest on Long-term Debt	12,916,953	11,680,398	12,668,615	11,648,305
Debt Service-Bond Issuance Cost and Fees	1,094,277	89,680	267,901	356,161
Capital Outlay	25,767,747	1,688,270	1,896,294	3,190,896
Contracted Instructional Services Between Public Schools	26,290,781	19,388,953	16,514,133	14,501,194
Payments to Fiscal Agent/Member Districts of SSA	36,443	-	581,877	585,937
Payments to Tax Increment Fund	6,985,814	6,151,684	5,378,155	5,211,586
Other Intergovernmental Charges	582,037	539,237	-	-
Total Expenditures	173,192,498	127,442,111	121,426,191	117,583,611
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,240,855)	4,737,543	(3,302,911)	4,294,863
Other Financing Sources and (Uses)				
Debt Refunding Bonds Issued	-	5,125,000	23,485,000	28,474,997
Capital Related Debt Issued	77,544,999	-	-	-
Sale of Real or Personal Property	209,879	75,915	10,093	36,072
Transfers In	3,555,140	1,035,648	1,402,815	1,468,156
Other Resources	-	-	-	-
Premium or Discount on Issuance of Bonds	3,546,996	323,423	1,734,077	2,031,118
Transfers Out	(3,555,140)	(1,035,648)	(1,402,815)	(1,468,156)
Payment to Refunded Bond Escrow Agent	-	(5,308,969)	(28,257,251)	(30,229,466)
Total Other Financing Sources (Uses)	81,301,874	215,369	(3,028,081)	312,721
Net Change in Fund Balances	52,061,019	4,952,912	(6,330,992)	4,607,584
Debt Service as a percentage of noncapital expenditures	18.35%	18.28%	18.57%	18.29%

Source: The Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds for the Carroll Independent School District (Exhibit C-2)

TABLE L-5 Page 2 of 2

Fiscal Year						
2014	2013	2012	2011	2010	2009	
\$ 96,268,630	\$ 90,439,655	\$ 87,907,904	\$ 87,425,813	\$ 88,423,361	\$ 86,369,342	
7,569,267	8,912,133	15,490,906	10,406,877	14,292,155	17,875,119	
3,803,656	4,091,812	6,076,346	6,226,986	5,663,513	1,853,413	
107,641,553	103,443,600	109,475,156	104,059,676	108,379,029	106,097,874	
\$ 39,008,334	\$ 37,750,546	\$ 36,830,495	\$ 38,321,820	\$ 39,596,556	\$ 40,455,095	
945,867	929,481	944,693	840,953	916,693	990,463	
812,670	784,696	803,944	841,691	598,121	625,668	
432,195	434,587	451,914	552,696	983,743	951,807	
3,370,145	3,413,094	3,425,897	3,442,126	3,435,725	3,321,569	
2,367,888	2,320,405	2,326,812	2,188,315	2,297,152	2,167,810	
700,974	684,245	672,684	579,306	558,479	602,002	
1,962,509	1,876,967	1,893,562	1,787,148	1,710,988	1,613,455	
2,852,934	2,773,069	2,740,173	2,652,313	2,703,484	2,709,370	
3,490,845	3,362,506	3,264,571	3,187,676	3,356,228	3,336,148	
2,663,889	2,378,857	2,351,831	2,372,976	3,132,622	3,073,325	
7,078,963	6,691,666	6,904,852	6,818,790	7,068,249	6,910,174	
121,374	130,430	79,006	86,306	79,180	74,267	
1,558,177	1,386,281	1,151,650	1,038,503	967,858	1,254,477	
70,503	21,938	42,000	35,808	16,179	24,971	
8,809,002	8,086,247	8,380,000	8,860,000	9,515,472	12,492,092	
13,538,839	12,376,121	11,573,651	11,131,564	10,703,967	6,540,678	
83,659	120,978	125,191	126,296	77,057	883,450	
2,614,117	16,633,054	22,766,461	63,977,663	28,586,326	4,132,317	
13,024,265	14,173,812	14,816,610	13,148,146	10,444,832	16,071,624	
627,284	627,062	687,429	884,183	443,695	420,369	
4,896,705	4,313,200	4,198,940	4,200,041	4,460,794	4,555,311	
-	-	-	-	-	-	
111,031,138	121,269,242	126,432,366	167,074,320	131,653,400	113,206,442	
(3,389,585)	(17,825,642)	(16,957,210)	(63,014,644)	(23,274,371)	(7,108,568)	
-	-	-	-	-	30,229,826	
-	-	-	63,565,000	9,155,000	34,680,174	
19,693	24,354	26,907	41,721	26,797	-	
1,205,340	1,283,191	1,536,311	1,274,588	-	1,306,772	
-	472,572	709,952	-	-	-	
-	-	-	270,000	(135,982)	955,847	
(1,205,340)	(1,283,190)	(1,536,311)	(1,274,588)	-	(1,306,772)	
-	-	-	-	-	-	
19,693	496,927	736,859	63,876,721	9,045,815	65,865,847	
(3,369,892)	(17,328,715)	(16,220,351)	862,077	(14,228,556)	58,757,279	
20.98%	20.50%	19.88%	19.66%	19.34%	18.15%	

CARROLL INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(unaudited)

TABLE L-6 Page 1 of 2

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Local Sources:				
Property Taxes	\$111,983,721	\$102,635,941	\$91,979,144	\$88,552,041
Tuition and Fees	720,161	678,745	594,654	512,818
Earnings on Investments	2,199,487	510,182	341,411	129,691
Facility Rental	569,611	417,702	357,334	275,562
Tax Increment Fund	6,045,218	5,348,444	4,623,919	4,478,312
Food Service	3,040,855	2,876,440	2,929,200	2,689,430
Co-Curricular Activities	1,122,333	1,147,437	1,027,517	1,004,516
Other Local Sources	<u>3,986,905</u>	<u>3,886,622</u>	<u>4,080,245</u>	<u>4,645,740</u>
Total Local Sources	129,668,291	117,501,513	105,933,424	102,288,110
State Sources:				
Per Capita	1,616,493	3,001,844	1,436,159	1,963,105
Foundation School Program	4,121,158	3,697,160	3,266,551	10,185,312
On-behalf Payments	3,698,839	3,418,669	3,081,572	2,966,825
Other State Sources	<u>930,198</u>	<u>915,685</u>	<u>860,697</u>	<u>770,461</u>
Total State Sources	10,366,688	11,033,358	8,644,979	15,885,703
Federal Sources	<u>3,916,664</u>	<u>3,644,783</u>	<u>3,544,877</u>	<u>3,704,661</u>
Total Revenues	<u>\$143,951,643</u>	<u>\$132,179,654</u>	<u>\$118,123,280</u>	<u>\$121,878,474</u>

Note: The Governmental Funds Revenues include the General, Debt Service, Capital Projects, and Special Revenue Funds.

Source: The Statement of Revenues, Expenditures, and Changes in Fund Balance for the Carroll Independent School District (Exhibit C-2)

TABLE L-6 Page 2 of 2

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$83,696,946	\$80,148,423	\$78,975,364	\$78,025,487	\$79,306,418	\$76,451,202
406,438	452,541	368,816	353,336	328,260	406,971
70,667	159,950	253,525	232,061	268,613	508,227
414,950	209,610	272,709	244,556	260,109	409,268
3,834,118	3,572,221	2,972,849	3,349,211	3,158,242	3,220,906
2,622,875	2,406,563	2,354,732	2,413,402	2,354,450	2,552,952
1,087,760	1,206,605	1,122,314	1,199,906	1,267,513	1,101,630
4,134,876	2,283,742	1,587,595	1,607,854	1,479,756	1,718,186
<u>96,268,630</u>	<u>90,439,655</u>	<u>87,907,904</u>	<u>87,425,813</u>	<u>88,423,361</u>	<u>86,369,342</u>
1,922,863	3,432,474	1,854,201	2,517,639	850,398	1,948,858
2,588,823	2,552,738	8,994,863	4,876,112	10,436,137	12,895,485
2,871,662	2,429,006	2,510,999	2,732,556	2,733,676	2,715,883
185,919	497,915	2,130,843	280,570	271,944	314,893
<u>7,569,267</u>	<u>8,912,133</u>	<u>15,490,906</u>	<u>10,406,877</u>	<u>14,292,155</u>	<u>17,875,119</u>
3,803,656	4,091,812	6,076,346	6,226,986	5,663,513	1,853,413
<u>\$107,641,553</u>	<u>\$103,443,600</u>	<u>\$109,475,156</u>	<u>\$104,059,676</u>	<u>\$108,379,029</u>	<u>\$106,097,874</u>

CARROLL INDEPENDENT SCHOOL DISTRICT

TABLE L-7 Page 1 of 2

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Residential Property (1)	Commercial Property (1)	Personal Property (1)	Other Property (1)
2018	\$ 6,480,461,113	\$ 1,975,215,526	\$ 604,741,018	\$ 1,440,076
2017	5,904,187,468	1,829,452,609	541,982,556	734,868
2016	5,163,084,842	1,652,004,003	491,137,589	7,059,397
2015	4,887,077,787	1,569,130,914	512,036,669	99,988,798
2014	4,569,711,769	1,475,573,985	489,633,051	112,193,254
2013	4,427,838,331	1,408,315,339	447,910,390	126,066,288
2012	4,336,300,712	1,325,697,974	462,182,692	123,345,801
2011	4,287,805,907	1,327,492,033	417,065,091	141,822,614
2010	4,324,043,170	1,395,689,145	403,841,206	160,317,090
2009	4,121,227,555	1,363,370,629	400,202,538	158,073,219

(1) The value is the appraised value at original certification and can fluctuate due to property owner protests and preliminary appraisal values at the time of certification.

(2) Tax Rates are per \$100 of assessed value.

Source: Tarrant Appraisal District

Total Assessed Value		Less Exemptions		Net Taxable Value		Total Tax Rate (2)
\$	9,061,857,733	\$	1,023,803,261	\$	8,038,054,472	1.3850
	8,276,357,501		867,559,634		7,408,797,867	1.3900
	7,313,285,831		682,094,825		6,631,191,006	1.3950
	7,068,234,168		718,225,373		6,350,008,795	1.4000
	6,647,112,059		740,824,899		5,906,287,160	1.4000
	6,410,130,348		740,135,975		5,669,994,373	1.4000
	6,247,527,179		679,771,208		5,567,755,971	1.4150
	6,174,185,645		683,400,452		5,490,785,193	1.4150
	6,283,890,611		762,669,911		5,521,220,700	1.4150
	6,042,873,941		684,731,053		5,358,142,888	1.4150

CARROLL INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE L-8 Page 1 of 2

	Fiscal Year			
	2018	2017	2016	2015
<u>School District Direct Rates</u>				
Maintenance & Operations	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
Debt Service	0.3450	0.3500	0.3550	0.3600
Total District Direct Rates	\$ 1.3850	\$ 1.3900	\$ 1.3950	\$ 1.4000
<u>Overlapping Rates</u>				
Tarrant County	\$ 0.2440	\$ 0.2540	\$ 0.2640	\$ 0.2640
Tarrant County Hospital District	0.2244	0.2279	0.2279	0.2279
Tarrant County College	0.1401	0.1447	0.1495	0.1495
City of Colleyville	0.3338	0.3391	0.3391	0.3559
City of Flower Mound	0.4390	0.4390	0.4390	0.4390
City of Grapevine	0.2893	0.2893	0.2893	0.3284
City of Keller	0.4275	0.4300	0.4300	0.4347
City of Southlake	0.4620	0.4620	0.4620	0.4620
Town of Trophy Club	0.4514	0.4730	0.4730	0.4840
Town of Westlake	0.1362	0.1370	0.1370	0.1563
Trophy Club Mud #1	0.1202	0.1272	0.1272	0.1311
Total Overlapping Rates	\$ 3.2679	\$ 3.3232	\$ 3.3380	\$ 3.4329

Source: Tarrant Appraisal District

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
0.3600	0.3600	0.3750	0.3750	0.3750	0.3750
<u>\$ 1.4000</u>	<u>\$ 1.4000</u>	<u>\$ 1.4150</u>	<u>\$ 1.4150</u>	<u>\$ 1.4150</u>	<u>\$ 1.4150</u>
\$ 0.2640	\$ 0.2640	\$ 0.2640	\$ 0.2640	\$ 0.2640	\$ 0.2640
0.2279	0.2279	0.2279	0.2279	0.2279	0.2279
0.1495	0.1490	0.1490	0.1376	0.1376	0.1380
0.3559	0.3559	0.3559	0.3559	0.3559	0.3559
0.4497	0.4497	0.4497	0.4497	0.4497	0.4497
0.3425	0.3457	0.3457	0.3500	0.3500	0.3500
0.4422	0.4422	0.4422	0.4422	0.4422	0.4322
0.4620	0.4620	0.4620	0.4620	0.4620	0.4620
0.4993	0.5184	0.5184	0.5150	0.5150	0.4555
0.1568	0.1568	0.1568	0.1601	0.1601	0.1601
0.1334	0.1334	0.1334	0.1950	0.1950	0.2250
<u>\$ 3.4832</u>	<u>\$ 3.5050</u>	<u>\$ 3.5050</u>	<u>\$ 3.5594</u>	<u>\$ 3.5594</u>	<u>\$ 3.5203</u>

CARROLL INDEPENDENT SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

TABLE L-9

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (1)	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (2)
Dallas MTA LP	\$ 212,610,196	1	2.65%			
Town Square Ventures LP	161,050,278	2	2.00%	105,989,419	1	1.98%
BRE Solana LLC	138,189,077	3	1.72%			
SLTS Grand Avenue LP	87,873,611	4	1.09%	49,019,141	5	0.91%
Carroll/1709 LTD	58,818,452	5	0.73%	36,850,898	6	0.69%
Excel Southlake LP	51,505,178	6	0.64%			
Sabre Headquarters LLC	45,417,356	7	0.57%	55,815,555	4	1.04%
GAHC3 Southlake TX Hospital LLC	44,000,000	8	0.55%			
HMC Solana LLC	39,844,325	9	0.50%			
H and C Southlake Hilton LLC	37,188,799	10	0.46%			
Verizon Wireless				98,125,161	2	1.83%
Maguire Thomas Partners				97,712,322	3	1.82%
Maguire Partners				35,078,939	7	0.65%
Maguire Partners-Solana LP				34,684,204	8	0.65%
Hobbs & Curry Family LP				33,688,832	9	0.63%
Inland W Southlake Corners				32,788,512	10	0.61%
Totals	\$ 876,497,272		10.90%	\$ 579,752,983		10.82%

(1) Total assessed value of: \$ 8,038,054,472

(2) Total assessed value of: \$ 5,358,142,888

Source: Tarrant Appraisal District

CARROLL INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
(UNAUDITED)

TABLE L-10

Fiscal Year	Taxes Levied for the Fiscal Year (1)	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2018	\$ 111,440,307	\$ 111,025,778	99.63%	\$ -	\$ 111,025,778	99.63%
2017	102,122,322	101,579,458	99.47%	246,936	\$ 101,826,394	99.71%
2016	91,536,857	90,969,355	99.38%	358,929	\$ 91,328,284	99.77%
2015	88,045,448	87,741,649	99.65%	254,279	\$ 87,995,928	99.94%
2014	82,365,416	81,942,172	99.49%	369,093	\$ 82,311,265	99.93%
2013	79,009,383	78,477,993	99.33%	474,318	\$ 78,952,311	99.93%
2012	78,680,203	77,943,652	99.06%	679,095	\$ 78,622,747	99.93%
2011	77,945,988	76,990,022	98.77%	893,284	\$ 77,883,306	99.92%
2010	79,831,780	78,755,022	98.65%	1,022,895	\$ 79,777,917	99.93%
2009	76,627,021	75,499,230	98.53%	1,054,447	\$ 76,553,677	99.90%

(1) The tax levy for prior years reflects ongoing adjustments applied to that year's tax levy.

Source: Tarrant Appraisal District

CARROLL INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE L-11

Fiscal Year	Governmental Activities			Total Primary Government	Total Debt Percentage of Personal Income (2)	Debt Per Capita (3)
	General Obligation Bonds (1)	Amortized Bond Premium (1)	Accreted Interest on Bonds (1)			
2018	\$ 254,925,000	\$ 8,202,924	\$ 117,783	\$ 263,245,707	11.15%	\$ 8,900
2017	192,030,247	5,119,331	1,234,753	198,384,331	10.16%	6,739
2016	199,701,047	-	20,287,832	219,988,879	12.70%	7,776
2015	213,421,104	-	20,225,596	233,646,700	14.48%	8,395
2014	223,374,791	-	20,007,889	243,382,680	16.41%	8,874
2013	232,183,793	-	19,897,547	252,081,340	14.34%	9,309
2012	240,270,040	-	19,781,484	260,051,524	16.86%	9,714
2011	248,650,040	-	19,668,095	268,318,135	18.36%	10,087
2010	193,945,040	-	19,551,581	213,496,621	14.61%	8,034
2009	194,305,513	-	19,449,846	213,755,359	14.78%	8,021

(1) Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

(2) See Table L-15 for personal income data.

(3) See Table L-15 for capita data.

CARROLL INDEPENDENT SCHOOL DISTRICT**TABLE L-12**
**RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

Fiscal Year	General Obligation Bonds (1)	Less Amounts Available in Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value (2)	Net Bonded Debt per Capita (3)
2018	\$ 263,245,707	\$ 12,709,412	\$ 250,536,295	2.76%	8,470
2017	198,384,331	12,008,777	186,375,554	2.25%	6,331
2016	219,988,879	5,101,181	214,887,698	2.94%	7,596
2015	233,646,700	6,891,820	226,754,880	3.21%	8,147
2014	243,382,680	4,956,619	238,426,061	3.59%	8,694
2013	252,081,340	5,887,369	246,193,971	3.84%	9,091
2012	260,051,524	5,859,685	254,191,839	4.07%	9,495
2011	268,318,135	5,008,434	263,309,701	4.26%	9,899
2010	213,496,621	3,503,733	209,992,888	3.34%	7,902
2009	213,755,359	3,503,733	210,251,626	3.48%	7,889

(1) Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

(2) See Table L-7 for assessed value data.

(3) See Table L-15 for capita data.

CARROLL INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF AUGUST 31, 2018
(UNAUDITED)

TABLE L-13

Taxing Authority	Gross Debt Outstanding	Percent Overlapping	Amount Applicable to School District
Direct:			
Carroll Independent School District	\$ 263,245,707	100.00%	\$ 263,245,707
Overlapping			
City of Colleyville	5,665,000	0.63%	35,690
City of Flower Mound	152,515,000	0.02%	30,503
City of Grapevine	152,405,223	4.24%	6,461,981
City of Keller	61,225,000	0.57%	348,983
City of Southlake	89,985,000	87.22%	78,484,917
Tarrant County	294,500,000	4.77%	14,047,650
Tarrant County Hospital District	19,300,000	4.77%	920,610
Trophy Club MUD #1	9,450,000	6.77%	639,765
City of Trophy Club	24,418,000	1.12%	273,482
City of Westlake	34,666,000	59.58%	20,654,003
Total Overlapping Debt			<u>121,897,583</u>
Total Direct and Overlapping Debt			<u>\$ 385,143,290</u>
Taxable Assessed Valuation			\$ 9,061,857,733
Ratio of Direct and Overlapping Debt to taxable assessed valuation			4.25%
Direct and Overlapping Debt per Capita			\$ 13,021.28 (1)

Note: The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

Source: The Municipal Advisory Council of Texas, as of 7/31/18.

(1) See Table L-15 for capita data.

CARROLL INDEPENDENT SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE L-14 Page 1 of 2

	Fiscal Year			
	2018	2017	2016	2015
Total Assessed Value	\$ 9,061,857,733	\$ 8,276,357,501	\$ 7,313,285,831	\$ 7,068,234,168
Debt Limit (10% of Total Assessed Value)	\$ 906,185,773	\$ 827,635,750	\$ 731,328,583	\$ 706,823,417
Debt Applicable to Limit:				
General Obligation Bonds	\$ 254,925,000	\$ 192,030,247	\$ 199,701,047	\$ 213,421,104
Less Net Position in Debt Service Fund	12,709,412	12,008,777	5,101,181	6,891,820
Total Amount of Debt Applicable to Debt Limit	242,215,588	180,021,470	194,599,866	206,529,284
Legal Debt Margin	\$ 663,970,185	\$ 647,614,280	\$ 536,728,717	\$ 500,294,133
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	26.73%	21.75%	26.61%	29.22%

Note: Per state finance law, the district's outstanding general obligation debt should not exceed 10 percent of the total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Source: Tarrant Appraisal District and District Financial Information

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ 6,647,112,059	\$ 6,410,130,348	\$ 6,247,527,179	\$ 6,174,185,645	\$ 6,283,890,611	\$ 6,042,873,941
\$ 664,711,206	\$ 641,013,035	\$ 624,752,718	\$ 617,418,565	\$ 628,389,061	\$ 604,287,394
\$ 223,374,791	\$ 232,183,793	\$ 240,270,040	\$ 248,650,040	\$ 193,945,040	\$ 194,305,513
4,956,619	5,887,369	5,859,685	5,008,434	3,503,733	3,503,733
218,418,172	226,296,424	234,410,355	243,641,606	190,441,307	190,801,780
\$ 446,293,034	\$ 414,716,611	\$ 390,342,363	\$ 373,776,959	\$ 437,947,754	\$ 413,485,614
32.86%	35.30%	37.52%	39.46%	30.31%	31.57%

CARROLL INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE L-15

Fiscal Year	Estimated Population (1)	Personal Income (1)	Per Capita Personal Income (1)	Unemployment Rate (2)
2018	29,578	\$ 2,361,726,360	\$ 79,842	3.2%
2017	29,440	1,951,900,038	66,301	3.0%
2016	28,290	1,732,874,762	61,254	3.5%
2015	27,833	1,613,950,961	57,987	3.5%
2014	27,425	1,483,496,607	54,093	4.4%
2013	27,080	1,758,105,132	64,923	5.6%
2012	26,770	1,542,009,658	57,602	5.3%
2011	26,600	1,461,336,252	54,937	6.8%
2010	26,575	1,461,343,140	54,989	6.7%
2009	26,650	1,446,339,035	54,272	6.6%

(1) Source: North Central Texas Council of Governments

(2) Source: Texas Workforce Commission

CARROLL INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

TABLE L-16

Employer	2018			2009		
	Employees	Rank	Percentage of Total Employment (1)	Employees	Rank	Percentage of Total Employment (2)
Sabre Holdings	3,545	1	25.47%	3,621	1	30.84%
Carroll Independent School District	1,115	2	8.01%	1,000	2	8.52%
Keller Williams	715	3	5.14%			
Gateway Church	613	4	4.40%			
Verizon Wireless	585	5	4.20%	450	3	3.83%
City of Southlake	418	6	3.00%	304	5	2.59%
Central Market	395	7	2.84%			
Hilton Southlake	224	8	1.61%	180	8	1.53%
Texas Health Harris Methodist	201	9	1.44%			
Methodist Hospital	200	10	1.44%			
Tri Dal Ltd.				450	4	3.83%
Cheesecake Factory				200	6	1.70%
Costco Wholesale				180	7	1.53%
Tom Thumb				140	9	1.19%
Home Depot				131	10	1.12%
Totals	<u>8,011</u>		<u>57.56%</u>	<u>\$ 6,656</u>		<u>56.70%</u>

(1) Total Employment for 2018: 13,917

(2) Total Employment for 2009: 11,740

Source: City of Southlake Economic Development

CARROLL INDEPENDENT SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE L-17

<u>Fiscal Year</u>	<u>Teachers</u>	<u>Professional Support</u>	<u>Campus Administration</u>	<u>Central Administration</u>	<u>Educational Aides</u>	<u>Auxiliary Staff</u>	<u>Total Staff</u>
2018	564	100	26	15	98	259	1,062
2017	555	94	25	15	101	266	1,056
2016	538	94	26	14	98	248	1,018
2015	531	92	25	14	102	253	1,017
2014	522	79	25	12	102	259	999
2013	511	78	30	12	98	241	970
2012	512	74	30	12	100	249	977
2011	520	82	28	12	105	246	993
2010	544	76	26	14	106	248	1,014
2009	537	76	27	13	95	244	992

Source: Texas Education Agency TAPR and AEIS Reports and District records.

CARROLL INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE L-18

Fiscal Year	Enrollment	Operating Expenditures (1)	Cost Per Student	Teaching Staff	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program
2018	8,366	\$ 118,171,436	14,125	564	14.8	1.4%
2017	8,190	102,123,726	12,469	555	14.8	1.4%
2016	8,056	97,096,682	12,053	538	15.0	1.4%
2015	7,869	93,241,207	11,849	531	14.8	1.5%
2014	7,791	85,985,521	11,037	522	14.9	2.1%
2013	7,697	84,052,842	10,920	511	15.1	2.4%
2012	7,673	83,587,063	10,894	512	15.0	2.0%
2011	7,642	82,978,797	10,858	520	14.7	1.9%
2010	7,723	82,770,578	10,717	544	14.2	1.7%
2009	7,817	89,157,905	11,406	537	14.6	1.6%

(1) Operating expenditures are total expenditures less debt service, capital outlay and intergovernmental charges.

Source: Texas Education Agency TAPR and AEIS Reports and District records.

CARROLL INDEPENDENT SCHOOL DISTRICT
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS
(unaudited)

TABLE L-19 Page 1 of 2

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Teachers By Highest Degree Held				
No Degree	0.0%	0.0%	0.0%	0.0%
Bachelors	73.3%	74.3%	74.3%	73.8%
Masters	26.0%	25.0%	25.3%	25.9%
Doctorate	0.7%	0.7%	0.4%	0.4%
Teachers By Years of Experience				
Beginning Teachers	2.1%	3.8%	3.3%	2.8%
1-5 Years of Experience	23.2%	22.0%	19.6%	17.0%
6-10 Years of Experience	18.7%	19.4%	21.8%	26.2%
11-20 Years of Experience	36.6%	37.6%	37.8%	36.8%
Over 20 Years of Experience	19.4%	17.2%	17.4%	17.2%
Average Salaries By Experience				
Beginning Teachers	\$52,250	\$50,695	\$49,511	\$48,254
1-5 Years of Experience	52,817	51,544	50,366	48,914
6-10 Years of Experience	54,562	53,316	52,106	51,049
11-20 Years of Experience	57,214	55,913	54,520	53,467
Over 20 Years of Experience	62,961	62,121	61,106	60,534
Average Years Experience of Teachers	12.6	12.5	12.6	12.9
Turnover Rate for Teachers	10.0%	12.7%	13.1%	12.6%
Instructional Staff Percent	65.3%	64.9%	65.7%	65.4%

Source: Texas Academic Performance Report (TAPR) for Texas Education Agency.

2014	2013	2012	2011	2010	2009
0.2%	0.8%	0.0%	0.0%	0.7%	0.0%
73.9%	74.7%	76.1%	76.1%	75.0%	75.8%
25.5%	24.1%	23.3%	23.3%	23.7%	23.6%
0.4%	0.4%	0.6%	0.6%	0.6%	0.6%
1.7%	1.0%	1.9%	1.4%	2.5%	3.4%
17.2%	18.3%	17.5%	23.1%	26.5%	28.9%
25.7%	25.2%	24.7%	24.0%	22.9%	21.6%
37.7%	36.6%	35.6%	32.1%	27.3%	26.2%
17.7%	19.0%	20.3%	19.4%	20.8%	20.0%
\$47,111	\$45,124	\$44,104	\$46,222	\$43,593	\$44,874
48,388	47,060	47,305	47,510	46,951	46,435
49,741	48,949	48,683	49,150	49,414	48,140
52,375	51,565	51,314	51,238	51,261	50,501
60,437	58,369	58,955	60,131	59,510	57,891
13.2	13.3	13.4	13.0	12.6	11.8
11.5%	12.2%	8.9%	12.6%	9.1%	10.0%
64.3%	64.4%	64.3%	65.6%	67.0%	67.8%

CARROLL INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

TABLE L-20

Building	Original Construction	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
High Schools											
Carroll Senior High (Grades 11-12)	1992										
Square Footage		327,151	327,151	327,151	273,001	273,001	273,001	273,001	273,001	273,001	273,001
Capacity		1,544	1,544	1,519	1,621	1,621	1,621	1,621	1,621	1,621	1,621
Enrollment		1,352	1,381	1,299	1,284	1,289	1,226	1,281	1,270	1,228	1,272
Carroll High (Grades 9-10)	1998										
Square Footage		267,392	267,392	267,392	208,322	208,322	208,322	208,322	208,322	208,322	208,322
Capacity		1,555	1,555	1,587	1,315	1,315	1,315	1,315	1,315	1,315	1,315
Enrollment		1,388	1,365	1,385	1,384	1,310	1,303	1,304	1,227	1,302	1,306
Middle Schools (Grades 7-8)											
Carroll (1)	2011										
Square Footage		166,146	166,146	166,146	164,412	164,412	164,412	164,412	164,412		
Capacity		840	840	860	860	860	860	860	860		
Enrollment		733	688	697	659	677	701	629	597		
Dawson	2001										
Square Footage		144,591	144,591	144,591	135,768	135,768	135,768	135,768	135,768	135,768	135,768
Capacity		846	846	872	853	853	853	853	853	853	853
Enrollment		628	616	636	646	651	635	658	664	685	654
Intermediate Schools (Grades 5-6)											
Durham	1996										
Square Footage		136,375	136,375	136,375	136,375	136,375	136,375	136,375	136,375	136,375	136,375
Capacity		849	849	849	697	697	697	697	697	697	697
Enrollment		683	673	662	628	618	612	597	640	589	578
Eubanks	2001										
Square Footage		106,998	106,998	106,998	93,478	93,478	93,478	93,478	93,478	93,478	93,478
Capacity		688	688	688	657	657	657	657	657	657	657
Enrollment		588	602	578	572	612	609	624	626	628	641
Elementary Schools (Grades K-4)											
Johnson	1981										
Square Footage		76,119	76,119	76,119	76,437	76,437	76,437	76,437	76,437	76,437	76,437
Capacity		560	560	540	635	635	635	635	635	635	635
Enrollment		666	619	570	526	528	519	552	641	682	743
Carroll	1988										
Square Footage		77,123	77,123	77,123	72,588	72,588	72,588	72,588	72,588	72,588	72,588
Capacity		639	639	645	708	708	708	708	708	708	708
Enrollment		604	585	576	542	530	532	527	513	508	567
Walnut Grove (2)	2011										
Square Footage		91,600	91,600	91,600	96,397	96,397	96,397	96,397	96,397		
Capacity		721	721	681	681	681	681	681	681		
Enrollment		701	667	682	669	644	602	563	489		
Rockenbaugh	1997										
Square Footage		77,479	77,479	77,479	80,273	80,273	80,273	80,273	80,273	80,273	80,273
Capacity		577	577	599	661	661	661	661	661	661	661
Enrollment		543	549	570	554	538	551	510	487	517	531
Old Union	2001										
Square Footage		68,810	68,810	68,810	69,664	69,664	69,664	69,664	69,664	69,664	69,664
Capacity		441	441	474	561	561	561	561	561	561	561
Enrollment		473	463	413	420	415	416	436	488	497	505
Other District Buildings (Sq. Ft.)											
Former Administration Building	1996	32,535	32,535	32,535	32,535	32,535	32,535	32,535	32,535	32,535	32,535
Administration Building	1969	131,368	131,368	131,368	131,368	131,368	131,368	131,368	131,368	131,368	131,368
Carroll Intermediate School (3)	1953	63,851	63,851	63,851	63,851	63,851	63,851	63,851	63,851	63,851	63,851
Transportation Facility	2000	10,108	10,108	10,108	10,108	10,108	10,108	10,108	10,108	10,108	10,108
Dragon Stadium	2000	30,263	30,263	30,263	30,263	30,263	30,263	30,263	30,263	30,263	30,263

(1) A new Carroll Middle School was opened in 2011. The previous Carroll Middle School is now the District's Administration Building.

(2) Walnut Grove Elementary was opened in 2011. Students previously attended Durham Elementary, which was located within Durham Intermediate School.

(3) No longer used as a school. Rented to Southlake Baptist Church and Gateway Church.

Source: District Records.

