

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL  
DISTRICT**

**Carrizo Springs, Texas**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED AUGUST 31, 2017**

*Prepared by:*

*Dr. Jesse Salazar, Superintendent of Schools*

*Anna Rocha-Diaz, Executive Director for Financial Services and Construction Accountability*

*Cindy Mata Cruz, Budget Specialist*

*Moraima Martinez, Payroll Clerk*

*Guadalupe Sanchez, Accounts Payable Clerk*

*Estella De Leon, Print Shop Clerk*

*Elida Santoya, Executive Secretary for Financial Services*

**THIS PAGE INTENTIONALLY LEFT BLANK**

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT  
SCHOOL DISTRICT**

**Carrizo Springs, Texas**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED AUGUST 31, 2017**

**TABLE OF CONTENTS**

<b><u>Exhibit / Table</u></b>	<b><u>Page</u></b>
<i>INTRODUCTORY SECTION</i>	
Letter of Transmittal.....	1
GFOA Certificate of Achievement.....	5
Organizational Chart.....	6
List of Principal Officials.....	9
Certificate of Board.....	10
<i>FINANCIAL SECTION</i>	
Independent Auditor's Report.....	11
Management's Discussion and Analysis (Required Supplementary Information).....	13
<b><u>Basic Financial Statements</u></b>	
<i>Government-Wide Statements:</i>	
Exhibit A-1 Statement of Net Assets.....	20
Exhibit B-1 Statement of Activities.....	21
<i>Governmental Fund Financial Statements:</i>	
Exhibit C-1 Balance Sheet - Governmental Funds.....	22
Exhibit C-2 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets.....	23
Exhibit C-3 Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	24
Exhibit C-4 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	25
Exhibit D-1 Reserved	
<i>Fiduciary Fund Financial Statements:</i>	
Exhibit E-1 Statement of Assets & Liabilities - Agency Funds.....	26
Exhibit F-1 Reserved	
Notes to the Financial Statements.....	27

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED AUGUST 31, 2017**

**TABLE OF CONTENTS (Continued)**

<b><u>Exhibit / Table</u></b>	<b><u>Page</u></b>
<b><u>Required Supplementary Information</u></b>	
Exhibit G-1	Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual - General Fund ..... 60
Exhibit G-6	Schedule of the District's Proportionate Share of the Net Pension Liability Teacher Retirement System ..... 61
Exhibit G-7	Schedule of the District Contributions Teacher Retirement System..... 62
<b><u>Other Supplementary Information</u></b>	
<i>Nonmajor Governmental Funds (Special Revenue Funds)</i>	
Exhibit H-1	Combining Balance Sheet ..... 63
Exhibit H-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances ..... 67
<i>Fiduciary Funds</i>	
Exhibit H-9	Statement of Changes in Assets and Liabilities ..... 71
<b><u>Required TEA Schedules</u></b>	
Exhibit J-1	Schedule of Delinquent Taxes Receivables ..... 72
Exhibit J-4	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Child Nutrition Program ..... 74
Exhibit J-5	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Debt Service Fund ..... 75
Exhibit M	Reserved

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED AUGUST 31, 2017**

**TABLE OF CONTENTS (Continued)**

<b><u>Exhibit / Table</u></b>	<b><u>Page</u></b>
<b>STATISTICAL SECTION (UNAUDITED)</b>	
<i>Financial Trends</i>	
L-1 Net Assets by Component, Last Ten Years.....	76
L-2 Expenses, Program Revenues and Net (Expense)Revenue, Last Ten Years.....	78
L-3 General Revenues and Total Changes in Net Assets, Last Ten Years.....	80
L-4 Fund Balances of Governmental Funds, Last Ten Years.....	82
L-5 Changes in Fund Balances of Governmental Funds, Last Ten Years.....	84
<i>Revenue Capacity</i>	
L-6 Assessed Value & Estimated Actual Value of Taxable Property, Last Ten Years.....	86
L-7 Direct and Overlapping Property Tax Rates, Last Ten Years.....	87
L-8 Principal Property Taxpayers, Current Year and Nine Years Prior.....	88
L-9 Property Tax Levies and Collections, Last Ten Years.....	89
<i>Debt Capacity</i>	
L-10 Ratios of Outstanding Debt by Type, Last Ten Years.....	90
L-11 Ratio of General Bonded Debt Outstanding, Last Ten Years.....	91
L-12 Direct and Overlapping - General Obligation Debt.....	92
L-13 Legal Debt Margin Information, Last Ten Years.....	93
<i>Demographic and Economic Information</i>	
L-14 Demographic and Economic Statistics, Last Ten Years.....	94
L-15 Full-Time Equivalent Employees, Last Ten Years.....	95
L-16 Operating Statistics, Last Ten Years.....	97
L-17 Principal Employers, Current and Six Years Prior.....	99
<i>Operating Information</i>	
L-18 School Building Information, Last Ten Years.....	100
L-19 Teacher Base Salaries, Last Ten Years.....	102
L-20 Average Daily Attendance and Average Daily Membership, Last Ten Years.....	103
L-21 Nutrition Services - Facts and Figures, Last Ten Years.....	104

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED AUGUST 31, 2017**

**TABLE OF CONTENTS (Continued)**

<u><b>Exhibit / Table</b></u>	<u><b>Page</b></u>
FEDERAL AUDITS SECTION	
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 <i>Government Auditing Standards</i> .....	106
Independent Auditor's Report for each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	108
Schedule of Findings and Questioned Costs.....	110
Schedule of Status of Prior Year Audit Findings.....	112
Corrective Action Plan.....	113
Exhibit K-1 Schedule of Expenditures of Federal Awards.....	114
Notes to the Schedule of Expenditures of Federal Awards.....	115

**THIS PAGE INTENTIONALLY LEFT BLANK**



## **INTRODUCTORY SECTION**



*Excellence in Academic Achievement*  
Carrizo Springs Consolidated Independent School District

January 31, 2017

Honorable Dr. Ninfa Cadena, President  
Board of Trustee Members  
Carrizo Springs Consolidated Independent School District  
Carrizo Springs, Texas

Dear Dr. Cadena and Members of the Board:

The Comprehensive Annual Financial Report (CAFR) of Carrizo Springs Consolidated Independent School District (the District) for the fiscal year ended August 31, 2017 is herein enclosed. The District's Executive Director for Financial Services and the Superintendent of Schools are responsible for preparation of this report.

In accordance with state law that requires school districts to publish a complete set of financial statements within 150 days of the end of the fiscal year, the District's annual financial statements are presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and have been audited by a licensed certified public accountant. The audit was a Single Audit and was conducted 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 of the United States and in conformity with the provisions of the Single Audit Act, and the Office of Management and Budget Circular A-133.

This report presents management's representations concerning the finances of the District. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. In order to assure there is a reasonable basis for these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to provide assurance there is sufficient competent reliable information for the preparation of the District's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. In our opinion, the information presented in this report is accurate in all material aspects, fairly presents the financial position and results of operations of the District and has disclosures sufficient to enable the reader to understand the financial affairs of the District.

## **DISTRICT PROFILE**

**Profile.** Created as a legally separate entity in or around September, 1914, the District enjoys all rights and privileges accorded political subdivisions of the State of Texas and is fiscally independent. Policy making and legislative authority are vested in the Board of Trustees consisting of seven members. The Board of Trustees is responsible, among other things, for developing policy, adopting the budget, levying taxes, incurring bonded debt, supervising committees, and hiring the superintendent. The superintendent and executive directors are responsible for carrying out the policies of the Board of Trustees and overseeing the day-to-day operations of the District. The Board of Trustees is elected on a non-partisan

basis. Board members serve 4 year staggered terms with no more than four board members elected every two years.

The major purpose of the District is to provide public education, PreKinder through twelfth grade, for those who reside within the boundaries of the District. Headquartered in the City of Carrizo Springs, Texas, the District serves all of Dimmit County, Texas including the towns of Asherton and Big Wells, Texas. The District serves several unincorporated areas including Brundage, Carrizo Hill and Catarina. Types of programs offered by the District include basic instruction, special education, vocational education, bilingual education, and a gifted and talented program. In order to facilitate providing these programs, the District operates one traditional high school, one junior high school, one intermediate school, and three elementary schools. These school district campus facilities range in age from 6 to in excess of 50 years of age.

The District served 2,204 students as measured by the August, 2017 fall enrollment count.

**Budgetary control.** The District adopts an annual budget for its funds. This budget acts as the financial operating plan for the entire year. Amendments may be approved during the year authorizing a larger appropriation of available resources by approval from the Board.

All annual appropriations lapse at year-end with the exception of those indicated as a fund balance reserve. During July and August of each year, the District superintendent submits to the Board a proposed operating budget for the next year commencing September 1<sup>st</sup>. This budget includes proposed expenditures and the means of financing them.

A public hearing is held prior to August 31 at which the budget is legally adopted by resolution of the Board after obtaining taxpayer input. The tax rate is then set after the budget has been adopted.

The Board of Trustees must approve budget amendments at the function level in order for expenditures to remain within appropriations as determined by the Texas Education Agency (TEA): general fund, debt service, capital projects and the Food Service fund. The District's 2017 fund balances and projected revenues are sufficient to meet the 2017 budget as presented to the public in August, 2017.

**Fund Balance Policy.** The District continues to comply with GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement establishes new categories for reporting fund balance and revised the definitions for governmental fund types. The new categories are Non-Spendable, Restricted, Committed, Assigned, and Unassigned.

## **ECONOMIC OUTLOOK AND FINANCIAL CONDITION**

**Economic condition and outlook.** The District is located within Dimmit County which has a total area of 1,334 square miles.

The production of oil and gas is the major basis for the District's economy; however, education, law enforcement, governmental agencies, agriculture and farming continue to be a part of the District's economy. The economy is expected to fluctuate as the current mineral oil and gas activity has shown a fluctuating curve showing increases and decreases in the past few years.

The District continues to be independent where local revenues provide 81.31% of government-wide revenues; and less dependent on state and federal aid, providing 18.69% of revenue. Government-wide

per pupil revenue decreased due to a significant decrease in local tax revenue. Government-wide per pupil expenditures decreased due to a decrease in student membership for the district.

District taxable property values in fiscal year 2017 decreased 40.63% compared to a decrease of 13.09% in 2016. This was a significant change over the previous years where the District taxable property values in tax year 2015 increased 36.05% over 2014. These changes were primarily due to the change (decrease and increase) in minerals.

**Long-term planning.** The District has many areas to consider when planning for the long term. The most significant factor is in planning for the uncertainty of school financing as well as Texas Education Agency's notice to the District in becoming a property wealthy district and the anticipation of the recapture of funds.

- **Chapter 41.** The District anticipates the collection of local taxes to exceed anticipated appropriations for the 2017-18 school year by approximately \$5.35 million. This has been earmarked for an "Budgetary Fund Balance" in anticipation of the District's Chapter 41 status and that will result in the District being required to share its wealth with property poor districts by returning a portion of local property tax collections to the State estimated at \$29.7 million for the 2017-18 school year.
- **Capital Improvements.** The District has completed the renovation of the Carrizo Springs Intermediate school which improves the learning environment for our students with occupancy at the beginning the 2017-18 school year.

**Student growth for the year.** For the 2016-2017 school year, the district operated with a grade configuration where, Pre-K to 3<sup>rd</sup> grades are located at Carrizo Springs Elementary; 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> grades are located at Carrizo Springs Intermediate School; 7<sup>th</sup> and 8<sup>th</sup> grades are located at Carrizo Springs Junior High; and 9<sup>th</sup> to 12<sup>th</sup> grades are located at Carrizo Springs High School. The District is experiencing a drop in enrollment and ADA with a downward trend, with a slight percentage decrease in student membership from 2016 to 2017 of -4.97%.

**Student growth for the future.** The District is expecting a minimal decrease in student enrollment for the immediate future primarily due to the stabilizing of the mineral industry.

## OTHER INFORMATION

**Independent audits.** Bill C. Rocha, CPA, a licensed certified public accountant, has audited the District's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the year ended August 31, 2017 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the year ended August 31, 2017 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

### **Certificates of Achievement and Excellence**

The Government Finance Officers Association (GFOA) of the United States and Canada awards the Certificate of Achievement for Excellence in Financial Reporting to governmental entities whose Comprehensive Annual Financial Report has been judged to meet the standards required for these awards.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Carrizo Springs Consolidated Independent School District for its comprehensive annual financial report for the fiscal year ended August 31, 2016. The District received the prestigious award for the past eight fiscal years.

In order to be awarded a Certificate of Achievement for Excellence, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards.

Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement for Excellence is valid for a period of one year only. We believe our current report conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

### **Acknowledgements**

The timely preparation of this report was accomplished through the efficiency and dedication of the finance department staff. We would like to express appreciation to all members of the department who assisted in the preparation of this report. We would also like to thank the members of the Board of Trustees for their interest and support in conducting the financial affairs of the District in a responsible and progressive manner.

Respectfully submitted,



Dr. Jesse Salazar  
Superintendent of Schools



Anna Rocha-Diaz  
Executive Director for Financial Services  
& Construction Accountability



Government Finance Officers Association

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

Presented to

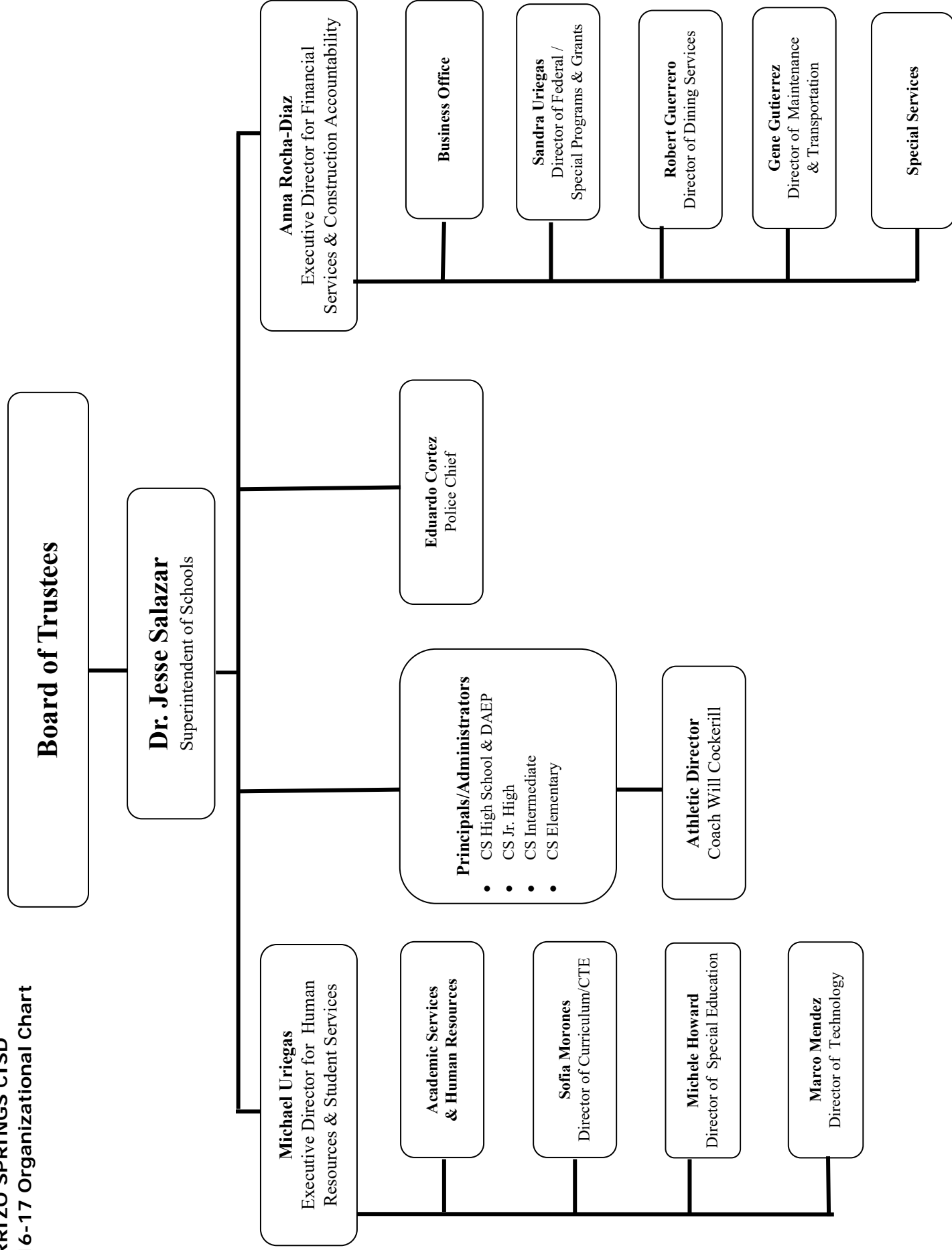
**Carrizo Springs Consolidated  
Independent School District  
Texas**

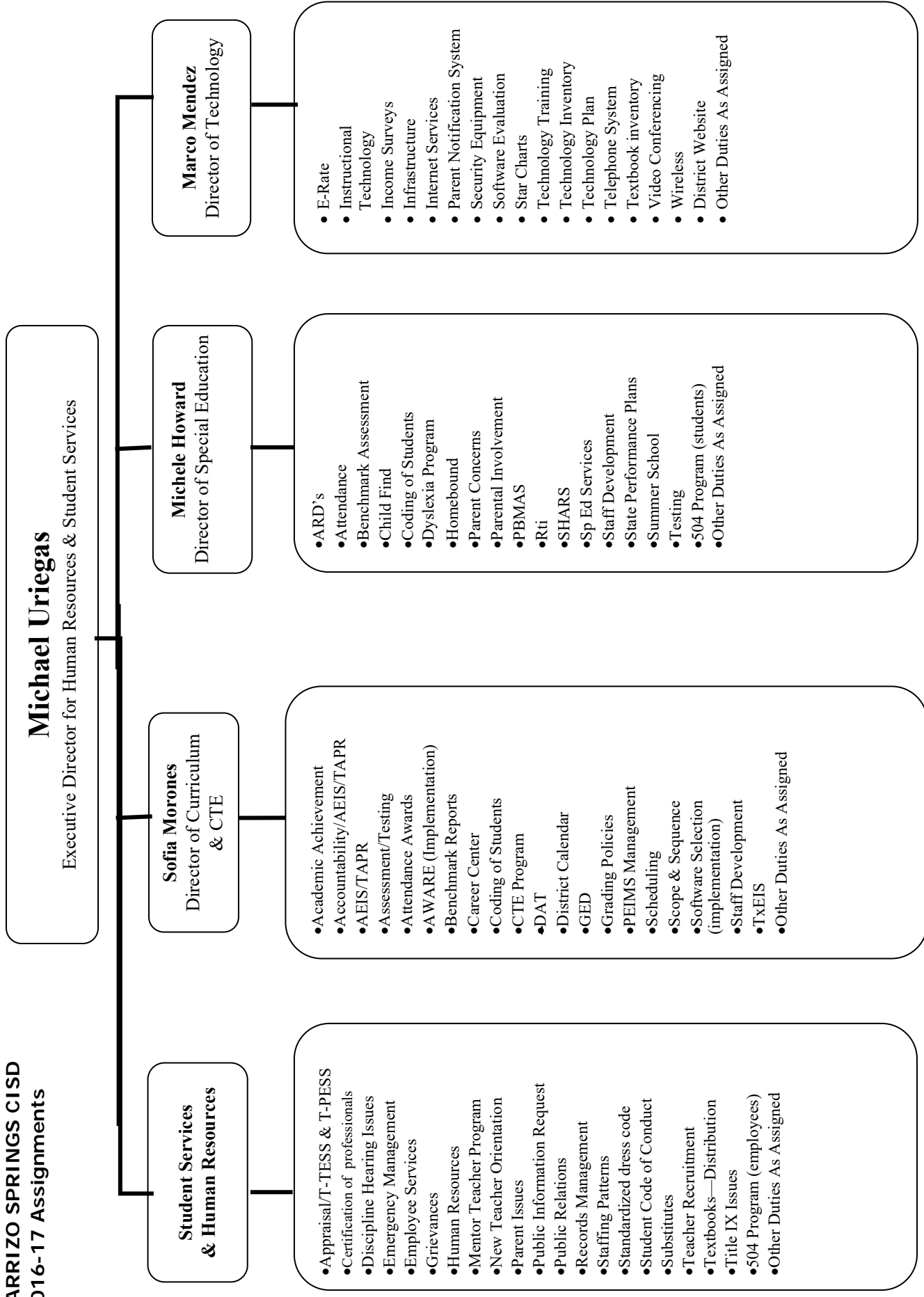
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**August 31, 2016**

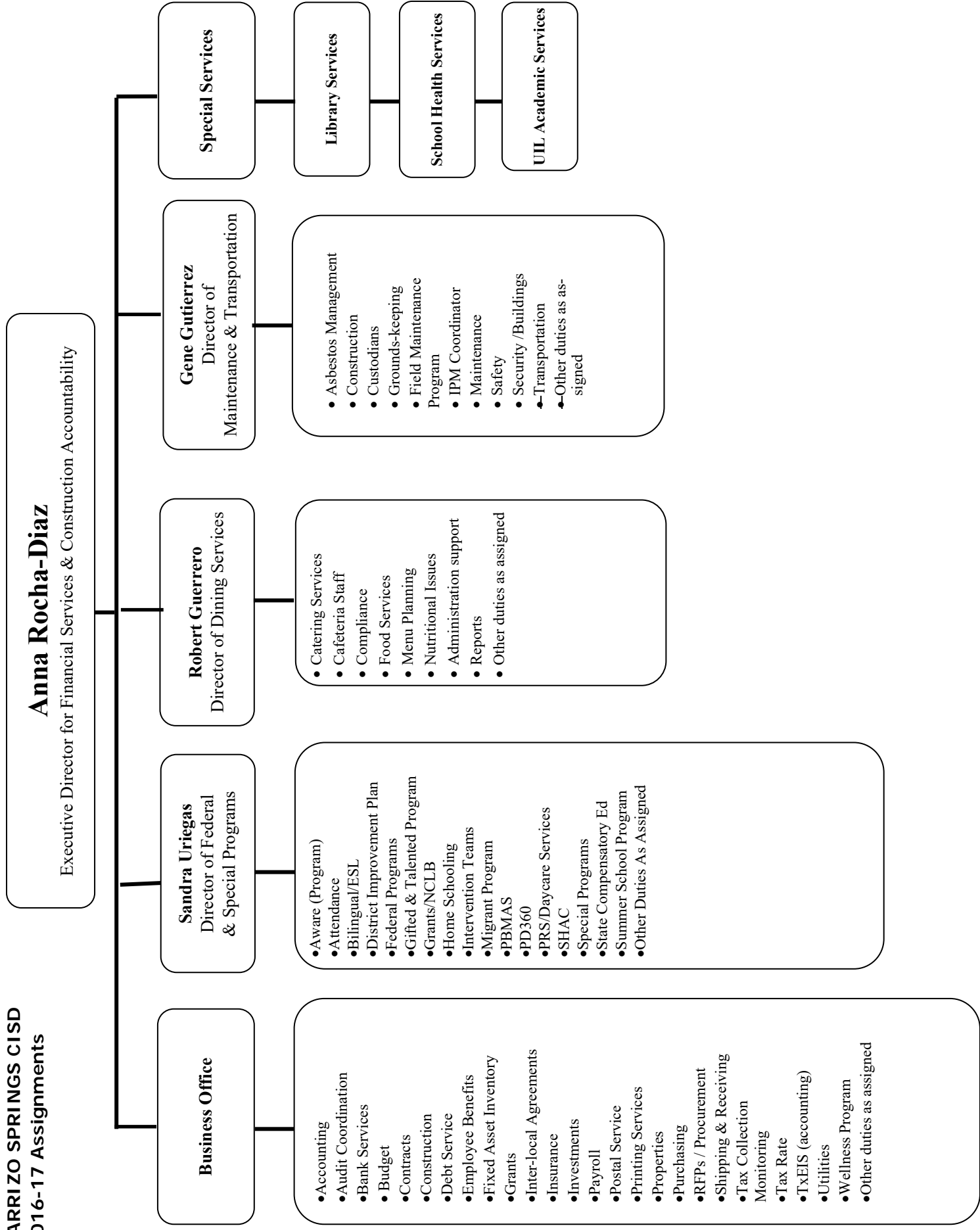
*Christopher P. Morill*

Executive Director/CEO









**CARRIZO SPRINGS INDEPENDENT SCHOOL DISTRICT  
2016-2017 SCHOOL BOARD AND ADMINISTRATORS  
LIST OF PRINCIPAL OFFICIALS**

**BOARD OF TRUSTEES**

Dr. Ninfa M. Cadena	President
Rodney L. Perez	Vice-President
Carl Fisher	Secretary
Alfredo Castañeda	Member
Juan E. Cruz	Member
Wilbur Cruz	Member
Johnny Estrada	Member

**ADMINISTRATORS**

Dr. Jesse Salazar	Superintendent of Schools
Anna Rocha-Diaz	Executive Director for Financial Services & Construction Accountability
Michael Uriegas	Executive Director for Human Resources & Student Services
Sofia Morones	Director of Curriculum, Instruction & Assessment and CTE Program
Sandra Uriegas	Director of Federal Programs & Grants
Michele Howard	Director of Special Education
Will Cockrill	Director of Athletics
Gene Gutierrez	Director of Maintenance & Transportation
Marco Mendez	Director of Technology

**PRINCIPALS**

Michelle Gonzalez	Carrizo Springs High School
Maria Villarreal	Carrizo Springs Jr. High
Jose Talamantez	Carrizo Springs Intermediate
Elisa G. Martinez	Carrizo Springs Elementary

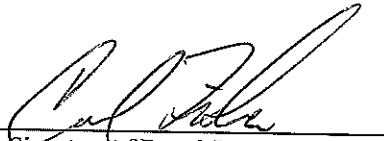
## CERTIFICATE OF BOARD

Carrizo Springs Consolidated Independent School District  
Name of School District

Dimmit  
County

064-903  
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, 2017, at a meeting of the Board of Trustees of such school district on the 31<sup>st</sup> day of January, 2018.

  
\_\_\_\_\_  
Signature of Board Secretary

  
\_\_\_\_\_  
Signature of Board President

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **FINANCIAL SECTION**



Telephone: (210) 499-5832  
Fax: (210) 499-0166

P.O. Box 160127  
San Antonio, TX 78280-2327

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Carrizo Springs Consolidated Independent School District  
City of Carrizo Springs, Texas

### **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 Carrizo Springs Consolidated Independent School District as of and for the year ended August 31, 2017, and the related notes to the financial statements, which collectively comprise the Carrizo Springs Consolidated Independent School District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Carrizo Springs Consolidated Independent School District, as of August 31, 2017, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and TRS Pension Schedules on pages 13 through 19 and 60 through 62 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***

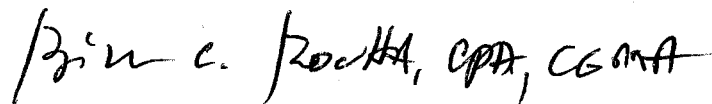
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Carrizo Springs Consolidated Independent School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) 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 combining and individual nonmajor fund financial statements 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 the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2018, on our consideration of the Carrizo Springs Consolidated Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Carrizo Springs Consolidated Independent School District's internal control over financial reporting and compliance.



Bill C. Rocha  
Certified Public Accountant, CGMA  
San Antonio, Texas  
January 26, 2018

## **CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of Carrizo Springs Consolidated Independent School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance for the fiscal year ended August 31, 2017. Please read it in conjunction with the Independent Auditor's Report and the District's Basic Financial Statements, which follow this section.

### **Financial Highlights**

- The District's total combined net assets were \$ 108.4 million at August 31, 2017, which is a decrease of \$ 7.8 million from the previous year. The district's overall financial position remains strong.
- During the year, the District's expenses were \$ 8.1 million more than the \$ 50.6 million generated in taxes and other revenues for the governmental activities (all funds, including grants) primarily due to a significant decrease in local tax collections.
- The total cost of the District's programs, including Chapter 41 payments, decreased by \$18.5 million from last year. The most significant factor is decreased costs in payments for Incremental cost for weighted average daily attendance (WADA) (Chapter 41).
- The General Fund ended the year with a combined fund balance of \$ 19.0 million, a decrease of \$ 6.5 million from last year primarily due to a significant decrease in local tax collections, and increased expenses related to construction projects. However, the District exceeds required fund balance amounts as required.

### **Using This Annual Report**

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

### **Reporting the District as a Whole**

#### ***The Statement of Net Position and the Statement of Activities***

The primary purpose of the Statement of Net Position and the Statement of Activities is to show whether the District's financial standing is improving or worsening as a result of the year's activities



## **Reporting the District as a Whole (continued)**

The statement of Net Position includes all the District's assets plus outflows minus liabilities plus inflows at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These statements apply the same basis of accounting as used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students outside the District (currently, the District has no tuition income) and grants provided from the U.S. Department of Education and other Federal Agencies to assist children with disabilities or from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers (in the form of local property taxes) or by the Texas Education Agency (TEA) in equalization funding processes (general revenues).

All the District's assets and deferred outflows are reported whether they serve the current year or future years. Liabilities and deferred inflows are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in those net positions. The District's net position (the difference between assets plus outflows minus liabilities plus inflows) provides one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider nonfinancial factors as well, such as changes in the District's average daily attendance (ADA), its property tax bases and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, we divide the District into the following activity:

Governmental activities – All of the District's basic services are reported here, including the instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities. The District is experiencing a drop in enrollment and ADA with a downward trend, with a slight percentage decrease in student membership from 2016 to 2017 of -4.63%. The District continues to make an effort to proactively maintain the District's facilities and buildings which serves to extend the life of the District's assets. The District strives to produce a budget and maintain expenditures that remain within the expenditure targets developed by TEA. Additionally, the District's efforts toward achieving the "Pass" rating for the Schools FIRST financial management report includes monitoring of 15 indicators. In the 2015-2016 School FIRST report, the District received 92 out of 100 possible points. For indicator # 10, the District's debt service coverage ratio sufficient to meet the required debt service was 1.0541. The goal was 1.05 or less; the District received 4 out of 10 points in this category. The District monitors this ratio on a regular basis.

## **Reporting the District's Most Significant Funds**

### ***Fund Financial Statements***

The fund financial statements provide detailed information about the most significant funds – not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the No Child Left Behind Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities). The District utilizes the following types of funds to account for its activities:

## Reporting the District's Most Significant Funds (continued)

Governmental funds – Most of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

### The District as Trustee

#### *Reporting the District's Fiduciary Responsibilities*

The District is the trustee, or fiduciary, for money raised by student activities and alumnae scholarship programs. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

#### *Financial Analysis of the District as a Whole*

Our analysis focuses on the net position (Table I) and changes in the net position (Table II) of the District's governmental activities in the following pages.

Combined net position of the District is approximately \$ 51.3 million at August 31, 2017. See Table 1 below:

**Table I**  
**Carrizo Springs Consolidated ISD**  
**NET ASSETS**  
**in thousands**

	Governmental Activities 2017	Governmental Activities 2016	Percent Change (%)
Assets	\$ 27,655	\$ 33,811	-18%
Capital Assets	80,770	82,441	-2%
Total Assets	108,425	116,252	-7%
Deferred Outflows of Resources	3,088	2,490	24%
Total Deferred Outflow of Resources	3,088	2,490	24%
Liabilities	59,029	54,166	9%
Deferred Inflows of Resources	1,165	456	155%
Total Liabilities and Deferred Inflows	60,194	54,622	10%
Net Investment in Capital Assets	82,363	37,266	121%
Unrestricted Net Position	(31,044)	26,854	-216%
Total Net Position	\$ 51,319	\$ 64,120	-20%

**Financial Analysis of the District as a Whole (continued)**

Combined total revenues of the District were \$ 54.7 million and combined expenses were \$ 58.7 million at August 31, 2017. See Table II below.

**Table II**  
**Carrizo Springs Consolidated ISD**

**CHANGES IN NET POSITION**  
**in thousands**

	<u>Governmental Activities 2017</u>	<u>Governmental Activities 2016</u>	<u>Percent Change (%)</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 338	\$ 135	150%
Operating Grants and Contributions	3,719	4,681	-21%
Capital Grants and Contributions	-	-	0%
General Revenues:			
Maintenance and Operation Taxes	39,043	65,068	-40%
Debt Service Taxes	3,390	3,326	2%
State Aid - Formula Grants	-	1,467	-100%
Grants and Contributions not Restricted to Specific Functions	6,088	54	11174%
Investment Earnings	255	238	7%
Extraordinary Item Contributions	-	-	0%
Contribution	-	24	-100%
Miscellaneous	1,821	486	275%
Total Revenue	<u>54,654</u>	<u>75,479</u>	<u>-28%</u>
Expenses:			
Instruction, Curriculum and Media Services	14,677	14,749	0%
Instructional and School Leadership	2,122	2,098	1%
Student Support Services	1,957	2,059	-5%
Child Nutrition	2,031	2,254	-10%
Co-curricular Activities	2,274	1,612	41%
General Administration	1,108	1,047	6%
Plant Maintenance, Security and Data Processing	4,161	4,320	-4%
Community Services	65	25	160%
Debt Service	1,998	1,862	7%
Facilities, Acquisition and Construction	2	2	100%
Other Intergovernmental Payments	28,282	47,125	-40%
Total Expenses	<u>58,677</u>	<u>77,153</u>	<u>-24%</u>
Total Change in Net Position	(4,023)	(1,674)	140%
Net Position - Beginning	64,120	64,164	0%
Prior Period Adjustments	(8,778)	1,630	-639%
Net Position - Ending	<u>\$ 51,319</u>	<u>\$ 64,120</u>	<u>-20%</u>

### ***Financial Analysis of the District as a Whole (Continued)***

The District's total revenues were \$ 54.7 million. A significant portion, 77.6%, of the District's revenues came from Maintenance and Operation Taxes, 15.0% from State programs, and 7.4% came from federal program grants. The total cost of all programs and services was \$ 58.7 million; of these costs, the largest was WADA (Chapter 41) 48.2%.

The district has ended the year with an estimated decrease in net position of \$ 12,801 thousand. An increase in capital project expenditures combined with a significant decrease in the collection of property taxes and decrease of Chapter 41 payments are all aligned with the decrease in net position. The decrease in collection of property taxes and in Chapter 41 payments are due to the reduction in the economic factors in the oil and gas industry in the area.

Over the course of the year, the Board of Trustees revised the District's budget several times. These budget amendments fall into two categories. The first category, originated by administration and program directors, includes amendments and supplemental appropriations that were approved shortly after the beginning of the year and reflect the actual beginning balances (versus the amounts that were estimated in August, 2016). Throughout the year, amendments are approved as changes to grants and/or program revenues occur. This is especially true of federal funds that are estimated during the early budget planning stages, but are adjusted when the final Notice of Grant Award is received.

The second category involved amendments which moved funds from programs that did not need all the resources originally appropriated to them, to programs with resource need, originated by campus principals and program directors to address ongoing needs.

### **General Fund Budgetary Highlights**

The budget is prepared in accordance with financial policies and is approved by the Board of Trustees following a public hearing. Note 2 of the Notes to the Financial Statements contains additional information as to how the budget is adopted. During the fiscal year, the Board approved budget amendments requested by the District's administration.

Actual revenues generated in the General Fund by the District of \$ 46.6 million were over budgeted revenues of \$ 45.9 million by \$ 730 thousand. Local and Intermediate revenues were \$ 354 thousand less than the budgeted amount due to decreased property tax collections. State revenues realized were \$ 1.2 million more than the budgeted amount, due to the additional foundation school program award of \$1.248 million for District's with rapid Property Value decline. Federal revenues realized were \$ 144 thousand less than the budgeted amount, due to a lower collection of TMHP Medicaid reimbursement and other program revenue.

Budgeted general fund expenditures for the fiscal year were \$ 54.2 million. Actual expenditures for the fiscal year were \$ 53.2 million, resulting in a favorable variance of \$ 958 thousand. The contributing factors were reduced costs in Chapter 41, construction projects and other expenditures.

The final amended budget was substantially increased in the functional areas of Student Pupil Transportation, Extracurricular Activities, Facilities Maintenance and Operation, Facilities Acquisition and Construction, and Contracted Instructional Services Between Schools. Most other functional areas showed minor changes from the adopted budget.

## Capital Asset and Debt Administration

### Capital Assets

At the end of 2017, the District had \$ 80.8 million invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a decrease of \$ 1.7 million from last year primarily due to building improvements and ongoing construction projects. See Table III below. For Capital Asset Activity, please refer to Note E of the notes to the financial statements.

**Table III**  
**Carrizo Springs Consolidated ISD**

<b>CAPITAL ASSETS</b>			
in thousands			
	2017	2016	Percent Change (%)
Land & Land Improvements	\$ 725,674	\$ 725,674	0%
Buildings and Improvements	120,609,541	116,205,941	4%
Furniture and Equipment	5,386,357	5,808,269	-7%
Construction in Progress	-	2,286,908	-100%
Totals at Historical Costs	126,721,572	125,026,792	1%
Accumulated Depreciation	(45,951,656)	(42,586,009)	8%
Net Capital Assets	\$ 80,769,916	\$ 82,440,783	-2%

### Debt Administration

At year-end, the District had \$ 44.9 million in bonds and notes outstanding versus \$ 45.2 million last year. See Table IV below. For detailed information of the District's long term debt refer to Note K of the notes to the financial statements. The District's general obligation bond rating remained the same.

**Table IV**  
**Carrizo Springs Consolidated ISD**

**THE DISTRICT'S LONG TERM DEBT**  
in thousands

	2017	2016	Percent Change (%)
General Obligation Debt	\$ 44,890	\$ 45,175	-1%
Total Long Term Debt	\$ 44,890	\$ 45,175	-1%

## **Economic Factors and Next Years Budgets and Rates**

The District's board considered a number of factors in setting the budget and tax rate for the 2015-2016 fiscal year. One of the biggest factors involved the requirements of House Bill 1 (HB1). HB1 was enacted by the Texas legislature as result of a Supreme Court of Texas decision that since so many of Texas school districts were at the maximum of \$ 1.50 tax rate, this amounted to an unconstitutional state wide tax. It further found that because of this, Texas school districts had lost "reasonable discretion" to raise additional funds to enrich school programs.

The Texas Supreme Court in its decision described above required the Texas Legislature to satisfy two conditions regarding school district financing. First, it had to reduce school district taxes so that they were a reasonable amount below the \$ 1.50 mandatory ceiling. Second, it had to allow school districts accessibility to equalize funds so that they could exercise their "reasonable discretion" to obtain enrichment funds for their district.

A statewide committee appointed by Governor Rick Perry recommended and the Texas Legislature established new business taxes. School Districts have access to these new funds which allows them to lower their property taxes and have access to funds for enrichment programs.

For the 2006-2007 school years, HB1 reduced the M&O tax rate from \$ 1.50 to \$ 1.33. It also allowed the school districts to raise their tax rate \$ .04 above the reduced rate. Carrizo Springs Consolidated Independent School District held a successful rollback election which allowed it to keep its tax rate at \$ 1.50 for one additional year.

A second phase of HB1 was required for the school year 2007-2008. Under this second phase, the district's tax rate was reduced by 66.67%. Accordingly, a district that had a tax rate of \$ 1.50 in the school year 2005-2006 was reduced to a tax rate of \$ 1.00. A district's 2007-2008 rollback rate is its reduced rate plus four cents plus the additional pennies it added in 2006-2007. However, the rate cannot exceed \$ 1.17.

Carrizo Springs Consolidated Independent School District's 2017-2018 Maintenance & Operations tax rate was approved at \$ 1.06; the debt service tax rate was approved at \$ 0.0561 for a total tax rate of \$1.1161. For the 2016-2017 school year, the District operates with four campuses. The 2017-2018 school year budget appropriates funds for staffing, operations, and technology to improve overall student performance. Additionally, the district anticipates a significant increase in tax collections due to increases in minerals and oil production. This will continue to impact local revenues and decrease state funding in the coming years.

## **Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report, or need additional information, contact the District's Business Office at Carrizo Springs CISD, 300 N. 7<sup>th</sup> Street, Carrizo Springs, Texas 78834.

## **BASIC FINANCIAL STATEMENTS**

**THIS PAGE INTENTIONALLY LEFT BLANK**



## **GOVERNMENT-WIDE STATEMENTS**

CARRIZO SPRINGS CONSOLIDATED I S D  
STATEMENT OF NET POSITION  
AUGUST 31, 2017

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 7,536,003
1120 Current Investments	7,001,472
1220 Property Taxes Receivable (Delinquent)	5,124,274
1230 Allowance for Uncollectible Taxes	(256,214)
1240 Due from Other Governments	5,608,114
1260 Internal Balances	1,765,686
1290 Other Receivables, net	430,025
1410 Prepayments	10,630
1490 Other Current Assets	25,431
Capital Assets:	
1510 Land	725,674
1520 Buildings, Net	79,363,477
1530 Furniture and Equipment, Net	680,765
1990 Other Assets	409,651
1000 Total Assets	108,424,988
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1701 Deferred Charge for Refunding	1,057,078
1705 Deferred Outflow Related to TRS	2,030,764
1700 Total Deferred Outflows of Resources	3,087,842
<b>LIABILITIES</b>	
2110 Accounts Payable	141,094
2140 Interest Payable	145,171
2160 Accrued Wages Payable	477,656
2177 Due to Fiduciary Funds	1,765,686
2180 Due to Other Governments	184,656
2200 Accrued Expenses	211,068
2300 Unearned Revenue	27,249
Noncurrent Liabilities	
2501 Due Within One Year	1,405,000
2502 Due in More Than One Year	43,485,904
2540 Net Pension Liability (District's Share)	11,185,051
2000 Total Liabilities	59,028,535
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2601 Unavailable Revenue - Property Taxes	26,035
2605 Deferred Inflow Related to TRS	1,139,140
2600 Total Deferred Inflows of Resources	1,165,175
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	82,362,981
3900 Unrestricted	(31,043,863)
3000 Total Net Position	\$ 51,319,118

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

CARRIZO SPRINGS CONSOLIDATED I S D  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2017

EXHIBIT B-1

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		3	4	
	Expenses	Charges for Services	Operating Grants and Contributions	6 Primary Gov. Governmental Activities
<b>Primary Government:</b>				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 13,490,103	\$ -	\$ 1,074,463	\$ (12,415,640)
12 Instructional Resources and Media Services	453,163	-	12,351	(440,812)
13 Curriculum and Staff Development	734,161	-	324,186	(409,975)
21 Instructional Leadership	724,896	-	307,611	(417,285)
23 School Leadership	1,396,987	-	90,464	(1,306,523)
31 Guidance, Counseling and Evaluation Services	751,393	-	237,112	(514,281)
32 Social Work Services	58,769	-	1,514	(57,255)
33 Health Services	193,843	-	8,866	(184,977)
34 Student (Pupil) Transportation	953,143	-	31,873	(921,270)
35 Food Services	2,030,339	75,565	1,403,060	(551,714)
36 Extracurricular Activities	2,273,919	262,343	18,859	(1,992,717)
41 General Administration	1,108,082	-	37,243	(1,070,839)
51 Facilities Maintenance and Operations	3,160,129	-	72,758	(3,087,371)
52 Security and Monitoring Services	346,649	-	15,801	(330,848)
53 Data Processing Services	654,340	-	18,863	(635,477)
61 Community Services	64,722	-	63,729	(993)
72 Debt Service - Interest on Long Term Debt	1,864,661	-	-	(1,864,661)
73 Debt Service - Bond Issuance Cost and Fees	133,416	-	-	(133,416)
81 Capital Outlay	1,886	-	-	(1,886)
91 Contracted Instructional Services Between Schools	27,690,202	-	-	(27,690,202)
93 Payments related to Shared Services Arrangements	43,898	-	-	(43,898)
99 Other Intergovernmental Charges	547,790	-	-	(547,790)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 58,676,491	\$ 337,908	\$ 3,718,753	(54,619,830)

Data Control Codes	General Revenues:	
Taxes:		
MT	Property Taxes, Levied for General Purposes	39,042,961
DT	Property Taxes, Levied for Debt Service	3,389,884
GC	Grants and Contributions not Restricted	6,088,225
IE	Investment Earnings	255,129
MI	Miscellaneous Local and Intermediate Revenue	1,821,056
TR	Total General Revenues	50,597,255
CN	Change in Net Position	(4,022,575)
NB	Net Position - Beginning	64,119,703
PA	Prior Period Adjustment	(8,778,009)
NE	Net Position--Ending	\$ 51,319,119

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **GOVERNMENTAL FUND FINANCIAL STATEMENTS**

CARRIZO SPRINGS CONSOLIDATED I S D  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2017

Data Control Codes	10 General Fund	Other Funds	Total Governmental Funds
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 6,391,372	\$ 1,144,631	\$ 7,536,003
1120 Investments - Current	7,001,472	-	7,001,472
1220 Property Taxes - Delinquent	4,713,816	410,458	5,124,274
1230 Allowance for Uncollectible Taxes (Credit)	(235,691)	(20,523)	(256,214)
1240 Receivables from Other Governments	5,462,705	145,409	5,608,114
1260 Due from Other Funds	2,713,739	-	2,713,739
1290 Other Receivables	330,828	99,197	430,025
1410 Prepayments	10,630	-	10,630
1490 Other Current Assets	25,431	-	25,431
1000 Total Assets	<u>\$ 26,414,302</u>	<u>\$ 1,779,172</u>	<u>\$ 28,193,474</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	\$ 136,501	\$ 4,593	\$ 141,094
2160 Accrued Wages Payable	467,693	9,963	477,656
2170 Due to Other Funds	2,163,044	550,695	2,713,739
2180 Due to Other Governments	-	184,656	184,656
2200 Accrued Expenditures	209,371	1,697	211,068
2300 Unearned Revenues	-	27,249	27,249
2000 Total Liabilities	<u>2,976,609</u>	<u>778,853</u>	<u>3,755,462</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601 Unavailable Revenue - Property Taxes	<u>4,478,175</u>	<u>389,935</u>	<u>4,868,110</u>
2600 Total Deferred Inflows of Resources	<u>4,478,175</u>	<u>389,935</u>	<u>4,868,110</u>
<b>FUND BALANCES</b>			
Nonspendable Fund Balance:			
3430 Prepaid Items	36,061	-	36,061
Restricted Fund Balance:			
3480 Retirement of Long-Term Debt	-	426,397	426,397
3490 Other Restricted Fund Balance	-	183,987	183,987
Committed Fund Balance:			
3530 Capital Expenditures for Equipment	340,357	-	340,357
3545 Other Committed Fund Balance	452,380	-	452,380
3600 Unassigned Fund Balance	<u>18,130,720</u>	<u>-</u>	<u>18,130,720</u>
3000 Total Fund Balances	<u>18,959,518</u>	<u>610,384</u>	<u>19,569,902</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 26,414,302</u>	<u>\$ 1,779,172</u>	<u>\$ 28,193,474</u>

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

CARRIZO SPRINGS CONSOLIDATED I S D  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
AUGUST 31, 2017

<b>Total Fund Balances - Governmental Funds</b>	\$ 19,569,901
1 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$125,026,792 and the accumulated depreciation was (\$42,586,009). In addition, bonds payable of (\$45,175,000), are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position. Note: Beginning Balances related to TRS are NOT included in this amount.	37,265,783
2 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2017 capital outlays and debt principal payments is to decrease net position.	3,474,805
3 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. At the beginning of the year, the net position related to TRS was a a Deferred Resource Inflow in the amount of \$2,489,945 and a net pension liability in the amount of \$5,777,276. The impact of this on Net Position is (\$4,086,176).	(4,086,176)
4 The 2017 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(3,365,647)
5 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest and issuance of new bonds. The net effect of these reclassifications and recognitions is to increase net position.	(1,539,547)
<b>19 Net Position of Governmental Activities</b>	\$ 51,319,119

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

CARRIZO SPRINGS CONSOLIDATED I S D  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2017

EXHIBIT C-3

Data Control Codes	10 General Fund	Other Funds	Total Governmental Funds
<b>REVENUES:</b>			
5700 Total Local and Intermediate Sources	\$ 38,540,841	\$ 3,383,371	\$ 41,924,212
5800 State Program Revenues	6,751,967	59,201	6,811,168
5900 Federal Program Revenues	1,384,626	1,442,077	2,826,703
5020 Total Revenues	46,677,434	4,884,649	51,562,083
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	11,455,094	549,041	12,004,135
0012 Instructional Resources and Media Services	298,961	9,538	308,499
0013 Curriculum and Instructional Staff Development	347,922	318,825	666,747
0021 Instructional Leadership	426,734	287,069	713,803
0023 School Leadership	1,233,972	40,882	1,274,854
0031 Guidance, Counseling and Evaluation Services	503,942	212,940	716,882
0032 Social Work Services	47,430	-	47,430
0033 Health Services	173,402	-	173,402
0034 Student (Pupil) Transportation	713,509	-	713,509
0035 Food Services	1,810,800	18,743	1,829,543
0036 Extracurricular Activities	977,343	115,023	1,092,366
0041 General Administration	1,082,588	1,265	1,083,853
0051 Facilities Maintenance and Operations	3,004,832	62	3,004,894
0052 Security and Monitoring Services	315,049	-	315,049
0053 Data Processing Services	573,469	-	573,469
0061 Community Services	153	63,941	64,094
Debt Service:			
0071 Principal on Long Term Debt	-	1,459,999	1,459,999
0072 Interest on Long Term Debt	-	1,732,080	1,732,080
0073 Bond Issuance Cost and Fees	-	133,416	133,416
Capital Outlay:			
0081 Facilities Acquisition and Construction	2,014,806	-	2,014,806
Intergovernmental:			
0091 Contracted Instructional Services Between Schools	27,690,202	-	27,690,202
0093 Payments to Fiscal Agent/Member Districts of SSA	43,898	-	43,898
0099 Other Intergovernmental Charges	547,790	-	547,790
6030 Total Expenditures	53,261,896	4,942,824	58,204,720
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,584,462)	(58,175)	(6,642,637)
<b>OTHER FINANCING SOURCES (USES):</b>			
7901 Refunding Bonds Issued	-	6,880,000	6,880,000
7915 Transfers In	361,522	-	361,522
7916 Premium or Discount on Issuance of Bonds	-	1,328,965	1,328,965
8911 Transfers Out (Use)	(361,522)	-	(361,522)
8940 Payment to Bond Refunding Escrow Agent (Use)	-	(8,077,550)	(8,077,550)
7080 Total Other Financing Sources (Uses)	-	131,415	131,415
1200 Net Change in Fund Balances	(6,584,462)	73,240	(6,511,222)
0100 Fund Balance - September 1 (Beginning)	25,543,979	415,801	25,959,780
1300 Prior Period Adjustment	-	121,343	121,343
3000 Fund Balance - August 31 (Ending)	\$ 18,959,517	\$ 610,384	\$ 19,569,901

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



CARRIZO SPRINGS CONSOLIDATED I S D  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED AUGUST 31, 2017

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$ (6,511,222)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2017 capital outlays and debt principal payments is to decrease net position.	3,300,434
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to increase net position.	(3,365,647)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.	2,922,726
Current year changes due to GASB 68 adjustments. The net effect on the change in the ending net position was a increase in the amount of \$368,866	(368,866)
.	
<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ (4,022,575)</u></u>

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **FIDUCIARY FUND FINANCIAL STATEMENTS**

CARRIZO SPRINGS CONSOLIDATED I S D  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2017

	Agency Fund
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 179,528
Total Assets	<u>\$ 179,528</u>
LIABILITIES	
Due to Student Groups	\$ 179,528
Total Liabilities	<u>\$ 179,528</u>

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

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Carrizo Springs Consolidated Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in GASB Statement No. 76, and it complies with the requirements of the appropriate version of the Texas Education Agency's (TEA) *Financial Accountability System Resource Guide* (the "Resource Guide"), and the requirements of contracts and grants of agencies from which it receives funds.

**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 position liability, deferred outflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deduction from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The District applies Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements. The District's investments are accounted for using the cost amortization method.

**A. REPORTING ENTITY**

The Board is elected by the public and it has the authority to make decisions, approve/disapprove appointment of administrators and managers, and significantly influence operations. The Board has primary accountability for fiscal matters; therefore, the District is a financial reporting entity as defined by GASB in its Statement No. 14, "The Financial Reporting Entity," and it is not included as part of any other governmental reporting entity. There are no component units included within the reporting entity.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities are government-wide financial statements. These statements report information on all the District's nonfiduciary activities with the interfund activities removed. Government activities include programs supported primarily by property taxes, state foundation funds, grants and other governmental revenues.

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the district, school lunch charges, etc.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)**

The "grants and contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act. If revenue is not program revenue, it is general revenue used to support all of the District's functions. Taxes are always general revenues.

Interfund activities between governmental funds appear as due to/due from on the Governmental Fund Balance Sheet and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Activities.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column. The District does have proprietary funds.

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

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

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (continued)**

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, that is, when they are both measurable and available. The District considers them "available" if they will be collected within 60 days of the end of the fiscal year. 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.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into invested in capital assets net of related debt, restricted net assets, and unrestricted net assets. The District does not have Proprietary Funds.

Agency Funds utilize the accrual basis of accounting but do not have a measurement focus as they report only assets and liabilities.

**D. FUND ACCOUNTING**

The District reports the following major governmental funds.

**General Fund** – is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund. It is a budgeted fund, and any fund balances are considered resources available for current operations. General Fund primary revenue sources include property taxes and state funding.

**Debt Service Fund** – the District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a Debt Service Fund. The Debt Service Fund is a budgeted fund whose primary revenue source is local property taxes levied specifically for debt service. The fund balance of this fund represents amounts that will be used for retirement of debt and payment of interest in the future.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**D. FUND ACCOUNTING (continued)**

***Capital Projects Fund*** – is used to account for proceeds from sales of bonds and other revenues to be used for authorized construction projects. This fund is generally budgeted on a project basis.

Additionally, the District reports the following fund types:

***Governmental Funds:***

***Special Revenue Funds*** – the District accounts for resources restricted to, or committed for, specific purposes by the District or a grantor in a Special Revenue Fund. Most federal financial assistance, including the Child Nutrition Program and some state financial assistance is accounted for in a Special Revenue Fund. In some instances unused grant balances must be returned to grantors at the close of specified project periods.

***Fiduciary Funds:***

***Agency Funds*** – the District accounts for resources held for others in a custodial capacity in Agency Funds. It accounts for the Student Activity Fund as an Agency Fund.

**E. OTHER ACCOUNTING POLICIES**

**1. Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Investments are reported at fair value.

The funds of the District must be deposited and invested under the terms of a depository contract, contents of which are set out in the Depository Contract Law. The depository bank must pledge eligible securities as collateral for the District's deposits plus accrued interest less FDIC insurance of the District. In accordance with the Public Funds Collateral Act and the Texas Education Code, the collateral margin coverage is at 102% (110% if pledging eligible declining principal securities).

**2. Receivables and Payables**

Interfund activities that represent lending/borrowing arrangements which are outstanding at the end of the fiscal year are referred to as "due to/ due from other funds".

**3. 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 located in the District in conformity with Subtitle E, Texas Property Code. Taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.



**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**E. OTHER ACCOUNTING POLICIES (continued)**

On January 31 of each year, a tax lien attaches to property to secure payment of all taxes, penalties, and interest ultimately imposed.

The appraisal and recording of all property within the District is the responsibility of the Dimmit Central Appraisal District (DCAD). The DCAD is an independent governmental unit with a board of directors appointed by the taxing jurisdictions within the county and funded from assessments against those taxing jurisdictions. DCAD is required by law to assess property at 100% of its appraised value. Real property must be reappraised at least every two years. Under certain circumstances, taxpayers and taxing units, including the District, may challenge orders of the DCAD Review Board through various appeals and, if necessary, legal action.

Tax collections are prorated between the General Fund and Debt Service Fund based on a tax rate approved by the Board. For the period ended August 31, 2017, the General and Debt Service fund rates were \$1.06 and \$.0923, respectively, per \$100 of assessed value.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on 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. The property tax receivable allowance is equal to 1 percent of outstanding property taxes at August 31, 2017.

**4. Inventories**

The District reports inventories of supplies on the balance sheet at weighted average cost and they include consumable, custodial, maintenance, transportation, instructional and office supplies, and athletic items. Inventories of governmental funds are recorded as expenditures when they are consumed rather than when purchased. Inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services and recorded as inventory and deferred revenue when received in the governmental funds. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.

**5. Prepayments**

Certain payments to vendors/employees reflect costs applicable to future accounting periods and are recorded as prepayments in both government-wide and fund financial statements. The amount reported as prepayment at August 31, 2017 will be relieved using the consumption method.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**E. OTHER ACCOUNTING POLICIES (continued)**

**6. Capital Assets**

Capital assets, which include land, buildings and improvements, furniture, equipment, vehicles, and construction in progress, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year for depreciation purposes. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value.

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

When assets are retired or otherwise disposed of, the related costs or other recorded amounts are removed.

**6. Capital Assets (continued)**

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

Asset Class	Estimated Useful Life in Years
Buildings and Improvements	20-30
Furniture and Equipment	3-5
All Vehicles	5-10

**7. Accumulated Unpaid Vacation and Sick Leave Benefits**

The District adopts the State of Texas sick leave program which consists of five days per year of sick leave with no limit on accumulating and transferability among District employees. The District also provides an additional five days of local sick leave per year. Sick leave is not vested, therefore upon resignation, termination, or non-renewal of contract accumulated sick leave is not paid.

The District's annual leave policy provides a maximum of ten days leave per year to all non-professional personnel in a twelve-month position. Upon resignation or termination annual accumulated leave is not compensated.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**E. OTHER ACCOUNTING POLICIES (continued)**

**8. Long-term Obligations**

Effective July 1, 2013, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities* ("GASB Statement No. 65"). GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. It is the District's policy to record bond premiums and discounts as deferred costs and amortize them over the life of the bonds using the effective interest method if material or straight line when not material. Loss on refunded debt is amortized over the term of the related bond using the straight line method. The balance of the loss on refunded debt is reported as a deferred outflow of resources with the adoption of GASB 65. Bonds payable are reported net of the applicable bond premiums and discounts.

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

Effective July 1, 2014, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions an amendment of GASB Statement No. 27*. This statement requires state and local government agencies to display the actuarially determined Net Pension Liability in its financial statements.

**9. Fund Balance**

In the fund financial statements, the District uses the following criteria when classifying fund balance amounts:

*Nonspendable* – amounts not in spendable form or that are legally or contractually earmarked for a specific use. Examples include inventories and endowment principal.

*Restricted* – amounts that have been legally separated for a specific purpose by law or external funding source. Examples include grants, capital acquisitions, and long-term debt.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**E. OTHER ACCOUNTING POLICIES (continued)**

*Committed* – amounts that can only be set aside for a specific purpose by the District’s highest level of decision-making authority, the Board, through formal action by adopting a resolution. This Board action to commit funds must occur prior to fiscal year end and can only be modified or removed through Board resolution. Examples include capital expenditures, self insurance, and campus activity funds.

*Assigned* – amounts that do not require Board approval but are intended to be used for a specific purpose. As established by the District’s fund balance policy, the Superintendent or his designee is authorized to assign amounts for a specific purpose. These amounts do not meet the criteria to be classified as restricted or committed.

*Unassigned* – residual amount in the general fund that is available to finance operating expenditures. In other funds, this classification is used only to report a deficit balance resulting from over-spending for specific purposes for which amounts had been restricted, committed, or assigned, as applicable. The District’s policy is to maintain a minimum threshold of 10% (\$7,814,305) of the prior year’s expenditures in unassigned fund balance for the general fund. The District’s unassigned fund balance amount at August 31, 2017 is \$18,130,719, which exceeds the required minimum amount of \$10,316,414.

**10. Spending Order**

Fund balance amounts that are restricted, committed, or assigned are considered to have been spent when the expenditure is incurred for the respective purpose. If an expenditure incurred meets the criteria for more than one fund balance category, the District relieves fund balance in the following order: restricted, committed, assigned, and then unassigned.

**11. Accounting System and Data Control Codes**

In accordance with the Texas Education Code, Chapter 44, Subchapter A, the District has adopted and installed an accounting system which meets at least the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. The data control codes refer to the account code structure prescribed by TEA in the Resource Guide. School districts are required to display these codes in the financial statements filed with Texas Education Agency in order to ensure accuracy in building a statewide data base for policy development and funding plans.

**12. Accrual of Foundation School Program Revenues**

The State of Texas provides funding to Districts through the Foundation School Program based on instructional days, average daily attendance by fiscal year, and other relevant factors. The Academic year for the District typically begins after the fourth Monday in August and before the beginning of the subsequent fiscal year (September1). During this period, expenditures are incurred that relate directly to revenues received in the subsequent fiscal year. In the current fiscal year, the District accrued Foundation School revenues that would be received next year to match August days of instructional expenditures.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**E. OTHER ACCOUNTING POLICIES (continued)**

**13. Restricted/Unrestricted Resources**

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is the District's policy to first apply cost-reimbursement grant (restricted) resources to such programs and then general revenues.

**14. Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain report amounts and disclosures. Accordingly, actual results could differ from those estimates.

**15. Indirect Expenses**

School districts are required to report all expenses by function. All general administration and other intergovernmental expenses reported in functions 41 and 99, respectively, and some data processing service expenses reported in function 53 represent indirect expenses of other functions.

**16. Investments**

At August 31, 2017, the District's current investments are comprised of local government investment pools, and a Freddie Mac (FHLMC) certificate. Both are reported as investments.

The District's investments in public funds investment pools include those with Lone Star Investment Pool (Lone Star) and TexasTERM Investment Pool. The pools were created pursuant to the Interlocal Cooperation Act, Chapter 791, of the Texas Government Code and are subject to the provisions of the Public Funds Investment Act, Chapter 2256, of the Texas Government Code. The pools operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The pools use amortized cost rather than fair value to report net position to compute share prices. Accordingly, the fair value of the District's position in these pools is the same as the value of the pool shares. Participation in the pools is voluntary.

Lone Star is administered and distributed by the Texas Association of School Boards' wholly owned subsidiary, First Public. Lone Star is governed by an eleven-member Board of Trustees (Board) made up of active participants in the pool. The Board has the responsibility of adopting and monitoring compliance with the investment policy, appointing investment officers, overseeing the selection of an investment advisor, custodian, investment consultant, administrator, and other service providers. The Board is also responsible for monitoring the performance of the pool. Financial information for the pool can be obtained by writing to First Public at 12007 Research Blvd., Austin, Texas 78759 or by calling 1-800-558-8875.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**E. OTHER ACCOUNTING POLICIES (continued)**

The TexasTERM Local Government Investment Pool (the “Pool” or “TexasTERM”) was created by and for Texas local governments to provide investment programs tailored to the needs of Texas cities, counties, school districts and other public investors. TexasTERM portfolios seek to provide these investors with safety, flexibility and competitive yields. TexasTERM offers a series of four professionally managed portfolios that are available to government entities in the State of Texas. The District’s investments are in the Texas Daily Portfolio. TexasDAILY is a money market portfolio with daily liquidity that is rated AAA by Standard & Poor’s. Financial information for the pool can be obtained by calling [Program Representatives](#) at 1-866-839-8376.

On February 2015, GASB issued the new pronouncement for Statement No. 72, *Fair Value Measurement and Application* (GASB 72). The objectives of this Statement are to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures around fair value measurements. The provisions of this Statement are effective for financial statements in periods after June 15, 2015. The District has adopted GASB 72 for the year ending August 31, 2016.

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. BUDGETARY INFORMATION**

The Board adopts an “appropriated budget” on a basis consistent with generally accepted accounting principles for the General, Debt Service, Child Nutrition Program and Capital Projects Fund. The District is required to present the original and the final amended budgets for revenues and expenditures compared to actual revenues and expenditures for these three funds. The General Fund Budget report is presented in Exhibit G-1, the Child Nutrition Program Fund Budget report in Exhibit J-4, and the Debt Service Fund Budget report in Exhibit J-5.

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

- Prior to August 20<sup>th</sup>, of the preceding year, the District prepared a budget based on budgeting concepts for the next succeeding fiscal year, beginning September 1. The operating budget included proposed expenditures and the means of financing them.
- After several budget workshops with the Board, a meeting was called for the purpose of adopting the proposed budget. At least ten days, but not more than 30 days, of public notice of the meeting is required.
- Prior to September 1, the Board adopted the budget for the General Fund, Debt Service Fund, Child Nutrition Program and Capital Projects Fund.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**A. BUDGETARY INFORMATION (continued)**

After the budget for the above listed funds was approved, any amendment that caused an increase or decrease in a fund or functional spending category, or total revenue or other resources object category, required Board approval. These amendments were presented to the Board at its regular monthly meeting and were reflected in the official minutes.

- Because the District has a policy of careful budgetary control, several budgetary amendments were necessary throughout the year.
- Expenditure budgets are controlled at the expenditure functional and object level by the appropriate budget coordinator (principals or department director). Budget coordinators may authorize transfers within functional and organizational categories that do not affect the total functional and organizational appropriations.
- Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in order to reserve that portion of the applicable appropriation, is used in all governmental funds. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Encumbrances for specific purposes for which amounts have not been previously restricted or committed were included within assigned fund balance. Since appropriations lapse at the end of each year, outstanding encumbrances are appropriately provided for in the subsequent fiscal year's budget to provide for the liquidation of the prior commitments.

**III. DETAILED NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

Deposits and investments are comprised of the following:

	Governmental Funds			
	General Fund	Debt Service	Other Funds	Total
<i>Cash and Cash Equivalents:</i>				
Demand Accounts	\$3,117,429	\$425,574	\$ 719,057	\$ 4,262,060
Cash on Hand	7,436	-	-	7,436
Investment Pools	3,266,507	-	-	3,266,507
Freddie Mac (FHMLC)	7,001,472			7,001,472
Total	<u>\$13,392,844</u>	<u>\$425,574</u>	<u>\$ 719,057</u>	<u>\$14,537,475</u>

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**A. DEPOSITS AND INVESTMENTS (continued)**

	Agency Funds
	Student Activity Funds
Cash and cash Equivalents:	
Demand Accounts	\$179,528
Total	

August 31, 2017, the carrying amount of the District's deposits (cash and interest-bearing savings accounts), including agency funds, was \$7,536,003 and the bank balance was \$7,627,537. To control custody risk, in accordance with the District's policy, the District's cash deposits at August 31, 2017, and during the year ended August 31, 2016, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

Following is additional information regarding coverage of combined balances on the date of the highest deposit:

1. Name of Bank: Capital Bank of Texas
2. The highest combined balances of cash and interest-bearing savings accounts amounted to \$16,062,576 and occurred during the month of December 2016.
3. Total amount of pledged collateral and FDIC coverage at the time of the highest combined balance was \$17,238,975.

*The Public Funds Investment Act* – Government Code Chapter 2256 contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District believes it is in substantial compliance with the requirements of the Act and with local policies.



**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**A. DEPOSITS AND INVESTMENTS (continued)**

As of August 31, 2017, the District, including agency funds, had the following investments:

Investment	Fair Value	Weighted Average Maturity (Days)	Ratings
Lone Star Investment Pool	\$2,180,245	1	S&P AAAm
TexasTERM Investment Pool	1,086,262	1	S&P AAAm S&P AAAf
Freddie Mac (FHLMC)	7,001,472	1	S&P AA+
	<u>\$10,267,979</u>		

**Interest Rate Risk** – As a means of limiting its exposure to fair value losses arising from rising interest rates, the District’s investment policy limits maturities of investments to two years from the date of purchase.

**Credit Risk** – In accordance with the District’s investment policy, investments in investment pools must be rated at least AAA or equivalent, and investments in obligations of the U.S. government or its agencies must be rated at least A or equivalent.

GASB 72 establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. As defined in GASB 72 paragraph 5 *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The objective of a fair value is to estimate the exit price of assets and liabilities.

The District has adopted GASB 72. The table below illustrates the fair value of the District’s investments at August 31, 2017:

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**A. DEPOSITS AND INVESTMENTS (continued)**

*Investments Measured at Fair Value*

		Fair Value Measurements Using		
		Quoted Prices		
		In Active	Significant	
		Markets for	Other	Significant
		Identical	Observable	Unobservable
		Assets	Inputs	Inputs
August 31, 2017		(Level 1)	(Level 2)	(Level 3)
Investments by Fair Value Level				
U.S. Agency	\$ 7,000,000	\$ 7,000,000	\$ -	\$ -

In addition, the District has funds held in 2a-7 like external investment pools valued at amortized cost, in the amount of \$3,266,507.

GASB 72 Paragraph 18 states that a governmental entity should use valuation techniques consistent with one or more of the following approaches to measuring fair value:

- *Market approach* – uses prices and other relevant data derived from market transactions for identical or similar assets, liabilities, or a group of assets and liabilities.
- *Cost approach* – reflects the amount that would be required currently to replace the present service capacity of an asset.
- *Income approach* – converts future amounts to a single discounted amount. The fair value measurement would also reflect any current market expectations for future amounts.

As outlined in GASB 72, *inputs* refer broadly to the assumptions, or parameters, that any market participant might use when pricing an asset or liability, including assumptions about risk. Inputs may be observable or unobservable. When applying valuation techniques(s) one of the three (3) inputs below can be used to best represent fair value:

- *Level 1* – Most reliable such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2* – Reliable such as quoted prices similar assets for liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other observables.
- *Level 3* – Least Reliable such as unobservable inputs.

The District's investments, in the table above, used Level 1 inputs in the fair value determination.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**B. RECEIVABLES**

Receivables as of August 31, 2017, for the District's individual major fund and other funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Major Fund</u>		Other Governmental Funds	Total
	General Fund	Debt Service Fund		
Property Taxes - Delinquent	\$4,713,816	\$410,458	\$ -	\$5,124,274
Receivables from Other Governments	5,462,705	-	145,409	5,608,114
Other Receivables	330,828	823	98,374	430,025
Gross Receivables	10,507,349	411,281	243,783	11,162,413
Less : Allowance for Uncollectible Taxes	(235,691)	(20,523)	-	(256,214)
Total Receivables (Net)	<u>\$10,271,658</u>	<u>\$390,758</u>	<u>\$243,783</u>	<u>\$10,906,199</u>

These amounts are expected to be collected within one year. Delinquent property taxes may be collected over several years, which are considered reasonable.

The amounts reflected as Receivables from Other Governments above are comprised of the following:

	<u>Major Fund</u>		Other Governmental Funds	Total
	General Fund			
Due From State Agencies	\$ 5,465,368	\$ 9,057	\$ 5,474,425	
Due From (To) Federal Agencies	(2,916)	134,609	131,693	
Due From Other Governmental Agencies	253	1,743	1,996	
	<u>\$ 5,462,705</u>	<u>\$ 145,409</u>	<u>\$ 5,608,114</u>	

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**B. RECEIVABLES (continued)**

The amount reflected as Other Receivables above is comprised of the following:

	<u>Major Fund</u>		
	General	Other	
	Fund	Governmental	
		Funds	Total
Taxes	\$ 330,828	\$ 823	\$ 331,651
Campus Activity Funds	-	3,251	3,251
Summer Food Service	-	95,123	95,123
Others		-	-
	<u>\$ 330,828</u>	<u>\$ 99,197</u>	<u>\$ 430,025</u>

**C. UNEARNED REVENUE AND DEFERRED INFLOWS**

As of August 31, 2017, the unavailable revenue reported as deferred inflows of resources in the governmental funds were as follows:

	<u>Major Fund</u>			
	General	Debt	Special	
	Fund	Service	Revenue	Total
Unavailable Revenue-Property Taxes	\$ 4,478,175	\$ 417,184	\$ -	\$ 4,895,359
	<u>\$ 4,478,175</u>	<u>\$ 417,184</u>	<u>\$ -</u>	<u>\$ 4,895,359</u>

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**D. DUE TO / DUE FROM OTHER FUNDS AND TRANSFERS IN / OUT**

The amounts due to/from other funds as of August 31, 2017 are as follows:

	Receivable	Payable
General Fund:		
Payroll	\$ 200,000	
Special Revenue	538,492	\$ -
Capital Projects		\$ 1,953,483
Total General Fund	<u>738,492</u>	<u>1,953,483</u>
Special Revenue Funds:		
General Fund	<u>209,561</u>	<u>760,256</u>
Total Special Revenue Fund	<u>209,561</u>	<u>760,256</u>
Trust & Agency Fund		
General Fund	1,753,483	-
Special Revenue	12,203	\$ -
Total Trust & Agency Fund	<u>1,765,686</u>	<u>-</u>
Total Interfund Receivables and Payables	<u>\$ 2,713,739</u>	<u>\$ 2,713,739</u>

Receivables in the General Fund represent amounts transferred to Capital Projects Fund for construction pending repayment, Special Revenue Funds pending reimbursement from grantors and amounts due from the Debt Service Fund for property tax collections allocated to the General Fund. These interfund balances are expected to be repaid within one year from the date of the financial statements.

Transfers during the year ended August 31, 2017 were as follows:

	Transfers In	Transfers Out
Governmental Funds:		
<i>General Fund:</i>		
Other Governmental Funds	-	361,522
<i>Other Governmental Funds:</i>		
Other Governmental Funds	<u>361,522</u>	<u>-</u>
Total transfers - Governmental Funds	<u>\$ 361,522</u>	<u>\$ 361,522</u>

The transfer from the General Fund to Other Governmental Funds was for (1) subsidizing the Child Nutrition Program for meals served to students that meet the "reduced" payment status.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**E. CAPITAL ASSETS**

Capital asset activity for the governmental activities for the year ended August 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Reclass	Ending Balance
<b>Governmental Activities</b>					
<i>Capital Assets, Not Being Depreciated</i>					
Land	\$ 275,681	\$ -	\$ -	\$ -	\$ 275,681
Land Improvements	449,993	-	-	-	449,993
Construction in Progress	2,286,908	2,116,692	-	(4,403,600)	-
Total Capital Assets, Not Being Depreciated	3,012,582	2,116,692	-	(4,403,600)	725,674
<i>Capital Assets, Being Depreciated</i>					
Building and Improvements	116,205,941	4,403,600	-	-	120,609,541
Furniture and Equipment	5,808,269	89,625	(511,537)	-	5,386,357
Total Capital Assets, Being Depreciated	122,014,210	4,493,225	(511,537)	-	125,995,898
<i>Accumulated Depreciated For:</i>					
Buildings and Improvements	(38,248,517)	(2,997,547)	-	-	(41,246,064)
Furniture and Equipment	(4,337,492)	(368,100)	-	-	(4,705,592)
Total Accumulated Depreciation	(42,586,009)	(3,365,647)	-	-	(45,951,656)
Total Capital Assets, Being Depreciated, Net	79,428,201	1,127,578	(511,537)	-	80,044,242
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 82,440,783</b>	<b>\$ 3,244,270</b>	<b>\$ (511,537)</b>	<b>\$ (4,403,600)</b>	<b>\$ 80,769,916</b>

Depreciation expenses were charged to various functions of the District as follows:

**Governmental Activities:**

Instruction	\$ 1,183,001
Instructional Resources & Media Services	139,285
Curriculum & Instructional Staff Development	56,654
Instructional Leadership	333
School Leadership	84,475
Guidance, Counseling & Evaluation Services	18,372
Social Work Services	11,339
Health Services	15,062
Student (Pupil) Transportation	218,115
Food Services	237,556
Co-curriculum/Extracurricular Activities	1,170,793
General Administration	2,710
Plant and Maintenance Operations	134,487
Security	20,840
Data Processing Services	70,111
Community Services	628
Facilities Acquisition and Construction	1,886
Total Depreciation Expense, Governmental Activities	<u>\$ 3,365,647</u>

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**F. LONG TERM INVESTMENT**

For long term investments, the District applies specific identification for purposes of credit risk. The District's investment policy does not address concentration of credit risk as related to the long term investment.

**G. DUE TO OTHER GOVERNMENTS**

The amount reflected as due to other governments is comprised of the following:

	<u>Major Fund</u>		Total
	General Fund	Other Governmental Funds	
Due To:			
Texas Education Agency	\$ -	\$ 184,656	\$ 184,656

**H. GENERAL FUND FEDERAL SOURCE REVENUES**

The following federal source revenues are included in the General Fund:

Program or Source	CFDA Number	Amount
Summer Feeding Program	10.559	\$ 23,443
National School Lunch Program	10.555	1,001,208
School Breakfast Program	10.553	297,607
JROTC	12.NA	27,732
		<u>\$ 1,349,990</u>

**I. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES**

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

	<u>Major Fund</u>		Total
	General Fund	Debt Service Fund	
Property Taxes	\$37,997,609	\$ 3,305,938	\$41,303,547
Penalties, Interest and Other Tax Revenue	32,890	(21,261)	11,629
Food Sales	75,565	-	75,565
Rent	11,115	-	11,115
Investment Income	251,020	4,109	255,129
Athletic Activity	61,128	-	61,128
Contribution	16,000	-	16,000
Other Revenues from Local Sources	95,514	94,585	190,099
	<u>\$38,540,841</u>	<u>\$3,383,371</u>	<u>\$41,924,212</u>

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**J. DEFERRED INFLOWS OF RESOURCES**

At August 31, 2017, unavailable revenues reported as deferred inflows of resources in the governmental funds were as follows:

	General Fund	Debt Service	Other Funds	Total
Property Taxes Receivable	\$4,713,816	\$410,458	\$ -	\$5,124,274
Allowance for Uncollectibles	(235,691)	(20,523)	-	(256,214)
Unavailable Revenues for Property Taxes	4,478,125	389,935	-	4,611,503
Other	-	-	27,249	27,249
	<u>\$4,478,125</u>	<u>\$389,935</u>	<u>\$27,249</u>	<u>\$4,895,309</u>

The unavailable revenue of \$4,611,503 relates to uncollected property taxes, less allowance for uncollectible amounts. These are shown as deferred inflows of resources in Exhibit C-1 in accordance with GASB Statement No. 65.

**K. LONG TERM DEBT**

- a) During fiscal year 2012, the District issued \$ 35,965,000 in Unlimited Tax School Building Bonds, Series 2012. The bonds were issued for constructing, renovating, designing, acquiring, and equipping school facilities and acquiring necessary sites for school facilities. The bonds have an annual interest rate of 2% to 5%. During 2017 the District refunded \$6,950,000 of these bonds with the issuance of Unlimited Tax Refunding Bonds, Series 2017.
- b) During fiscal year 2013, the District issued \$ 9,300,000 in Unlimited Tax School Building Bonds, Series 2013. The bonds were issued for constructing, renovating, designing, acquiring, and equipping school facilities and acquiring necessary sites for school facilities. The bonds have an annual interest rate of 3.5% to 5%.
- c) During fiscal year 2015, the District issued \$ 5,340,000 in Unlimited Tax Refunding Bonds, Series 2015. The proceeds were used to defease the Unlimited Tax Refunding Bonds, Series 2005 and to pay bond issue costs. The bonds have an annual interest rate of 2% to 4%.
- d) During fiscal year 2017, the District issued \$6,880,000 in Unlimited Tax Refunding Bonds, Series 2017. The proceeds were used to defease \$6,950,000 of Unlimited Tax Refunding Bonds, Series 2012 and to pay related bond issue costs. The bonds have an annual interest rate of 2% to 4.5%.



**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**K. LONG TERM DEBT (continued)**

Long-term liability activity for the year-ended August 31, 2017 was as follows:

	Beginning Balance	Additions	Reductions,	Ending Balance	Amounts Due Within One Year
Unlimited Tax School Building Bonds, Series 2012	\$ 31,815,000	\$ -	\$ (7,695,000)	\$ 24,120,000	\$ 760,000
Unlimited Tax School Building Bonds, Series 2013	8,370,000	-	(335,000)	8,035,000	350,000
Unlimited Tax Refunding Bonds, Series 2015	4,990,000	-	(290,000)	4,700,000	295,000
Unlimited Tax Refunding Bonds, Series 2017	-	6,880,000	(90,000)	6,790,000	-
Unamortized Premium ,Series 2017	-	1,328,965	(83,061)	1,245,904	
<b>Total Bonds Payable</b>	<u>\$ 45,175,000</u>	<u>\$ 8,208,965</u>	<u>\$ (8,493,061)</u>	<u>\$ 44,890,904</u>	<u>\$ 1,405,000</u>

Payments on bonds that pertain to the District's governmental activities are made from the Debt Service Fund.

Included in the reduction column is \$6,950,000 of Unlimited Tax School Building, Series 2012 defeased during 2017 and \$745,000 of annual payments.

Any compensated absences liability attributable to governmental activity has typically been liquidated by the General Fund.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**K. LONG TERM DEBT (continued)**

The annual debt service requirements to maturity for all bonds outstanding are as follows:

Year Ended August 31,	Principal	Interest	Total Requirements
2018	\$1,405,000	\$1,742,038	\$3,147,038
2019	1,455,000	1,696,388	3,151,388
2020	1,505,000	1,645,538	3,150,538
2021	1,560,000	1,584,688	3,144,688
2022	1,615,000	1,529,888	3,144,888
2023 - 2027	9,030,000	6,715,088	15,745,088
2028 - 2032	10,090,000	4,690,088	14,780,088
2033 - 2037	8,075,000	2,667,250	10,742,250
2038 - 2042	8,910,000	1,097,200	10,007,200
Total	\$ <u>43,645,000</u>	\$ <u>23,368,166</u>	\$ <u>67,013,166</u>

**Net Pension Liability Activity**

	Beginning Balance	Additions	Reductions	Ending Balance
Changes in net pension liability	<u>\$ 5,777,276</u>	<u>\$ 6,472,916</u>	<u>\$ (1,065,141)</u>	<u>\$ 11,185,051</u>

**Advanced Refunding and Defeased Debt**

On May 10, 2017 the District issued \$6,880,000 Unlimited Tax Refunding Bonds, Series 2017 for the purpose of refunding certain obligations of the District. The proceeds were used on a partial refund of \$6,950,000 of Unlimited Tax School Building Bonds, Series 2012. The initial 2017 Refunded bonds carried a principal amount of \$6,880,000 but were sold at a premium amount of \$1,380,684. The District's principal and premium (\$6,880,000 plus \$1,380,684 less underwriters' discount of \$51,718 or a total of \$8,208,966 was deposited in the Escrow Agents' Escrow Fund bank account. The Escrow Agent disbursed issuance costs, paying and escrow agent fees of \$131,415, after these disbursements a net amount of \$8,077,549 was left in the Escrow Fund in accordance with the Escrow Agreement. Net present value savings of \$628,856 was realized as a result of this refunding.

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. On August 31, 2017 \$12,055,000 (Series 2005 and 2012) of bonds considered defeased are still outstanding.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**K. LONG TERM DEBT (continued)**

Arbitrage Payable

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income received at yields that exceed the issuer's tax exempt borrowing rates. The Treasury requires payment for each issue every five years. The liability is not recorded until payment is actually made or the liability has become due and payable. The District does not have an arbitrage liability as of August 31, 2017.

**L. DEFINED BENEFIT PENSION PLAN**

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

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

**Pension Plan Fiduciary Net Position** Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [http://www.trs.texas.gov/TRS%20Documents/cafr\\_2016.pdf](http://www.trs.texas.gov/TRS%20Documents/cafr_2016.pdf); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

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

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**L. DEFINED BENEFIT PENSION PLAN (continued)**

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

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

	<u>Contribution Rates</u>	
	<u>2017</u>	<u>2016</u>
Member	7.2%	7.2%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
2017 Employer Contributions	\$	1,072,614
2017 Member Contributions	\$	389,422
2017 NECE On-Behalf Contributions	\$	898,622

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. 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, 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 including public 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 source or a privately sponsored source.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**L. DEFINED BENEFIT PENSION PLAN (continued)**

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 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.

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

Valuation Date	August 31, 2016
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term expected Investment Rate of Return	8.00%
Inflation	2.50%
Salary Increases Including Inflation	3.50% to 9.50%
Payroll Growth Rate	2.50%
Benefit Changes During The Year	None
Ad hoc post employment benefit changes	None

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

**Discount Rate** The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. 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.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

L. DEFINED BENEFIT PENSION PLAN (continued)

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2016 are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Rate of Return*
<b>Global Equity</b>			
U.S.	18%	4.6%	1.0%
Non-U.S. Developed	13%	5.1%	.8%
Emerging Markets	9%	5.9%	.7%
Directional Hedge Funds	4%	3.2%	0.1%
Private Equity	13%	7.0%	1.1%
<b>Stable Value</b>			
U.S. Treasuries	11%	.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%
<b>Real Return</b>			
Global Inflation Linked Bonds	3%	.9%	0.0%
Real Assets	16%	5.1%	1.1%
Energy and Natural Resources	3%	6.6%	0.2%
Commodities	0%	1.2%	0.0%
<b>Risk Parity</b>			
Risk Parity	5%	6.7%	0.3%
Inflation Expectations	-	-	2.2%
Alpha	-	-	1.0%
<hr/>			
<b>Total</b>	<u>100%</u>		<u>8.7%</u>

*\*The Expected Contribution to Returns incorporated the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.*

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

L. DEFINED BENEFIT PENSION PLAN (continued)

**Discount Rate Sensitivity Analysis** The following schedule shows the impact of the Net Pension Liability if the discounted rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2016 Net Pension Liability:

	1% Decrease In Discount rate 7%	Discount Rate 8%	1% Increase In Discount rate 9%
Proportionate share of the net pension liability:	\$ 8,369,414	\$ 5,407,775	\$ 2,895,706

**Pension Liabilities, Pension Expense, and Deferred outflows of Resources and Deferred Inflows of Resources Related to Pensions.**

At August 31, 2016, the District reported a liability of \$5,407,775 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	\$5,407,775
State's proportionate share that is associated with the District	<u>8,659,231</u>
Total Collective Net Pension Liability	<u>\$14,067,006</u>

The net pension liability was measured as of August 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's portion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period of September 1, 2015 through August 31, 2016.

At August 31, 2016 the employer's proportion of the collective net pension liability was 0.0143106% which was a decrease of .00020331% from its proportion measured as of August 31, 2015.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**L. DEFINED BENEFIT PENSION PLAN (continued)**

**Changes since the Prior Actuarial Valuation.**

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

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

For the year ended August 31, 2017, the District recognized pension expense of \$898,622 and revenue of \$898,622 for support provided by the State.

At August 31, 2017 the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Amount
Difference between expected and actual economic experiences	\$ 84,793	\$ (161,473)	\$ (76,680)
Changes in actuarial assumptions	164,819	(149,896)	14,923
Differences between projected and actual investment earnings	457,920	-	457,920
Changes in proportion and differences between the employer's contribution and the proportionate share of contributions	933,810	(397,796)	536,014
Total as of August 31, 2016 measurement date	<u>\$ 1,641,342</u>	<u>\$ (709,165)</u>	<u>\$ 932,177</u>

The net amounts of the employer'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
2018	\$ 163,972
2019	163,972
2020	456,056
2021	141,534
2022	53,700
Thereafter	(47,057)
	<u>\$ 932,177</u>



**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**M. HEALTH CARE COVERAGE - RETIREES AND ACTIVE EMPLOYEES**

**Plan Description.** The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit post-employment health care plan administered by the Teacher Retirement System of Texas. TRS-Care provides health care coverage for certain persons (and their dependents) who retire under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Texas Insurance Code Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by phoning the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet Website, [www.trs.state.tx.us](http://www.trs.state.tx.us) under the TRS Publications heading.

**Funding Policy** Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The Contribution Rate for the State was 1.00% for 2015, 2016 and 2017. The contribution rate for the district was 0.55% for each of these three years. The contribution rate for active employees was 0.65% of the district payroll for each of the three years. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For staff members funded by federal programs, the federal programs are required to contribution 1.0 %.

The statutory authority for the program is the Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS Web site at [www.trs.state.tx.us](http://www.trs.state.tx.us) under the TRS Publications heading, by writing to the communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling 1-800-223-8778.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**M. HEALTH CARE COVERAGE RETIREES AND ACTIVE EMPLOYEES (continued)**

**Contributions** Contributions made by the State on behalf of the District are recorded in the governmental funds financial statements as both revenue and expenditures. State contributions to TRS made on behalf of the District's employees as well as the District's required contributions and federal grant program contributions for the years ended August 31, 2017, 2016 and 2015 are as follows:

Contribution Rates and Amounts						
Fiscal Year	Active Member		On-Behalf State		District Annual Required Contribution (ARC)	
	Rate	Amount	Rate	Amount	Rate	Amount
2017	0.65%	\$90,518	1.00%	\$138,232	0.55%	\$76,589
2016	0.65%	\$91,419	1.00%	\$140,641	0.55%	\$77,352
2015	0.65%	92,091	1.0%	141,671	0.55%	77,919

**Medicare Part D** The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal year ended August 31, 2017, 2016, and 2015 the subsidy payments received by TRS-Care on-behalf of the District were \$43,580, \$56,912 and \$60,475 respectively. The information for the year ended August 31, 2017 is an estimate provided by the Teacher Retirement System. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

**N. HEALTH CARE COVERAGE**

During the year-ended August 31, 2017, employees of the District were covered by a District Health Plan ("the Plan"). The District paid premiums of \$ 389.75 per month per employee to the plan. Employees, at their option, authorize payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**O. ACCRUED EXPENDITURES - GOVERNMENTAL FUNDS**

Accrued expenditures consist of the following amounts as of August 31, 2017

Workmen's compensation insurance estimated liability for claims based on the District's self-insurance program	\$ 228,952
Excess charges over amounts paid related to the District's practice of expensing paper usage to each general fund activity and crediting the accrued expenditures account	(19580)
Other accrued expenditures	<u>1696</u>
Total accrued expenditures	<u><u>\$ 211,068</u></u>

**P. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District participates in the Texas Association School Board (TASB) Risk Management Fund (Fund), which provides coverage for covered losses related to general liability coverage, auto liability, crime, and physical damage coverage. The Fund is not an insurance company; rather, the coverage Agreement is an agreement between the Fund, and the Fund members to pay all covered losses subject to all provisions of the Agreement.

The District pays an annual premium for the general liability, auto liability, crime, and physical damage coverage. There were no significant reductions in coverage from the past fiscal year and settled claims resulting from this risk have not exceeded insurance coverage in any of the past three years.

**Q. WORKER'S COMPENSATION**

The District participates in Workers' Compensation Solutions (WCS) a modified self-funded program. WCS is a cooperative agency established by participating school districts. Under this program, WCS computes a premium by utilizing the District's payroll, by fiscal year, and other factors. The premium is used as the basis to determine the amount of the District's fixed administrative costs and maximum loss fund. During the year, the District paid \$194,690 in fees, which was assessed at \$72,186 of fixed costs (i.e. administrative fees) plus 10% of the maximum loss fund for 2016-2017 of \$8,553. The District is also required to maintain, throughout the year, a deposit with WCS equal to 10% of the maximum loss fund for each fiscal year. The District received a refund corresponding to the maximum loss fund of \$1,199. The maximum loss fund represents the maximum estimated amount in workers compensation claims for which the District is contractually liable. WCS is liable for amounts above the maximum loss fund.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**Q. WORKER'S COMPENSATION (continued)**

Governmental accounting standards require that liabilities be recognized based on reasonable estimates based on historical experience and/or actuarial methods. In prior years, the District had recognized the self-insurance fund liabilities based on the maximum loss contractual estimates. The maximum loss contractual estimates have not been exceeded in the last ten (10) years.

**R. COMMITMENTS AND CONTINGENCIES**

Legal Proceedings

The District was not involved in any significant litigation during the fiscal year and is not currently involved in any material litigation.

State and Federal Programs

The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the District's independent and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable fund. Based on prior experience, the District administration believes such disallowance, if any, would be immaterial.

**S. GENERAL FUND BUDGETARY HIGHLIGHTS**

Actual revenues generated in the General Fund by the District of \$46.7 million were over budgeted revenues of \$45.9 million or by \$731.0 thousand. Local and Intermediate revenues were \$354.3 thousand less than the budgeted amount due to decreased delinquent property tax collection and interest income. However, State revenues realized were \$1.2 million more than the budgeted amount, due to an increase foundation school program and available school fund state aid. Federal revenues realized were 144.2 thousand less than the budgeted amount due mainly to the miscellaneous revenue.

Budgeted General Fund expenditures for the fiscal year were \$54.2 million. Actual expenditures for the fiscal year were \$53.3 million, resulting in a favorable variance of \$958.1 thousand. The most significant factor was student(pupil) transportation and carry-over costs of on-going construction and projects not scheduled for completion until fiscal year 2016 - 2017. Additional contributing factors were reduced costs in all expenditure function of the budget.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**T. ONGOING CAPITAL EXPENDITURES**

The Board of Trustees of the District approved several capital expenditures from the unrestricted fund balance in the General Fund that were not completed as of August 31, 2017. The District intends to continue appropriations for these expenditures.

Project Name	Amount
Vehicles, Unit Cost Over \$5,000	\$ 267,784
General Equipment (Golf Cart)	7,573
	<u>\$ 275,357</u>

**U. INCREMENTAL COST ASSOCIATED WITH CHAPTER 41**

Expenditures of \$ 27,690,202 for incremental costs associated with Chapter 41 consist of Chapter 41 recapture payments to TEA. Under Texas State Law (TEC Chapter 41), the State recaptured ad valorem taxes collected by the District; recapture is a mechanism in state funding formulas that ensures that a district's property wealth per student does not exceed certain levels, known as equalized wealth levels. A district is subject to the provisions of Chapter 41 if its property wealth per Weighted Average Daily Attendance (WADA) exceeds certain equalized wealth levels set in statute. The District paid the state \$27,690,202 in the current year based on the latest recapture estimates provided by TEA.

**V. PRIOR PERIOD ADJUSTMENTS**

The District made the following prior-period adjustment to the Government-Wide Financial statements during the fiscal year ending August 31, 2017

- The District reclassified the Campus Activity Funds to a new fund.
- Entries made to account for prior years taxes collected in current year.

**W. SUBSEQUENT EVENTS**

Subsequent events were evaluated through January 26, 2018, the date the financial statements were available to be issued.

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **REQUIRED SUPPLEMENTARY INFORMATION**

CARRIZO SPRINGS CONSOLIDATED IS D  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
	REVENUES:				
5700	Total Local and Intermediate Sources	\$ 37,783,310	\$ 38,895,184	\$ 38,540,841	\$ (354,343)
5800	State Program Revenues	5,427,858	5,522,466	6,751,967	1,229,501
5900	Federal Program Revenues	161,750	1,528,803	1,384,626	(144,177)
5020	Total Revenues	43,372,918	45,946,453	46,677,434	730,981
	EXPENDITURES:				
	Current:				
0011	Instruction	11,001,125	11,064,239	11,455,094	(390,855)
0012	Instructional Resources and Media Services	390,217	378,236	298,961	79,275
0013	Curriculum and Instructional Staff Development	445,885	423,716	347,922	75,794
0021	Instructional Leadership	470,639	540,115	426,734	113,381
0023	School Leadership	1,300,521	1,336,173	1,233,972	102,201
0031	Guidance, Counseling and Evaluation Services	590,073	533,736	503,942	29,794
0032	Social Work Services	34,959	34,773	47,430	(12,657)
0033	Health Services	230,653	233,253	173,402	59,851
0034	Student (Pupil) Transportation	602,210	969,982	713,509	256,473
0035	Food Services	1,120	1,929,440	1,810,800	118,640
0036	Extracurricular Activities	968,224	1,104,199	977,343	126,856
0041	General Administration	1,165,097	1,165,074	1,082,588	82,486
0051	Facilities Maintenance and Operations	2,898,444	3,173,719	3,004,832	168,887
0052	Security and Monitoring Services	294,915	361,384	315,049	46,335
0053	Data Processing Services	498,632	579,859	573,469	6,390
0061	Community Services	300	300	153	147
	Capital Outlay:				
0081	Facilities Acquisition and Construction	-	2,016,769	2,014,806	1,963
	Intergovernmental:				
0091	Contracted Instructional Services Between Schools	25,315,977	27,759,220	27,690,202	69,018
0093	Payments to Fiscal Agent/Member Districts of SSA	40,000	47,004	43,898	3,106
0099	Other Intergovernmental Charges	568,828	568,828	547,790	21,038
6030	Total Expenditures	46,817,819	54,220,019	53,261,896	958,123
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,444,901)	(8,273,566)	(6,584,462)	1,689,104
	OTHER FINANCING SOURCES (USES):				
7915	Transfers In	-	-	361,522	361,522
7949	Other Resources	-	367,383	-	(367,383)
8911	Transfers Out (Use)	367,383	(367,383)	(361,522)	5,861
7080	Total Other Financing Sources (Uses)	367,383	-	-	-
1200	Net Change in Fund Balances	(3,077,518)	(8,273,566)	(6,584,462)	1,689,104
0100	Fund Balance - September 1 (Beginning)	-	25,540,209	25,543,979	3,770
3000	Fund Balance - August 31 (Ending)	\$ (3,077,518)	\$ 17,266,643	\$ 18,959,517	\$ 1,692,874



CARRIZO SPRINGS CONSOLIDATED I S D  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2017

	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
District's Proportion of the Net Pension Liability (Asset)	1.43106%	1.63437%	0.0114199%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 5,407,775	\$ 5,777,280	\$ 3,050,412
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	8,659,231	8,634,779	7,242,508
Total	<u>\$ 14,067,007</u>	<u>\$ 14,412,061</u>	<u>\$ 10,292,920</u>
District's Covered-Employee Payroll	\$ 14,126,795	\$ 14,166,259	\$ 13,951,435
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	38.28%	40.78%	21.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.27%	78.43%	83.25%

Note: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2016 for Year 2017, August 31, 2015 for Year 2016 and August 31, 2014 for 2015.

Note: In accordance with GASB 68, Paragraph 138, only three years of data are presented this reporting period. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

CARRIZO SPRINGS CONSOLIDATED I S D  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR FISCAL YEAR 2017

	2017	2016	2015
Contractually Required Contribution	\$ 449,311	\$ 436,792	\$ 479,469
Contribution in Relation to the Contractually Required Contribution	(449,311)	(436,792)	(479,469)
Contribution Deficiency (Excess)	\$ -0-	\$ -0-	\$ -0-
District's Covered-Employee Payroll	\$ 15,032,169	\$ 14,354,571	\$ 14,166,259
Contributions as a Percentage of Covered-Employee Payroll	2.99%	3.04%	3.39%

Note: GASB 68, Paragraph 81 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 for the respective fiscal years.

Note: In accordance with GASB 68, Paragraph 138, the years of data presented this reporting period are those for which data is available. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

## **OTHER SUPPLEMENTARY INFORMATION**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**NON MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**

CARRIZO SPRINGS CONSOLIDATED I S D  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AUGUST 31, 2017

Data Control Codes		206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant
<b>ASSETS</b>				
1110	Cash and Cash Equivalents	\$ 6,995	\$ -	\$ 12,084
1220	Property Taxes - Delinquent	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-
1240	Receivables from Other Governments	-	61,974	7,093
1290	Other Receivables	-	-	-
1000	Total Assets	<u>\$ 6,995</u>	<u>\$ 61,974</u>	<u>\$ 19,177</u>
<b>LIABILITIES</b>				
2110	Accounts Payable	\$ 958	\$ 287	\$ 1,605
2160	Accrued Wages Payable	-	9,963	-
2170	Due to Other Funds	6,037	51,163	17,055
2180	Due to Other Governments	-	-	-
2200	Accrued Expenditures	-	561	517
2300	Unearned Revenues	-	-	-
2000	Total Liabilities	<u>6,995</u>	<u>61,974</u>	<u>19,177</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601	Unavailable Revenue - Property Taxes	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
3480	Retirement of Long-Term Debt	-	-	-
3490	Other Restricted Fund Balance	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 6,995</u>	<u>\$ 61,974</u>	<u>\$ 19,177</u>

224 IDEA - Part B Formula	225 IDEA - Part B Preschool	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	289 Other Federal Special Revenue Funds	410 State Textbook Fund
\$ 219,413	\$ -	\$ 11,646	\$ 254,145	\$ 127,186	\$ -	\$ 3,595	\$ 7,177
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
265,216	1,247	-	(254,145)	2,726	2,556	-	32,008
-	-	95,123	-	-	-	-	-
<u>\$ 484,629</u>	<u>\$ 1,247</u>	<u>\$ 106,769</u>	<u>\$ -</u>	<u>\$ 129,912</u>	<u>\$ 2,556</u>	<u>\$ 3,595</u>	<u>\$ 39,185</u>
\$ -	\$ -	\$ -	\$ -	\$ 19	\$ -	\$ 1,113	\$ -
-	-	-	-	-	-	-	-
302,066	628	18,406	-	128,150	2,556	-	-
182,563	-	-	-	1,743	-	-	-
-	619	-	-	-	-	-	-
-	-	-	-	-	-	-	25,499
<u>484,629</u>	<u>1,247</u>	<u>18,406</u>	<u>-</u>	<u>129,912</u>	<u>2,556</u>	<u>1,113</u>	<u>25,499</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	88,363	-	-	-	2,482	13,686
-	-	88,363	-	-	-	2,482	13,686
<u>\$ 484,629</u>	<u>\$ 1,247</u>	<u>\$ 106,769</u>	<u>\$ -</u>	<u>\$ 129,912</u>	<u>\$ 2,556</u>	<u>\$ 3,595</u>	<u>\$ 39,185</u>

CARRIZO SPRINGS CONSOLIDATED I S D  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AUGUST 31, 2017

Data Control Codes		429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds	511 Debt Service
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ -	\$ 76,816	\$ 719,057	\$ 425,574
1220	Property Taxes - Delinquent	-	-	-	410,458
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	(20,523)
1240	Receivables from Other Governments	26,734	-	145,409	-
1290	Other Receivables	-	3,251	98,374	823
1000	Total Assets	<u>\$ 26,734</u>	<u>\$ 80,067</u>	<u>\$ 962,840</u>	<u>\$ 816,332</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ 611	\$ 4,593	\$ -
2160	Accrued Wages Payable	-	-	9,963	-
2170	Due to Other Funds	24,634	-	550,695	-
2180	Due to Other Governments	350	-	184,656	-
2200	Accrued Expenditures	-	-	1,697	-
2300	Unearned Revenues	1,750	-	27,249	-
2000	Total Liabilities	<u>26,734</u>	<u>611</u>	<u>778,853</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
2601	Unavailable Revenue - Property Taxes	-	-	-	389,935
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>389,935</u>
<b>FUND BALANCES</b>					
Restricted Fund Balance:					
3480	Retirement of Long-Term Debt	-	-	-	426,397
3490	Other Restricted Fund Balance	-	79,456	183,987	-
3000	Total Fund Balances	<u>-</u>	<u>79,456</u>	<u>183,987</u>	<u>426,397</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 26,734</u>	<u>\$ 80,067</u>	<u>\$ 962,840</u>	<u>\$ 816,332</u>



620	Total Nonmajor Governmental Funds
\$ -	\$ 1,144,631
-	410,458
-	(20,523)
-	145,409
-	99,197
<u>\$ -</u>	<u>\$ 1,779,172</u>
\$ -	\$ 4,593
-	9,963
-	550,695
-	184,656
-	1,697
-	27,249
<u>-</u>	<u>778,853</u>
-	389,935
<u>-</u>	<u>389,935</u>
-	426,397
-	183,987
<u>-</u>	<u>610,384</u>
<u>\$ -</u>	<u>\$ 1,779,172</u>

CARRIZO SPRINGS CONSOLIDATED I S D  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes		206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant
<b>REVENUES:</b>				
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-
5900	Federal Program Revenues	-	682,820	233,404
5020	Total Revenues	-	682,820	233,404
<b>EXPENDITURES:</b>				
Current:				
0011	Instruction	-	294,280	90,458
0012	Instructional Resources and Media Services	-	-	-
0013	Curriculum and Instructional Staff Development	-	216,791	4,129
0021	Instructional Leadership	-	92,979	68,002
0023	School Leadership	-	259	-
0031	Guidance, Counseling and Evaluation Services	-	19,966	65,986
0035	Food Services	-	-	-
0036	Extracurricular Activities	-	-	-
0041	General Administration	-	-	-
0051	Facilities Maintenance and Operations	-	62	-
0061	Community Services	-	58,483	4,829
Debt Service:				
0071	Principal on Long Term Debt	-	-	-
0072	Interest on Long Term Debt	-	-	-
0073	Bond Issuance Cost and Fees	-	-	-
6030	Total Expenditures	-	682,820	233,404
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7901	Refunding Bonds Issued	-	-	-
7916	Premium or Discount on Issuance of Bonds	-	-	-
8940	Payment to Bond Refunding Escrow Agent (Use)	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-
1200	Net Change in Fund Balance	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	-	-
1300	Prior Period Adjustment	-	-	-
3000	Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -

224 IDEA - Part B Formula	225 IDEA - Part B Preschool	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	289 Other Federal Special Revenue Funds	410 State Textbook Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	436
338,817	6,909	30,389	36,102	79,472	10,083	24,081	-
338,817	6,909	30,389	36,102	79,472	10,083	24,081	436
64,143	6,909	-	23,751	33,090	9,933	3,660	436
-	-	-	-	-	-	-	-
27,308	-	-	5,582	36,377	-	1,056	-
119,749	-	-	5,825	364	150	-	-
-	-	-	944	8,376	-	19,365	-
126,988	-	-	-	-	-	-	-
-	-	18,743	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,265	-	-	-
-	-	-	-	-	-	-	-
629	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
338,817	6,909	18,743	36,102	79,472	10,083	24,081	436
-	-	11,646	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	11,646	-	-	-	-	-
-	-	76,717	-	-	-	2,482	13,686
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ 88,363	\$ -	\$ -	\$ -	\$ 2,482	\$ 13,686

CARRIZO SPRINGS CONSOLIDATED I S D  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes		429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds	511 Debt Service
<b>REVENUES:</b>					
5700	Total Local and Intermediate Sources	\$ -	\$ 94,585	\$ 94,585	\$ 3,288,786
5800	State Program Revenues	49,990	-	50,426	8,775
5900	Federal Program Revenues	-	-	1,442,077	-
5020	Total Revenues	49,990	94,585	1,587,088	3,297,561
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	22,381	-	549,041	-
0012	Instructional Resources and Media Services	27	9,511	9,538	-
0013	Curriculum and Instructional Staff Development	27,582	-	318,825	-
0021	Instructional Leadership	-	-	287,069	-
0023	School Leadership	-	11,938	40,882	-
0031	Guidance, Counseling and Evaluation Services	-	-	212,940	-
0035	Food Services	-	-	18,743	-
0036	Extracurricular Activities	-	115,023	115,023	-
0041	General Administration	-	-	1,265	-
0051	Facilities Maintenance and Operations	-	-	62	-
0061	Community Services	-	-	63,941	-
Debt Service:					
0071	Principal on Long Term Debt	-	-	-	1,459,999
0072	Interest on Long Term Debt	-	-	-	1,732,080
0073	Bond Issuance Cost and Fees	-	-	-	133,416
6030	Total Expenditures	49,990	136,472	1,617,329	3,325,495
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(41,887)	(30,241)	(27,934)
<b>OTHER FINANCING SOURCES (USES):</b>					
7901	Refunding Bonds Issued	-	-	-	6,880,000
7916	Premium or Discount on Issuance of Bonds	-	-	-	1,328,965
8940	Payment to Bond Refunding Escrow Agent (Use)	-	-	-	(8,077,550)
7080	Total Other Financing Sources (Uses)	-	-	-	131,415
1200	Net Change in Fund Balance	-	(41,887)	(30,241)	103,481
0100	Fund Balance - September 1 (Beginning)	-	-	92,885	322,916
1300	Prior Period Adjustment	-	121,343	121,343	-
3000	Fund Balance - August 31 (Ending)	\$ -	\$ 79,456	\$ 183,987	\$ 426,397

620	Total Nonmajor Governmental Funds
\$ -	\$ 3,383,371
-	59,201
-	1,442,077
-	4,884,649
-	549,041
-	9,538
-	318,825
-	287,069
-	40,882
-	212,940
-	18,743
-	115,023
-	1,265
-	62
-	63,941
-	1,459,999
-	1,732,080
-	133,416
-	4,942,824
-	(58,175)
-	6,880,000
-	1,328,965
-	(8,077,550)
-	131,415
-	73,240
-	415,801
-	121,343
\$ -	\$ 610,384

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **FIDUCIARY FUNDS**

CARRIZO SPRINGS CONSOLIDATED I S D  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE SEPTEMBER 1 2016	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2017
<b>CARRIZO SPRINGS HIGH SCHOOL</b>				
Assets:				
Cash and Temporary Investments	\$ 97,816	\$ 279,544	\$ 236,342	\$ 141,018
Liabilities:				
Due to Student Groups	\$ 97,816	\$ 279,544	\$ 236,342	\$ 141,018
<b>CARRIZO SPRINGS JUNIOR HIGH</b>				
Assets:				
Cash and Temporary Investments	\$ 46,015	\$ 71,707	\$ 82,258	\$ 35,464
Liabilities:				
Due to Student Groups	\$ 46,015	\$ 71,707	\$ 82,258	\$ 35,464
<b>CARRIZO SPRINGS ELEMENTARY</b>				
Assets:				
Cash and Temporary Investments	\$ 625	\$ 574	\$ 448	\$ 751
Liabilities:				
Due to Student Groups	\$ 625	\$ 574	\$ 448	\$ 751
<b>CARRIZO SPRINGS INTERMEDIATE</b>				
Assets:				
Cash and Temporary Investments	\$ 736	\$ 301	\$ 537	\$ 501
Liabilities:				
Due to Student Groups	\$ 736	\$ 302	\$ 537	\$ 501
<b>SUPERINTENDENT OFFICE-REVOLVING ACCOUNT</b>				
Assets:				
Cash and Temporary Investments	\$ 863	\$ 1,578	\$ 1,565	\$ 876
Liabilities:				
Due to Student Groups	\$ 863	\$ 1,578	\$ 1,565	\$ 876
<b>STUDENT NUTRITION</b>				
Assets:				
Cash and Temporary Investments	\$ 1,000	\$ 620	\$ 702	\$ 918
Liabilities:				
Due to Student Groups	\$ 1,000	\$ 620	\$ 702	\$ 918
<b>TOTAL AGENCY FUNDS</b>				
Assets:				
Cash and Temporary Investments	\$ 147,055	\$ 354,324	\$ 321,852	\$ 179,528
Liabilities:				
Due to Student Groups	\$ 147,055	\$ 354,325	\$ 321,852	\$ 179,528



## **REQUIRED TEA SCHEDULES**

CARRIZO SPRINGS CONSOLIDATED I S D  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FISCAL YEAR ENDED AUGUST 31, 2017

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2008 and prior years	Various	Various	\$ Various
2009	1.170000	0.067000	366,255,816
2010	1.170000	0.024000	414,346,824
2011	1.145000	0.055000	449,621,738
2012	1.040000	0.030000	1,086,487,881
2013	1.040000	0.100200	2,478,619,273
2014	1.060000	0.067000	5,010,098,049
2015	1.040000	0.100200	6,826,581,614
2016	1.060000	0.053300	5,929,822,282
2017 (School year under audit)	1.060000	0.092300	3,517,267,934
1000 TOTALS			

(10) Beginning Balance 9/1/2016	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2017
\$ 1,542,552	\$ -	\$ 29,572	\$ 3,893	\$ (376,689)	\$ 1,132,398
159,045	-	5,838	349	(761)	152,097
154,982	-	6,875	393	18,929	166,643
611,470	-	7,752	372	(162,539)	440,807
255,966	-	18,235	526	(1,839)	235,366
309,786	-	27,593	2,659	(2,497)	277,037
403,166	-	53,854	3,424	1,060	346,948
706,382	-	106,499	4,240	(61,753)	533,890
710,811	-	280,899	14,124	264,222	680,010
-	40,622,336	37,981,331	3,306,544	1,824,617	1,159,078
<u>\$ 4,854,160</u>	<u>\$ 40,622,336</u>	<u>\$ 38,518,448</u>	<u>\$ 3,336,524</u>	<u>\$ 1,502,750</u>	<u>\$ 5,124,274</u>

CARRIZO SPRINGS CONSOLIDATED I S D  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM  
FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 83,946	\$ 83,946	\$ 75,565	\$ (8,381)
5800 State Program Revenues	9,915	110,005	102,512	(7,493)
5900 Federal Program Revenues	1,346,516	1,367,053	1,298,815	(68,238)
5020 Total Revenues	1,440,377	1,561,004	1,476,892	(84,112)
EXPENDITURES:				
0035 Food Services	1,529,628	1,928,387	1,809,758	118,629
6030 Total Expenditures	1,529,628	1,928,387	1,809,758	118,629
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(89,251)	(367,383)	(332,866)	34,517
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	361,522	361,522
7949 Other Resources	367,383	367,383	-	(367,383)
7080 Total Other Financing Sources (Uses)	367,383	367,383	361,522	(5,861)
1200 Net Change in Fund Balances	278,132	-	28,656	28,656
0100 Fund Balance - September 1 (Beginning)	-	-	1,080	1,080
3000 Fund Balance - August 31 (Ending)	\$ 278,132	\$ -	\$ 29,736	\$ 29,736

CARRIZO SPRINGS CONSOLIDATED I S D  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 3,266,007	\$ 3,388,296	\$ 3,288,786	\$ (99,510)
5800	State Program Revenues	-	8,758	8,775	17
5020	Total Revenues	3,266,007	3,397,054	3,297,561	(99,493)
EXPENDITURES:					
Debt Service:					
0071	Principal on Long Term Debt	1,375,000	1,463,758	1,459,999	3,759
0072	Interest on Long Term Debt	1,874,523	1,794,523	1,732,080	62,443
0073	Bond Issuance Cost and Fees	16,484	16,484	133,416	(116,932)
6030	Total Expenditures	3,266,007	3,274,765	3,325,495	(50,730)
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	122,289	(27,934)	(150,223)
OTHER FINANCING SOURCES (USES):					
7901	Refunding Bonds Issued	-	-	6,880,000	6,880,000
7916	Premium or Discount on Issuance of Bonds	-	-	1,328,965	1,328,965
8940	Payment to Bond Refunding Escrow Agent (Use)	-	-	(8,077,550)	(8,077,550)
7080	Total Other Financing Sources (Uses)	-	-	131,415	131,415
1200	Net Change in Fund Balances	-	122,289	103,481	(18,808)
0100	Fund Balance - September 1 (Beginning)	-	322,916	322,916	-
3000	Fund Balance - August 31 (Ending)	\$ -	\$ 445,205	\$ 426,397	\$ (18,808)

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **STATISTICAL SECTION – UNAUDITED**

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

**THIS PAGE INTENTIONALLY LEFT BLANK**



## **FINANCIAL TRENDS**

*These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.*

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**NET ASSETS BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

**UNAUDITED**

**Fiscal Year**

	2008	2009	2010	2011
Primary Government				
Net Investment in Capital Assets	\$ 6,284,459	\$ 6,432,985	\$ 5,834,964	\$ 5,288,178
Restricted	-	-	-	-
Unrestricted	<u>9,660,517</u>	<u>9,211,166</u>	<u>10,391,544</u>	<u>13,158,501</u>
	<u><u>\$ 15,944,976</u></u>	<u><u>\$ 15,644,151</u></u>	<u><u>\$ 16,226,508</u></u>	<u><u>\$ 18,446,679</u></u>

**TABLE L-1**

2012	2013	2014	2015	2016	2017
\$ 3,664,657	\$ 5,837,449	\$ 13,955,771	\$ 29,789,790	\$ 37,265,783	\$ 82,362,981
-	-	6,493,142	-	-	-
20,694,013	35,499,478	39,471,115	34,374,699	26,853,920	(31,043,862)
<u>\$ 24,358,670</u>	<u>\$ 41,336,927</u>	<u>\$ 59,920,028</u>	<u>\$ 64,164,489</u>	<u>\$ 64,119,703</u>	<u>\$ 51,319,119</u>

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**GOVERNMENTAL ACTIVITIES EXPENSES AND PROGRAM REVENUES**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

**UNAUDITED**

	Fiscal Year			
	2008	2009	2010	2011
<b>Expenses</b>				
<b>Governmental Activities</b>				
Instruction	\$ 12,843,558	\$ 14,534,197	\$ 13,285,981	\$ 12,522,672
Instructional Resources & Media Services	584,025	376,971	395,707	373,797
Curriculum & Staff Development	65,227	177,700	447,035	356,503
Instructional Leadership	484,170	513,370	865,193	810,988
School Leadership	1,302,464	1,228,108	1,143,879	1,175,810
Guidance, Counseling & Evaluation Svcs	833,170	809,772	767,635	774,494
Social Work Services	27,365	24,482	26,252	10,380
Health Services	210,052	177,530	164,442	146,997
Student Transportation	643,323	765,341	665,104	669,413
Food Service	1,580,524	1,646,683	1,669,702	1,759,829
Cocurricular/Extracurricular Activities	792,643	931,900	921,712	921,017
General Administration	943,753	892,742	1,045,363	941,073
Plant Maintenance & Operations	2,300,258	2,323,624	2,299,844	2,094,577
Security & Monitoring Services	178,753	176,798	143,910	149,199
Data Processing Services	309,932	363,781	475,476	475,660
Community Services	74,804	55,680	39,660	54,917
Debt Service - Interest on Long-Term Debt	319,844	298,039	310,155	294,105
Debt Service - Bond Issue Costs and Fees	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
Contracted Instructional Services Between Schools	-	-	-	-
Payments to Fiscal Agent/Member Districts	312,515	321,083	325,451	323,012
Other Intergovernmental Charges	-	-	-	-
Total Governmental Activities Expenses	<u>23,806,380</u>	<u>25,617,801</u>	<u>24,992,501</u>	<u>23,854,443</u>
Total Primary Government Expense:	<u>\$ 23,806,380</u>	<u>\$ 25,617,801</u>	<u>\$ 24,992,501</u>	<u>\$ 23,854,443</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
Instruction	\$ -	\$ -	\$ -	\$ -
Curriculum & Staff Development	-	-	-	-
Instructional Leadership	-	-	-	-
Guidance, Counseling & Evaluation Svcs	-	-	-	-
Student Transportation	-	-	-	-
Food Services	100,864	74,908	73,141	65,582
Cocurricular/Extracurricular Activities	62,597	65,583	47,416	62,980
General Administration	-	-	-	-
Plant Maintenance & Operations	-	-	-	-
Security & Monitoring Services	-	-	-	-
Community Services	-	-	-	-
Other Activities	-	-	-	-
Operational Grants and Contributions	4,618,946	6,068,641	7,941,630	7,894,145
Capital Grants and Contributions	-	-	240,970	-
Total Governmental Activities Program Rev.	<u>4,782,407</u>	<u>6,209,132</u>	<u>8,303,157</u>	<u>8,022,707</u>
Total Primary Government Program Rev	<u>\$ 4,782,407</u>	<u>\$ 6,209,132</u>	<u>\$ 8,303,157</u>	<u>\$ 8,022,707</u>
<b>Net (Expense) / Revenue</b>				
Governmental Activities	\$ (19,023,973)	\$ (19,408,669)	\$ (16,689,344)	\$ (15,831,736)
Total Primary Government Net Expense:	<u>\$ (19,023,973)</u>	<u>\$ (19,408,669)</u>	<u>\$ (16,689,344)</u>	<u>\$ (15,831,736)</u>

TABLE L-2

2012	2013	2014	2015	2016	2017
\$ 11,112,431	\$ 12,121,400	\$ 11,963,955	\$ 13,012,288	\$ 13,609,400	\$ 13,490,103
372,319	500,536	448,741	470,222	546,142	453,163
277,688	271,423	361,570	474,883	593,978	734,161
742,023	691,780	585,069	579,011	669,008	724,896
1,184,231	1,219,868	1,436,601	1,540,551	1,429,173	1,396,987
696,616	677,195	715,510	675,356	748,019	751,393
37,231	29,848	36,613	37,475	42,146	58,769
142,447	183,796	231,642	197,510	207,077	193,843
678,915	957,588	835,264	838,752	1,061,564	953,143
1,838,874	1,884,828	2,183,556	2,086,561	2,254,549	2,030,339
859,774	947,116	1,326,356	1,740,960	1,611,793	2,273,919
1,001,375	1,118,934	1,138,324	1,086,914	1,047,297	1,108,082
2,285,617	2,223,326	2,962,545	2,970,719	3,083,764	3,160,129
199,384	252,216	229,703	225,529	313,289	346,649
461,396	788,350	532,613	602,535	923,006	654,340
31,738	13,353	13,029	17,027	24,540	64,722
472,445	2,186,640	2,136,845	2,122,789	1,861,713	1,864,661
-	-	1,400	-	-	133,416
-	-	-	-	1,888	1,886
-	-	19,362,924	49,344,378	46,506,112	27,690,202
363,749	462,606	569,045	606,041	30,159	43,898
-	-	-	-	588,803	547,790
<u>22,758,253</u>	<u>26,530,803</u>	<u>47,071,305</u>	<u>78,629,501</u>	<u>77,153,420</u>	<u>58,676,491</u>
<u>22,758,253</u>	<u>26,530,803</u>	<u>47,071,305</u>	<u>78,629,501</u>	<u>77,153,420</u>	<u>58,676,491</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
60,471	55,385	121,564	111,853	71,472	75,565
57,348	80,807	176,253	75,451	63,591	262,343
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,067,878	5,220,244	5,038,591	4,621,463	4,681,099	3,718,753
-	-	-	-	-	-
<u>6,185,697</u>	<u>5,356,436</u>	<u>5,336,408</u>	<u>4,808,767</u>	<u>4,816,162</u>	<u>4,056,661</u>
\$ <u>6,185,697</u>	\$ <u>5,356,436</u>	\$ <u>5,336,408</u>	\$ <u>4,808,767</u>	\$ <u>4,816,162</u>	\$ <u>4,056,661</u>
\$ (16,572,556)	\$ (21,174,367)	\$ (41,734,897)	\$ (73,820,734)	\$ (72,337,258)	\$ (54,619,830)
\$ <u>(16,572,556)</u>	\$ <u>(21,174,367)</u>	\$ <u>(41,734,897)</u>	\$ <u>(73,820,734)</u>	\$ <u>(72,337,258)</u>	\$ <u>(54,619,830)</u>

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**GENERAL REVENUES AND CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

**UNAUDITED**

	Fiscal Year			
	2008	2009	2010	2011
<b>Net (Expense) / Revenue</b>				
Governmental Activities	\$ (19,023,973)	\$ (19,408,669)	\$ (16,689,344)	\$ (15,831,736)
Total Primary Government Net Expense	<u>(19,023,973)</u>	<u>(19,408,669)</u>	<u>(16,689,344)</u>	<u>(15,831,736)</u>
<b>General Revenues &amp; Changes in Net Assets</b>				
Governmental Activities:				
Property Taxes:				
Levied for General Purposes	5,132,694	4,685,708	4,817,856	5,500,339
Levied for Debt Service	293,011	280,131	280,189	273,171
Investment Earnings	299,369	95,349	20,935	22,480
Unrestricted Grants and Contributions	13,839,819	13,557,779	12,892,547	12,517,201
Special Item	-	-	-	-
Extraordinary Item	2,500	475,000	12,050	17,150
Extraordinary Item	-	-	-	-
Miscellaneous	<u>129,744</u>	<u>80,110</u>	<u>95,427</u>	<u>157,259</u>
Total Governmental Activities	<u>19,697,137</u>	<u>19,174,077</u>	<u>18,119,004</u>	<u>18,487,600</u>
Total Primary Government	<u>19,697,137</u>	<u>19,174,077</u>	<u>18,119,004</u>	<u>18,487,600</u>
<b>Change in Net Position from Operations</b>	673,164	(234,592)	1,429,660	2,655,864
<b>Prior Period Adjustment</b>	<u>(3,511)</u>	<u>(36,233)</u>	<u>(194,935)</u>	<u>(435,692)</u>
<b>Change in Net Position:</b>				
Governmental Activities	669,653	(270,825)	1,234,725	2,220,172
Total Primary Governmen	<u>\$ 669,653</u>	<u>\$ (270,825)</u>	<u>\$ 1,234,725</u>	<u>\$ 2,220,172</u>

TABLE L-3

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ <u>(16,572,556)</u>	\$ <u>(21,174,367)</u>	\$ <u>(41,734,897)</u>	\$ <u>(73,820,734)</u>	\$ <u>(72,337,258)</u>	\$ <u>(54,619,830)</u>
<u>(16,572,556)</u>	<u>(21,174,367)</u>	<u>(41,734,897)</u>	<u>(73,820,734)</u>	<u>(72,337,258)</u>	<u>(54,619,830)</u>
10,165,966	26,332,811	55,042,680	76,556,514	65,068,221	39,042,961
305,040	2,602,262	3,508,800	3,144,389	3,325,717	3,389,884
81,324	299,275	218,456	254,388	237,884	255,129
11,648,368	6,509,147	941,270	1,920,334	1,544,793	6,088,225
97,550	741,456	-	591,356		
<u>177,590</u>	<u>565,746</u>	<u>308,093</u>	<u>659,249</u>	<u>485,786</u>	<u>1,821,056</u>
<u>22,475,838</u>	<u>37,050,697</u>	<u>60,019,299</u>	<u>83,126,230</u>	<u>70,662,401</u>	<u>50,597,255</u>
<u>22,475,838</u>	<u>37,050,697</u>	<u>60,019,299</u>	<u>83,126,230</u>	<u>70,662,401</u>	<u>50,597,255</u>
5,903,282	15,876,330	18,284,402	9,305,496	(1,674,857)	(4,022,575)
6,149	1,143,729	298,698	(1,802,413)	1,630,072	(8,778,009)
5,909,431	17,020,059	18,583,100	7,503,083	(44,785)	(12,800,584)
\$ <u>5,909,431</u>	\$ <u>17,020,059</u>	\$ <u>18,583,100</u>	\$ <u>7,503,083</u>	\$ <u>(44,785)</u>	\$ <u>(12,800,584)</u>

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

**UNAUDITED**

	Fiscal Year			
	2008	2009	2010	2011
General Fund				
Reserved	\$ 2,920,569	\$ 2,399,446	\$ 2,323,988	\$ -
Unreserved	3,918,540	4,029,254	5,000,097	-
Non-Spendable				75,236
Restricted				310,362
Committed				70,393
Assigned				2,323,988
Unassigned				6,987,822
Total General Fund:	<u>\$ 6,839,109</u>	<u>\$ 6,428,700</u>	<u>\$ 7,324,085</u>	<u>\$ 9,767,801</u>
All Other Governmental Funds				
Reserved				
State & Federal Programs	\$ -	\$ -	\$ -	\$ -
Other - Special Revenue	8,343	7,068	44,986	-
Food Service	-	(25,714)	-	-
Capital Acquisitions	-	-	-	-
Debt Service	112,765	85,787	62,278	-
Non-Spendable				-
Restricted				-
Special Revenue/Grant Funds				33,419
Debt Service				41,462
Capital Projects				-
Committed				-
Assigned				-
Unassigned				-
Total All Other Governmental Fund:	<u>\$ 121,108</u>	<u>\$ 67,141</u>	<u>\$ 107,264</u>	<u>\$ 74,881</u>
Total All Governmental Fund:	<u>\$ 6,960,217</u>	<u>\$ 6,495,841</u>	<u>\$ 7,431,349</u>	<u>\$ 9,842,682</u>



TABLE L-4

2012	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
100,667	100,667	100,667	36,061	36,061	36,061
36,000	5,000	17,074	500	-	-
1,768,992	15,770,262	15,370,775	6,785,454	2,626,278	792,737
46,514	70,135	91,328	102,570	105,601	-
12,201,862	14,256,850	19,346,614	26,985,506	22,776,039	18,130,720
<u>\$ 14,154,035</u>	<u>\$ 30,202,914</u>	<u>\$ 34,926,458</u>	<u>\$ 33,910,091</u>	<u>\$ 25,543,979</u>	<u>\$ 18,959,518</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
41,803	-	-	-	-	-
-	-	-	-	-	-
33,492	35,512	41,388	95,957	92,885	183,987
35,447	187,450	387,982	217,901	322,915	426,397
30,073,722	12,536,515	6,063,605	132	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 30,184,464</u>	<u>\$ 12,759,477</u>	<u>\$ 6,492,975</u>	<u>\$ 313,990</u>	<u>\$ 415,800</u>	<u>\$ 610,384</u>
<u>\$ 44,338,499</u>	<u>\$ 42,962,391</u>	<u>\$ 41,419,433</u>	<u>\$ 34,224,081</u>	<u>\$ 25,959,779</u>	<u>\$ 19,569,902</u>

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUNDS, EXPENDITURES AND DEBT SERVICE RATIO  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

**UNAUDITED**

	Fiscal Year			
	2008	2009	2010	2011
<b>Expenditures</b>				
Instruction	\$ 12,279,050	\$ 13,997,784	\$ 12,712,546	\$ 11,967,008
Instructional Resources & Media Services	548,540	342,168	360,759	340,490
Curriculum & Staff Development	63,729	175,912	444,562	354,375
Instructional Leadership	473,346	502,305	853,153	799,236
School Leadership	1,251,917	1,178,350	1,093,973	1,128,245
Guidance, Counseling & Evaluation Svcs	810,982	787,381	745,112	753,354
Social Work Services	27,362	24,432	26,190	10,358
Health Services	207,372	174,732	161,623	144,309
Student Transportation	862,595	784,431	831,934	682,662
Food Service	1,484,908	1,551,615	1,759,714	1,622,852
Cocurricular/Extracurricular Activities	767,664	907,052	889,834	889,320
General Administration	940,066	889,671	1,042,224	938,368
Plant Maintenance & Operations	2,265,601	2,290,145	2,313,614	2,061,592
Security & Monitoring Services	190,853	170,384	135,665	141,319
Data Processing Services	309,184	363,032	474,358	474,638
Community Services	74,110	54,937	38,939	54,171
Principal on Long-Term Debt	314,873	322,448	335,101	114,489
Interest on Long-Term Debt	317,361	300,522	283,708	504,584
Bond Issuance Cost and Fees				
Facilities Acquisition and Construction	608,917	627,894	218,384	219,275
Incremental Costs related to WADA	-	-	-	-
Payments to Fiscal Agent/Member Districts of	-	-	-	-
Payments Related to SSA's	312,515	321,083	325,451	323,014
<b>Total Expenditures</b>	<b>24,110,945</b>	<b>25,766,278</b>	<b>25,046,844</b>	<b>23,523,659</b>
Capital Expenditures	\$ -	\$ -	\$ -	\$ -
Debt Service As A Percentage Of Noncapital Expenditures	2.764% *Note 2	2.541% *Note 2	2.556% *Note 2	2.729% *Note 2

\*Note 1: Time and effort prevents us from doing research of prior year's detail information, therefore, we have prepared it for 2016 and will continue in future years.

\*Note 2: Percentages do not represent Capital Expenditures

TABLE L-5

	2012	2013	2014	2015	2016	2017
\$	10,561,528	\$ 11,604,295	\$ 11,191,184	\$ 11,969,944	\$ 12,414,116	\$ 12,004,135
	338,821	470,007	384,854	378,600	428,523	308,499
	275,544	270,093	360,291	473,592	550,470	666,747
	729,929	691,316	584,736	578,663	637,427	713,803
	1,135,935	1,177,584	1,373,601	1,456,574	1,291,404	1,274,854
	675,190	659,303	692,767	647,621	691,490	716,882
	37,126	29,842	35,991	36,230	34,965	47,430
	139,675	181,470	226,517	189,547	187,910	173,402
	794,633	964,975	679,940	966,205	878,897	713,509
	1,700,583	1,739,969	1,980,908	1,886,418	1,986,825	1,829,543
	827,735	926,797	875,059	1,004,417	1,044,538	1,092,366
	997,870	1,116,013	1,135,614	1,084,176	1,007,243	1,083,853
	2,242,367	2,277,347	2,880,545	2,903,134	2,941,764	3,004,894
	191,268	237,310	222,582	260,619	279,679	315,049
	460,095	788,201	529,365	722,175	854,726	573,469
	31,028	12,721	12,400	16,397	23,767	64,094
	279,885	260,001	4,765,000	7,302,757	1,334,372	1,459,999
	702,855	2,177,652	2,064,064	1,870,032	1,861,713	1,732,080
						133,416
	7,032,079	30,409,563	15,884,835	16,105,999	8,107,666	2,014,806
	-	-	19,362,924	49,344,378	46,506,112	27,690,202
	-	-	-	32,934	30,159	43,898
	363,749	462,606	569,045	573,107	588,803	547,790
	<u>29,517,895</u>	<u>56,457,065</u>	<u>65,812,222</u>	<u>99,803,519</u>	<u>83,682,569</u>	<u>58,204,720</u>
\$	-	\$ -	\$ -	\$ -	\$ 800,115	\$ 2,014,806
					*Note 1	*Note 1
	4.570%	10.325%	15.845%	12.308%	4.465%	6.261%
	*Note 2	*Note 2	*Note 2	*Note 2		

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **REVENUE CAPACITY**

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

TABLE L-6

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

**UNAUDITED**

Year Ended August 31	Assessed Taxable Value			Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
	Real Property	Personal Property	Total			
2008	\$ 192,350,205	\$ 245,841,836	\$ 438,192,041	1.2370	\$ 542,043,555	80.841%
2009	204,594,790	210,266,918	414,861,708	1.2400	514,428,518	80.645%
2010	214,970,760	194,780,442	409,751,202	1.2370	506,862,237	80.841%
2011	225,386,355	223,473,503	448,859,858	1.2000	538,631,830	83.333%
2012	206,700,725	736,687,676	943,388,401	1.0700	1,009,425,589	93.458%
2013	302,481,772	2,176,137,501	2,478,619,273	1.1402	2,826,121,695	87.704%
2014	338,447,624	4,671,650,425	5,010,098,049	1.1274	5,648,384,540	88.700%
2015	390,277,928	6,425,842,660	6,816,120,588	1.1022	7,512,728,112	90.728%
2016	397,196,570	5,526,755,505	5,923,952,075	1.1133	6,595,135,845	89.823%
2017	434,003,916	3,083,264,018	3,517,267,934	1.1523	4,052,947,840	86.783%

Source: Dimmit Central Appraisal District, District Records

TABLE L-7

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING**  
**(Per \$100 Assessed Valuation)**  
**LAST TEN FISCAL YEARS**

**UNAUDITED**

Year Ended August 31	Tax Year	District Direct Rates			Overlapping Rates (Total Tax Rate)					
		General Purposes	Capital Purposes	Total	City of Asherton	City of Big Wells	City of Carrizo Springs	Dimmit County	Wintergarden Groundwater Conservation District	Dimmit Regional Hospital District
2008	2007	1.170	0.067	1.237	0.4900	0.4196	0.5434	0.6540	0.0300	n/a
2009	2008	1.170	0.070	1.240	0.4900	0.4900	0.5110	0.6922	0.0290	n/a
2010	2009	1.170	0.067	1.237	0.4900	0.4900	0.4904	0.6922	0.0290	n/a
2011	2010	1.145	0.055	1.200	0.4654	0.4927	0.4798	0.6900	0.0280	0.1500
2012	2011	1.040	0.030	1.070	0.4600	0.4927	0.4169	0.4600	0.0250	0.1000
2013	2012	1.040	0.1002	1.1402	0.4600	0.4927	0.5474	0.2800	0.0115	0.0700
2014	2013	1.060	0.0674	1.1274	0.3521	0.4927	0.4987	0.2300	0.0058	0.0500
2015	2014	1.060	0.0422	1.1022	0.3534	0.3646	0.4249	0.2300	0.0052	0.0500
2016	2015	1.060	0.0533	1.1133	0.3948	0.3856	0.6000	0.4000	0.0057	0.0617
2017	2016	1.060	0.0923	1.1523	0.3939	0.3859	0.6321	0.4695	0.0062	0.1000

Source: Dimmit Central Appraisal District

TABLE L-8

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND TEN YEARS AGO**

**UNAUDITED**

Taxpayer	Fiscal Year Ending 2017			Fiscal Year Ending 2008		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
SN EF Maverick LLC	\$ 1,255,894,321	1	35.71%			
Chesapeake Operating Inc	886,836,557	2	25.21%			
Springfield Pipeline	204,889,567	3	5.83%			
Murphy Exploration & Prod	181,600,877	4	5.16%			
West Westley Minderals Ltd	127,049,297	5	3.61%			
Rancho La Cochina Minerals LTD	96,917,599	6	2.76%			
Marmion Janey Briscoe Gst Tr	96,917,533	7	2.76%			
Miramar Holdings LP	96,917,117	8	2.76%			
SN Catarina LLC	73,538,626	9	2.09%			
Mockingbird Midstream Gas Svcs	53,931,937	10	1.53%			
AEP Texas Central Co.				\$ 13,134,380	1	3.00%
Texas American Resources Co				10,072,312	2	2.30%
Sage Energy Company				9,187,383	3	2.10%
CML Exploration LLC				8,608,010	4	1.96%
Briscoe Ranch Inc				7,734,004	5	1.76%
Crimson Energy Partners LP				7,077,721	6	1.62%
Southwestern Bell Telephone LP				6,794,903	7	1.55%
Briscoe Ranch Inc				6,576,330	8	1.50%
Harrison Interests LTD				6,537,783	9	1.49%
Carrizo Exploration				4,583,990	10	1.05%
Subtotal	<u>\$ 3,074,493,431</u>		<u>87.42%</u>	<u>\$ 80,306,816</u>		<u>18.33%</u>
All other taxpayers	<u>442,774,503</u>		<u>12.59%</u>	<u>357,885,225</u>		<u>81.67%</u>
Total Net Assessed Valuation	<u><u>\$ 3,517,267,934</u></u>		<u><u>100.00%</u></u>	<u><u>\$ 438,192,041</u></u>		<u><u>100.00%</u></u>

Source: Dimmit Central Appraisal District.



TABLE L-9

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

**UNAUDITED**

Year Ended August 31	Original Amount Levied	Supplements and Corrections	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2008	***	***	\$ 5,439,569	\$ 5,103,157	93.82%	\$ (166,849)	\$ 4,936,308	90.75%
2009	***	***	5,164,207	4,717,558	91.35%	291,409	5,008,967	96.99%
2010	***	***	5,105,350	4,591,329	89.93%	277,214	4,868,543	95.36%
2011	***	***	5,440,107	5,099,982	93.75%	20,688	5,120,670	94.13%
2012	***	***	10,774,171	10,256,673	95.20%	220,349	10,477,022	97.24%
2013	***	***	28,316,227	29,282,761	103.41%	307,635	29,590,396	104.50%
2014	***	***	56,554,405	56,817,223	100.46%	335,774	57,152,997	101.06%
2015	***	***	75,188,644	80,683,690	107.31%	343,354	81,027,044	107.77%
2016	65,998,922	-	65,998,922	69,466,581	105.25%	264,222	69,730,803	105.65%
2017	40,622,336	-	40,622,336	41,287,875	101.64%	-	41,287,875	101.64%

Source: Dimmit County Tax Assessor/Collector and District, District Records (Audit Exhibit I-1)

\*NOTE: The collection exceeds 100% for Years 2013-2016 due to adjustments made after the original levy.

\*\*\* Time and effort prevents us from doing research of prior year's detail information, therefore, we have prepared it for 2016 and will continue in future years.

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **DEBT CAPACITY**

*These schedules contain information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.*

TABLE L-10

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

**UNAUDITED**

Year Ended August 31	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita	Personal Income	Percentage of Actual Personal Income	Notes Payable	Capital Leases
2008	6,734,998	1.24%	685	253,911,000	2.99%	536,143	309,839
2009	6,499,998	1.26%	660	259,118,000	2.68%	448,695	-
2010	6,254,998	1.23%	624	282,139,000	2.35%	388,581	-
2011	6,233,343	1.16%	618	371,443,000	1.76%	295,747	-
2012	40,184,217	3.98%	3,834	446,745,000	9.29%	1,296,552	-
2013	52,975,000	1.87%	4,861	478,271,000	11.08%	-	-
2014	48,210,000	0.85%	4,403	533,138,000	9.04%	-	-
2015	53,550,000	0.71%	4,877	529,268,940	10.12%	-	-
2016	45,175,000	0.68%	4,185	445,900,000	10.13%	-	-
2017	43,645,000	1.08%	4,412	***	***	-	-

Source: Dimmit Central Appraisal District, District Records

\*\*\*Data not available

**TABLE L-11**

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

**UNAUDITED**

General Bonded Debt Outstanding				
Year Ended August 31	General Obligation Bonds	Total	Percentage of Actual Taxable Value of Property	Per Capita
2008	6,734,998	6,734,998	1.24%	685
2009	6,499,998	6,499,998	1.26%	660
2010	6,254,998	6,254,998	1.23%	624
2011	6,233,343	6,233,343	1.16%	618
2012	40,184,217	40,184,217	3.98%	3,834
2013	52,975,000	52,975,000	1.87%	4,861
2014	48,210,000	48,210,000	0.85%	4,403
2015	53,550,000	53,550,000	0.71%	4,877
2016	45,175,000	45,175,000	0.68%	4,185
2017	43,645,000	43,645,000	1.08%	4,412

Source: Dimmit Central Appraisal District, District Records

\*\*\*Data not available

TABLE L-12

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
DIRECT AND OVERLAPPING DEBT - GENERAL OBLIGATION BONDS**

**UNAUDITED**

Governmental Unit	Debt Outstanding*	As of	Estimated Percentage Applicable**	Estimated Share of Direct and Overlapping Debt***
City of Asherton	\$ 272,367	6/30/17	0.71%	\$ 1,941
City of Big Wells	-	9/30/17	0.39%	-
City of Carrizo Springs	21,847,871	6/30/17	5.55%	1,213,435
Dimmit County	17,994,429	9/30/17	104.96%	18,887,260
Wintergarden Groundwater Conservation District	-	9/30/17	107.02%	-
Dimmit Regional Hospital	1,600,000	9/30/17	107.02%	1,712,338
Total Overlapping Debt:				21,814,974
Carrizo Springs Consolidated Independent School District		8/31/17	Note Payable:	-
General Obligation Bonds:				43,645,000
Total Direct Debt:				43,645,000
Total Overlapping and Direct Debt				<u>\$ 65,459,974</u>

\*Sources: Individual taxing body, district records.

\*\* CSCISD Total taxable valuation / Total taxable valuation of taxing body.

\*\*\*Debt Outstanding x Estimated Percentage Applicable

**TABLE L-13**

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

**UNAUDITED**

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit As a Percentage of Debt Limit
2008	26,408,225	6,926,931	19,481,294	26.23%
2009	30,673,443	6,622,233	24,051,210	21.59%
2010	29,040,320	6,414,211	22,626,109	22.09%
2011	28,682,584	6,192,720	22,489,864	21.59%
2012	31,420,190	6,191,881	25,228,309	19.71%
2013	66,037,188	40,148,770	25,888,418	60.80%
2013	173,503,349	52,787,550	120,715,799	30.42%
2014	350,706,863	47,822,018	302,884,845	13.64%
2015	477,128,441	53,332,099	423,796,342	11.18%
2016	414,676,645	44,852,085	369,824,560	10.82%
2017	246,208,755	43,218,603	202,990,152	17.55%

**Legal Debt Margin Calculation for the Current Fiscal Year**

Assessed Value	\$ 3,517,267,934
Debt Limit (7% of Assessed Value)	246,208,755
Debt Applicable to Limit:	
General Obligation Bonds	43,645,000
Less: Amount Set Aside for Repayment of General Obligation Debt	<u>426,397</u>
Total Net Debt Applicable to Limit	<u>43,218,603</u>
Legal Debt Margin	<u><u>\$ 202,990,152</u></u>

Source: District Audit Reports

**THIS PAGE INTENTIONALLY LEFT BLANK**



## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

*These schedules present information to help the reader understand the environment within which the District's financial activities take place.*

**THIS PAGE INTENTIONALLY LEFT BLANK**

**TABLE L-14**

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

**UNAUDITED**

Calendar Year	Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate
2008	9,833	253,911,000	25,822	6.70%
2009	9,848	259,118,000	26,312	9.90%
2010	10,032	282,139,000	28,124	9.20%
2011	10,093	371,443,000	36,802	7.00%
2012	10,481	446,745,000	42,624	5.10%
2013	10,897	478,271,000	43,890	3.90%
2014	10,949	533,138,000	48,693	4.90%
2015	10,980	529,268,940	48,203	4.70%
2016	10,794	445,900,000	41,310	7.20%
2017	9,892	***	***	5.00%

Source: Texas LMI Tracer, US Census Bureau, Suburban Stats, Inc.

\*\*\* Data was not available.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
FULL TIME EQUIVALENT EMPLOYEES BY EMPLOYEE CLASSIFICATION  
LAST TEN FISCAL YEARS**

**UNAUDITED**

	<b>Fiscal Year</b>				
	2008	2009	2010	2011	2012
Professional Staff					
Teachers	167.70	160.80	159.00	155.80	143.40
Professional Support	23.30	19.00	23.90	25.00	22.20
Campus Administration	10.90	7.90	9.20	10.00	13.00
Central Administration	6.00	4.00	6.90	5.50	4.50
Total Professional Staff	<u>207.90</u>	<u>191.70</u>	<u>199.00</u>	<u>196.30</u>	<u>183.10</u>
Educational Aides	58.60	61.30	51.90	49.80	35.70
Auxillary Staff	<u>111.20</u>	<u>104.90</u>	<u>111.40</u>	<u>124.10</u>	<u>119.50</u>
Total Staff	<u><u>377.70</u></u>	<u><u>357.90</u></u>	<u><u>362.30</u></u>	<u><u>370.20</u></u>	<u><u>338.30</u></u>
Student Enrollment	2,386	2,336	2,394	2,399	2,375
Student to Teacher Ratio	14.23	14.53	15.06	15.4	16.56
Student to Staff Ratio	6.32	6.53	6.61	6.48	7.02

Source: TAPR Reports.

**TABLE L-15**

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
146.70	144.50	147.70	151.20	141.90
26.20	23.40	33.30	26.50	26.00
14.00	11.90	11.00	12.00	11.00
4.50	5.50	6.00	6.00	6.00
<u>191.40</u>	<u>185.30</u>	<u>198.00</u>	<u>195.70</u>	<u>184.90</u>
34.70	42.30	50.80	46.40	43.00
<u>105.00</u>	<u>108.80</u>	<u>123.90</u>	<u>118.50</u>	<u>118.20</u>
<u>331.10</u>	<u>336.40</u>	<u>372.70</u>	<u>360.60</u>	<u>346.10</u>
2,439	2,455	2,449	2,311	2,204
16.63	16.99	16.58	15.28	15.53
7.37	7.3	6.57	6.41	6.37

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS**

**UNAUDITED**

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Total Expenditures	Cost Per Pupil
2008	2,386	21,344,458	8,946	9.0%	22,355,175	9,369
2009	2,336	18,723,040	8,015	-10.4%	22,123,535	9,471
2010	2,394	19,045,658	7,956	-0.7%	23,897,513	9,982
2011	2,399	18,110,282	7,549	-5.1%	23,262,784	9,697
2012	2,375	17,658,021	7,435	-1.5%	23,194,216	9,766
2013	2,439	23,241,884	9,529	28.2%	56,457,062	23,148
2014	2,455	53,549,778	21,813	128.9%	65,812,222	26,807
2015	2,449	88,453,718	36,118	65.6%	99,803,520	40,753
2016	2,311	78,143,054	33,814	-6.4%	83,682,569	36,211
2017	2,204	53,261,896	24,166	-28.5%	58,204,720	26,409

Source: TAPR Reports, District Records

**TABLE L-16**

Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage Receiving Free or Reduced-Price Meals
7.4%	167.7	14.2	79.78%
1.1%	160.8	14.5	78.07%
5.4%	159.0	15.1	78.07%
-2.9%	155.8	15.4	78.07%
0.7%	143.4	16.6	78.07%
137.0%	146.7	16.6	78.07%
15.8%	144.5	16.99	78.07%
52.0%	147.7	16.58	78.07%
-11.1%	151.2	15.28	78.43%
-27.1%	141.9	15.53	86.26%

**TABLE L-17**

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT AND TEN YEARS AGO**

**UNAUDITED**

Employer	Fiscal Year Ending 2017			Fiscal Year Ending 2008		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Carrizo Springs CISD	353	1	6.38%	371	1	9.33%
Bustamante Enterprises	237	2	4.28%			
U. S. Border Patrol	220	3	3.97%	222	2	5.58%
Dimmit County	170	4	3.07%			
Dimmit Regional Hospital	167	5	3.02%	140	3	3.52%
Wal Mart	104	6	1.88%	109	4	2.74%
HEB	100	7	1.81%	58	8	1.46%
3-S Services	60	9	1.08%			
Carrizo Springs Nursing & Rehabilitation	59	10		61	7	1.53%
Urban Electric				80	5	2.01%
Prime Operating/Easter Oil Service				71	6	1.78%
Middle Rio Grande Workforce Center				44	9	1.11%
Community Services Agency				44	10	1.11%
Total, Principal Employers	1,470		25.49%	1,200		30.17%
All other employers	4,065		74.51%	2,778		69.83%
Total employed workforce as of August 31,	5,535		100.00%	3,978		100.00%

Source: Texas Industry Profiles, Texas LMI Tracer



## **OPERATING INFORMATION**

*These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.*

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS**

**UNAUDITED**

	Fiscal Year				
	2008	2009	2010	2011	2012
<b><u>School</u></b>					
<b>Elementary</b>					
Asherton Elementary (1976)					
Square Feet	24,968	24,968	24,968	24,968	24,968
Capacity	325	325	325	325	325
Enrollment	89	40	47	47	50
Big Wells Elementary (1973)					
Square Feet	29,218	29,218	29,218	29,218	29,218
Capacity	300	300	300	300	300
Enrollment	70	40	59	52	48
Carrizo Springs Elementary (2002)					
Square Feet	123,349	123,349	123,349	123,349	123,349
Capacity	1,000	1,000	1,000	1,000	1,000
Enrollment	925	978	827	829	800
Carrizo Springs Intermediate (1958)					
Square Feet	46,648	46,648	46,648	48,696	48,696
Capacity	400	400	400	400	400
Enrollment	291	341	309	344	355
Carrizo Springs Junior High (1972)					
Square Feet	85,354	85,354	85,354	85,354	85,354
Capacity	700	700	700	700	700
Enrollment	318	298	491	503	512
Carrizo Springs Junior High (2016)					
Square Feet	-	-	-	-	-
Capacity	-	-	-	-	-
Enrollment	-	-	-	-	-
<b><u>School</u></b>					
<b>Secondary</b>					
Carrizo Springs High School (1982)					
Square Feet	138,048	138,048	138,048	138,048	138,048
Capacity	900	900	900	900	900
Enrollment	693	639	661	624	610
Carrizo Springs High School (2013)					
Square Feet	-	-	-	-	-
Capacity	-	-	-	-	-
Enrollment	-	-	-	-	-

Source: TAPR Reports, District Records

**TABLE L-18**

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
24,968	24,968	24,968	24,968	-
325	325	325	325	-
66	77	64	60	
29,218	29,218	29,218	-	-
300	300	300	-	-
47	49	27	-	-
123,349	123,349	123,349	123,349	123,349
1,000	1,000	1,000	1,000	1,000
839	796	794	748	751
48,696	48,696	56,952	57,392	57,392
400	400	640	640	640
340	365	551	539	521
85,354	85,354	85,354	-	-
700	700	700	-	-
521	528	352	-	-
-	-	-	95,414	95,414
-	-	-	675	675
-	-	-	329	331
138,048	-	-	-	-
900	-	-	-	-
626	-	-	-	-
-	158,775	158,775	158,775	158,775
-	700	700	700	700
-	640	661	635	601

**TABLE L-19**

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
TEACHER BASE SALARIES  
LAST TEN FISCAL YEARS**

**UNAUDITED**

<b>Fiscal Year</b>	<b>District Minimum Salary</b>	<b>District Maximum Salary</b>	<b>State Minimum Salary</b>	<b>State Maximum Salary</b>
2008	38,925	54,425	27,320	44,270
2009	38,925	54,425	27,320	44,270
2010	38,925	54,425	27,320	44,270
2011	40,050	55,504	27,320	44,270
2012	39,900	55,504	27,320	44,270
2013	39,750	55,504	27,320	44,270
2014	40,750	55,604	27,320	44,270
2015	40,750	56,504	27,540	44,620
2016	40,750	56,504	28,080	45,510
2017	40,750	56,504	28,080	45,510

Source: District Records, Texas Education Agency

TABLE L-20

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
AVERAGE DAILY ATTENDANCE AND  
AVERAGE DAILY MEMBERSHIP  
LAST TEN YEARS**

**UNAUDITED**

Fiscal Year	* Average Daily Attendance	** Average Daily Membership	Attendance Rate	Ratio of Average Daily Attendance to Average Daily Membership	Percentage Increase (Decrease) of Average Daily Attendance Over Prior Years
2008	2,142	2,386	94.3%	89.77%	-3.58%
2009	2,092	2,336	94.8%	89.55%	-2.33%
2010	2,175	2,394	94.6%	90.85%	3.97%
2011	2,215	2,399	93.6%	92.32%	1.83%
2012	2,149	2,375	94.2%	90.48%	-2.97%
2013	2,204	2,439	93.4%	90.36%	2.56%
2014	2,239	2,455	94.2%	91.20%	1.59%
2015	2,208	2,449	93.9%	90.16%	-1.38%
2016	2,132	2,311	93.9%	92.25%	-3.44%
2017	2,026	2,204	94.3%	91.92%	-4.97%

Source: Summary of Finance, TAPR Reports, PEIMS

\* Average Daily Attendance is the average daily attendance of eligible enrollees, district-wide, over the official number of instructional days.

\*\* Average Daily Membership is the average daily enrollment of students, district-wide over the official number of instructional days.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NUTRITION SERVICES - FACTS AND FIGURES  
LAST TEN YEARS**

**UNAUDITED**

	Fiscal Year				
	2008	2009	2010	2011	2012
<b>Student lunches served:</b>					
Full	73,924	77,109	78,504	78,625	78,354
Reduced	43,077	38,429	39,124	39,186	39,050
Free	248,617	236,132	240,401	240,779	239,943
Total	<u>365,618</u>	<u>351,670</u>	<u>358,029</u>	<u>358,590</u>	<u>357,347</u>
<b>Student breakfast served:</b>					
Full	47,981	45,437	49,613	46,724	43,644
Reduced	29,037	25,350	27,678	25,769	24,351
Free	169,391	163,189	178,185	167,813	156,748
Total	<u>246,409</u>	<u>233,976</u>	<u>255,476</u>	<u>240,306</u>	<u>224,743</u>
<b>Number of serving days:</b>	178	178	178	176	178
<b>Average daily participation (free):</b>					
Student Lunch	1,397	1,327	1,351	1,368	1,348
Student Breakfast	952	917	1,001	953	881
<b>Average daily participation (all):</b>					
Student Lunch	2,054	1,976	2,011	2,037	2,008
Student Breakfast	1,384	1,314	1,435	1,365	1,263
<b>Percentage of students on:</b>					
Free	68.00%	67.15%	67.15%	67.15%	67.15%
Free or Reduced Lunch	79.78%	78.07%	78.07%	78.07%	78.07%

Source: CSCISD Child Nutrition Department/Texas Unified Nutrition Program System/TDOA Basic Claims

**TABLE L-21**

2013	2014	2015	2016	2017
79,964	82,246	80,549	75,400	42,858
39,849	40,994	40,141	36,527	-
244,864	251,875	246,675	237,582	269,088
<u>364,677</u>	<u>375,115</u>	<u>367,365</u>	<u>349,509</u>	<u>311,946</u>
43,993	49,761	46,875	37,678	22,722
24,549	27,766	26,148	20,409	-
158,018	178,713	168,347	138,198	142,577
<u>226,560</u>	<u>256,240</u>	<u>241,370</u>	<u>196,285</u>	<u>165,299</u>
178	178	178	176	171
1,376	1,415	1,386	1,350	1,574
888	1,004	946	785	834
2,049	2,107	2,064	1,986	1,824
1,273	1,440	1,356	1,115	967
67.15%	67.15%	67.15%	67.98%	86.26%
78.07%	78.07%	78.07%	78.43%	86.26%

**THIS PAGE INTENTIONALLY LEFT BLANK**



**FEDERAL AUDITS SECTION**



**BILL C. ROCHA**  
**CERTIFIED PUBLIC ACCOUNTANT**

---

Telephone: (210) 499-5832  
Fax: (210) 499-0166

P.O. Box 160127  
San Antonio, TX 78280-2327

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the City Board of Trustees of  
Carrizo Springs Consolidated Independent School District  
Carrizo Springs, Texas

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 the Carrizo Springs Consolidated Independent School District, as of and for the year ended August 31, 2017, and the related notes to the financial statements, which collectively comprise the Carrizo Springs Consolidated Independent School District's basic financial statements, and have issued our report thereon dated January 26, 2018.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Carrizo Springs Consolidated 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 Carrizo Springs Consolidated Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Carrizo Springs Consolidated 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.

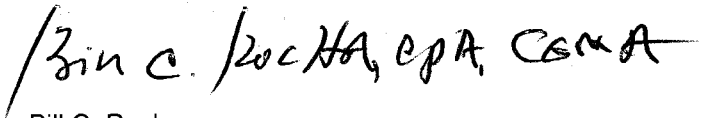
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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 Carrizo Springs Consolidated 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*.

### 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.

A handwritten signature in black ink that reads "Bill C. Rocha, CPA, CGMA". The signature is written in a cursive, flowing style.

Bill C. Rocha  
Certified Public Accountant, CGMA  
San Antonio, Texas  
January 26, 2018



BILL C. ROCHA  
CERTIFIED PUBLIC ACCOUNTANT

---

Telephone: (210) 499-5832  
Fax: (210) 499-0166

P.O. Box 160127  
San Antonio, TX 78280-2327

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees of  
Carrizo Springs Consolidated Independent School District  
Carrizo Springs, Texas

**Report on Compliance for Each Major Federal Program**

We have audited the Carrizo Springs Consolidated 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 each of the Carrizo Springs Consolidated Independent School District's major federal programs for the year ended August 31, 2017. Carrizo Springs Consolidated Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Carrizo Springs Consolidated 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 Carrizo Springs Consolidated 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 Carrizo Springs Consolidated Independent School District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Carrizo Springs Consolidated 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 each of its major federal programs for the year ended August 31, 2017.

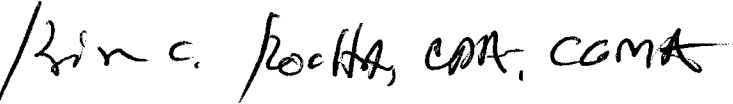
## Report on Internal Control over Compliance

Management of the Carrizo Springs Consolidated 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 Carrizo Springs Consolidated 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 Carrizo Springs Consolidated 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



Bill C. Rocha  
Certified Public Accountant, CGMA  
San Antonio, Texas  
January 26, 2018

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**SCHEDULE OF FINDINGS AND QUESTIONED COST**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**I. Summary of Audit Results**

**FINANCIAL STATEMENTS**

- |  |        |                   |
|--|--------|-------------------|
| a. Type of report issued on GAAP financial statements                            |        | <u>Unmodified</u> |
| b. Internal control over financial reporting:                                    |        |                   |
| Material weakness(es) identified?  | ___yes | __✓__none         |
| Significant deficiency(ies) identified not considered to be material weaknesses? | ___yes | __✓__none         |
| c. Noncompliance material to financial statements                                | ___yes | __✓__none         |

**FEDERAL AWARDS**

- |  |        |                   |
|--|--------|-------------------|
| d. Internal control over major programs:   |        |                   |
| Material weakness(es) identified?  | ___yes | __✓__none         |
| Significant deficiency(ies) identified not considered to be material weaknesses?   | ___yes | __✓__none         |
| e. Type of auditor's report Issued on compliance for major programs  |        | <u>Unmodified</u> |
| f. Any audit finding disclosed that are required to be reported in accordance with the Uniform Guidance, Section 200.516(a)? | ___yes | __✓__none         |

*Identification of Major Federal Programs:*

CFDA No.	Name of Federal Program or Cluster
10.553	School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children

- |   |  |                      |
|---|--|----------------------|
| g. Dollar threshold used to distinguish between Type A and Type B programs: |  | <u>\$ 750,000</u>    |
| h. Auditee qualified as low-risk?   |  | <u>__✓__Yes __No</u> |

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**SCHEDULE OF FINDINGS AND QUESTIONED COST**

**FOR THE YEAR ENDED AUGUST 31, 2017**

**II. Financial Statements Findings**

There was no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

**III. Federal Award Findings and Questioned Costs**

There were no federal award findings and questioned costs required to be reported in accordance with Uniform Guidance, Section 200.516(a).

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**SCHEDULE OF STATUS OF PRIOR YEAR AUDIT FINDINGS**

**FOR THE YEAR ENDED AUGUST 31, 2017**

No Findings in the Prior Year, Thus No Reporting Required.



**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**CORRECTIVE ACTION PLAN**

**FOR THE YEAR ENDED AUGUST 31, 2017**

None Required.

CARRIZO SPRINGS CONSOLIDATED I S D  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2017

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<u>Direct Programs</u>			
Other Federally Funded Special Revenue Funds	93.297	TPA2AH000044-02-00	\$ 24,081
Other Federally Funded Special Revenue Funds	93.297	TPA2AH000044-03-01	13,231
Total CFDA Number 93.297			<u>37,312</u>
Total Direct Programs			<u>37,312</u>
<b>TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>37,312</u>
<b>U.S. DEPARTMENT OF DEFENSE</b>			
<u>Direct Programs</u>			
Junior ROTC Program	12.000	N/A	<u>27,732</u>
Total Direct Programs			<u>27,732</u>
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>			<u>27,732</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	17 - 610101064903	682,819
ESEA, Title I, Part C - Migratory Children	84.011	17 - 615001064903	233,404
*IDEA - Part B, Formula	84.027	17 - 660001064903660	338,817
*IDEA - Part B, Preschool	84.173	17 -6610010649036610	6,909
Total Special Education Cluster (IDEA)			<u>345,726</u>
Career and Technical - Basic Grant	84.048	17 - 420006064903	36,102
Title III, Part A - English Language Acquisition	84.365A	17 - 671001064903	10,083
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	17 - 694501064903	79,472
Total Passed Through State Department of Education			<u>1,387,606</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u>1,387,606</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553		297,607
*National School Lunch Program - Cash Assistance	10.555		896,328
*National School Lunch Prog. - Non-Cash Assistance	10.555		104,880
Total CFDA Number 10.555			<u>1,001,208</u>
*Summer Feeding Program - Cash Assistance	10.559		23,443
Total Child Nutrition Cluster			<u>1,322,258</u>
Total Passed Through the State Department of Agriculture			<u>1,322,258</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>1,322,258</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 2,774,908</u></u>

\*Clustered Programs

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2017**

**NOTE 1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended August 31, 2017. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

For all Federal programs, the District uses the fund types specified in Texas Education Agency's *Financial Accountability System Resource Guide*.

Special revenue funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in the Special Revenue Fund. All Federal grant funds, with the exception of funds for the Impact Aid, Army JROTC, Summer School LEP, and the indirect cost revenues, were accounted for in this Fund which is a Governmental Fund type. Generally, unused balances must be returned to the grantor at the close of specified project periods.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. The revenues received for the previously mention programs (Impact Aid, etc.) were accounted for in the General Fund, which is also a component of the Governmental Fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e. both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

**CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
CARRIZO SPRINGS, TEXAS**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2017**

**NOTE 2 PERIOD OF PERFORMANCE**

The period of performance for most federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date.

**NOTE 3 BASIS OF FUNDING**

Federal funding for Food Services under child nutrition programs is primarily based upon the number and type of meals served and in user charges as reported to the U.S. Department of Agriculture (USDA).

National School Lunch Program – Non-Cash Assistance – Commodity receipts represents USDA donated commodities received during the year. The related expenditures relate to the issuance of the commodities to the District’s campuses.

National School Breakfast and Lunch Program Expenditures are not specifically attributable to the Federal revenue source and are shown on the schedule in an amount equal to Federal revenue for balancing purposes only.

Federal funding received related to various grant programs is based upon periodic reports detailing reimbursable expenditures made in compliance with program guidelines to the grantor agencies. The programs are governed by various rules and regulations of the grantors. Amounts received and receivable under these various funding programs are subject to periodic audit and adjustments by the funding agencies. To the extent, if any, that the District has not complied with all the rules and regulations with respect to performance, financial or otherwise, adjustment to or return of funding monies may be required. In the opinion of the District’s management, there are no significant contingent liabilities relating to matters of compliance and, accordingly, no provision has been made in the basic financial statements for such contingencies.

**NOTE 4 SUBRECIPIENTS**

In fiscal year 2017, the District had no subrecipients.