



**Comprehensive Annual
Financial Report** For the Fiscal Year ended June 30, 2017



FORT BEND INDEPENDENT SCHOOL DISTRICT

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**

**For the Fiscal Year Ended
June 30, 2017**

PREPARED BY

**The Fort Bend Independent School District
Business & Finance Department**

16431 Lexington Boulevard, Sugar Land, Texas 77479

FORT BEND INDEPENDENT SCHOOL DISTRICT
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INTRODUCTORY SECTION

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FORT BEND INDEPENDENT SCHOOL DISTRICT
Principal Officials and Advisors

BOARD OF TRUSTEES

Kristin Tassin, President

Jason Burdine, Vice President

Addie Heyliger, Secretary

KP George, Member

Grayle James, Member

Jim Rice, Member

Dave Rosenthal, Member

ADMINISTRATION

Charles E. Dupre, Ed.D., Superintendent of Schools

Beth Martinez, Chief of Staff and Strategic Planning

Oscar Perez, Chief Operations Officer

Veronica Sopher, Chief Communications Officer

Steven Bassett, CPA, Chief Financial Officer

Kermit Spears, Chief Human Resources Officer

Long Pham, Chief Information Officer

Diana Sayaavedra, Chief Academic Officer

Dr. Joe Rodriguez, Chief of Schools

Carmela Levy-David, Assistant Superintendent

Mary Ellen Eidson, Assistant Superintendent

Dr. Anthony Indelicato, Assistant Superintendent

Dr. Kwabena Mensah, Assistant Superintendent

Dr. Devin Padavil, Assistant Superintendent

Dr. Xochitl Rodriguez, Assistant Superintendent

Dr. Javier Villarreal, Assistant Superintendent

CONSULTANTS AND ADVISORS

Whitley Penn, LLP

Houston, Texas - Independent Auditors

Bracewell LLP

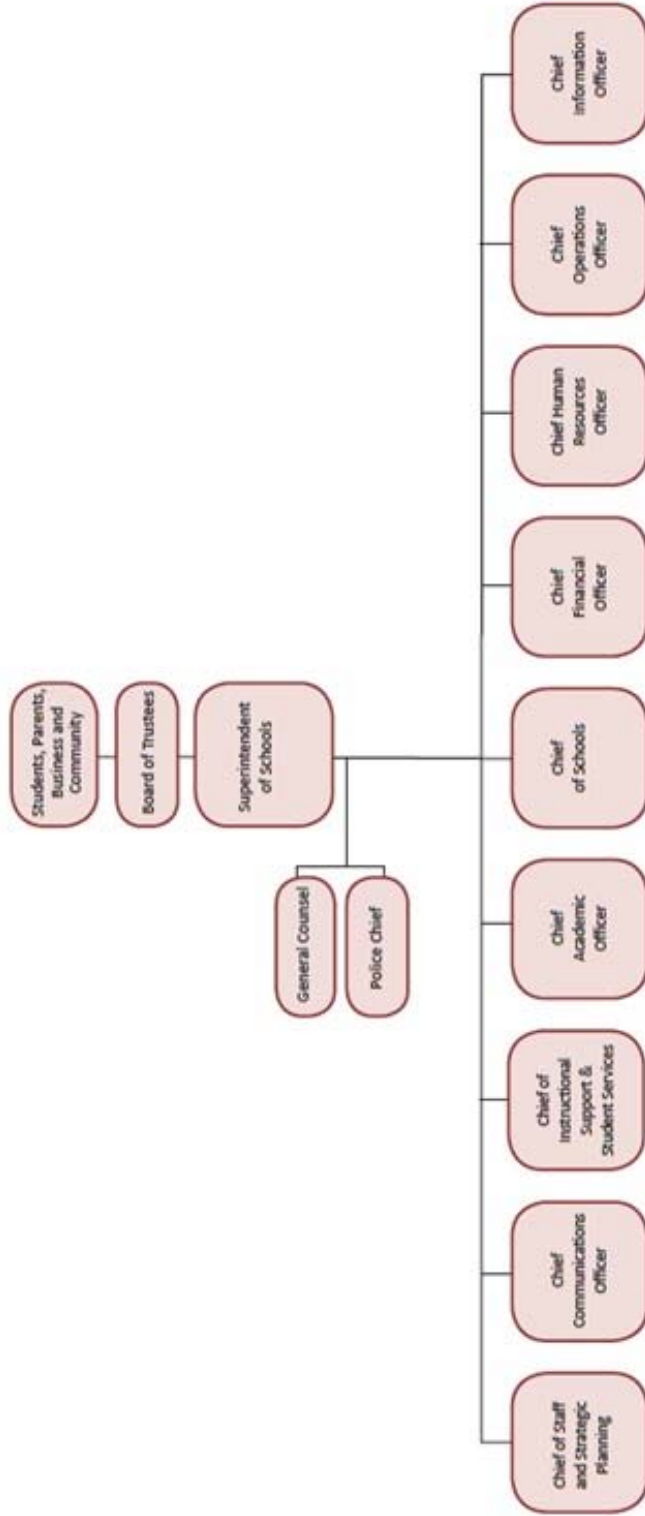
Houston, Texas - Bond Counsel

FirstSouthwest Company, a division of Hilltop Securities, Inc.

Dallas, Texas - Financial Advisor

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Fort Bend ISD Organization Chart



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Fort Bend Independent School District

Charles Dupre, Superintendent of Schools

November 6, 2017

Dear Board Members and Citizens:

The Texas Education Code, as well as District policy, requires an annual audit of the financial records and transactions of the District by an independent certified public accountant, selected by the Board of Trustees to conduct the audit. The audit must be filed with the Texas Education Agency by the 150th day after each year end. The Comprehensive Annual Financial Report of the Fort Bend Independent School District (the District or FBISD) for the year ended June 30, 2017 is prepared to fulfill that requirement and is hereby submitted.

Responsibility for the completeness, fairness, and accuracy of the information contained in this report rests with the District's management. We believe that the data presented is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and the results of operations of the District on a government-wide and fund basis. We also believe that all disclosures necessary to enable the reader to gain full understanding of the District's financial activities have been included.

The accounting firm of Whitley Penn, LLP, chosen by the Board of Trustees, performed the audit for the year ending June 30, 2017. In addition to meeting the requirements set forth in state statutes, the audit was part of a broader, federally mandated "Single Audit" designed to meet the needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District's separately issued Single Audit Report.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditor.

PROFILE OF THE DISTRICT

The District is an independent political subdivision (a public education agency) operating under the applicable laws and regulations of the State of Texas. As an independent reporting entity, the District has responsibility and control of activities related to public school education within its boundaries.

The Missouri City Independent School District and Sugar Land Independent School District were consolidated by election on April 18, 1959, forming the Fort Bend Independent School District. Spanning 170 square miles, the district is located in the northeast part of Fort Bend County, just southwest of the City of Houston and Harris County and encompasses the incorporated cities of Missouri City, Sugar Land, a part of Richmond, and a small portion of Houston.

As the seventh largest district in the state of Texas, Fort Bend ISD has seen its enrollment climb to 74,571 students as of June 2017. The District was comprised of 11 high school campuses, 14 middle schools, 47 elementary schools, and three other vocational/special learning centers along with other sites for administration, athletics, agriculture, instructional and support services during school year 2016-2017. The ages and capacities of the school buildings can be found in Table 18 of the Statistical Section and Note 18 of the financials also discusses the conditions of buildings.

The District provides services for students from pre-kindergarten through twelfth grade. Programs offered by the District include academic academies, gifted and talented programs, career and technology programs, bilingual and special education programs, and wide variety of athletic and fine art extracurricular activities. The wide multitude of programs serves the District's multicultural diversity, which is one of the District's greatest strengths. As a multicultural school district, our students represent countries from around the world. More than 90 different dialects and languages are spoken by our students and their families. African-American students make up 32.8 percent of the student body with the remainder of the student population being comprised of 27.22 percent Hispanic students, 21.61 percent Asian, 15.29 percent White, 2.63 percent multi-racial, .32 percent American Indian/Alaska Native, and .13 percent native Hawaiian. Approximately 16 percent of students were enrolled in the ESL(English second language)/Bilingual programs during school year 2016-2017. The District provided ESL programs at 42 campuses and bilingual programs at 14 campuses in 2016-2017. Approximately 55 percent of students were enrolled in at least one career and technical education class.

FACTORS AFFECTING THE FINANCIAL CONDITION

State and Local Economy

The local economy is diverse and major employment sectors include engineering, oil services and exploration, education, manufacturing, healthcare and real estate. The diversified economy reduces the dependence on the energy industry making the economy more resilient in years when the energy sector contracts. Fort Bend County has continued to experience gains in housing starts and closings, as well as increases to property values, although the property value increase for tax year 2017 is not as large as seen in previous years. This property value growth trend is expected to continue at the same or slightly lower pace for fiscal year 2017-2018. Fort Bend County is primarily residential with an average home price of \$274,247. The unemployment rate in Fort Bend County has decreased from 5.3 percent in June 2016 to 5.0 percent in June 2017 and dropped to 4.6 percent in July 2017. Fort Bend County continues to attract residents to various master planned communities such as Aliana, Grand Vista, Harvest Green, Riverstone and Sienna Plantation. Growth in these communities have increased demand for retail, healthcare and entertainment centers, and the County has experienced growth in these areas as well.

FACTORS AFFECTING FINANCIAL CONTROL

Financial Control

The Board approved a Fiscal and Budget Strategy that provides a framework for establishing budgets and conducting operations. The annual budget, which serves as the foundation for the District's financial planning and control, supports the ongoing operations of the District and incorporates the goals and priorities listed below.

Internal Controls

The District maintains a system of accounting controls designed to assist the administration in meeting its responsibility for accurately reporting the financial condition of the District. The system is designed to provide reasonable assurance that authorized transactions are promptly and accurately recorded, district resources are efficiently and effectively utilized, district assets are safeguarded from loss, theft or misuse, and financial reports are prepared in accordance with GAAP. Because the cost of internal controls should not outweigh their benefits, the internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The District contracts with an Internal Auditing firm that reports directly to an Audit Committee consisting of several Board of Trustee members. The firm conducted an annual risk assessment for the past two years and performed an internal audit of identified areas.

Budgetary Control

Texas Education code section 44.002 through 44.006 requires the Board president to call a Board meeting for the purpose of discussing and adopting the budget and tax rate. A notice of this meeting is required to be published at least 10 days but not more than 30 days before the public meeting. The budget is required to be adopted prior to June 30. The Board must adopt budgets for the General Fund, Debt Service Fund, and National School Breakfast and Lunch Fund (special revenue). The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approval by the Board of Trustees. In accordance with procedures prescribed by the State Board of Education, budget amendments that affect the total amount in a fund must be approved by the Board prior to expenditure of funds. The District utilizes a detailed line item approach for Governmental fund types that is prepared in accordance with the budgeting requirements as defined in the Financial Accountability System Resource Guide for Texas school districts.

Budgetary control is maintained at the function level by organizational units through an encumbrance accounting system. Select outstanding encumbrances at the end of the fiscal year are rolled forward into the subsequent fiscal period and budget amendments are implemented accordingly.

Budgetary Process

The annual budget supports the ongoing operations of the District and incorporates the objectives contained in the District Strategic Plan (DSP). Campus and non-campus budgets are based upon carefully developed strategic plans which tie to the DSP. Campus Based Leadership Teams (CBLT) work closely with campus administrators to develop their Campus Improvement Plan (CIP). CBLT's include teachers, parents, community leaders, business partners, and district administrators. Non-campus department plans are developed by administrative staff members and support the DSP.

Long-term Financial Planning

Fort Bend County is one of the fastest growing areas in the greater Houston area, which has created the need to open three new elementary campuses in August 2017 in order to keep up with enrollment increases. The District also has plans to open a middle school in August 2018 and a Career Technical Center in August 2019. The 85th Texas Legislature did not make any sizable funding increases for school districts. The New Instructional Facility Allotment (NIFA) was increased from \$250 to \$1,000 per student. House Bill 20 passed which provides \$212 million to reduce health-care cost increases facing retirees covered under the TRS-Care health plan. The 2017-2018 budgeted state funding decrease for the District is due to the increase in property tax growth. Thus, local property taxes are funding a larger portion of the District budget. The increase in property tax values and continued student growth allowed the Board to adopt the 2017-2018 Fiscal Year General Fund expenditure budget of approximately \$633 million compared to \$592 million for the previous school year. The 2017-2018 budget added \$ 12.2 million, a net of 211 new positions in the General Fund, \$14.7 million of additions for teacher and principal pay increases, \$9 million for pay increases for nonteaching positions, and \$3 million for health insurance. The 2017-2018 General Fund budgeted expenses exceed budgeted revenues by \$12 million. The estimated budgeted shortfall has been committed in fund balance. The District will be reviewing all expenditures and potential revenues in order to balance the general fund budget for 2018-2019.

The District has maintained a stable fund balance. This strong financial position allows the District to receive AA+ high bond ratings issued by both Fitch and Standard and Poor's. A strong fund balance also allows the district to respond to any unexpected situations that may arise. Student enrollment is budgeted to increase in fiscal year 2017-2018 to 75,354 students compared to the original budget for fiscal year 2016-2017 of 74,111 students. The growth of students continues increased demand for additional buildings and space.

In November 2014, the voters approved a \$484 million bond referendum to address the District's growth, safety and security improvements and to upgrade the District's technology infrastructure and address facility and educational deficiencies of buildings.

The District opened three new elementary schools, Donald Leonetti, James Neill and James Patterson for school year 2017-2018, which were funded from the 2014 bond referendum. Donald Leonetti Elementary is located in the Sienna Plantation subdivision in Missouri City. James Neill Elementary is located in Harvest Green subdivision in Richmond. James Patterson Elementary is located in the Grand Vista subdivision located in Richmond. Ronald Thornton Middle School located in Sienna Plantation is expected to open for school year 2018-2019, which is funded from the 2007 Bond. Lastly, the James Reese Career and Technical Center, a 2014 Bond project, will be located in Sugar Land and is expected to open for school year 2019-2020.

The Fort Bend ISD Board of Trustees approved the District's Core Beliefs and Commitments, Mission, Vision, District Goals and Priorities and the Profile of a Graduate, which guide all decision-making efforts in order to benefit each child in Fort Bend ISD. The District will achieve its Mission and Vision by utilizing the District's Core Beliefs and Commitments to accomplish the District's Goals and Priorities as outlined below:

Mission

FBISD exists to inspire and equip all students to pursue futures beyond what they can imagine.

Vision

FBISD will graduate students who exhibit the attributes of the District's Profile of a Graduate.

Profile of a Graduate

A Fort Bend ISD Graduate has a rigorous academic foundation, strong character, and is...

- ...equipped with skills for life.
- ...a servant leader.
- ...an effective communicator.
- ...a critical thinker.
- ...a compassionate citizen.
- ...a collaborative team member.
- ...a life-long learner.

District's Goals and Priorities are below:

1. FBISD will provide an equitable learning environment that provides all students access to the FBISD curriculum.
2. FBISD will ensure students own and are responsible for their learning, behavior, and progress through the FBISD curriculum.
3. FBISD will provide an inclusive, collaborative, and fluid learning environment with opportunities for both risk-taking and success.
4. FBISD will develop students' social-emotional, academic, literacy, language, and life skills in a safe and secure Collaborative Community at every school.

MAJOR ACCOMPLISHMENTS

Academic and Community Partner Accolades

In January 2017, TEA released the preliminary results of the letter grading and FBISD received a B for "student achievement," an A for "student progress," a C for "closing performance gaps," and a D for "postsecondary readiness." FBISD Board members and Administration, as well as many other districts and organizations, advocated that a letter grade is not an indicator of how well schools, teachers and students perform. The 85th legislature responded and passed House Bill 22 which will grade schools based on an A-F rating in three criteria: student achievement, student progress, and closing performance gaps. Districts will receive the first letter grades in August 2018 and individual schools will receive their grades in August 2019.

Briargate and Ridgemont Elementary are operating under an Improvement Plan for the second year. FBISD operates the EDGE (Educators Dedicated to Growing Excellence) instructional model which is a progressive educational approach developed to create unique learning opportunities for both students and staff utilizing an instructional redesign that cultivates academic innovation and engagement.

FBISD Board of Trustees believes a school and student performance is much more than an A-F grade. The Board believes in a holistic review of each student. As such, the Board, with community input, passed a Profile of a Graduate, which defines the skills and attributes that an FBISD graduate should possess upon graduating from an FBISD school.

Eighty two of FBISD's secondary students were semifinalists in the 2017 National Merit Scholarship Program. The 82 scholars are among 16,000 chosen as finalists from more than 1.6 million juniors in high school in more than 22,000 high schools that entered the 2017 National Merit Scholarship Program by taking the PSAT/National Merit Scholarship Qualifying Test.

The 2017 graduating Senior Class were offered academic and athletic scholarship totaling over \$113 million.

Since its inception in 1992, the Fort Bend Education Foundation has awarded more than \$32 million to FBISD teachers and schools. During the 2016-2017 school year, the Fort Bend Education Foundation awarded more than \$524,000 to FBISD teachers to fund innovative programs for the District's students.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the twelve months ending June 30, 2016. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

Additionally, the Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual financial report for the same time period. The Certificate of Excellence in Financial Reporting certifies that the recipient school district presented its comprehensive annual financial report to the ASBO Panel of Review for critical review and evaluation; and the report was judged to have complied with the principles and practices of financial reporting recognized by ASBO.

Both the Certificate of Achievement for Excellence in Financial Reporting and the Certificate of Excellence in Financial Reporting are valid for a period of one year only. We believe that the current comprehensive annual financial report continues to meet the program requirements for the Certificate of Achievement and the Certificate of Excellence, and it will be submitted to the GFOA and ASBO to determine its eligibility for other certificates.

FBISD is proud to have received a fourteenth consecutive rating of "Superior Achievement" under the Schools FIRST (Financial Integrity Rating System of Texas), a financial accountability system for Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature. The primary goal of Schools FIRST is to ensure quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with the Texas school finance system.

The District was one of only 46 schools in Texas to receive the highest five star rating from Texas Smart Schools in 2017. To earn a five star rating a district must be in the best 20% in both of two key dimensions: academic progress and cost-effective finances.

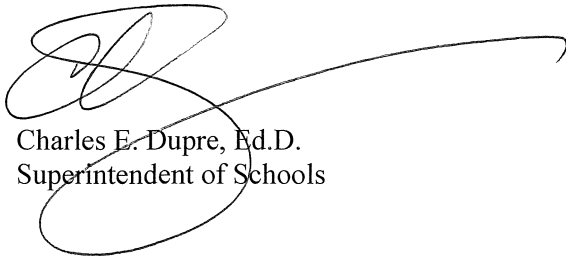
Lastly, the District was awarded for the third consecutive time a Certification of Investment Policy by the Government Treasurers' Organization of Texas (GTOT) with the latest award applicable for the two year period ending September 2018. The certification recognizes the District for developing an investment policy that meets the requirements of the Public Funds Investment Act and standards for prudent public investing established by the GTOT.

Lastly, the District was awarded for the third consecutive time a Certification of Investment Policy by the Government Treasurers' Organization of Texas (GTOT) with the latest award applicable for the two year period ending September 2018. The certification recognizes the District for developing an investment policy that meets the requirements of the Public Funds Investment Act and standards for prudent public investing established by the GTOT.

Acknowledgments

We appreciate the support of the Board of Trustees, residents living in the FBISD attendance zone, and the business community, all of whom work cooperatively with the District to ensure the best education for our students. We also want to express our gratitude to all employees who provided information, data or services in connection with the audit and for conducting the financial affairs of the District in a fiscally responsible manner. We would like to acknowledge our independent auditors, Whitley Penn, L.L.P., for providing professional guidance and assistance in the preparation of this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'C. Dupre', with a long horizontal flourish extending to the right.

Charles E. Dupre, Ed.D.
Superintendent of Schools



Government Finance Officers Association

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

Presented to

**Fort Bend Independent School
District, Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



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

Fort Bend Independent School District

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

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



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

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

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

John D. Musso, CAE, RSBA
Executive Director

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CERTIFICATE OF BOARD

Fort Bend Independent School District

Name of School District

Fort Bend

County

079-907

District Number

We, the undersigned, certify that the attached annual financial reports of the above name school district were reviewed and approved for the year ended June 30, 2017, at a meeting of the Board of Trustees of such school district on the 13th day of November, 2017.



President of the Board



Secretary of the Board

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FINANCIAL SECTION

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REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees
Fort Bend Independent School District
Sugar Land, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Fort Bend Independent School District (the “District”), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

To the Board of Trustees
Fort Bend Independent School District

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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 Management's Discussion and Analysis on pages 7 through 18 and the budgetary and required pension system information on pages 78 through 83 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, such as the combining and individual nonmajor fund financial statements, budget comparisons and compliance schedules and the other information, such as the introductory and statistical section, are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and budget comparisons and compliance schedules 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 fund financial statements and budget comparisons and compliance schedules 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.

To the Board of Trustees
Fort Bend Independent School District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Whitley Penn LLP

Houston, Texas
October 24, 2017

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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FORT BEND INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Fort Bend Independent School District, we offer this narrative overview of the District's financial performance for the year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our transmittal letter located in the front of this report, the independent auditors' report, and the District's Basic Financial Statements which follow this section.

Financial Highlights

The assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources at June 30, 2017, by \$212,818,472 on the government-wide financial statements. Of this amount, \$120,638,624 is unrestricted that may be utilized to meet the District's ongoing obligations.

The District's governmental funds financial statements reported combined ending fund balances of \$187,182,023 at June 30, 2017, a decrease of \$96,755,840 in comparison to the prior year. The decrease in governmental balances was primarily due to a decrease of \$105,151,840 in the capital projects fund due to ongoing expenditures on construction projects.

At the end of the current fiscal year, total unassigned fund balance for the general fund was \$100.6 million or 16.9 percent of the total general fund expenditures of \$595.0 million. In addition, the general fund has a committed fund balance of \$49.4 million for state revenue stabilization, or 8.3 percent of total general fund expenditures.

Overview of the Financial Statements

The Comprehensive Annual Financial Report is composed of three main sections - (A) Introductory Section, (B) Financial Section and (C) the Statistical Section. The Financial Section of this Comprehensive Annual Financial Report consists of four parts: (1) *management's discussion and analysis* (this section), (2) the *basic financial statements*, (3) *required supplementary information*, and (4) *other supplementary information*, which is an optional section that presents additional information such as *combining and individual fund statements and schedules* for non-major and major governmental funds, internal service funds, fiduciary funds, capital assets and required compliance information.

The Management's Discussion and Analysis section is intended to serve as an introduction to the District's Basic Financial Statements. The District's Basic Financial Statements comprise three components: (1) Government-Wide Financial Statements (2) Fund Financial Statements, and (3) Notes to the Basic Financial Statements.

The basic financial statements include two kinds of statements that present different views of the District:

The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.

The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in *more detail* than the government-wide statements.

Governmental fund statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.

Proprietary fund statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses*, such as the District's self-insurance programs.

FORT BEND INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Overview of the Financial Statements (continued)

Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Basic Financial Statements

Government-Wide Statements

All of the District's services are reported in the government-wide financial statements, including instructional, instructional leadership, student support services, general administration, support services, and debt services. Property taxes, state foundation funds and grants finance most of these activities.

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies.

The Statement of Net Position presents information on all of the District's assets, deferred outflows and inflows of resources, and liabilities, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To fully assess the overall health of the District, however, non-financial factors need to be considered as well, such as changes in the District's average daily attendance, its property tax base and the condition of the District's facilities.

The Statement of Activities presents information for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

The government-wide financial statements include the District's extended learning program and facility rental program. The extended learning program provides K-6th grade students homework help and enrichment activities, while the facility rental program provides rental space for participants. The costs associated with these programs are accounted for as business-type activities.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related requirements. The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole.

FORT BEND INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Basic Financial Statements (continued)

Fund Financial Statements (continued)

Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants.

The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has three fund types:

Governmental funds: Government funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, it is useful to compare the information presented for governmental funds, with similar information presented for governmental activities in the government-wide financial statements. In doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains 25 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund and capital projects fund, which are considered to be major funds. Data from the other governmental funds are combined in a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the financial statements. The District adopts an annual appropriated budget for its General Fund, National School Breakfast and Lunch Program Fund, and Debt Service Fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets.

Proprietary funds: Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. There are two proprietary fund types – enterprise and internal service funds. The District's enterprise fund is used to account for its business-type activities, a day care program, an extended learning program and a facilities rental program. The internal service funds are an accounting device used to accumulate and allocate costs internally among the various functions. The District uses the internal service fund to report activities for its self-funded insurance programs.

FORT BEND INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Basic Financial Statements (continued)

Fund Financial Statements (continued)

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that -- because of a trust arrangement -- can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The fiduciary funds are excluded from the activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to Financial Statements

The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The Required Supplementary Information relates to general fund budgetary comparison information and required pension system information.

Other Supplementary Information

The Other Supplementary Information section contains information for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplementary information includes combining and individual fund statements for non-major governmental funds, internal service funds and fiduciary fund and budget comparisons for funds required to be reported, which does not meet the criteria for required supplementary information. This section also includes certain compliance schedules required by State Regulatory agencies.

Government-Wide Financial Analysis

Presented in the following pages, Tables I and II are summarized Statement of Net Position and Statement of Changes in Net Position for both current and prior-year data. Our analysis focuses on the current year and the comparison of prior-year amounts on the net position (Table I) and changes in net position (Table II) of the District's governmental activities.

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the year ended June 30, 2017, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$212.8 million.

FORT BEND INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Government-Wide Financial Analysis (continued)
Table I - Net Position Summary

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 365,350,396	\$ 409,437,144	\$ 4,247,214	\$ 2,914,069	\$ 369,597,610	\$ 412,351,213
Capital assets	1,064,316,191	938,007,403	2,852,354	2,971,191	1,067,168,545	940,978,594
Total Assets	1,429,666,587	1,347,444,547	7,099,568	5,885,260	1,436,766,155	1,353,329,807
Total Deferred Outflows of Resources	97,129,326	90,636,703	-	-	97,129,326	90,636,703
Current liabilities	160,997,736	94,527,182	702,306	836,811	161,700,042	95,363,993
Long-term liabilities	1,134,752,607	1,096,248,539	-	-	1,134,752,607	1,096,248,539
Total Liabilities	1,295,750,343	1,190,775,721	702,306	836,811	1,296,452,649	1,191,612,532
Total Deferred Inflows of Resources	24,624,360	10,509,512	-	-	24,624,360	10,509,512
Net Investment in capital assets	31,173,206	52,298,650	2,852,354	2,971,191	34,025,560	55,269,841
Restricted	58,154,288	53,063,342	-	-	58,154,288	53,063,342
Unrestricted	117,093,716	131,434,025	3,544,908	2,077,258	120,638,624	133,511,283
Total Net Position	\$ 206,421,210	\$ 236,796,017	\$ 6,397,262	\$ 5,048,449	\$ 212,818,472	\$ 241,844,466

Unrestricted net position for governmental activities, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, amounted to \$117.1 million at June 30, 2017. Government-wide unrestricted net position decreased by \$12.9 million, mainly due to the increase in deferred inflows relating to pension activities.

Government-wide net investment in capital assets (e.g. land, buildings and improvements, furniture and equipment, and construction in progress), less any related debt used to acquire those assets that is still outstanding, amounted to \$34.0 million as of June 30, 2017. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

FORT BEND INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Government-Wide Financial Analysis (continued)

Changes in Net Position

The Net Position of the District decreased by \$29.0 million for the year ended June 30, 2017. The total revenues from taxpayers, user service fees, grants and other sources for the District was \$782.9 million, a \$1.8 million decrease from fiscal year 2016. Total expenses for the 2017 fiscal year were \$812.0 million or \$20.6 million greater than expenses of fiscal year 2016.

Table II - Change in Net Position

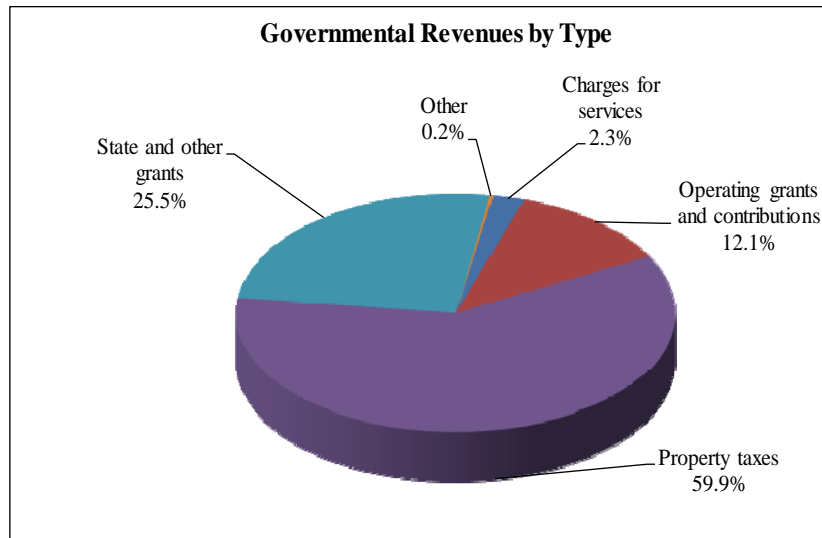
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues:						
Charges for services	\$ 17,894,854	\$ 18,868,613	\$ 10,739,967	\$ 9,334,174	\$ 28,634,821	\$ 28,202,787
Operating grants and contributions	92,959,440	105,396,708	-	-	92,959,440	105,396,708
General Revenues:						
Property taxes	462,661,199	419,934,045	-	-	462,661,199	419,934,045
State and other grants	196,852,757	229,920,790	-	-	196,852,757	229,920,790
Other	1,820,824	1,325,273	18,171	10,263	1,838,995	1,335,536
Total Revenues	772,189,074	775,445,429	10,758,138	9,344,437	782,947,212	784,789,866
Expenses						
Instructional	446,218,344	457,619,035	-	-	446,218,344	457,619,035
Instructional leadership	56,458,395	52,378,102	-	-	56,458,395	52,378,102
Student support services	111,834,387	105,372,685	-	-	111,834,387	105,372,685
General administration	16,507,370	16,554,022	-	-	16,507,370	16,554,022
Support services	128,340,493	108,563,912	-	-	128,340,493	108,563,912
Community services	2,002,012	962,290	-	-	2,002,012	962,290
Interest expense	34,450,182	36,067,077	-	-	34,450,182	36,067,077
Facilities repairs and maintenance	4,632,524	4,010,336	-	-	4,632,524	4,010,336
Intergovernmental charges	3,620,174	2,926,452	-	-	3,620,174	2,926,452
Business-type activities	-	-	7,909,325	6,924,219	7,909,325	6,924,219
Total Expenses	804,063,881	784,453,911	7,909,325	6,924,219	811,973,206	791,378,130
Excess (deficiency) before transfers	(31,874,807)	(9,008,482)	2,848,813	2,420,218	(29,025,994)	(6,588,264)
Transfers	1,500,000	1,000,000	(1,500,000)	(1,000,000)	-	-
Increase (decrease) in net position	(30,374,807)	(8,008,482)	1,348,813	1,420,218	(29,025,994)	(6,588,264)
Net Position - Beginning	236,796,017	244,804,499	5,048,449	3,628,231	241,844,466	248,432,730
Net Position - Ending	\$ 206,421,210	\$ 236,796,017	\$ 6,397,262	\$ 5,048,449	\$ 212,818,472	\$ 241,844,466

FORT BEND INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

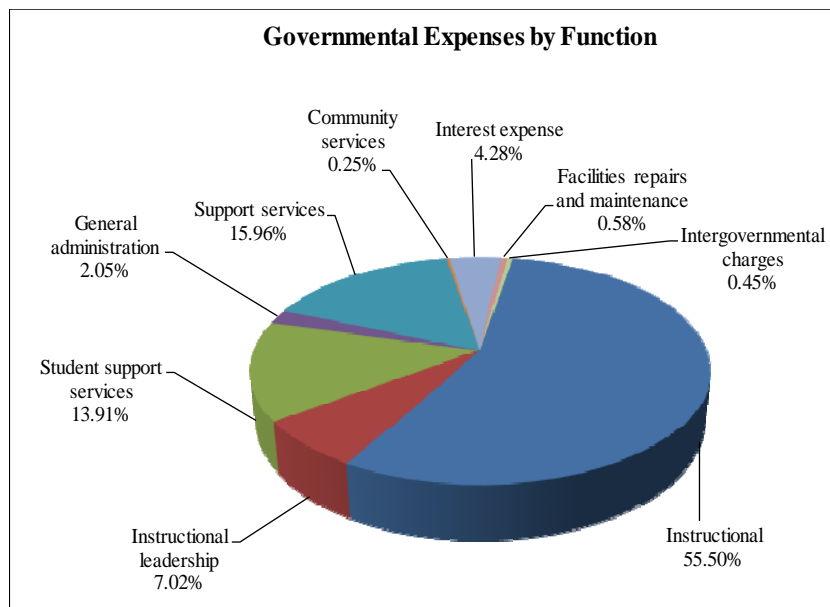
Government-Wide Financial Analysis (continued)

Governmental Activities

Revenues for the District's governmental activities decreased by \$3.4 million for the year ended June 30, 2017 over the prior fiscal year. Operating grants and contributions revenue decreased by \$12.4 million mainly due to the State Instructional Materials Fund revenue decreasing by \$10 million from the prior fiscal year due to the Texas Education Agency not requiring a textbook proclamation during the current fiscal year. Property tax revenues increased by \$42.7 million resulting in state and other grant revenue decreasing by \$33.1 million. The rise in property values continues to increase the District's property tax revenue while reducing the state aid.



Approximately 59.9 percent of the District's revenues came from property taxes, with an additional 25.5 percent derived from state funding formulas and federal grants. Last fiscal year 54.1 percent of the District's revenues came from property taxes and 29.7 percent came from state funding formulas and federal grants.



FORT BEND INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Government-Wide Financial Analysis (continued)

Total governmental activities expenses per pupil totaled \$11,345 for the fiscal year 2017 compared to \$11,195 for fiscal year 2016 based on average daily attendance. This increase is primarily due to repair work and new buses purchased in connection with the 2014 bond program.

Expenses for the District's governmental activities increased by approximately \$19.6 million in fiscal year 2017 from 2016. Over 55.5 percent of the District's expenses were expended for instructional activities. When combined with student and other support services such as transportation, counseling and nursing, 85.4 percent of the District's expenses were spent on direct student services.

Business-Type Activities

Revenues for the District's business-type activities were \$10.8 million and expenses were \$7.9 million for the year ended June 30, 2017 compared to \$9.3 million of revenue and \$6.9 million of expenses for the year ending June 30, 2016. The increase in revenue is attributable to the Extended Learning program increasing enrollment at elementary and some middle school campuses and focused efforts to expand the facility rental program.

Financial Analysis of the District's Funds

Governmental Funds

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

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

As of June 30, 2017, the District's governmental funds (shown on Exhibit C-1) reported a combined ending fund balance of \$187.2 million, a decrease of \$96.8 million from last year due primarily to capital projects fund balance decreasing from \$33.7 million to a negative \$71.5 million. A recap of fund balance follows:

Nonspendable:	
Inventories	\$ 472,523
Prepaid items	2,490,378
Restricted:	
Grant Funds	4,489,609
Debt service	65,040,028
Committed:	
Capital outlay	6,400,000
State revenue stabilization	49,400,000
Other committed	21,200,000
Campus activity funds	3,879,828
Assigned:	
Other purposes	4,724,855
Unassigned:	
Unassigned	29,084,802
Total Fund Balances	<u><u>\$ 187,182,023</u></u>

FORT BEND INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Financial Analysis of the District's Funds (continued)

Governmental Funds (continued)

General Fund

The General Fund is the primary operating fund of the District. At the end of the year ended June 30, 2017, unassigned fund balance of the general fund was \$100.6 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 16.9 percent of the total general fund actual expenditures for fiscal year 2017, while total fund balance represents 31 percent of that same amount.

The fund balance of the District's general fund was \$185.3 million at year end, an increase of \$2.8 million from the prior year. Significant changes within the fund balance classifications were as follows:

Unassigned fund balance decreased by approximately \$4.2 million from \$104.8 million to \$100.6 million. However, committed fund balance increased from \$72 million to \$77 million mainly due to increasing the committed fund balance for budgeted loss increases from \$6.5 million as of June 30, 2016 to \$14 million as of June 30, 2017 for the 2017-2018 adopted budgeted loss of \$12 million.

Debt Service Fund

The Debt Service Fund realized revenues of \$105.7 million and expenditures of \$92.7 million for the year ended June 30, 2017. In addition, the Debt Service Fund had other financing sources of \$33.2 million and uses of \$40.2 million during the year from a debt remarketing and a transfer of funds to the Capital Project Fund for a payment on the commercial paper refunding which is explained in Note 8. The fund balance of the debt service fund, restricted for the payment of the District's debt, increased by \$6.0 million and totaled \$65.0 million at June 30, 2017.

Capital Projects Fund

The Capital Projects Fund incurred fund balance decreased by \$105.2 million due to construction related expenditures of \$208.0 million for the year ended June 30, 2017 compared to revenues of \$2.3 million. Issuance of capital related debt of \$92.7 million as well as transfers in of \$7 million from the Debt Service Fund resulted in a deficit fund balance of \$71.5 million at year end.

General Fund Budgetary Highlights

The District revised the General Fund budget several times during the year ended June 30, 2017. Budget amendments totaling \$9 million were approved by the Board of Trustees resulting in revenue increases. State aid increased by \$6.2 million, federal revenue related to SHARS (School Health and Related Services program) increased by \$1.3 million and local revenues increased by \$1.6 million. The \$6.2 million state aid increase was comprised of a \$4.6 million increase in Texas Retirement System (TRS) on-behalf revenue and \$1.6 million in Foundation and Available School Fund increases mainly due to increases in the transportation allotment and student enrollment increases. The \$1.6 million increase in local revenues was comprised of \$1.2 million for increase in property tax revenue and \$.4 million related to donations.

FORT BEND INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Financial Analysis of the District's Funds (continued)

General Fund Budgetary Highlights (continued)

Budgeted appropriations for expenditures for the General Fund increased \$11.4 million due to \$3.94 million for purchase orders from fiscal year 2016 that were honored in fiscal year 2017, \$4.6 million for TRS on-behalf expense, \$1.92 million for a one-time supplement for non-teaching staff members, \$.6 million for a document management system and \$.4 million for expenditures funded from donation revenue.

Overall, the General Fund experienced operational savings of \$2.8 million. This savings was mainly attributable to purchase orders of \$4.7 million that will carry over into fiscal year 2017-2018.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2017, the District's investment in capital assets was \$1,067.2 million, net of accumulated depreciation. The investments in capital assets include a broad range of capital assets, including land, buildings and improvements (includes infrastructure), furniture and equipment and construction in progress (see Table III). This amount represents a net increase (including additions and deletions) of \$126.2 million.

Table III - Capital Asset Summary

	Governmental Activities		Business- Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 76,591,362	\$ 73,859,474	\$ -	\$ -	\$ 76,591,362	\$ 73,859,474
Construction in Progress	147,741,032	34,711,269	-	-	147,741,032	34,711,269
Buildings and Improvements	806,416,503	804,139,055	2,852,354	2,969,306	809,268,857	807,108,361
Furniture and Equipment	13,363,027	11,500,751	-	1,885	13,363,027	11,502,636
Vehicles	20,204,267	13,796,854	-	-	20,204,267	13,796,854
Total Capital Assets,						
Net of Depreciation	\$ 1,064,316,191	\$ 938,007,403	\$ 2,852,354	\$ 2,971,191	\$ 1,067,168,545	\$ 940,978,594

Major additions to capital assets during 2017 included the following:

- Construction costs for Leonetti, Neill and Patterson Elementary Schools which opened in August 2017.
- Construction costs for Ronald Thornton Middle School anticipated to open August 2018.
- Construction costs for Bonnie Beard Ag Center which opened September 2017.
- Classroom additions at six elementary schools scheduled to be completed winter of 2017.
- Purchase of land for a future elementary school.
- Purchase of technology hardware for wireless connectivity at elementary schools.
- Purchase of 70 school buses; including 20 buses for special education and 30 buses that utilize compressed natural gas.
- Purchase of football, baseball and/or softball scoreboards for ten high schools.

Additional information on the District's capital assets can be found in Note 7 of the financial statements.

FORT BEND INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Capital Asset and Debt Administration (continued)

Debt Administration

At June 30, 2017, the District had total long-term liabilities of \$1.1 billion. Of this amount, \$674.2 million comprises debt backed by the full faith of the State of Texas Permanent School Fund. The District retired \$50.7 million of bonds payable. The District also has capital appreciation bonds, on which no interest is paid until the bonds mature. The District experienced an \$7.0 million increase in its portion of the TRS net pension liability and experienced a net decrease of \$.2 million of other long-term liabilities during the year ended.

The District's current underlying credit rating is "AA+" by Fitch IBCA and "AA+" by Standard & Poor's and is given without consideration of credit enhancement. In addition, the Texas Permanent School Fund is rated "AAA" by Fitch.

Table IV - District's Outstanding Debt

Governmental Activities	2017	2016
Bonds Payable (net)	\$ 973,798,793	\$ 942,085,567
Net Pension Liability	148,632,453	141,636,991
Other Governmental Activity	12,321,361	12,525,981
Total Governmental Activity		
Long-Term Liabilities	\$ 1,134,752,607	\$ 1,096,248,539

More detailed information about the District's debt is presented in Note 8 of the financial statements.

Economic Factors and Next Year's Budgets and Rates

The Board of Trustees adopted General Fund budgeted revenues for fiscal year 2018 of \$619.8 million compared to General Fund budgeted expenditures of \$633.3 million and transfers in of \$1.5 million based on the projected student population of 75,355 students. The \$12 million budgeted shortfall has been committed in fund balance as of June 30, 2017.

Overall, the District is decreasing the tax rate from \$1.34 in fiscal year 2016-17 to \$1.32 for fiscal year 2017-2018 for the combination of the General Fund and Debt Service Fund. However, the Debt Service Fund tax rate is decreasing by four cents from .34 cents to .30 cents while the General fund is increasing two cents from \$1.04 to \$1.06.

The budgeted revenue for fiscal year 2018 of \$619.8 million is more than the actual revenue fiscal year 2017 of \$596.1 million primarily due to local revenues increasing from \$364.1 million for fiscal year 2017 to \$392.2 million budgeted in fiscal year 2018. The local revenue increase is due to property value increases and the maintenance and operations tax rate increasing by two cents which adds an additional \$7.5 million of revenue to the General Fund. State revenue decreased from \$223.1 million for fiscal year 2017 to \$218.7 million budgeted in fiscal year 2018 mainly due to the increase in property tax values. The District is budgeting 63% of its revenue from local sources in fiscal year 2018 compared to budgeting 61.8% from local revenue in fiscal year 2017. Thus, the state is funding less each year.

FORT BEND INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS *(continued)*

Economic Factors and Next Year's Budgets and Rates *(continued)*

The fiscal year 2018 budgeted expenses of \$633.3 million includes an increase of 210 new positions at a cost of \$12.2 million, principal and teacher increases at a cost of \$14.7 million, non-teaching compensation adjustments totaling \$9.2 million and \$3 million for health insurance benefits for employees. The estimated budget shortfall for fiscal year 2018 is \$12 million which includes additional expenses for three new elementary schools opened in August 2017. The District committed \$4.5 million of fund balance as of June 30, 2017 for more new school openings (a middle school as well as a career and technical education center) as well as \$14 million for the budgeted operational losses expected for fiscal year 2018 and beyond. The District will continue to refine budget estimates, project actual operating results, develop strategies to provide educational services efficiently and effectively, actively promote changes in the state funding formula and monitor state legislation affecting school district funding.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's financial services office.

BASIC FINANCIAL STATEMENTS

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FORT BEND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2017

Exhibit A-1

Data Control Codes	Governmental Activities	Business-type Activities	Total
Assets			
1110 Cash and cash equivalents	\$ 668,719	\$ 671,509	\$ 1,340,228
1120 Investments	286,437,212	3,391,744	289,828,956
1225 Property taxes receivables, net	11,292,305	-	11,292,305
1240 Due from other governments	61,813,822	-	61,813,822
1250 Accrued interest	196,506	-	196,506
1260 Internal balances	126,225	(126,225)	-
1290 Other receivables, net	1,050,779	310,186	1,360,965
1300 Inventories	1,172,668	-	1,172,668
1410 Prepaid items	2,592,160	-	2,592,160
Capital assets not subject to depreciation			
1510 Land	76,591,362	-	76,591,362
1580 Construction in progress	147,741,032	-	147,741,032
Capital assets net of depreciation:			
1520 Buildings and improvements, net	806,416,503	2,852,354	809,268,857
1530 Furniture and equipment, net	13,363,027	-	13,363,027
1540 Vehicles	20,204,267	-	20,204,267
1000 Total Assets	1,429,666,587	7,099,568	1,436,766,155
Deferred Outflows of Resources			
1700 Deferred charge on refunding	12,138,276	-	12,138,276
1705 Deferred outflows relating to pension activities	84,991,050	-	84,991,050
Total Deferred Outflows of Resources	97,129,326	-	97,129,326
Liabilities			
2110 Accounts payable	33,908,988	72,927	33,981,915
2120 Loans payable	39,000,000	-	39,000,000
2140 Interest payable	13,883,019	-	13,883,019
2150 Payroll deductions and withholdings	1,771,489	-	1,771,489
2160 Accrued wages payable	55,866,278	306,029	56,172,307
2180 Due to other governments	69,991	-	69,991
2200 Accrued expenses	8,992,887	-	8,992,887
2300 Unearned revenue	7,505,084	323,350	7,828,434
Noncurrent Liabilities:			
2501 Due within one year	44,736,677	-	44,736,677
2502 Due in more than one year	941,383,477	-	941,383,477
2540 Net pension liability	148,632,453	-	148,632,453
2000 Total Liabilities	1,295,750,343	702,306	1,296,452,649
Deferred Inflows of Resources			
2600 Deferred inflows relating to pension activities	24,624,360	-	24,624,360
Total Deferred Inflows of Resources	24,624,360	-	24,624,360
Net Position			
3200 Net investment in capital assets	31,173,206	2,852,354	34,025,560
Restricted for:			
3820 Federal and state programs	4,489,609	-	4,489,609
3850 Debt service	53,664,679	-	53,664,679
3900 Unrestricted	117,093,716	3,544,908	120,638,624
3000 Total Net Position	\$ 206,421,210	\$ 6,397,262	\$ 212,818,472

See Notes to the Basic Financial Statements.

FORT BEND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

Data Control Codes	Functions/Programs	Program Revenue		
		Expenses	Charges for Services	Operating Grants and Contributions
	Governmental activities			
11	Instruction	\$ 423,919,352	\$ 2,939,419	\$ 46,160,069
12	Instructional Resources and Media Services	9,069,384	188,396	481,529
13	Curriculum and Staff Development	13,229,608	50,194	2,441,543
21	Instructional Leadership	14,201,230	-	1,760,961
23	School Leadership	42,257,165	77,001	3,117,404
31	Guidance, Counseling, and Evaluation Services	32,165,308	1,034,300	3,151,586
32	Social Work Services	1,827,603	-	311,384
33	Health Services	9,037,794	94	9,520,387
34	Student Transportation	25,377,196	80,780	2,465,618
35	Food Service	27,915,617	11,104,108	14,591,894
36	Extracurricular Activities	15,510,869	2,345,151	896,237
41	General Administration	16,507,370	-	1,292,086
51	Plant, Maintenance and Operations	91,960,578	19,524	2,495,056
52	Security and Monitoring Services	10,001,661	55,887	491,430
53	Data Processing Services	26,378,254	-	781,346
61	Community Services	2,002,012	-	1,110,324
72	Interest expense	34,450,182	-	-
81	Facilities Repair and Maintenance	4,632,524	-	1,569,686
93	Payments Related to Shared Services Arrangements	774,900	-	320,900
99	Payments for tax appraisal costs	2,845,274	-	-
TG	Total governmental activities	\$ 804,063,881	\$ 17,894,854	\$ 92,959,440
	Business-type activities			
01	Extended Learning Program	7,030,145	9,453,290	-
02	Facility Rental Program	879,180	1,286,677	-
TB	Total business-type activities	7,909,325	10,739,967	-
TP	Total primary government	\$ 811,973,206	\$ 28,634,821	\$ 92,959,440

Data Control Codes	
	General revenues
	Taxes:
MT	Property taxes, levied for general purposes
DT	Property taxes, levied for debt service
SF	State-aid formula grants
GC	Grants and contributions not restricted
IE	Investment earnings
FR	Transfers
TR	Total general revenues
CN	Change in net position
NB	Net position - beginning
NE	Net position - ending

See Notes to the Basic Financial Statements.

Exhibit B-1

Net (Expense) Revenue and Changes in Net Position

Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (374,819,864)		\$ (374,819,864)
(8,399,459)		(8,399,459)
(10,737,871)		(10,737,871)
(12,440,269)		(12,440,269)
(39,062,760)		(39,062,760)
(27,979,422)		(27,979,422)
(1,516,219)		(1,516,219)
482,687		482,687
(22,830,798)		(22,830,798)
(2,219,615)		(2,219,615)
(12,269,481)		(12,269,481)
(15,215,284)		(15,215,284)
(89,445,998)		(89,445,998)
(9,454,344)		(9,454,344)
(25,596,908)		(25,596,908)
(891,688)		(891,688)
(34,450,182)		(34,450,182)
(3,062,838)		(3,062,838)
(454,000)		(454,000)
(2,845,274)		(2,845,274)
<u>(693,209,587)</u>		<u>(693,209,587)</u>
-	2,423,145	2,423,145
-	407,497	407,497
-	2,830,642	2,830,642
<u>(693,209,587)</u>	<u>2,830,642</u>	<u>(690,378,945)</u>
358,493,162	-	358,493,162
104,168,037	-	104,168,037
194,871,212	-	194,871,212
1,981,545	-	1,981,545
1,820,824	18,171	1,838,995
1,500,000	(1,500,000)	-
<u>662,834,780</u>	<u>(1,481,829)</u>	<u>661,352,951</u>
(30,374,807)	1,348,813	(29,025,994)
236,796,017	5,048,449	241,844,466
<u>\$ 206,421,210</u>	<u>\$ 6,397,262</u>	<u>\$ 212,818,472</u>

FORT BEND INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2017

Data Control Codes	General Fund	Debt Service Fund	Capital Projects Fund
Assets			
1110 Cash and cash equivalents	\$ 641,793	\$ 393	\$ 899
1120 Investments	189,605,091	64,652,861	5,364,130
Receivables:			
1220 Property taxes - delinquent	13,104,509	3,543,468	-
1230 Allowance for uncollectible taxes (credit)	(4,319,874)	(1,035,798)	-
1240 Receivables from other governments	54,684,141	372,562	-
1250 Accrued interest	167,733	28,773	-
1260 Due from other funds	3,617,611	-	1,341,334
1290 Other receivables	235,729	37,571	23,307
1300 Inventories, at cost	472,523	-	-
1410 Prepaid items	2,490,378	-	-
1000 Total Assets	\$ 260,699,634	\$ 67,599,830	\$ 6,729,670
Liabilities, Deferred Inflows, and Fund Balance			
Liabilities:			
2110 Accounts payable	\$ 4,586,135	\$ -	\$ 28,169,217
2120 Loans Payable	-	-	39,000,000
2150 Payroll deductions and withholdings payable	1,523,143	-	121
2160 Accrued wages payable	52,752,812	-	-
2170 Due to other funds	7,350,345	-	2,067,820
2180 Payable to other governments	-	52,132	-
2200 Accrued expenditures	17,907	-	8,974,980
2300 Unearned revenues	429,631	-	-
2000 Total Liabilities	66,659,973	52,132	78,212,138
Deferred Inflows of Resources			
2600 Unavailable revenue - property taxes	8,784,635	2,507,670	-
Total Deferred Inflows of Resources	8,784,635	2,507,670	-
Fund Balance:			
Nonspendable:			
3410 Inventories	472,523	-	-
3430 Prepaid items	2,490,378	-	-
Restricted:			
3450 Grant Funds	-	-	-
3480 Debt service	-	65,040,028	-
Committed:			
3530 Capital outlay	6,400,000	-	-
3545 State revenue stabilization	49,400,000	-	-
3545 Other committed	21,200,000	-	-
3545 Campus activity funds	-	-	-
3590 Assigned for other purposes	4,724,855	-	-
3600 Unassigned	100,567,270	-	(71,482,468)
3000 Total Fund Balances	185,255,026	65,040,028	(71,482,468)
4000 Total Liabilities, Deferred Inflows, and Fund Balances	\$ 260,699,634	\$ 67,599,830	\$ 6,729,670

See Notes to the Basic Financial Statements.

Exhibit C-1

Non-major Governmental Funds	Total Governmental Funds
\$ 25,163	\$ 668,248
7,302,979	266,925,061
-	16,647,977
-	(5,355,672)
6,757,119	61,813,822
-	196,506
3,919,514	8,878,459
96,056	392,663
631,279	1,103,802
-	2,490,378
<u>\$ 18,732,110</u>	<u>\$ 353,761,244</u>
\$ 851,325	\$ 33,606,677
-	39,000,000
4,603	1,527,867
3,113,466	55,866,278
3,892,518	13,310,683
2,847	54,979
-	8,992,887
2,497,914	2,927,545
<u>10,362,673</u>	<u>155,286,916</u>
-	11,292,305
-	11,292,305
-	472,523
-	2,490,378
4,489,609	4,489,609
-	65,040,028
-	6,400,000
-	49,400,000
-	21,200,000
3,879,828	3,879,828
-	4,724,855
-	29,084,802
<u>8,369,437</u>	<u>187,182,023</u>
<u>\$ 18,732,110</u>	<u>\$ 353,761,244</u>

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FORT BEND INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION

Exhibit C-2

June 30, 2017

Data Control
Codes

	Total fund balance, governmental funds	\$ 187,182,023
	Amounts reported for governmental activities in the statement of net position are different because:	
1	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	1,063,184,020
2	Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures. These property taxes (net of allowance for uncollectible accounts) are deferred inflows of resources in the fund financial statements.	11,292,305
3	Deferred amount on refunding	12,138,276
4	Deferred outflows relating to pension activities	84,991,050
	Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
5	General obligation bonds	(894,331,938)
6	Premiums on issuance	(74,428,719)
7	Accreted interest on premium compound interest bonds	(5,038,136)
8	Accrued compensated absences	(4,015,624)
9	Accrued interest payable	(13,883,019)
10	Net pension liability	(148,632,453)
11	Deferred inflows relating to pension activities	(24,624,360)
12	Addition of Internal Service fund net position	<u>12,587,785</u>
19	Total net position - governmental activities	<u><u>\$ 206,421,210</u></u>

See Notes to the Basic Financial Statements.

FORT BEND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

Data Control Codes		General Fund	Debt Service Funds	Capital Projects
Revenues				
5700	Local, intermediate, and out-of-state	\$ 363,641,297	\$ 103,870,364	\$ 125,228
5800	State program revenues	224,045,425	1,875,418	-
5900	Federal program revenues	9,226,988	-	2,217,036
5020	Total revenues	<u>596,913,710</u>	<u>105,745,782</u>	<u>2,342,264</u>
Expenditures				
Current:				
0011	Instruction	351,605,814	-	408,129
0012	Instruction resources and media services	7,353,704	-	12,008
0013	Curriculum and instructional staff development	10,597,964	-	-
0021	Instructional leadership	12,174,420	-	138,207
0023	School leadership	39,656,488	-	-
0031	Guidance, counseling and evaluation services	28,190,325	-	-
0032	Social work services	1,531,051	-	-
0033	Health services	7,388,922	-	-
0034	Student transportation	21,615,297	-	6,371,560
0035	Food services	-	-	31,692
0036	Extracurricular activities	12,490,059	-	959,656
0041	General administration	15,716,062	-	71,782
0051	Facilities maintenance and operations	60,249,514	-	40,805,916
0052	Security and monitoring services	7,538,739	-	2,213,015
0053	Data processing services	14,914,481	-	9,502,816
0061	Community services	686,178	-	-
Debt service:				
0071	Principal on long-term debt	-	50,698,393	-
0072	Interest on long-term debt	-	41,272,170	-
0073	Bond issuance costs and fees	-	741,812	721,603
Capital outlay:				
0081	Facilities acquisition and construction	-	-	146,735,447
Intergovernmental:				
0093	Payments related to shared services arrangements	454,000	-	-
0099	Payments to tax appraisal district	2,845,274	-	-
6030	Total Expenditures	<u>595,008,292</u>	<u>92,712,375</u>	<u>207,971,831</u>
1100	Excess (deficiency) of revenues over expenditures	<u>1,905,418</u>	<u>13,033,407</u>	<u>(205,629,567)</u>
Other Financing Sources (Uses)				
7911	Refunding bonds issued	-	33,155,000	-
7911	Issuance of capital related debt	-	-	84,330,000
7912	Sale of real or personal property	119,375	-	-
7915	Transfers in	1,500,000	-	7,732,817
7916	Premium or discount on issuance of bonds	-	-	8,414,910
8911	Transfers out	(732,817)	(7,000,000)	-
8949	Payment to refunding escrow agent	-	(33,155,000)	-
7080	Total other financing sources and uses	<u>886,558</u>	<u>(7,000,000)</u>	<u>100,477,727</u>
1200	Net change in fund balances	2,791,976	6,033,407	(105,151,840)
0100	Fund Balances - Beginning	<u>182,463,050</u>	<u>59,006,621</u>	<u>33,669,372</u>
3000	Fund Balances - Ending	<u>\$ 185,255,026</u>	<u>\$ 65,040,028</u>	<u>\$ (71,482,468)</u>

See Notes to the Basic Financial Statements.

Exhibit C-3

Non-major Governmental Funds	Total Governmental Funds
\$ 15,047,442	\$ 482,684,331
7,650,187	233,571,030
<u>38,300,323</u>	<u>49,744,347</u>
<u>60,997,952</u>	<u>765,999,708</u>
22,910,004	374,923,947
222,103	7,587,815
2,188,093	12,786,057
1,061,384	13,374,011
443,345	40,099,833
2,270,522	30,460,847
228,005	1,759,056
1,249,214	8,638,136
1,417,461	29,404,318
25,942,933	25,974,625
1,570,904	15,020,619
-	15,787,844
463,884	101,519,314
61,204	9,812,958
-	24,417,297
1,077,379	1,763,557
-	50,698,393
-	41,272,170
-	1,463,415
-	146,735,447
320,900	774,900
-	2,845,274
<u>61,427,335</u>	<u>957,119,833</u>
<u>(429,383)</u>	<u>(191,120,125)</u>
-	33,155,000
-	84,330,000
-	119,375
-	9,232,817
-	8,414,910
-	(7,732,817)
-	(33,155,000)
<u>-</u>	<u>94,364,285</u>
(429,383)	(96,755,840)
<u>8,798,820</u>	<u>283,937,863</u>
<u>\$ 8,369,437</u>	<u>\$ 187,182,023</u>

FORT BEND INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT
OF ACTIVITIES

Exhibit C-4

For the Year Ended June 30, 2017

<u>Data Control Codes</u>		
	Net change in fund balances - total governmental funds (from C-3)	\$ (96,755,840)
	Amounts reported for governmental activities in the statement of activities (B-1) are different because:	
	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation.	
1	Governmental funds capital outlay	164,767,423
2	Governmental activities depreciation expense	(38,897,703)
3	Governmental funds report the entire sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain/loss on the sale/dosposal of the assets. Thus the change in net position differs from the change in fund balance by the book value of the assets sold and disposed.	(278,932)
4	Property tax revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.	233,299
5	Pension contributions made during the current fiscal year are reported as expenditures in the governmental funds and are reported as deferred outflows and reductions in net pension liability as opposed to expenses in the statement of activity	12,564,865
6	Repayment of bond principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	50,698,393
7	Amortization of bond premium.	6,177,398
8	Proceeds from issuance of long-term debt is reported as an other financing source in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long-term liabilities.	(117,485,000)
9	Payment to escrow agent for refunding.	33,155,000
10	Premium received from issuance of long-term debt.	(8,414,910)
	Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
11	Pension expense for the pension plan measurement year	(25,807,413)
12	Increase in interest payable not recognized in fund statements	(672,750)
13	Decrease in long-term portion of accrued compensated absences	157,271
14	Accreted interest on capital appreciation bonds	4,155,893
15	Deferred amount on refunding	(1,375,138)
16	Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental funds.	<u>(12,596,663)</u>
	Change in net position of governmental activities	<u>\$ (30,374,807)</u>

See Notes to the Basic Financial Statements.

FORT BEND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017

Exhibit D-1

Data Control Codes		Business-type Activities			Governmental
		Enterprise Funds			Activities
		Extended Learning Program	Facility Rental Program	Total Enterprise Funds	Total Internal Service Funds
	Assets				
	Current Assets:				
1110	Cash and cash equivalents	\$ 70,037	\$ 601,472	\$ 671,509	\$ 471
1120	Temporary investments, at fair value	3,391,744	-	3,391,744	19,512,151
	Receivables:				
1260	Due from other funds	-	1,206	1,206	5,454,112
1290	Other receivables	122,079	188,107	310,186	658,116
1300	Inventories, at cost	-	-	-	68,866
1410	Prepaid items	-	-	-	101,782
	Total current assets	<u>3,583,860</u>	<u>790,785</u>	<u>4,374,645</u>	<u>25,795,498</u>
	Land, Buildings and Equipment:				
1520	Building and improvements	4,557,097	-	4,557,097	-
1530	Furniture and equipment	1,748,949	-	1,748,949	1,373,399
1573	Accumulated depreciation	(3,453,691)	-	(3,453,691)	(241,228)
	Total non-current assets	<u>2,852,355</u>	<u>-</u>	<u>2,852,355</u>	<u>1,132,171</u>
1000	Total Assets	<u>6,436,215</u>	<u>790,785</u>	<u>7,227,000</u>	<u>26,927,669</u>
	Liabilities				
	Current Liabilities:				
2110	Accounts payable	56,228	16,700	72,928	302,311
2150	Payroll deductions and withholdings	-	-	-	243,622
2160	Accrued wages payable	306,029	-	306,029	-
2170	Due to other funds	127,431	-	127,431	895,663
2180	Payable to other governments	-	-	-	15,012
2210	Claims payable	-	-	-	6,032,764
2300	Unearned revenue	323,350	-	323,350	4,577,539
	Total Current Liabilities	<u>813,038</u>	<u>16,700</u>	<u>829,738</u>	<u>12,066,911</u>
	Non-current liabilities:				
2590	Claims and judgments	-	-	-	2,272,973
	Total Non-current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,272,973</u>
2000	Total Liabilities	<u>813,038</u>	<u>16,700</u>	<u>829,738</u>	<u>14,339,884</u>
	Net Position				
3200	Net investments in capital assets	2,852,355	-	2,852,355	1,132,171
3900	Unrestricted	2,770,822	774,085	3,544,907	11,455,614
3000	Total Net Position	<u>\$ 5,623,177</u>	<u>\$ 774,085</u>	<u>\$ 6,397,262</u>	<u>\$ 12,587,785</u>

See Notes to the Basic Financial Statements.

FORT BEND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2017

Exhibit D-2

Data Control Codes		Business-type Activities			Governmental
		Enterprise Funds			Activities
		Extended Learning Program	Facility Rental Program	Total Enterprise Funds	Total Internal Service Funds
	Operating Revenues				
5754	Interfund services provided and used	\$ 9,453,290	\$ 1,286,677	\$ 10,739,967	\$ 62,475,823
5020	Total Operating Revenues	<u>9,453,290</u>	<u>1,286,677</u>	<u>10,739,967</u>	<u>62,475,823</u>
	Operating Expenses				
6100	Payroll costs	5,348,097	421,876	5,769,973	1,112,967
6200	Purchased and contracted services	762,175	436,649	1,198,824	5,966,754
6300	Supplies	251,404	15,042	266,446	2,420,510
6400	Claims expense and other operating expenses	549,633	5,613	555,246	65,591,591
6449	Depreciation	118,836	-	118,836	101,373
6030	Total Operating Expenses	<u>7,030,145</u>	<u>879,180</u>	<u>7,909,325</u>	<u>75,193,195</u>
1200	Operating Income (Loss)	<u>2,423,145</u>	<u>407,497</u>	<u>2,830,642</u>	<u>(12,717,372)</u>
	Non-Operating Revenues (Expenses)				
7020	Investment earnings	18,171	-	18,171	120,709
	Total Nonoperating Revenues (Expenses)	<u>18,171</u>	<u>-</u>	<u>18,171</u>	<u>120,709</u>
	Income (Loss) before Transfers	<u>2,441,316</u>	<u>407,497</u>	<u>2,848,813</u>	<u>(12,596,663)</u>
7915	Transfers in	-	-	-	2,826,827
8911	Transfers out	(1,500,000)	-	(1,500,000)	(2,826,827)
		<u>(1,500,000)</u>	<u>-</u>	<u>(1,500,000)</u>	<u>-</u>
1200	Change in Net Position	941,316	407,497	1,348,813	(12,596,663)
	Net Position:				
0100	Net Position - Beginning	4,681,861	366,588	5,048,449	25,184,448
3300	Net Position - Ending	<u>\$ 5,623,177</u>	<u>\$ 774,085</u>	<u>\$ 6,397,262</u>	<u>\$ 12,587,785</u>

See Notes to the Basic Financial Statements.

FORT BEND INDEPENDENT SCHOOL DISTRICT

Exhibit D-3

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Year Ended June 30, 2017

	Business-type Activities			Governmental
	Enterprise Funds			Activities
	Extended Learning Program	Facility Rental Program	Total Enterprise Funds	Total Internal Service Funds
Cash Flows from Operating Activities:				
Cash receipts from services provided	\$ 9,450,568	\$ 1,256,185	\$ 10,706,753	\$ 62,634,978
Cash payments to suppliers for goods and services	(1,570,533)	(458,933)	(2,029,466)	(74,467,013)
Cash payments to employees	(5,387,405)	(422,234)	(5,809,639)	(1,170,488)
Net Cash Provided by (Used for) Operating Activities	<u>2,492,630</u>	<u>375,018</u>	<u>2,867,648</u>	<u>(13,002,523)</u>
Cash Flows from Non-Capital Financing Activities:				
Advances from other funds	-	-	-	2,826,827
Advances to other funds	(1,500,000)	-	(1,500,000)	(2,826,827)
Net Cash Provided by Non-Capital Financing Activities	<u>(1,500,000)</u>	<u>-</u>	<u>(1,500,000)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	-	-	-	(819,374)
Net Cash (Used for) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(819,374)</u>
Cash Flows from Investing Activities:				
Investment purchased	(1,889,743)	-	(1,889,743)	(72,354)
Sale of investment	-	-	-	13,461,014
Interest on investments	18,171	-	18,171	120,709
Net Cash (Used for) Investing Activities	<u>(1,871,572)</u>	<u>-</u>	<u>(1,871,572)</u>	<u>13,509,369</u>
Net Increase in Cash and Cash Equivalents	(878,942)	375,018	(503,924)	(312,528)
Cash and Cash Equivalents at Beginning of Year	<u>948,979</u>	<u>226,454</u>	<u>1,175,433</u>	<u>312,999</u>
Cash and Cash Equivalents at End of Year	<u>\$ 70,037</u>	<u>\$ 601,472</u>	<u>\$ 671,509</u>	<u>\$ 471</u>
Reconciliation to Balance Sheet				
Cash and Cash Equivalents Per Cash Flow	<u>\$ 70,037</u>	<u>\$ 601,472</u>	<u>\$ 671,509</u>	<u>\$ 471</u>
Cash and Cash Equivalents per Balance Sheet	<u>\$ 70,037</u>	<u>\$ 601,472</u>	<u>\$ 671,509</u>	<u>\$ 471</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income (Loss)	\$ 2,423,145	\$ 407,497	\$ 2,830,642	\$ (12,717,372)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation	118,836	-	118,836	101,373
Change in Assets and Liabilities:				
Decrease (increase) in receivables	(31,481)	(30,492)	(61,973)	188,051
Decrease (increase) in due from other funds	-	(1,206)	(1,206)	(1,118,182)
Decrease (increase) in inventories at cost	-	-	-	5,205
Decrease (increase) in prepaid items	-	-	-	(7,868)
Increase (decrease) in accrued wages payable	(39,308)	(358)	(39,666)	(57,521)
Increase (decrease) in accounts payable	24,160	(423)	23,737	(452,245)
Increase (decrease) in due to other funds	115,853	-	115,853	895,663
Increase (decrease) in due to other governments	-	-	-	(35,988)
Increase (decrease) in unearned revenue	(118,575)	-	(118,575)	243,710
Increase (decrease) in claims payable	-	-	-	(47,349)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 2,492,630</u>	<u>\$ 375,018</u>	<u>\$ 2,867,648</u>	<u>\$ (13,002,523)</u>

See Notes to the Basic Financial Statements.

FORT BEND INDEPENDENT SCHOOL DISTRICT

Exhibit E-1

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2017

<u>Data Control Codes</u>		<u>Private- Purpose Trust Fund</u>	<u>Agency Funds</u>
	Assets		
1110	Cash and cash equivalents	\$ 91,369	\$ 74,214
1120	Investments	-	3,308,480
1290	Other receivables	-	243,766
1000	Total Assets	<u>91,369</u>	<u>3,626,460</u>
	Liabilities		
2110	Accounts payable	28	24,885
2180	Payable to other governments	-	6,583
2190	Due to others	-	3,594,992
2300	Unearned revenues	48,250	-
2000	Total Liabilities	<u>48,278</u>	<u>3,626,460</u>
	Net Position		
3490	Held in trust for scholarships	<u>\$ 43,091</u>	

See Notes to the Basic Financial Statements.

FORT BEND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2017

Exhibit E-2

	Private Purpose Trust Fund
Additions	
Gifts and contributions	\$ 58,000
Total Additions	<u>58,000</u>
Deductions	
Scholarship awards	<u>60,000</u>
Total deductions	<u>60,000</u>
Change in net position	(2,000)
Net position - Beginning	<u>45,091</u>
Net position - Ending	<u><u>\$ 43,091</u></u>

See Notes to the Basic Financial Statements.

Note 1 - Summary of Significant Accounting Policies

The Fort Bend Independent School District (the "District") is an independent public educational agency operating under applicable laws and regulations of the State of Texas. A seven-member Board of Trustees, elected by the District's residents to staggered three-year terms, has fiscal accountability over all activities within the jurisdiction of the District. Board vacancies may be filled by appointment until the next election. Board decisions are based on a majority vote. The Board adopts policies, employs the Superintendent and oversees operations 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 Statement on Auditing Standards of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide" or "FASRG") and the requirements of contracts and grants of agencies from which it receives funds.

The following is a summary of the most significant accounting policies.

A. Reporting Entity

The District is considered an independent entity for financial reporting purposes and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared, based on considerations regarding the potential for inclusion of other entities, organizations, or functions, as part of the District's financial reporting entity. Based on these considerations, no other entities have been included in the District's financial reporting entity. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the District's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the District is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the District's financial reporting entity status is that of a primary government are: that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments.

Additionally prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable; and considerations pertaining to other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Board of Trustees (the "Board") is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by GASB.

Note 1 - Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

The District receives support from various PTA, PTO, and Booster club organizations as well as the Fort Bend Education Foundation. Generally Accepted Accounting Principles require the District to report certain legally separate organizations as component units even though the District is not financially accountable for these organizations. These standards promulgated by GASB require that a legally separate tax-exempt organization be reported as a component unit if all of the following criteria are met:

- a. The economic resources of the separate organization entirely, or almost entirely, directly benefit the primary government, its component units, or its constituents.
- b. The primary government is entitled to, or can otherwise access, a majority of the economic resources of the separate organization.
- c. The economic resources of the individual separate organization that the primary government is entitled to, or can otherwise access, are significant to that primary government.

While the various organizations noted above meet the first criteria specified by GASB, none of the organizations meet the second two requirements and are therefore not included as component units 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. They report information on all of the Fort Bend Independent School District nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, State funds, grants and other intergovernmental revenues. *Business-Type activities* include operations that rely to a significant extent on fees and charges for support.

The Statement of Activities Program Revenues 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" Program Revenues 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 summer school tuition, school lunch charges, etc. The "Grants and Contributions" Program Revenues column includes amounts paid by organizations outside the District to help meet the operational 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 and between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. All interfund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements. The District has no interfund services provided and used between functions that would be program revenue which would not be eliminated in the process of consolidation. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Net Position.

Note 1 - Summary of Significant Accounting Policies (continued)

B. Government-Wide and Fund Financial Statements (continued)

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are nonoperating.

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 the 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 state and federal revenues and interest revenues available if they are collectible within 60 days after year-end.

Revenue from local sources consists primarily of property taxes and is recorded as revenue when received. Uncollected property taxes are recorded as receivables and unearned revenue. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

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

The Proprietary Fund Types and the Fiduciary Fund Types 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. 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 restricted net position (held in trust) and unrestricted net position. The agency funds record only assets and liabilities and use the accrual basis of accounting to recognize receivables and payables. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Fund Accounting

The accounts of the District are organized on the basis of funds in accordance with the provisions of the Resource Guide. Each fund is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, fund equity, deferred inflows and outflows of resources, revenues, and expenditures or expenses. For financial statement presentation, the District's fund financial statements provide more detailed information about the District's most significant funds -- not the District as a whole.

The District reports the following major Governmental Funds:

1. General Fund

The General Fund is the government's primary operating fund. It is used to account for all financial transactions not properly includable in other funds. The principal sources of revenue include local property taxes, state funding, interest earnings on fund investments, and federal source revenues not accounted for in Special Revenue Funds. Expenditures include all costs associated with the daily operations of the District except for specific programs funded by the federal or state government, food service, debt service and capital projects.

2. Debt Service Fund

The Debt Service Fund is used to account for financial resources that are restricted, committed, or assigned to expenditure for principal and interest payments on the outstanding debt obligations of the District. These resources include interest and sinking tax revenues which are considered restricted and for which a tax has been dedicated.

3. Capital Projects Fund

The Capital Projects Fund is used to account for the expenditures of resources accumulated from sales of bonds and related interest earnings for the acquisition and construction of school facilities.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Fund Accounting (continued)

4. Special Revenue Funds

The District reports all special revenue funds under non-major governmental funds.

The Special Revenue Funds are used to account for the proceeds of specific revenue that are legally restricted or committed to expenditures for specific purposes through federal, state, and local grant awards. Specifically, this type of fund is used to account for funds that are used for the District's Food Service Program, including local and federal revenue sources for federally financed programs (grants) where unused balances are returned to the grantor at the close of specified project periods and other revenue specific programs. Project accounting is employed to maintain integrity for the various sources of funds. Resources accounted for in these funds are awarded to the District for the purpose of accomplishing specific educational tasks as defined by grantors in contracts or other agreements.

5. Enterprise Funds

The Enterprise Funds are used to account for revenues and expenses associated with operations of the Extended Learning Program at all of the elementary schools and some middle schools, and the Facility Rental Program. Revenues in these funds are primarily from fees paid by participants in the program. Expenses consist mainly of payroll, utilities, and supplies.

6. Internal Service Funds

The internal service fund is used to account for revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis. The following internal services funds are used by the District:

Print Shop Fund

The Print Shop Fund is used to account for the operations of the District's print shop. Printing services to other departments of the District is the main service. Expenses include the day to day cost of operations of the print shop as well as depreciation of fixed assets.

Health Insurance Fund

The Health Insurance Fund is used to account for the operations of the District's employee health insurance plan, which is supported principally by employer and employee contributions. Expenses include plan benefit payments to medical providers and employees, and charges incurred in administering the plan.

Workers' Compensation Fund

The Workers' Compensation Fund is used to account for the operations of the District's Workers' Compensation insurance plan, which is supported principally by employer contributions. Expenses include plan benefit payments to providers of medical services or to employees for claims, administrative costs and stop-loss premium charges. Estimated amounts due for claims incurred but not reported at year-end are included as fund liabilities.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Fund Accounting (continued)

Unemployment Insurance Fund

The Unemployment Insurance Fund is used to account for the operations of the District's unemployment insurance plan, which is supported principally by employer contributions. Expenses include plan benefit payments for eligible employees and charges incurred in administering the plan.

Technology Fund

The Technology Funds is used to account for the operations of technology items utilized throughout the District, which is supported principally by transfers from the General Fund. Expenses include computers, laptops, and infrastructure costs.

7. Fiduciary Funds

Fiduciary funds are used to account for assets held by the District as trustee for employees and others and as agent for various student groups. The following fiduciary funds are used by the District:

Private Purpose Trust Fund

The Private Purpose Trust Fund is used to account for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The District has funds that have been received for scholarships that are to be awarded to current and former students for post-secondary education purposes.

Agency Fund - Student Activities

The Student Activities Agency Fund is used to account for activities of student groups. This fund has no equity; assets are equal to liabilities and do not include revenues and expenditures for general operations of the District. The agency fund accounts for resources held in a custodial capacity by the District and consist of funds that are property of students and cannot be used by the District in the regular day-to-day operations.

E. Other Accounting Policies - Assets, Deferred Outflows/Inflows of Resources, Liabilities and Net Position or Equity

1. Cash and Cash Equivalents

The District reports cash and cash equivalents in the District's statement of cash flows for Proprietary Fund Types and in all other financial statements of financial position. The District considers cash and cash equivalents to be cash on hand, demand deposits, money market funds and certificates of deposit with original maturities of three months or less from acquisition date.

Note 1 - Summary of Significant Accounting Policies (continued)

E. Other Accounting Policies - Assets, Deferred Outflows/Inflows of Resources, Liabilities and Net Position or Equity (continued)

2. Investments

Investments consist of balances in privately managed public funds investment pools and investments in United States (U.S.) securities and U.S. Agency securities. The District reports all investments at fair value, except for investment pools. The District's investment pools are valued and reported at amortized cost, which approximates fair value.

Interest earned from investments from the Campus Activity Fund and the Agency Funds for fiscal year 2017 has been assigned to the General Operating Fund in the amounts of \$21,175 and \$39,932, respectively. The interest was used to offset the maintenance fees for the accounts and to fund the start-up activity fund campus accounts for three new elementary schools.

The District categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The District's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79, *Certain Investment Pools and Pool Participants*.

3. Property Taxes

Property taxes are levied by October 1 in conformity with Subtitle E, Texas Property Tax Code, are due on the receipt of the tax bill, and are delinquent if not paid before February 1 of the year following the year imposed. Property Tax receivables include unpaid property taxes at year-end, and are shown net of allowance for uncollectible. Allowances for uncollectible taxes are based on historical experience in collecting property taxes. However, not all outstanding property taxes are expected to be collected within one year of the date of financial statements.

4. Short Term Interfund Receivables/Payables

During the course of operations, transactions occur between individual funds for specified purposes. These receivables and payables are classified as "due from other funds" and due to other funds" on the combined balance sheet. Interfund services between funds are not eliminated in the process of consolidation.

Note 1 - Summary of Significant Accounting Policies (continued)

E. Other Accounting Policies - Assets, Deferred Outflows/Inflows of Resources, Liabilities and Net Position or Equity (continued)

5. Inventories and Prepaid Items

Inventories consisting of supplies and materials are stated at cost (average cost method) when the item is purchased, and are subsequently recognized as expenditures when consumed (consumption method). Inventories include consumable custodial, maintenance, transportation, instructional, food consumables and office supplies. Inventories of food commodities inventory are recorded at fair market value supplied by the Texas Department of Human Services on the date received. Commodity inventory items are recorded as expenditures when distributed to user locations and revenue is recognized for an equal amount. Commodity inventory is reported as unearned revenue at year-end. A portion of fund balance is reserved to reflect minimum inventory quantities considered necessary for the District's continuing operations.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These expenditures will be recorded when consumed (consumption method) rather than when purchased.

6. Capital Assets

Capital assets, which include land, buildings and improvements, furniture and equipment, 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 more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Costs of the Facilities Acquisition and Construction Function that relate to overall planning of District facilities, managing overall District assets and overall construction projects are treated as period costs and are not capitalized unless related to specific assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. When assets are retired or otherwise disposed of, the related costs or other recorded amounts are removed.

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	20
Furniture and Equipment	5-15
Vehicles	5-10

Land and construction in progress are not depreciated.

Note 1 - Summary of Significant Accounting Policies (continued)

E. Other Accounting Policies - Assets, Deferred Outflows/Inflows of Resources, Liabilities and Net Position or Equity (continued)

7. Long-Term Obligations

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

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

8. Compensated Absences

The District maintains a policy allowing employees meeting established requirements to be compensated for unused sick leave at retirement. Annual non-duty days are granted to non-professional and professional employees; however, any unused days lapse at the end of each fiscal year. There are no other compensated absences allowed under the District's personnel policies. Compensated absences are liquidated from the General Fund when due and payable.

9. Deferred Outflows And Inflows of Resources

A *deferred outflow of resources* is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has two items that qualify for reporting in this category:

- Deferred outflows of resources for refunding - Reported in the government-wide statement of net position, this deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred outflows of resources for pension – Reported in the government wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of 1) differences between projected and actual earnings on pension plan investments; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) changes in the District's proportional share of pension liabilities. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five year period. The remaining pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

Note 1 - Summary of Significant Accounting Policies (continued)

E. Other Accounting Policies - Assets, Deferred Outflows/Inflows of Resources, Liabilities and Net Position or Equity (continued)

9. Deferred Outflows And Inflows of Resources (continued)

A *deferred inflow of resources* is an acquisition of a government's net assets (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has two items that qualify for reporting in this category:

- Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows of resources for pension – Reported in the government wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions; 2) differences between expected and actual actuarial experiences and 3) changes in the District's proportional share of pension liabilities. These pension related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

10. Pensions

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

11. Fund Balance Classifications

The fund balance in governmental funds has been classified as follows to describe the relative strength of the spending constraints:

Nonspendable fund balance - amounts that are not in spendable form or are required to be maintained intact. As such, the inventory and prepaid items have been properly classified in the Governmental Funds Balance Sheet (Exhibit C-1).

Restricted fund balance - amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors.

Note 1 - Summary of Significant Accounting Policies (continued)

E. Other Accounting Policies - Assets, Deferred Outflows/Inflows of Resources, Liabilities and Net Position or Equity (continued)

11. Fund Balance Classifications (continued)

Committed fund balance - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. the Board of Trustees). To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. A fund balance commitment is further indicated in the budget document as a commitment of the fund. The District has committed fund balance in the General Fund for capital expenditures for equipment in the amount of \$6.4 million, \$2.7 million for textbooks, \$4.5 million for new school openings, \$14 million for potential future losses, and \$49.4 million for potential loss of state funding.

Assigned fund balance - amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official to which the Board of Trustees delegates the authority. The District has assigned \$4,724,855 for outstanding purchase orders for the purpose of acquiring educational supplies and services that will be honored in fiscal year 2018.

The Board can commit or assign fund balances by passage of a Board resolution. All modifications of commitments and assignments also require Board approval by either budget amendment or Board resolution.

Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

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

Per the District's Fiscal and Budget Strategy, the District will strive to maintain an unassigned general fund balance equal to the greater of sixty (60) days or seventeen percent (17%) of net budgeted operating expenditures. In order to protect the District from a potential loss in state revenue, the District will commit at least thirty (30) days or a third (8.33%) of net budgeted operating expenditures.

12. Use of Estimates

The presentation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 1 - Summary of Significant Accounting Policies (continued)

E. Other Accounting Policies - Assets, Deferred Outflows/Inflows of Resources, Liabilities and Net Position or Equity (continued)

13. Data Control Codes

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

14. New Accounting Standards

In the current fiscal year, the District implemented the following new standards. The applicable provisions of these new standards are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

GASB Statement 82, *Pension Issues-An amendment of GASB Statements No. 67, No. 68 and No. 73*, addresses the presentation of payroll-related measures in required supplementary information, selection of assumptions and the treatment of deviations from the guidance in an actuarial standard of practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee contribution requirements.

Note 2 - Stewardship, Compliance, and Accountability

A. Budgetary Data

The Board of Trustees adopts an annual "appropriated budget" for the General Fund, Debt Service Fund, and National School Breakfast and Lunch Program Fund (which is included in the Special Revenue Funds). Budgets are prepared using the same method of accounting as for financial reporting. The District is required to present the adopted and final annual amended budgeted revenues and expenditures for the general fund and each major special revenue fund. The National School Breakfast and Lunch Program is not a major fund. The General Fund budget report appears in the required supplementary information section where the District compares the final annual amended budget to actual revenues and expenditures. Per regulatory requirements, the National School Breakfast and Lunch Program Fund and Debt Service Fund are required to be reported with the original budget, amended budget, and actual. These statements are included in the Other Supplementary Information at the end of the Financial Section of the District's Comprehensive Annual Financial Report in Exhibit H-3 and H-4.

The Capital Projects Fund budget is prepared on a project basis based on the proceeds available from bond issues and planned expenditures outlined in applicable bond ordinances. Capital Projects Fund equity, which represents unexpended appropriations, is reappropriated in the subsequent fiscal year's budget until available funds for acquisition and construction of facilities have been utilized. Each major construction contract is approved based on the existing availability of bond proceeds and/or approved but unissued bonds. The non-budgeted Special Revenue funds (primarily Federal, State, and local grant programs) utilize a managerial-type financial plan approved at the fund level by the Board of Trustees upon acceptance of the grants. These grants are subject to State imposed project length budgets and monitored through submission of reimbursement reports to the State.

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

1. Prior to June 20th, the District prepares a budget for the next succeeding fiscal year beginning July 1st. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.
3. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. During the year, amendments are presented to the Board at its regular meetings. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. All supplemental appropriations must be within limits of available revenues and fund equity.
4. Each budget is controlled by the budget director at the revenue and expenditure function/object level. All budget appropriations lapse at year-end.

Note 2 - Stewardship, Compliance, and Accountability (continued)

B. Encumbrances

The District utilizes encumbrance accounting in its governmental funds. Encumbrances represent commitments related to contracts not yet performed (executory contracts), and are used to control expenditures for the year and to enhance cash management. A school district often issues purchase orders or signs contracts for the purchase of goods and services to be received in the future. At the time these commitments are made, which in its simplest form means that when a purchase order is prepared, the appropriate account is checked for available funds. If an adequate balance exists, the amount of the order is immediately charged to the account to reduce the available balance for control purposes. The encumbrance account does not represent an expenditure for the period, only a commitment to expend resources.

Prior to the end of the year, every effort should be made to liquidate outstanding encumbrances. When encumbrances are outstanding at the fiscal year-end, the District likely will honor the open purchase orders or contracts that support the encumbrances. For reporting purposes, as noted earlier, outstanding encumbrances are not considered expenditures for the fiscal year. If the school district allows encumbrances to lapse, even though it plans to honor the encumbrances, the appropriations authority expires and the items represented by the encumbrances are usually reappropriated in the following year's budget. Open encumbrances at fiscal year-end are included in restricted, committed, or assigned fund balance, as appropriate.

As of June 30, 2017, outstanding purchase orders that will be honored in the 2018 fiscal year totaled \$4,724,855. As these purchase orders were the result of normal operations, the District has assigned this amount in the General Fund and the administration will present a budget amendment to the Board of Trustees for the 2018 fiscal year.

Note 3 - Deposits (Cash) and Investments

Authorization for Deposits and Investments

The Texas Education Code (TEC) and the Texas Public Funds Investment Act (PFIA), as prescribed in Chapter 2256 of the Texas Government Code and the District Investment Strategy, regulate deposits and investment transactions of the District.

The TEC authorizes the District to invest any of its funds in direct debt securities of the United States or other types of bonds, securities and warrants in accordance with applicable provisions.

The TEC authorizes the District to place the proceeds from debt issues in properly secured or collateralized interest bearing time deposits with any Texas state or national bank having federal depository insurance coverage (FDIC) for depositors or directly in bonds or other obligations of the United States or U.S. Agency securities. TEC requirements prohibit the District from investing debt issue proceeds in interest-bearing time deposits that have any chance of original invested principal loss.

Note 3 - Deposits (Cash) and Investments (continued)

Authorization for Deposits and Investments (continued)

In accordance with applicable statutes, the District has a depository contract with a local bank (depository) providing interest rates to be earned on deposited funds and fixed fees for banking services received. The District may place funds with the depository in interest and non-interest bearing accounts. Statutes and the depository contract require full security for all funds in the depository institution through federal depository insurance or a combination of federal depository insurance and acceptable collateral securities and/or an acceptable surety bond. The depository must deliver the collateral securities to the District or place them with an independent trustee institution. The depository is required to deliver the safekeeping receipts to the District and send copies of the safekeeping receipts to the Texas Education Agency. In accordance with Texas statutes, the safekeeping receipts are in the name of the depository with proper indication of pledge of the collateral securities by the depository to secure funds of the District. The District must approve all collateral securities pledged and also must approve in writing any changes to the pledged collateral securities.

The District has adopted a written investment policy [CDA (LEGAL) and CDA (LOCAL)] regarding the investment of its funds as defined by the PFIA. The PFIA also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District complies with the requirements of the Act and with local policies.

The District's investment policy permits investment of District funds in only the following investment types, consistent with the strategies and maturities defined in the policy:

1. Obligations of or guaranteed by, governmental entities as permitted by Government Code 2256.009
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010
3. Fully collateralized repurchase agreements permitted by Government Code 2256.011
4. Commercial paper as permitted by Government Code 2256.013
5. No-load money market mutual funds and no-load mutual funds as permitted by Government Code 2256.014
6. Public funds investment pools as permitted by Government Code 2256.016

The District's investment policy specifically prohibits investment of District funds in the following investment types:

1. Collateralized mortgage obligations
2. Reverse repurchase agreements
3. Corporate bonds issued by domestic business entities

Note 3 - Deposits (Cash) and Investments (continued)

Authorization for Deposits and Investments (continued)

A summary of the District's cash and investments at June 30, 2017 follows:

	Cash and Deposits	Investment Pools	Agency Securities	Total
General Fund	\$ 641,793	\$ 82,433,816	\$ 107,171,275	\$ 190,246,884
Debt Service Fund	393	46,695,261	17,957,600	64,653,254
Capital Projects Fund	899	5,364,130	-	5,365,029
Non-major Governmental Funds	25,163	7,302,979	-	7,328,142
Total Governmental Funds	<u>668,248</u>	<u>141,796,186</u>	<u>125,128,875</u>	<u>267,593,309</u>
Internal Service Funds	471	19,512,151	-	19,512,622
Total Governmental Activities	<u>471</u>	<u>19,512,151</u>	<u>-</u>	<u>19,512,622</u>
Enterprise Funds	671,509	3,391,744	-	4,063,253
Fiduciary Funds - Trust & Agency	165,583	3,308,480	-	3,474,063
Total Investments	<u>\$ 1,505,811</u>	<u>\$ 168,008,561</u>	<u>\$ 125,128,875</u>	<u>\$ 294,643,247</u>

The table below shows the investment pools and U.S. Securities balances along with the weighted average maturity and credit rating for the District's investments at June 30, 2017.

	Fair Value	Weighted Avg. Maturity (Years)	S & P Credit Quality Rating
U.S. Securities and U.S. Agency Securities			
U.S. Treasury Bonds/Notes	\$ 69,949,500	0.16	AA+
Federal Home Loan Bank	20,200,375	0.11	AA+
Federal Home Loan Bank Discount Note	19,984,000	0.01	AA+
Federal Home Loan Mortgage Corporation	4,999,000	0.01	AA+
Federal National Mortgage Association	9,996,000	0.01	AA+
Total U.S. Securities and U.S. Agency Securities	<u>\$ 125,128,875</u>		
Public Funds Investment Pools			
Lone Star	\$ 22,663,293	0.06	AAAm
TexasCLASS	34,624,958	0.13	AAAm
TexasTERM	28,728,597	0.09	AAAm
TexPool	52,843,353	0.10	AAAm
TexSTAR	29,148,360	0.09	AAAm
Total Funds Investment Pools	<u>\$ 168,008,561</u>		

Note 3 - Deposits (Cash) and Investments (continued)

Investments' fair value measurements are as follows at June 30, 2017:

<u>Investments</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1 Inputs</u>	<u>Level 2</u>	<u>Level 3</u>
		<u>Inputs</u>	<u>Inputs</u>	<u>Inputs</u>
Debt securities:				
U.S. Treasury Bonds and Notes	\$ 69,949,500	\$ 69,949,500	\$ -	\$ -
U.S. Agency Securities	55,179,375	-	55,179,375	-
Total debt securities	<u>\$ 125,128,875</u>	<u>\$ 69,949,500</u>	<u>\$ 55,179,375</u>	<u>\$ -</u>

Interest Rate Risk

The District measures interest rate risk using the weighted average maturity method based on the fund in which the District makes investments. The District's Investment Strategy specifies limitations for weighted average maturities for investments in all funds and for investments in the general fund.

For all funds, weighted average maturities of U.S. Agency security investments are limited by the District's investment policy to two years or less. Repurchase agreements are limited to a maximum maturity of 30 days and certificates of deposit are limited to a maximum maturity of one year. For bond proceeds and other bond funds, the District may specifically authorize investments in repurchase agreements with maturities in excess of 30 days, subject to any required approvals from bond insurers and the Board of Trustees. Under adverse market conditions, the District may deviate from the limitations outlined above for periods of 90 days or less, with the Superintendent's approval, in order to sufficiently maintain safety and liquidity.

Credit risk

Credit risk is the possibility of loss occurring due the inability of an investment instrument to meet financial obligations. As of June 30, 2017, investments were diversified in local government investment pools, money market funds, and U.S. agency securities with sufficient ratings from Standard & Poor's to reduce the probability of loss and comply with the District's investment policy.

The District participates in the Texas Local Government Investment Pool ("TexPool"), a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (Trust Company) to provide a safe environment for the placement of local government funds in authorized short-term, fully-collateralized investments, including direct obligations of, or obligations guaranteed by, the United States or State of Texas or their agencies; federally insured certificates of deposit issued by Texas banks or savings and loans; and fully collateralized direct repurchase agreements secured by United States Government agency securities and placed through a primary government securities dealer.

Note 3 - Deposits (Cash) and Investments (continued)

Credit Risk (continued)

The Trust Company was incorporated by the State Treasurer by authority of the Texas Legislature as a special purpose trust company with direct access to the services of the Federal Reserve Bank to manage, disburse, transfer, safekeep, and invest public funds and securities more efficiently and economically. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. TexPool operates in a manner consistent with the Security and Exchange Commission's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than fair value to report net position to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. Accordingly, the District's investments in TexPool are stated at cost, which approximates fair value. TexPool is currently rated AAAM by Standard and Poor's. This rating indicates excellent safety and a superior capacity to maintain principal value and limit exposure to loss.

The District participates in the TexasTERM Local Government Investment Pool ("TexasTERM"), an external investment pool. TexasTERM was established under the provisions of the Interlocal Cooperations Act, Chapter 791 of the Texas Government Code and Chapter 2256 of the Public Funds Investment Act. An Advisory Board composed of participants and non-participant members elected by the participant shareholders of TexasTERM is responsible for the overall management of TexasTERM, including formulation and implementation of its investment and operating policies. In addition, Advisory Board members select and oversee the activities of the Investment Advisor and Custodian of TexasTERM and monitor investment performance and the method of valuing the shares. TexasTERM is a floating net asset value fund, which is a non-2a7 fund, and has a rating from Standard and Poor's of AAAM. It is a fundamental objective of TexasTERM to assure the return of principal and interest at the date planned for redemption of shares; however the net asset value of shares may fluctuate prior to the planned redemption date. GASB Statement No. 31 allows that the value at maturity and fair value to be the same for investment positions that mature within one year of the purchase date of the position. Therefore, TexasTERM's fair value and the value at maturity for the District's investment are the same.

The District participates in the TexStar Local Government Investment Pool ("TexSTAR"), an external investment pool. The pool is overseen by a five member governing board made up of three participants and one of each of the program's professional administrators. The responsibility of the board includes the ability to influence operations, designation of management, and accountability for fiscal matters. In addition, the pool has a Participant Advisory Board which provides input and feedback on the operations and direction of the program and Standard and Poor's reviews the pool on a weekly basis to ensure the pool's compliance with its rating requirements. Although TexSTAR is not registered with the SEC as an investment company, it operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. GASB Statement No. 31 allows 2a7-like pools to use amortized cost (which excludes unrealized gains and losses) rather than fair value to report net assets to compute share price. The fair value of the District's position in TexSTAR is the same as the value of TexSTAR shares.

Note 3 - Deposits (Cash) and Investments (continued)

Credit Risk (continued)

The District participates in the First Public Local Government Pool (“Lone Star”), a Texas public investment pool sponsored by the Texas Association of School Boards (TASB) for investment of funds by state and local government entities, primarily local school districts. The Board has entered into an agreement with First Public, LLC (First Public), a Texas limited liability company and a member of the National Association of Securities Dealers, Securities Investor Protection Corporation, and Municipal Securities Rulemaking Board, pursuant to which First Public serves as administrator of Lone Star’s operations. American Beacon Advisors, Fort Worth, Texas, and Standish Mellon Asset Management Company, LLC, Pittsburgh, Pennsylvania, provide investment management services to Lone Star regarding the investment and reinvestment of the pool’s assets. The fund’s credit quality is excellent as its portfolio is composed of U. S. government and U. S. agency securities. Investments in Lone Star provide for investment in securities with maturities and returns generally greater than money market instruments. Lone Star is marked-to-market daily to maintain an accurate net asset value. The District’s fair value in Lone Star is the same as the value of the pool shares. Lone Star is currently rated AAAM by Standard and Poor’s. This rating indicates excellent safety and a superior capacity to maintain principal value and limit exposure to loss.

The District participates in the Texas Cooperative Liquid Assets Securities System (“Texas CLASS”), an external investment pool. Texas CLASS is a local government investment pool emphasizing safety, liquidity, convenience and competitive yield. Since 1996, Texas CLASS has provided Texas public entities a safe and competitive investment alternative. Texas CLASS invests only in securities allowed by the Texas Public Funds Investment Act. The pool is governed by a board of trustees, elected annually by its participants. Texas CLASS is rated ‘AAAM’ by Standard and Poor’s Ratings Services. The ‘AAAM’ principal stability fund rating is the highest assigned to principal stability government investment pools and is a direct reflection of Texas CLASS’s outstanding credit quality and management. The District’s fair value in Texas CLASS is the same as the value of the pool shares.

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

Concentration of Credit Risk

The District’s Investment Portfolio policy is diversified by market sector in accordance with the District’s investment policy.

Custodial credit risk - deposits

In the case of deposits, this is the risk that in the event of a bank failure, the district’s deposits may not be returned to it. As of June 30, 2017, the District’s bank’s balances were not exposed to custodial credit risk because it was insured and collateralized with securities held by the District’s agent and in the District’s name.

Custodial credit risk - investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District’s agent, the Federal Home Loan Bank of Dallas, holds securities in the District’s name; therefore, the District is not exposed to custodial credit risk on its investments.

Note 4 - Property Taxes

Property taxes are levied by October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On February 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. The Central Appraisal District (CAD) of Fort Bend County, Texas, establishes appraised values as of January 1 of each year. Prior to July 1 of each year, the District must adopt its annual budget and as soon thereafter as practicable, shall adopt a tax rate based on the appraised values received from the CAD, thus creating the levy, which Fort Bend County bills and collects on behalf of the District.

Property tax rates, established in accordance with state law, are levied on real and personal property within the District's boundaries for use in financing general government and debt service expenditures.

Tax rates levied to finance general government and debt service expenditures for fiscal year 2017 were \$1.04 and \$0.30, respectively, per \$100 of valuation, based on an assessed property valuation of approximately \$35.5 billion, resulting in a tax levy of approximately \$461.6 million. Allowances for uncollectible taxes are based on historical experience in collecting property taxes. Uncollectible property taxes are periodically reviewed and written off by the District, as provided by specific statutory authority from the Texas Legislature.

Governmental funds net property taxes receivable at June 30, 2017, consisted of the following:

	General Fund	Debt Service Fund	Totals
Delinquent Taxes:			
Delinquent Taxes Receivable	\$ 8,847,299	\$ 2,536,300	\$ 11,383,599
Penalty and Interest on Delinquent Taxes	4,257,210	1,007,168	5,264,378
Total Delinquent Taxes and Penalty and Interest	13,104,509	3,543,468	16,647,977
Less Allowance for Uncollectible Taxes	(4,319,874)	(1,035,798)	(5,355,672)
Net Property Taxes Receivable	\$ 8,784,635	\$ 2,507,670	\$ 11,292,305

Note 5 - Interfund Receivables, Payables and Transfers

Interfund balances consist of short-term lending/borrowing arrangements that result primarily from payroll and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. Additionally, some lending/borrowing may occur between two or more non-major governmental funds. The District had not cleared the interfund payables and receivables at year-end. Most of the amounts represent short-term borrowings between funds for operating expense payments.

Interfund Receivable	Interfund Payables					Totals
	General Fund	Capital Projects Fund	Non-major Funds			
			Special Revenue	Enterprise	Internal Service	
General Fund	\$ -	\$ 2,067,820	\$ 1,426,424	\$ 123,367	\$ -	\$ 3,617,611
Capital Projects Fund	1,341,334	-	-	-	-	1,341,334
Nonmajor Funds						
Special Revenue	1,671,791	-	2,247,723	-	-	3,919,514
Enterprise	-	-	1,206	-	-	1,206
Internal Service	4,337,220	-	217,165	4,064	895,663	5,454,112
Totals	\$ 7,350,345	\$ 2,067,820	\$ 3,892,518	\$ 127,431	\$ 895,663	\$ 14,333,777

The following transfers were recorded during fiscal year ending June 30, 2017:

- A transfer of \$1.5 million was made from the Extended Learning Business-Type Activity Fund to the General Fund.
- A transfer of \$732,817 was made from the General Fund to the Capital Project Fund for capital related expenditures.
- A transfer of \$2,826,827 was made from the workers compensation fund to the health insurance fund to cover deficit balances.
- A transfer of \$7,000,000 was made from the Debt Service Fund to Capital Projects Fund for the commercial paper refunding that closed in May of 2017.

Note 6 - Receivables Due From State and Federal Agencies

Receivables due from other governments at June 30, 2017, consisted of the following:

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Due from State Agencies:				
State expenditure reimbursement	\$ 54,597,835	\$ -	\$ -	\$ 54,597,835
State grant expenditure reimbursement	-	-	1,545,667	1,545,667
Due from County Agency	69,200	372,562		441,762
Due from State or Federal Agencies:				
Federal grant expenditure reimbursement	17,106	-	5,211,452	5,228,558
Total Due from Other Governments	\$ 54,684,141	\$ 372,562	\$ 6,757,119	\$ 61,813,822

All receivables are expected to be collected within one year of the end of the fiscal year.

Note 7 - Capital Assets

Capital asset activity for the governmental activities of the District for the year ended June 30, 2017, are as follows:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2017</u>
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 73,859,474	\$ 2,731,888	\$ -	\$ 76,591,362
Construction in Progress	34,711,269	148,470,970	(35,441,207)	147,741,032
Total Capital Assets Not Being Depreciated	<u>108,570,743</u>	<u>151,202,858</u>	<u>(35,441,207)</u>	<u>224,332,394</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	1,193,552,399	35,799,104	(347,498)	1,229,004,005
Furniture and Equipment	44,702,790	5,198,304	(1,235,727)	48,665,367
Vehicles	41,660,891	8,827,738	(1,583,711)	48,904,918
Total Capital Assets Being Depreciated	<u>1,279,916,080</u>	<u>49,825,146</u>	<u>(3,166,936)</u>	<u>1,326,574,290</u>
Less: Accumulated Depreciation:				
Buildings and Improvements	(389,413,344)	(32,275,337)	(898,821)	(422,587,502)
Furniture and Equipment	(33,202,039)	(3,933,502)	1,833,201	(35,302,340)
Vehicles	(27,864,037)	(2,790,237)	1,953,623	(28,700,651)
Total Accumulated Depreciation	<u>(450,479,420)</u>	<u>(38,999,076)</u>	<u>2,888,003</u>	<u>(486,590,493)</u>
Governmental Activities Capital Assets	<u>\$ 938,007,403</u>	<u>\$ 162,028,928</u>	<u>\$ (35,720,140)</u>	<u>\$ 1,064,316,191</u>

Capital asset activity for the business-type activities of the District for the year ended June 30, 2017, are as follows:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2017</u>
Business-Type Activities				
Capital Assets Being Depreciated:				
Buildings and Improvements	\$ 4,557,097	\$ -	\$ -	\$ 4,557,097
Furniture and Equipment	1,748,949	-	-	1,748,949
Total Capital Assets Being Depreciated	<u>6,306,046</u>	<u>-</u>	<u>-</u>	<u>6,306,046</u>
Less: Accumulated Depreciation:				
Buildings and Improvements	(1,587,791)	(116,952)	-	(1,704,743)
Furniture and Equipment	(1,747,064)	(1,884)	-	(1,748,948)
Total Accumulated Depreciation	<u>(3,334,855)</u>	<u>(118,836)</u>	<u>-</u>	<u>(3,453,691)</u>
Business-Type Activities Capital Assets	<u>\$ 2,971,191</u>	<u>\$ (118,836)</u>	<u>\$ -</u>	<u>\$ 2,852,355</u>

Note 7 - Capital Assets (continued)

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

Instruction	\$ 29,168,642
Instructional resources & media services	1,158,580
Curriculum & instructional staff development	4,109
Instructional leadership	288,307
School leadership	401,909
Guidance, counseling & evaluation services	288,383
Social work services	28,465
Health services	58,367
Student (pupil) transportation	2,509,607
Food services	1,168,269
Cocurricular/extracurricular activities	1,183,737
General administration	173,028
Plant maintenance & operations	570,708
Security and monitoring services	144,385
Data processing services	1,849,590
Community services	2,990
Total Depreciation Expense - Governmental Activities	<u>\$ 38,999,076</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 118,836</u>

Construction budgets and remaining commitments under related construction contracts as of June 30, 2017, follows:

<u>Project</u>	<u>Contract Expenditures</u>	<u>Other Project Costs</u>	<u>Construction in Progress</u>
Athletic Scoreboards	\$ 5,526	\$ -	\$ 5,526
Clements High School	16,536	-	16,536
Cornerstone Elem School	2,063,882	112,553	2,176,435
District Wide Infrastructure Cameras	-	11,246	11,246
Dulles Elem School	246,050	-	246,050
Ferndell Henry Ctr for Learning	18,028	-	18,028
Heritage Rose Elem School	13,496	-	13,496
Holley Elem School	1,872,409	109,551	1,981,960
Kempner High School	3,122,391	207,876	3,330,267
Leonetti Elem School	26,387,978	1,349,358	27,737,336
Neill Elem School	34,650,820	2,799,453	37,450,273
Oyster Creek Elem School	2,780,707	130,348	2,911,055
Patterson Elem School	24,142,886	253,958	24,396,844
Reese CTE Facility (Telfair)	2,285,986	78,906	2,364,892
Ridge Point High School	-	5,760	5,760
Ridgemont Elem School	106,822	6,201	113,023
Scanlan Oaks Elem School	2,497,168	139,096	2,636,264
Schiff Elem School	2,174,784	125,505	2,300,289
Sienna Crossing Elem School	1,853,781	91,152	1,944,933
Sullivan Elem School	121,181	-	121,181
Thornton Middle School	32,282,034	250,856	32,532,890
Travis High School	-	9,264	9,264
Willowridge High School	5,096,095	321,389	5,417,484
Totals	<u>\$141,738,560</u>	<u>\$ 6,002,472</u>	<u>\$147,741,032</u>

Note 7 - Capital Assets (continued)

Construction Commitments at June 30, 2017 are as follows:

<u>Project</u>	<u>Remaining Commitment</u>
New Schools	
Leonetti Elem School	\$ 1,882,761
Neill Elem School	210,951
Patterson Elem School	3,997,717
Thornton Middle School	17,748,938
New Facility	
Beard Ag Facility	128,356
Classroom Additions - various schools	8,242,301
School Renovations	26,784,793
Non School Facilities Renovations	2,207,450
Other Projects	214,365
	<u>\$ 61,417,632</u>

Note 8 - Long-Term Liabilities

The District's long-term liabilities consist of bond indebtedness, self-insured health claims, self-insured workers' compensation and compensated absences. The District also has a long-term pension liability which is discussed further in Note 14. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. The current requirements for self-funded health and workers' compensation claims are accounted for and liquidated in the respective internal service fund. The current requirements for compensated absences are accounted for in the general fund.

Changes in Long-Term Liabilities

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

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017	Due Within One Year
Bonds Payable					
General obligation bonds	\$ 860,700,331	\$ 117,485,000	\$ (83,853,393)	\$ 894,331,938	\$ 38,033,388
Issuance premiums	72,191,207	8,414,910	(6,177,398)	74,428,719	-
Accumulated accretion payable	9,194,029	414,107	(4,570,000)	5,038,136	273,323
Health Claims	4,992,791	62,646,328	(62,246,456)	5,392,663	5,392,663
Workers' Compensation Claims	3,360,295	517,173	(964,394)	2,913,074	640,101
Compensated Absences	4,172,895	255,487	(412,758)	4,015,624	397,202
	<u>\$ 954,611,548</u>	<u>\$ 189,733,005</u>	<u>\$ (158,224,399)</u>	<u>\$ 986,120,154</u>	<u>\$ 44,736,677</u>

Of the \$894,331,938 outstanding general obligation bonds and related liabilities, \$674,231,940 comprises debt backed by the full faith of the State of Texas Permanent School Fund.

Note 8 - Long-Term Liabilities (continued)

Internal service funds predominantly serve the governmental funds. Accordingly, the health and workers' compensation claims reported in the internal service funds are included as part of the above totals for governmental activities.

General Obligation Bonds

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

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued as current interest, capital appreciation bonds (CAB), and qualified zone academy bonds (QZAB) with various amounts of principal maturing each year. Bonds are payable solely from Debt Service fund revenues which consist primarily of property tax revenues and state aid.

The following is a summary of changes in the general obligation bonds for the year ended June 30, 2017:

Series	Interest Rate Payable	Amounts Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
2005 (QZAB)	-	7,673,767	2021	\$ 2,240,331	\$ -	\$ (373,393)	1,866,938
2006	3.50 - 5.00%	107,760,000	2026	3,240,000	-	(3,240,000)	-
2008	3.00 - 5.00%	220,675,000	2034	181,810,000	-	(7,025,000)	174,785,000
2009	4.05 - 5.00%	166,730,000	2034	166,730,000	-	-	166,730,000
2009 (CAB)	2.23 - 4.64%	8,270,000	2020	2,065,000	-	(1,280,000)	785,000
2009	3.00 - 5.00%	89,650,000	2024	57,090,000	-	(4,505,000)	52,585,000
2010	2.00 - 5.00%	121,225,000	2028	105,180,000	-	(5,660,000)	99,520,000
2012	5.00%	88,855,000	2028	88,855,000	-	-	88,855,000
2014	2.00-5.00%	71,725,000	2030	62,640,000	-	(7,145,000)	55,495,000
2015A	0.66%	50,000,000	2040	33,865,000	-	(33,865,000)	-
2015B	2.00%	49,420,000	2040	49,420,000	-	(935,000)	48,485,000
2015C	2.00 - 5.00%	37,015,000	2024	37,015,000	-	(19,825,000)	17,190,000
2016A	2.00 - 5.00%	70,550,000	2026	70,550,000	-	-	70,550,000
2015A	0.97%	33,155,000	2018	-	33,155,000	-	33,155,000
2017A	4.00-5.00%	47,505,000	2042	-	47,505,000	-	47,505,000
2017B	2.00-5.00%	36,825,000	2042	-	36,825,000	-	36,825,000
Totals - Bonds Payable at Original Par Value				<u>860,700,331</u>	<u>117,485,000</u>	<u>(83,853,393)</u>	<u>894,331,938</u>
For Issuance Premiums				72,191,207	8,414,910	(6,177,398)	74,428,719
For Accreted Interest				9,194,029	414,107	(4,570,000)	5,038,136
Totals - Bonds Payable, net				<u>\$ 942,085,567</u>	<u>\$ 126,314,017</u>	<u>\$ (94,600,791)</u>	<u>\$ 973,798,793</u>

The District is in compliance with all significant bond and note limitations and restrictions.

In August 2016, the District remarketed the 2015A Variable Rate Series Unlimited Tax Schoolhouse Bonds. The remarketing generated proceeds of \$33,037,982 and the District contributed \$182,018 to the closing. The net debt has an initial interest rate of .9% for an initial rate period of two years. The bonds convert to a stepped-up interest rate of 7% after the initial two year period in the event the bonds are not remarketed. Interest on the bonds accrue from the closing date of August 1, 2016 and are payable on each February 1 and August 1 thereafter, with the initial interest payment on February 1, 2017.

Note 8 - Long-Term Liabilities (continued)

In May 2017, the District refunded Tax Exempt Commercial Paper notes, which is more fully explained in Note 9. The bond sale generated proceeds of \$92,744,910 and the District contributed \$7,142,248 to the closing which includes the \$7 million transferred from the Debt Service Fund to the Capital Projects Fund for the closing. The District issued two series of Unlimited Tax Refunding Bonds: Series 2017A (Green Bonds) for \$47,505,000 and Series 2017B for \$36,825,000. The 2017A and 2017B Refunding Bonds have a true interest rate of 3.375304% and 3.37388%, respectively.

The District's 2015B Variable Rate Series Unlimited Tax Schoolhouse Bonds were sold in August 2015 with an initial rate of 2% for two years. The bonds convert to a stepped up interest rate of 8% after the initial two-year period in the event the bonds are not remarketed (see Note 20 for Subsequent Events disclosure on the remarketing).

In accordance with the District's Fiscal Strategy, the District can issue a maximum of 25% in variable rate debt in proportion to the total debt outstanding. As of June 30, 2017, the District had 13.03% of variable rate debt outstanding.

Annual debt service requirements to maturity for general obligation bonds as of June 30, 2017, follow:

Year Ending	Total		
June 30	Principal	Interest	Requirements
2018	\$ 38,033,388	\$ 39,976,299	\$ 78,009,687
2019	41,303,388	41,495,623	82,799,011
2020	38,118,388	46,263,703	84,382,091
2021	45,873,388	38,653,041	84,526,429
2022	47,988,386	36,439,688	84,428,074
2023-2027	267,080,000	144,051,555	411,131,555
2028-2032	262,670,000	73,133,749	335,803,749
2033-2037	103,085,000	24,625,725	127,710,725
2038-2042	44,825,000	6,813,150	51,638,150
2043-2047	5,355,000	107,100	5,462,100
	<u>\$ 894,331,938</u>	<u>\$ 451,559,633</u>	<u>\$ 1,345,891,571</u>

In prior years, the District defeased certain outstanding 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 respective trust account assets and the related liabilities for the defeased bonds are not included in the District's financial statements. At year end, the following outstanding bonds are considered defeased:

Series	Ending Balance
2006	\$ 85,430,000

As of June 30, 2017, the District had \$48 million unlimited tax bonds remaining authorized but unissued from the 2007 bond election, and \$300 million of authorized but unissued unlimited tax bonds from the 2014 bond election.

Note 9 - Short-Term Debt

In September 2016, the District’s Board of Trustees adopted an Order (“Order”) approving the issuance of Fort Bend Independent School District Unlimited Tax Commercial Paper Notes, Series A, in an aggregate principal amount not to exceed \$100 million. The proceeds of the Commercial Paper Notes shall be used for constructing, renovating and equipping school buildings for the District, all authorized by the voters of the District at the November 2007 election and the November 2014 election.

The Commercial Paper Notes will mature in not more than 270 days from issuance and are supported by the revolving credit agreement with JPMorgan Chase Bank. The Order for the Commercial Paper Notes provides for a maximum maturity date of September 19, 2066. The short-term ratings on the Commercial Paper Program are F1+ by Fitch. The Commercial Paper Notes are secured by a pledge of the proceeds from the sales of Commercial Paper Notes from time to time issued to pay the principal amount of outstanding Commercial Paper Notes, from the sale of general obligation bonds issued by the District from time to time hereafter for the purpose of paying the principal and interest on outstanding Commercial Paper Notes, amounts held in the Commercial Paper note Payment Account and /or proceeds of the tax levy.

Series A of the Commercial Paper Program is used for issuing notes for funds as needed. As of June 30, 2017, the District had a \$38 million outstanding balance of Tax-Exempt Commercial Paper – Series A. This amount is comprised of \$8 million from the 2007 unissued bonds and \$30 million from the 2014 unissued bonds. The rates for the outstanding notes range from 0.94% to 0.98% and the longest maturity date is 95 days.

Series B of the Commercial Paper Program is a \$1 million note that the liquidity provider, JPMorgan Chase, requires. This note uses the LIBOR index rate for each six-month period (180 days). The \$1 million note outstanding as of June 30, 2017 has an interest rate of 1.7384% and matures on November 3, 2017 at which time it will be rolled over for another six-month period at the current LIBOR rate.

Changes in the Commercial Paper are as follows:

	June 30, 2017
Beginning of the period liability	\$ -
Commercial paper issuances	138,000,000
Bonds Issued	<u>(99,000,000)</u>
End of the period liability	<u>\$ 39,000,000</u>

Note 10 - Deferred Inflows of Resources and Unearned Revenue

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are considered to be unavailable to liquidate liabilities in the current period. Revenue recognition in governmental funds does not occur until resources that have been received in advance are earned.

A summary of deferred inflows of resources and unearned revenue by fund follows:

	Deferred Inflows of Resources Relating to Property Taxes	Unearned Revenue
General Fund:		
Net property taxes receivable	\$ 8,784,635	\$ -
Other	-	429,631
Debt Service Fund:		
Net property taxes receivable	2,507,670	-
Non-major Governmental Funds:		
Grant funds received prior to meeting eligibility requirements	-	1,522,122
Child nutrition prepaid revenues	-	326,404
Other	-	649,388
Child nutrition HeadStart revenues	-	-
Enterprise Funds:		
Summer program prepaid revenues	-	323,350
Internal Service Funds:		
Benefit prepaid contributions	-	4,577,539
Total	\$ 11,292,305	\$ 7,828,434

Note 11 - Deficit Fund Balance

As of June 30, 2017, the Capital Projects Fund had a deficit fund balance of \$71.5 million. The deficit fund balance resulted from capital expenditures incurred in fiscal year 2017 that will be financed by commercial paper. The District utilizes a commercial paper program as more fully described in Note 9 rather than issuing a large amount of bonds at the beginning of the construction period and investing those proceeds until the funds are needed to pay construction invoices. The commercial paper program allows the District to more closely match cash flows needs with short term borrowings and take advantage of the lower end of the yield curve for shorter maturities resulting in interest expense savings. The deficit balance will be eliminated as the District pays for invoices that were accrued as of June 30, 2017 and long-term debt is issued.

Note 12 - Committed Fund Balance

At June 30, 2017, the District has committed \$77.0 million in the General Fund for the following: \$6.4 million for major maintenance and repair, \$21.2 million for other committed, and \$49.4 million for potential loss of state funding. The \$21.2 million is comprised of \$2.7 million for the purchase of instructional materials, \$4.5 million for new school openings, \$14.0 million for economic stabilization. In addition, the District has assigned \$4.7 million for outstanding purchase orders that are due in a future period.

The \$14.0 million for economic stabilization is committed for potential budget shortfalls for the fiscal year 2017-2018. The Board adopted a 2017-2018 budget for the General Fund with expenditures exceeding revenues of \$12.0 million.

The \$49.4 million committed fund balance for potential loss of state funding was established by the Board of Trustees by adopting the District’s fiscal policy which states that the District will commit at least thirty days or eight and a third of net budgeted operating expenditures and by Board resolution of committing fund balances. The committed balance will grow as budgeted operating expenditures increase and any increase will require Board Resolution. If a budgetary shortfall is projected due to loss of state funding, the District would take action as outlined in the fiscal policy budgetary contingency plan. If those actions were insufficient to offset the revenue deficit, the District would develop an expenditure reduction plan for approval by the Board of Trustees and one option available to the Board would be to utilize the committed fund which would require Board action.

Note 13 - Revenues from Local, Intermediate and Out-of-State Sources

A summary of local revenues recorded in the governmental funds for the fiscal year ended June 30, 2017, follows:

	General	Debt Service	Capital Projects	Non-major Governmental Funds	Total
Property Taxes	\$ 356,926,922	\$ 102,952,969	\$ -	\$ -	\$ 459,879,891
Penalties, Interest and Other Related Tax Income	1,982,611	565,398	-	-	2,548,009
Summer School, Tuition and Fees	1,212,850	-	-	-	1,212,850
Investment Income	1,201,801	351,997	125,228	21,089	1,700,115
Food Sales	-	-	-	10,843,430	10,843,430
Cocurricular Activities	847,742	-	-	3,474,554	4,322,296
Other	1,469,371	-	-	708,369	2,177,740
Total	\$ 363,641,297	\$ 103,870,364	\$ 125,228	\$ 15,047,442	\$ 482,684,331

Note 14 - Defined Benefit Retirement Plan

A. Plan Description

The District participates in a cost-sharing multi-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.

B. Pension Plan Fiduciary Net Position

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

C. Benefits Provided

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

D. 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.

Note 14 - Defined Benefit Retirement Plan (continued)

D. Contributions (continued)

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

	Contribution Rates	
	Plan Fiscal year	
	2016	2017
Member (Employee)	7.2%	7.7%
Non-employer contributing agency (State)	6.8%	6.8%
District	6.8%	6.8%

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). Contributions and pension expense for all contributors were as follows:

	Measurement Year (2016)	Fiscal Year (2017)
	Contributions Required and Made	TRS Contributions
Member (Employee)	\$ 31,403,514	\$ 33,702,608
Non-employer contributing agency (State)	23,174,702	23,445,722
District	12,496,997	12,540,010

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

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

Note 14 - Defined Benefit Retirement Plan (continued)

D. Contributions (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 or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

E. Actuarial Assumptions

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

Valuation Date	August 31, 2016
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Discount Rate	8.00%
Long-term expected Investment Rate of Return	8.00%
Inflation	2.5%
Salary Increases	3.5% to 9.5% including inflation
Payroll Growth Rate	2.5%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

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

Note 14 - Defined Benefit Retirement Plan (continued)

F. 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.

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	Long-Term Expected Portfolio Real Rate of Return *
Global Equity			
U.S.	18%	4.6%	1.0%
Non-U.S. Developed	13%	5.1%	0.8%
Emerging Markets	9%	5.9%	0.7%
Directional Hedge Funds	4%	3.2%	0.1%
Private Equity	13%	7.0%	1.1%
Stable Value			
U.S. Treasuries	11%	0.7%	0.1%
Absolute Return	0%	1.8%	0.0%
Stable Value Hedge Funds	4%	3.0%	0.1%
Cash	1%	-0.2%	0.0%
Real Return			
Global Inflation Linked Bonds	3%	0.9%	0.0%
Real Assets	16%	5.1%	1.1%
Energy and Natural Resources	3%	6.6%	0.2%
Commodities	0%	1.2%	0.0%
Risk Parity			
Risk Parity	5%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
Total	100%		8.7%

* The Expected Contributions to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Note 14 - Defined Benefit Retirement Plan (continued)

G. Discount Rate Sensitivity Analysis

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

	1% Decrease 7%	Current Discount Rate 8%	1% Increase 9%
District's proportional share of the net pension liability	\$ 230,032,969	\$ 148,632,453	\$ 79,588,361

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

At June 30, 2017, the District reported a liability of \$148,632,453 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 proportion of the net pension liability	0.3933%
District's proportionate share of the net pension liability	\$ 148,632,453
State's proportionate share of the net pension liability associated with the District	<u>275,080,136</u>
Total	<u>\$ 423,712,589</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 proportion 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 September 1, 2015 through August 31, 2016.

At August 31, 2016 the employer's proportion of the collective net pension liability was 0.3933% which was a decrease from its proportion measured as of August 31, 2015 of 0.4007%.

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.

Note 14 - Defined Benefit Retirement Plan (continued)

H. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the fiscal year ended June 30, 2017, the District recognized pension expense of \$25,807,413 as well as revenue of \$28,546,759 representing pension expense incurred by the State on behalf of the District.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual actuarial experience	\$ 2,330,528	\$ (4,438,079)
Changes in actuarial assumptions	4,530,051	(4,119,894)
Net difference between projected and actual investment earnings	28,641,677	(16,055,787)
Changes in proportion and differences between District contributions and proportionate share of contributions	38,855,898	(10,600)
Contributions paid to TRS subsequent to the measurement date	10,632,896	-
	<u> </u>	<u> </u>
Total	\$ 84,991,050	\$ (24,624,360)

The \$10,632,896 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. 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 June 30	Amount
<u> </u>	<u> </u>
2018	\$ (8,956,045)
2019	(8,956,045)
2020	(16,983,939)
2021	(8,339,207)
2022	(5,749,100)
2023	(749,458)
	<u> </u>
	\$ (49,733,794)

Note 15 - Retiree Health Plan

Plan Description. The Fort Bend Independent School District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS-Care provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The 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 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 the TRS Communications Department at 1-800-223-8778.

Funding Policy. Contribution requirements are not actuarially determined but are legally established each biennium by the Texas legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas contribution rate was 1.00% of public school payroll for the period September 2015 through June 2017. Active public school employee contribution rates were 0.65% of public school payroll, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2017, 2016, and 2015. 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 contribute 1.00%. The District contributed 100% of the annual required contribution for fiscal year 2017, 2016, and 2015.

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

Fiscal Year	State TRS-Care Contributions Made on Behalf of the District	District Required Contributions to TRS-Care	Employees' Contributions to TRS-Care	District's Annual Covered Payroll
2017	\$ 4,287,705	\$ 2,649,663	\$ 2,872,290	\$ 443,921,362
2016	4,179,332	2,620,370	2,824,875	434,547,274
2015	3,987,624	2,455,694	2,683,747	412,837,141

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

Note 15 - Retiree Health Plan (continued)

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries know as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended June 30, 2017, 2016, and 2015 the subsidy payments received by TRS-Care on behalf of the District are as follows:

<u>Fiscal Year</u>	<u>Medicare Part D</u>
2017	\$ 1,334,660
2016	1,288,515
2015	1,236,683

Note 16 - Risk Management

The District is exposed to various risks related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District’s risk management program encompasses various means of protecting the District against loss by obtaining property, casualty, and liability coverage through commercial insurance carriers, self-insurance, and from participation in a risk pool. The District’s participation in the risk pool is limited to payment of premiums.

The District provides health benefits to its employees and dependents through a self-insured employee health benefit plan, which is accounted for in the Internal Service Fund and is principally supported by contributions from the District and employees. The District makes contributions to cover a portion of the employees’ premiums, and the employees are required to make contributions to cover their dependents. The District obtains stop loss coverage through a third-party insurance company for claims in excess of \$450,000. The Internal Service Fund charges the General Fund and other funds for the District’s portion of premiums for employees whose salaries are charged to those funds.

The District also provides workers’ compensation to its employees through a self-insured plan which is accounted for in the Internal Service Fund. The Internal Service Fund charges the General Fund and other funds for premiums for the District’s contribution. The District obtains stop loss coverage through a third-party insurance company for claims in excess of \$400,000.

Settled claims have not exceeded insurance coverage in any of the previous three years. There has not been any significant reduction in insurance coverage from that of the previous year.

Estimates of claims payable and of claims incurred but not reported at June 30, 2017, are reflected as accrued expenses of the Fund. The liabilities include an amount for claims that have been incurred but were not reported until after June 30, 2017. Because actual claims liabilities depend on such complex factors as inflation, changes in legal requirements, and damage awards, the process used in computing claims liability is an estimate.

Note 16 - Risk Management (continued)

Analysis of claims liability for the fiscal years 2016 and 2017 are as follows:

	<u>Health Insurance</u>		<u>Workers' Compensation</u>	
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
Beginning Accrual	\$ 4,722,426	\$ 4,992,791	\$ 3,498,009	\$ 3,360,295
Current Estimates	58,696,044	62,646,328	854,065	517,173
Payments for Claims	<u>(58,425,679)</u>	<u>(62,246,456)</u>	<u>(991,779)</u>	<u>(964,394)</u>
Ending Accrual	<u>\$ 4,992,791</u>	<u>\$ 5,392,663</u>	<u>\$ 3,360,295</u>	<u>\$ 2,913,074</u>

Note 17 - Compensated Absences

Sick Leave Policy

The District has established policies regarding the compensation of employees for unused sick leave upon retirement from service. In order to be compensated for unused sick leave, an employee must have been in the District for ten years or more and must terminate employment as a result of retirement through the Teacher Retirement System of Texas. Compensation for unused sick leave is limited to a maximum of 150 days under the provisions of the District's sick leave accumulation policy, as outlined below:

1. Professional personnel shall be paid \$75 per day for each day of accumulated sick leave.
2. Paraprofessional and auxiliary personnel shall be paid at the rate of 50% of their current daily salary, but not to exceed \$50 per day for each day of unused local leave.

The District only records a liability at year-end in the fund financial statements for the amounts owed to employees who retired on or before the fiscal year end but who have not yet received payment. The total expenditures for the year ended June 30, 2017, paid on compensated absences was \$412,758. Compensated absences are liquidated from the General Fund when due and payable. For the government-wide financial statements, the District estimates the total compensated absences liability based on the District's policy. The estimated compensated absences liability reported in the Government-wide statements at year end was \$4.0 million.

Note 18 - Litigation, Commitments and Contingencies

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, the outcome of any present legal proceedings will not have any adverse effect on the accompanying financial statements. In the opinion of the District, there are neither significant contingent liabilities related to year 2017 issues nor future costs that will have a material effect on the financial statements of the District.

Note 19 - Shared Service Arrangements

The District is the fiscal agent for a Shared Services Arrangement ("SSA") which provides services for hearing impaired students of the District and member districts: Alief ISD, Angleton ISD, Brazosport ISD, Columbia-Brazoria ISD, Lamar CISD, Needville ISD, Stafford MSD and Sweeney ISD. All services are provided by the fiscal agent, and funds are received directly by the fiscal agent from the granting agency. According to guidance provided in TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in the appropriate Special Revenue Funds and has accounted for these funds using Model 2 in the SSA section of the Resource Guide. Expenditures of the SSA are summarized below:

	Fort Bend ISD	All Other School Districts
IDEA-B Discretionary	\$ 52,665	\$ 87,031
IDEA-B Deaf	2,216	3,663
IDEA-C Deaf (Early Intervention)	1,711	2,828
Regional Deaf Co-op	421,159	695,973
Regional Deaf Co-op (Member Share)	647,839	1,070,564
	<u>\$ 1,125,590</u>	<u>\$ 1,860,059</u>

Note 20 - Subsequent Events

Willowridge High School

At the beginning of July 2017, the District found mold in parts of Willowridge High School while the school was shut down for planned construction. The District immediately took action and started working with environmental experts to clean and sanitize the building. Due to the length of time to remediate, students will attend Marshall High School for the fall semester of 2017. Remediation has been completed and the restoration process is underway.

Debt Remarketing

In August 2017, the District remarketed the 2015B Variable Rate Series Unlimited Tax Schoolhouse Bonds. The remarketing generated proceeds of \$40,256,603 and the District contributed \$203,397 to the closing. The new debt was issued with an initial interest rate of 1.35% for an initial rate period of two years. The bonds convert to a stepped-up interest rate of 6% after the initial two-year period in the event the bonds are not remarketed. Interest on the bonds accrue from the closing date of August 1, 2017 and are payable on each February 1 and August 1 thereafter, with the initial interest payment on February 1, 2018.

Due to prudent debt management, District paid an additional \$7 million in principal using Debt Service fund balance for the August 1, 2017 debt service payment for the Series 2015B bonds.

In October 2017, the District refunded the second tranche of the Tax Exempt Commercial Paper (TECP) program that was established November 2016. The \$95 million issued consisted of Series 2017C (Green) for \$45 million and Series 2017D for \$50 million. The refunding generated proceeds of \$95,405,892 with the District contributing \$613,477 to the closing. The new debt was issued with an initial interest rate of 1.35% for an initial rate period of three years for the Series 2017C (Green) and an initial interest rate of 1.50% for an initial rate period of four years for the Series 2017D. Both series of the bonds convert to a stepped-up interest rate of 7% after the initial period in the event the bonds are not remarketed.

Note 20 - Subsequent Events (continued)

Hurricane Harvey

On August 25, 2017, Hurricane Harvey, characterized as a Category 4 hurricane at its peak, made landfall in the Texas coast before stalling over the Houston-Galveston region (the “Region”) and producing significant flooding. Many residences and commercial and industrial properties in the Region sustained damage.

As a result of the Hurricane Harvey and the related flooding, District officials cancelled classes beginning on August 25, 2017, with classes scheduled to resume on September 12, 2017 at all District campuses scheduled to open other than Juan Seguin Elementary School. Students from Juan Seguin Elementary School will attend James Patterson Elementary (kindergarten through second grade) and Crockett Middle School (third through fifth grade). Two of the District’s schools, Marshall High School and Kempner High School, were utilized as shelters for residents displaced by Hurricane Harvey, but the residents served by such shelters have been relocated or returned home and school operations will resume at both campuses on September 12. The Texas Education Agency has notified districts in the disaster declared areas that they are eligible to apply for missed school day waivers for the time period that the District cancelled classes.

While the District experienced damage to some facilities, with the exception of damage to Juan Seguin Elementary School, such damage will not have a substantial negative affect on the operation of the facilities. The remediation and restoration at Juan Seguin Elementary School is estimated to cost \$9 million and it is currently anticipated that the school will remain closed for the 2017-2018 school year to undergo reconstruction. Due to the significant unexpected damage to Juan Seguin Elementary, the District has determined the asset has been impaired and will write down the asset in fiscal year 2018 using the restoration method based on actual costs to remediate and restore the building. The estimated write down is \$4 million based on the estimated costs to remediate and restore.

On August 25, 2017, the President of the United States issued a major disaster declaration, which was amended on August 27, 2017 to include Fort Bend County, where the District is located. The major disaster declaration made federal assistance available for debris removal and emergency protective measures, including direct federal assistance, under the Public Assistance program. The District expects to utilize the District’s general fund balance to initially cover Hurricane Harvey related expenses and to seek reimbursement from the Federal Emergency Management Agency for eligible disaster-related expenses. The District also intends to file insurance claims to cover eligible losses at sites that sustained damage. The District’s insurance policies generally carry a \$100,000 deductible at each site, with some sites having additional flood-related deductibles.

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REQUIRED SUPPLEMENTARY INFORMATION

FORT BEND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2017

Exhibit G-1

Data Control Codes	Budgeted Amounts			Variance With Final Budget	
	Original	Final	Actual		
Revenues					
5700	Local and Intermediate Sources	\$ 364,151,685	\$ 365,744,660	\$ 363,641,297	\$ (2,103,363)
5800	State Program Revenues	216,852,005	223,066,969	224,045,425	978,456
5900	Federal Program Revenues	7,800,000	9,073,409	9,226,988	153,579
5020	Total Revenues	<u>588,803,690</u>	<u>597,885,038</u>	<u>596,913,710</u>	<u>(971,328)</u>
Expenditures					
Current:					
0011	Instruction	357,479,300	353,980,360	351,605,814	2,374,546
0012	Instructional Resources and Media Services	8,086,620	7,942,952	7,353,704	589,248
0013	Curriculum and Instructional Staff Development	7,797,161	10,635,363	10,597,964	37,399
0021	Instructional Leadership	10,943,645	13,737,084	12,174,420	1,562,664
0023	School Leadership	40,041,866	40,227,373	39,656,488	570,885
0031	Guidance, Counseling and Evaluation Services	28,476,677	28,698,542	28,190,325	508,217
0032	Social Work Services	1,202,824	2,069,746	1,531,051	538,695
0033	Health Services	7,550,327	7,999,144	7,388,922	610,222
0034	Student Transportation	20,635,360	22,273,995	21,615,297	658,698
0036	Cocurricular/Extracurricular Activities	11,997,051	12,691,191	12,490,059	201,132
0041	General Administration	17,072,938	15,843,239	15,716,062	127,177
0051	Facilities Maintenance and Operations	55,893,783	60,022,856	60,249,514	(226,658)
0052	Security and Monitoring Services	7,767,409	7,893,177	7,538,739	354,438
0053	Data Processing Services	13,890,158	15,324,851	14,914,481	410,370
0061	Community Services	592,292	992,717	686,178	306,539
0081	Facilities Acquisition and Construction	25,000	-	-	-
0093	Payments to Fiscal Agent/Member Districts of Shared Service Arrangements	474,000	724,805	454,000	270,805
0099	Payments to tax appraisal district	2,700,000	3,014,482	2,845,274	169,208
6030	Total Expenditures	<u>592,626,411</u>	<u>604,071,877</u>	<u>595,008,292</u>	<u>9,063,585</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,822,721)</u>	<u>(6,186,839)</u>	<u>1,905,418</u>	<u>8,092,257</u>
Other Financing Sources (Uses)					
7912	Sale of Real and Personal Property	-	-	119,375	119,375
7915	Transfers in	1,500,000	1,500,000	1,500,000	-
8911	Transfers out	-	(816,199)	(732,817)	83,382
7080	Total Other Financing Sources (Uses)	<u>1,500,000</u>	<u>683,801</u>	<u>886,558</u>	<u>202,757</u>
1200	Net Change in Fund Balance	(2,322,721)	(5,503,038)	2,791,976	8,295,014
0100	Fund Balance - Beginning	<u>182,463,050</u>	<u>182,463,050</u>	<u>182,463,050</u>	<u>-</u>
3000	Fund Balance - Ending	<u>\$ 180,140,329</u>	<u>\$ 176,960,012</u>	<u>\$ 185,255,026</u>	<u>\$ 8,295,014</u>

Budgets and Budgetary Accounting

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the General, National School Breakfast and Lunch Program, and Debt Service funds before the beginning of the fiscal year. For fiscal years beginning July 1, the Texas Education Code requires the budget to be prepared not later than June 20 and adopted by June 30 of each year. The District's administration determines budgetary funding priorities and the budgets are prepared in the same basis of accounting that is used for reporting in accordance with generally accepted accounting principles. Final budget allocations are determined by the Board, which subsequently establishes a tax rate sufficient to support the approved budget. The annual budget, which is prepared on the modified accrual basis of accounting, must be adopted by the Board at a scheduled meeting after giving ten days public notice of the meeting. The District annually adopts legally authorized appropriated budgets for the General, National School Breakfast and Lunch Program, and Debt Service funds.

The District's administration performs budget reviews during the year in which budget requirements are re-evaluated and revisions are recommended to the Board. The Board must approve amendments to the budget at the fund and functional expenditure categories or revenue object accounts as defined by the TEA. Expenditures may not legally exceed budgeted appropriations, as amended, at the function level by fund. Unexpended appropriations lapse at year-end.

Management may amend the budget without seeking Board approval if appropriations are not transferred between functions. During fiscal year 2017, General Fund revenues were increased by \$9.1 million mainly due to increases in state aid, federal revenue and local revenues as follows:

- State aid increased by \$6.2 million which comprised of a \$4.6 million increase in TRS on-behalf revenue and \$1.6 million in Foundation and Available School Fund increase mainly due to increases in the transportation allotment and student enrollment increases.
- Local revenues increased by \$1.6 million which comprised of \$1.2 million for increase in property tax revenue and \$.4 million related to donations.
- Federal revenues increased by \$1.3 million for increases in SHARS (School Health and Related Services program).

Budgeted appropriations for expenditures for the General Fund increased by \$11.4 million due to:

- \$3.94 million of purchase orders from fiscal year 2016 that were honored in fiscal year 2017
- \$4.6 million for TRS on-behalf expense,
- \$1.92 million for a one-time supplement for non-teaching staff members,
- \$.6 million for a document management system and
- \$.4 million for expenditures funded from donation revenue.

During the 2017 fiscal year the District's general fund maintenance and operations functional expenditures exceeded appropriations by \$226,658.

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**FORT BEND INDEPENDENT SCHOOL
SCHEDULE OF THE DISTRICT'S
PROPORTIONATE SHARE OF THE NET
Teachers Retirement System of Texas**

Exhibit G-3

For the Last Three Measurement Years Ended August 31

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.3933%	0.4007%	0.2282%
District's proportionate share of the net pension liability	\$ 148,632,453	\$ 141,636,991	\$ 60,960,852
State's proportionate share of the net pension liability associated with the District	<u>275,080,136</u>	<u>262,739,729</u>	<u>220,297,710</u>
Total	<u>\$ 423,712,589</u>	<u>\$ 404,376,720</u>	<u>\$ 281,258,562</u>
District's covered-employee payroll (for Measurement Year)	\$ 436,161,926	\$ 419,053,098	\$ 373,070,445
District's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	34.1%	33.8%	16.3%
Plan fiduciary net position as a percentage of the total pension liability	78.00%	78.43%	83.25%
Plan's net pension liability as a percentage of covered-employee payroll	92.75%	91.94%	72.89%

Note: Ten years of data should be presented in this schedule but data is unavailable prior to 2014.

Net pension liability and related ratios will be presented prospectively as data becomes available.

FORT BEND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers Retirement System of Texas
For the Last Nine Fiscal Years Ended June 30

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 12,540,010	\$ 12,542,835	\$ 10,814,570	\$ 5,611,198
Contributions in relation to the contractual required contributions	<u>12,540,010</u>	<u>12,542,835</u>	<u>10,814,570</u>	<u>5,611,198</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 443,921,362	\$ 434,547,274	\$ 412,837,141	\$ 367,413,873
Contributions as a percentage of covered employee payroll	2.82%	2.89%	2.62%	1.53%

Note: Ten years of data should be presented in this schedule but data is unavailable prior to 2009.

Notes to Required Supplementary Information

Effective September 1, 2014, employers who did not contribute Social Security for TRS-eligible employees were required to contribute an additional 1.5% of TRS-eligible compensation which nearly doubled the District's contributions into the Plan. Because the District's proportional share of the plan is determined by its proportional share of contributions, the District recognized a corresponding increase in its share of net pension liability.

Changes of Assumptions

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

Changes of Benefit Terms

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

Exhibit G-4

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 5,059,245	\$ 4,555,001	\$ 5,491,382	\$ 5,368,258	\$ 4,478,148
<u>5,059,245</u>	<u>4,555,001</u>	<u>5,491,382</u>	<u>5,368,258</u>	<u>4,478,148</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 351,847,507	\$ 348,863,174	\$ 371,421,050	\$ 323,832,000	\$ 376,448,909
1.44%	1.31%	1.48%	1.66%	1.19%

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OTHER SUPPLEMENTARY INFORMATION

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND BUDGETARY COMPARISONS**

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for all federal, state and locally-funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational goals. Grants included in the Special Revenue Funds are described below.

Fund Name & Description

ESEA, Title I, Part A - Improving Basic Programs - supplemental service designed to accelerate the academic achievement of economically disadvantaged students, especially in the tested areas, to ensure that state standards are met on identified campuses.

IDEA, Part B - Formula - salaries and supplies to aid children with disabilities with low reading achievement.

IDEA, Part B - Preschool - aids preschool students with disabilities.

National School Breakfast and Lunch - federal reimbursement revenues originating from the United States Department of Agriculture and fees from child and adult meals.

Summer Feeding Program - to account for funds received from the Texas Department of Agriculture that are used for meals provided to the community based on the average number of daily participants.

Vocational Education - Basic - funds are for the use of various vocationally-inclined students in regular, disadvantaged and disability classes.

ESEA, Title II, Part A (Teacher and Principal Training and Recruiting) - supplements the professional development, retention and recruitment programs district-wide, specifically on high needs campuses.

ESEA, Title III, Part A - English Language Acquisition and Language Enhancement - provides additional educational opportunities to supplement programs for students of limited English proficiency and immigrant children by assisting the children to learn English and meet challenging State academic content and student academic achievements standards.

Medicaid Administrative Claiming Program - funds used to reimburse administrative expenses for this project and also to improve access to health-related services for clients.

Mathematics and Science Partnerships – funds used to provide professional development to improve teachers' content knowledge.

Federally Funded Special Revenue Funds - funds used to operate a summer school program for limited English proficient students eligible for admission to kindergarten and first grade and for a reading recovery program.

NON-MAJOR GOVERNMENTAL FUNDS (continued)

SPECIAL REVENUE FUNDS (continued)

Shared Service Arrangement (SSA) - IDEA, Part B - Discretionary - funds used to support the Regional Day School Programs for the Deaf.

Shared Service Arrangement (SSA) - IDEA, Part B - Deaf - funds used by the fiscal agent to operate educational programs for children with disabilities.

Shared Service Arrangement (SSA) -IDEA, Part C- Early Intervention Deaf - funds used by the fiscal agent to assist in providing direct services to hearing impaired infants and toddlers, ages birth through two years of age. The program provides supplemental and appropriate services to eligible students that are provided by a certified and trained teacher.

State Supplement - Visually Impaired - funds used to support the educational needs of students who have visual impairments.

Advanced Placement Incentives - funds intended to subsidize teacher training for attending approved AP teacher training workshops.

State Instructional Materials Fund - funds used to purchase textbooks and related materials.

State Funded Special Revenue Funds - funds used to provide training for full-time law enforcement personnel, to strengthen campus reading programs by public school libraries, to provide professional development, to enhance prekindergarten programs, to replace diesel school buses with alternative fuel (CNG) buses and for other non-educational community based support services.

Shared Service Arrangement (SSA) - Regional Day School for the Deaf - funds used for staff and activities of the Regional Day School Program for the Deaf.

Campus Activity Fund - proceeds from fundraising activities, vending sales, corporate and private donations to school-sponsored activities benefiting students and staff of the campus.

FBISD Education Foundation Grants - funds provided by the District's Education Foundation and for supplies for individual grants written by teachers.

Locally Funded Special Revenue Funds - funds received from other local sources with restricted purposes.

FORT BEND INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2017

	211	224	225	240	
Data Control Codes	ESEA Title I, Part A- Improving Basic Programs	IDEA, Part B Formula	IDEA, Part B Preschool	National School Breakfast and Lunch	
Assets					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 17,348
1120	Investments	-	-	-	3,145,317
Receivables:					
1240	Receivables from other governments	2,254,578	2,092,464	57,013	54,606
1260	Due from other funds	-	60	-	1,702,827
1290	Other receivables	90	-	-	34,581
1310	Inventories, at cost	-	-	-	631,279
1000	Total Assets	<u>\$ 2,254,668</u>	<u>\$ 2,092,524</u>	<u>\$ 57,013</u>	<u>\$ 5,585,958</u>
Liabilities and Fund Balances					
Liabilities:					
2110	Accounts payable	\$ 130,672	\$ 247,236	\$ -	\$ 104,105
2150	Payroll deduction and withholdings payable	813	98	-	503
2160	Accrued wages payable	1,215,940	994,442	13,603	266,602
2170	Due to other funds	907,243	850,748	43,410	18,696
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	-	-	-	975,792
2000	Total Liabilities	<u>2,254,668</u>	<u>2,092,524</u>	<u>57,013</u>	<u>1,365,698</u>
Fund Balance:					
Restricted					
3450	Federal and state programs	-	-	-	4,220,260
Committed					
3545	Campus activity funds	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,220,260</u>
4000	Total Liabilities and Fund Balance	<u>\$ 2,254,668</u>	<u>\$ 2,092,524</u>	<u>\$ 57,013</u>	<u>\$ 5,585,958</u>

242	244	255	263	272	273
Summer Feeding Program	Vocational Education - Basic	ESEA Title II, Part A- Teacher & Principal Training & Recruiting	ESEA Title III, Part A - English Language Acquisition and Language Enhancement	Medicaid Administrative Claiming Program	Mathmatics and Science Partnerships
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
31,036	147,601	144,359	260,743	-	52,873
-	-	-	-	-	-
-	-	-	-	59,254	-
-	-	-	-	-	-
<u>\$ 31,036</u>	<u>\$ 147,601</u>	<u>\$ 144,359</u>	<u>\$ 260,743</u>	<u>\$ 59,254</u>	<u>\$ 52,873</u>
\$ -	\$ 8,425	\$ 14,783	\$ 50	\$ -	\$ 5,830
-	373	-	-	-	-
-	-	45,737	166,768	-	31,564
31,036	138,803	83,839	93,925	59,254	15,479
-	-	-	-	-	-
-	-	-	-	-	-
<u>31,036</u>	<u>147,601</u>	<u>144,359</u>	<u>260,743</u>	<u>59,254</u>	<u>52,873</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 31,036</u>	<u>\$ 147,601</u>	<u>\$ 144,359</u>	<u>\$ 260,743</u>	<u>\$ 59,254</u>	<u>\$ 52,873</u>

FORT BEND INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2017

	289	315	316	340
Data Control Codes	Federally Funded Special Revenue Funds	SSA-IDEA- Part B, Discretionary	SSA-IDEA- Part B, Deaf	SSA - IDEA C Deaf Early Intervention
Assets				
1110	\$ -	\$ -	\$ -	\$ -
1120	-	-	-	-
Receivables:				
1240	-	115,665	-	514
1260	-	-	-	-
1290	-	-	-	-
1310	-	-	-	-
1000	<u>\$ -</u>	<u>\$ 115,665</u>	<u>\$ -</u>	<u>\$ 514</u>
Liabilities and Fund Balances				
Liabilities:				
2110	\$ -	\$ 2,572	\$ -	\$ -
2150	-	-	-	-
2160	-	9,604	-	-
2170	-	103,489	-	514
2180	-	-	-	-
2300	-	-	-	-
2000	<u>-</u>	<u>115,665</u>	<u>-</u>	<u>514</u>
Fund Balance:				
Restricted				
3450	-	-	-	-
Committed				
3545	-	-	-	-
3000	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<u>\$ -</u>	<u>\$ 115,665</u>	<u>\$ -</u>	<u>\$ 514</u>

385	397	410	429	435	461
State Supplement - Visually Impaired	Advanced Placement Incentives	State Instructional Materials Fund	State Funded Special Revenue Funds	SSA Regional Day School for the Deaf	Campus Activity Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	4,157,662
-	-	-	1,545,667	-	-
-	271,898	269,349	61,283	1,140,406	11,709
-	-	-	-	-	2,071
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 271,898</u>	<u>\$ 269,349</u>	<u>\$ 1,606,950</u>	<u>\$ 1,140,406</u>	<u>\$ 4,171,442</u>
\$ -	\$ -	\$ -	\$ 31,044	\$ 689	\$ 263,827
-	3	-	-	2,813	-
-	-	-	51	352,326	16,829
-	-	-	1,508,035	29,388	8,659
-	-	-	-	-	2,299
-	271,895	-	67,820	755,190	-
-	271,898	-	1,606,950	1,140,406	291,614
-	-	269,349	-	-	-
-	-	-	-	-	3,879,828
-	-	269,349	-	-	3,879,828
<u>\$ -</u>	<u>\$ 271,898</u>	<u>\$ 269,349</u>	<u>\$ 1,606,950</u>	<u>\$ 1,140,406</u>	<u>\$ 4,171,442</u>

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FORT BEND INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2017

Exhibit H-1
Page 3 of 3

Data Control Codes		492	499	
		FBISD Education Foundation Grants	Locally Funded Special Revenue Funds	
Assets				
1110	Cash and cash equivalents	\$ 1,681	\$ 6,134	\$ 25,163
1120	Investments	-	-	7,302,979
	Receivables:			
1240	Receivables from other governments	-	-	6,757,119
1260	Due from other funds	361,172	100,810	3,919,514
1290	Other receivables	60	-	96,056
1310	Inventories, at cost	-	-	631,279
1000	Total Assets	<u>\$ 362,913</u>	<u>\$ 106,944</u>	<u>\$ 18,732,110</u>
Liabilities and Fund Balances				
Liabilities:				
2110	Accounts payable	\$ 8,542	\$ 33,550	\$ 851,325
2150	Payroll deduction and withholdings payable	-	-	4,603
2160	Accrued wages payable	-	-	3,113,466
2170	Due to other funds	-	-	3,892,518
2180	Due to other governments	-	548	2,847
2300	Unearned revenues	354,371	72,846	2,497,914
2000	Total Liabilities	<u>362,913</u>	<u>106,944</u>	<u>10,362,673</u>
Fund Balance:				
Restricted				
3450	Federal and state programs	-	-	4,489,609
Committed				
3545	Campus activity funds	-	-	3,879,828
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>8,369,437</u>
4000	Total Liabilities and Fund Balance	<u>\$ 362,913</u>	<u>\$ 106,944</u>	<u>\$ 18,732,110</u>

FORT BEND INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

		211	224	225	240
Data Control Codes		ESEA Title I, Part A- Improving Basic Programs	IDEA, Part B Formula	IDEA, Part B Preschool	National School Breakfast and Lunch
	Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ 11,125,197
5800	State program revenues	-	-	-	122,942
5900	Federal program revenues	9,449,372	10,681,613	135,437	14,686,490
5020	Total revenues	<u>9,449,372</u>	<u>10,681,613</u>	<u>135,437</u>	<u>25,934,629</u>
	Expenditures				
	Current:				
0011	Instruction	6,335,923	8,316,054	135,437	-
0012	Instruction resources and media services	10,635	-	-	-
	Curriculum and instructional staff				
0013	development	683,200	168,290	-	-
0021	Instructional leadership	671,290	90,381	-	-
0023	School leadership	362,971	3,052	-	-
	Guidance, counseling and evaluation				
0031	services	213,789	791,830	-	-
0032	Social work services	85,758	-	-	-
0033	Health services	22,362	988,001	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	25,911,897
0036	Extracurricular activities	-	-	-	-
0051	Plant maintenance and operations	-	-	-	442,965
0052	Security and monitoring services	2,711	-	-	-
0061	Community services	1,060,733	3,105	-	-
	Payments related to shared services				
0093	arrangement	-	320,900	-	-
6030	Total Expenditures	<u>9,449,372</u>	<u>10,681,613</u>	<u>135,437</u>	<u>26,354,862</u>
1100	Excess (deficiency) of revenues over expenditures	-	-	-	(420,233)
1200	Net change in fund balances	-	-	-	(420,233)
0100	Fund balance - July 1 (beginning)	-	-	-	4,640,493
3000	Fund balance - June 30 (ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,220,260</u>

242	244	255	263	272	273
Summer Feeding Program	Vocational Education - Basic	ESEA Title II, Part A- Teacher & Principal Training & Recruiting	ESEA Title III, Part A - English Language Acquisition and Language Enhancement	Medicaid Administrative Claiming Program	Mathmatics and Science Partnerships
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
31,036	512,557	1,124,908	1,165,895	238,757	61,014
31,036	512,557	1,124,908	1,165,895	238,757	61,014
-	450,496	846,490	218,704	-	3,949
-	-	-	4,777	-	-
-	35,181	278,418	793,400	-	55,915
-	26,880	-	6,767	-	1,150
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	142,247	-	-
-	-	-	-	238,757	-
-	-	-	-	-	-
31,036	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
31,036	512,557	1,124,908	1,165,895	238,757	61,014
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

FORT BEND INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

		289	315	316	340
Data Control Codes		Federally Funded Special Revenue Funds	SSA-IDEA-Part B, Discretionary	SSA-IDEA-Part B, Deaf	SSA - IDEA C Deaf Early Intervention
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	63,130	139,696	5,879	4,539
5020	Total revenues	<u>63,130</u>	<u>139,696</u>	<u>5,879</u>	<u>4,539</u>
Expenditures					
Current:					
0011	Instruction	58,679	137,906	4,646	4,029
0012	Instruction resources and media services	-	-	-	-
	Curriculum and instructional staff				
0013	development	4,451	1,083	1,233	510
0021	Instructional leadership	-	135	-	-
0023	School leadership	-	-	-	-
	Guidance, counseling and evaluation				
0031	services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0061	Community services	-	572	-	-
	Payments related to shared services				
0093	arrangement	-	-	-	-
6030	Total Expenditures	<u>63,130</u>	<u>139,696</u>	<u>5,879</u>	<u>4,539</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund balance - July 1 (beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund balance - June 30 (ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

385	397	410	429	435	461
State Supplement - Visually Impaired	Advanced Placement Incentives	State Instructional Materials Fund	State Funded Special Revenue Funds	SSA Regional Day School for the Deaf	Campus Activity Fund
\$ -	\$ -	\$ 9,349	\$ -	\$ 30,872	\$ 3,260,783
20,000	2,933	2,470,286	2,229,363	2,804,663	-
-	-	-	-	-	-
<u>20,000</u>	<u>2,933</u>	<u>2,479,635</u>	<u>2,229,363</u>	<u>2,835,535</u>	<u>3,260,783</u>
20,000	2,434	2,475,199	751,066	2,311,735	339,613
-	-	-	52	-	189,181
-	499	-	56,866	1,708	50,403
-	-	-	1,546	263,235	-
-	-	-	-	-	77,322
-	-	-	-	216,212	1,038,609
-	-	-	-	-	-
-	-	-	-	-	94
-	-	-	1,417,461	-	-
-	-	-	-	-	-
-	-	-	-	40,603	1,503,648
-	-	-	-	-	19,378
-	-	-	2,372	-	56,121
-	-	-	-	2,042	-
-	-	-	-	-	-
<u>20,000</u>	<u>2,933</u>	<u>2,475,199</u>	<u>2,229,363</u>	<u>2,835,535</u>	<u>3,274,369</u>
-	-	4,436	-	-	(13,586)
-	-	4,436	-	-	(13,586)
-	-	264,913	-	-	3,893,414
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 269,349</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,879,828</u>

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FORT BEND INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

Exhibit H-2
Page 3 of 3

Data Control Codes		492	499	
		FBISD Education Foundation Grants	Locally Funded Special Revenue Funds	Total Non- major Governmental Funds
Revenues				
5700	Local, intermediate, and out-of-state	\$ 372,529	\$ 248,712	\$ 15,047,442
5800	State program revenues	-	-	7,650,187
5900	Federal program revenues	-	-	38,300,323
5020	Total revenues	<u>372,529</u>	<u>248,712</u>	<u>60,997,952</u>
Expenditures				
Current:				
0011	Instruction	328,530	169,114	22,910,004
0012	Instruction resources and media services Curriculum and instructional staff development	17,458	-	222,103
0013	Instructional leadership	25,000	31,936	2,188,093
0021	School leadership	-	-	1,061,384
0023	Guidance, counseling and evaluation services	-	-	443,345
0031	Social work services	-	10,082	2,270,522
0032	Health services	-	-	228,005
0033	Student transportation	-	-	1,249,214
0034	Food service	-	-	1,417,461
0035	Extracurricular activities	-	-	25,942,933
0036	Plant maintenance and operations	-	26,653	1,570,904
0051	Security and monitoring services	1,541	-	463,884
0052	Community services	-	-	61,204
0061	Payments related to shared services arrangement	-	10,927	1,077,379
0093		-	-	320,900
6030	Total Expenditures	<u>372,529</u>	<u>248,712</u>	<u>61,427,335</u>
1100	Excess (deficiency) of revenues over expenditures	-	-	(429,383)
1200	Net change in fund balances	-	-	(429,383)
0100	Fund balance - July 1 (beginning)	-	-	8,798,820
3000	Fund balance - June 30 (ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,369,437</u>

FORT BEND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
For the Year Ended June 30, 2017

Exhibit H-3

Data Control Codes	Budgeted Amounts			Variance With Final Budget	
	Original	Final	Actual		
Revenues					
5700	Local and Intermediate Sources	\$ 13,290,517	\$ 13,290,517	\$ 11,125,197	\$ (2,165,320)
5800	State Program Revenues	123,163	123,163	122,942	(221)
5900	Federal Program Revenues	14,813,882	14,813,882	14,686,490	(127,392)
5020	Total Revenues	<u>28,227,562</u>	<u>28,227,562</u>	<u>25,934,629</u>	<u>(2,292,933)</u>
Expenditures					
0035	Food Services	27,768,452	27,768,452	25,911,897	1,856,555
0051	Facilities Maintenance and Operations	459,110	459,110	442,965	16,145
6030	Total Expenditures	<u>28,227,562</u>	<u>28,227,562</u>	<u>26,354,862</u>	<u>1,872,700</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(420,233)</u>	<u>(420,233)</u>
1200	Net Change in Fund Balance	-	-	(420,233)	(420,233)
0100	Fund Balance - Beginning	4,640,493	4,640,493	4,640,493	-
3000	Fund Balance - Ending	<u>\$ 4,640,493</u>	<u>\$ 4,640,493</u>	<u>\$ 4,220,260</u>	<u>\$ (420,233)</u>

MAJOR GOVERNMENTAL FUND

Fund Name and Description

Debt-Service Fund - The Debt Service Fund is used to account for revenues from debt service taxes and earnings on investments which are used for payment of interest and principal on the District's bonded indebtedness.

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FORT BEND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended June 30, 2017

Exhibit H-4

Data Control Codes	Budgeted Amounts			Variance With Final Budget	
	Original	Final	Actual		
Revenues					
5700	Local and Intermediate Sources	\$ 97,749,559	\$ 104,077,030	\$ 103,870,364	\$ (206,666)
5800	State Program Revenues	1,927,453	1,927,453	1,875,418	(52,035)
5020	Total Revenues	<u>99,677,012</u>	<u>106,004,483</u>	<u>105,745,782</u>	<u>(258,701)</u>
Expenditures					
Debt Service:					
0071	Principal on Long-Term Debt	52,698,388	51,033,867	50,698,393	335,474
0072	Interest on Long-Term Debt	42,495,895	41,343,257	41,272,170	71,087
0073	Bond Issuance Costs and Fees	1,309,880	1,360,780	741,812	618,968
6030	Total Expenditures	<u>96,504,163</u>	<u>93,737,904</u>	<u>92,712,375</u>	<u>1,025,529</u>
1100	Excess of Revenues Over Expenditures	<u>3,172,849</u>	<u>12,266,579</u>	<u>13,033,407</u>	<u>766,828</u>
Other Financing Sources					
7911	Refunding bonds issued	-	132,150,000	33,155,000	(98,995,000)
7916	Premium or discount on issuance of bonds	-	-	-	-
8911	Transfers out	-	-	(7,000,000)	(7,000,000)
8949	Payments to bond refunding escrow agent	-	(132,150,000)	(33,155,000)	98,995,000
7080	Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>(7,000,000)</u>	<u>(7,000,000)</u>
1200	Net Change in Fund Balance	3,172,849	12,266,579	6,033,407	(6,233,172)
0100	Fund Balance - Beginning	<u>59,006,621</u>	<u>59,006,621</u>	<u>59,006,621</u>	<u>-</u>
3000	Fund Balance - Ending	<u>\$ 62,179,470</u>	<u>\$ 71,273,200</u>	<u>\$ 65,040,028</u>	<u>\$ (6,233,172)</u>

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the District on a cost reimbursement basis.

Fund Name and Description

Print Shop Fund - The Print Shop Fund is used to account for the operations of the District's print shop. Revenues of the fund are derived by providing services to other departments within the District. Expenses include the day to day cost of operations of the print shop as well as depreciation of fixed assets.

Health Insurance Fund - The Health Insurance Fund is used to account for the operations of the District's employee health insurance plan, which is supported principally by employer and employee contributions. Expenses include plan benefit payments to medical providers and employees, and charges incurred in administering the plan.

Workers' Compensation Fund - The Workers' Compensation Fund is used to account for the operations of the District's workers' compensation insurance plan, which is supported principally by employer contributions. Expenses of the plan include plan benefit payments to injured employees and charges incurred in administering the plan.

Unemployment Insurance Fund - The Unemployment Insurance Fund is used to account for the operations of the District's unemployment insurance plan, which is supported principally by employer contributions. Expenses include plan benefit payments for insured employees and charges incurred in administering the plan.

Technology Fund - The Technology Fund is used to account for the operations of technology items utilized throughout the District, which is supported principally by transfers from the General Fund. Expenses include computers, laptops, and infrastructure costs.

FORT BEND INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2017

	752	753	771	774
<u>Data Control Codes</u>	<u>Print Shop Fund</u>	<u>Health Insurance Fund</u>	<u>Workers' Compensation Fund</u>	<u>Unemployment Insurance Fund</u>
Assets				
Current assets:				
1110	\$ -	\$ 471	\$ -	\$ -
1120	72,354	4,322,397	6,232,766	1,306,982
Receivables:				
1260	-	5,368,881	85,231	-
1290	2,923	655,193	-	-
1300	68,866	-	-	-
1410	-	-	101,782	-
	<u>144,143</u>	<u>10,346,942</u>	<u>6,419,779</u>	<u>1,306,982</u>
Capital Assets:				
1530	160,529	-	-	-
1573	(85,006)	-	-	-
	<u>75,523</u>	<u>-</u>	<u>-</u>	<u>-</u>
1000	<u>\$ 219,666</u>	<u>\$ 10,346,942</u>	<u>\$ 6,419,779</u>	<u>\$ 1,306,982</u>
Liabilities				
Current liabilities:				
2110	\$ -	\$ 232,462	\$ 66,055	\$ -
2150	-	243,622	-	-
2170	31,877	2,887	860,899	-
2180	-	-	-	15,012
2210	-	5,392,663	640,101	-
2300	-	4,475,308	102,231	-
	<u>31,877</u>	<u>10,346,942</u>	<u>1,669,286</u>	<u>15,012</u>
Non-current liabilities:				
2590	-	-	2,272,973	-
	<u>-</u>	<u>-</u>	<u>2,272,973</u>	<u>-</u>
2000	<u>31,877</u>	<u>10,346,942</u>	<u>3,942,259</u>	<u>15,012</u>
Net Position				
3200	75,523	-	-	-
3900	112,266	-	2,477,520	1,291,970
3000	<u>\$ 187,789</u>	<u>\$ -</u>	<u>\$ 2,477,520</u>	<u>\$ 1,291,970</u>

Exhibit H-5

780

<u>Technology Fund</u>	<u>Total</u>
\$ -	\$ 471
7,577,652	19,512,151
-	5,454,112
-	658,116
-	68,866
-	101,782
<u>7,577,652</u>	<u>25,795,498</u>
1,212,870	1,373,399
<u>(156,222)</u>	<u>(241,228)</u>
<u>1,056,648</u>	<u>1,132,171</u>
<u>\$ 8,634,300</u>	<u>\$ 26,927,669</u>
\$ 3,794	\$ 302,311
-	243,622
-	895,663
-	15,012
-	6,032,764
-	4,577,539
<u>3,794</u>	<u>12,066,911</u>
-	<u>2,272,973</u>
-	<u>2,272,973</u>
<u>3,794</u>	<u>14,339,884</u>
1,056,648	1,132,171
<u>7,573,858</u>	<u>11,455,614</u>
<u>\$ 8,630,506</u>	<u>\$ 12,587,785</u>

FORT BEND INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2017

Data Control Codes		Print Shop Fund	Health Insurance Fund	Workers' Compensation Fund	Unemployment Insurance Fund
Operating Revenues					
5754	Interfund services provided and used	\$ 783,452	\$ 60,836,985	\$ 855,386	\$ -
5020	Total operating revenues	<u>783,452</u>	<u>60,836,985</u>	<u>855,386</u>	<u>-</u>
Operating Expenses					
6100	Payroll costs	269,805	615,344	179,647	48,171
6200	Purchased and contracted services	308,136	4,685,947	157,566	7,000
6300	Supplies and materials	156,968	4,018	-	-
6400	Claims expense and other operating expenses	3,745	64,837,737	684,237	65,872
6449	Depreciation	15,579	-	-	-
6030	Total Operating Expenses	<u>754,233</u>	<u>70,143,046</u>	<u>1,021,450</u>	<u>121,043</u>
1200	Operating Income (Loss)	<u>29,219</u>	<u>(9,306,061)</u>	<u>(166,064)</u>	<u>(121,043)</u>
Non-Operating Revenues (Expenses)					
7020	Earnings - temporary deposits and investments	336	22,692	38,796	7,363
	Total Nonoperating Revenues	<u>336</u>	<u>22,692</u>	<u>38,796</u>	<u>7,363</u>
	Income (Loss) before Transfers	<u>29,555</u>	<u>(9,283,369)</u>	<u>(127,268)</u>	<u>(113,680)</u>
7915	Transfers in	-	2,826,827	-	-
8911	Transfers out	-	-	(2,826,827)	-
		<u>-</u>	<u>2,826,827</u>	<u>(2,826,827)</u>	<u>-</u>
1200	Change in Net Position	29,555	(6,456,542)	(2,954,095)	(113,680)
Net Position:					
0100	Net Position - beginning	158,234	6,456,542	5,431,615	1,405,650
3300	Net Position - ending	<u>\$ 187,789</u>	<u>\$ -</u>	<u>\$ 2,477,520</u>	<u>\$ 1,291,970</u>

Exhibit H-6

Technology Fund	Total
\$ -	\$ 62,475,823
<u>-</u>	<u>62,475,823</u>
-	1,112,967
808,105	5,966,754
2,259,524	2,420,510
-	65,591,591
85,794	101,373
<u>3,153,423</u>	<u>75,193,195</u>
<u>(3,153,423)</u>	<u>(12,717,372)</u>
51,522	120,709
<u>51,522</u>	<u>120,709</u>
<u>(3,101,901)</u>	<u>(12,596,663)</u>
-	2,826,827
<u>-</u>	<u>(2,826,827)</u>
<u>-</u>	<u>-</u>
(3,101,901)	(12,596,663)
11,732,407	25,184,448
<u>\$ 8,630,506</u>	<u>\$ 12,587,785</u>

FORT BEND INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2017

	Print Shop Fund	Health Insurance Fund	Workers' Compensation Fund	Unemployment Insurance Fund
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities:				
Cash receipts from interfund services provided	\$ 786,973	\$ 60,975,618	\$ 872,387	\$ -
Cash payments to suppliers for goods and services	(431,767)	(70,192,690)	(402,540)	(108,860)
Cash payments to employees	(271,472)	(670,333)	(180,512)	(48,171)
Net Cash Provided by (Used for) Operating Activities	83,734	(9,887,405)	289,335	(157,031)
Cash Flows from Non-Capital Financing Activities:				
Advances from other funds	-	2,826,827	-	-
Advances to other funds	-	-	(2,826,827)	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	-	2,826,827	(2,826,827)	-
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	(14,504)	-	-	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(14,504)	-	-	-
Cash Flows from Investing Activities:				
Investments purchased	(72,354)	-	-	-
Sale of investment	-	7,001,174	2,225,668	149,668
Interest on investments	336	22,692	38,796	7,363
Net Cash Provided by Investing Activities	(72,018)	7,023,866	2,264,464	157,031
Net Increase (Decrease) in Cash and Cash Equivalents	(2,788)	(36,712)	(273,028)	-
Cash and Cash Equivalents at Beginning of Year	2,788	37,183	273,028	-
Cash and Cash Equivalents at End of Year	\$ -	\$ 471	\$ -	\$ -
Reconciliation to Balance Sheet				
Cash and Cash Equivalents Per Cash Flow	\$ -	\$ 471	\$ -	\$ -
Cash and Cash Equivalents per Balance Sheet	\$ -	\$ 471	\$ -	\$ -
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income (Loss)	\$ 29,219	\$ (9,306,061)	\$ (166,064)	\$ (121,043)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation	15,579	-	-	-
Change in Assets and Liabilities				
Decrease (increase) in receivables	(2,897)	190,948	-	-
Decrease (increase) in due from other funds	6,418	(1,139,896)	15,296	-
Decrease (increase) in inventories at cost	5,205	-	-	-
Decrease (increase) in prepaid items	-	-	(7,868)	-
Increase (decrease) in accrued wages payable	(1,667)	(54,989)	(865)	-
Increase (decrease) in accounts payable	-	(222,171)	33,453	-
Increase (decrease) in due to other funds	31,877	2,887	860,899	-
Increase (decrease) in due to other governments	-	-	-	(35,988)
Increase (decrease) in accrued expenses	-	-	-	-
Increase (decrease) in unearned revenue	-	242,005	1,705	-
Increase (decrease) in student groups	-	-	-	-
Increase (decrease) in claims payable	-	399,872	(447,221)	-
Net Cash Provided by (Used for) Operating Activities	\$ 83,734	\$ (9,887,405)	\$ 289,335	\$ (157,031)

Exhibit H-7

Technology Fund	Total
\$ -	\$ 62,634,978
(3,331,156)	(74,467,013)
-	(1,170,488)
<u>(3,331,156)</u>	<u>(13,002,523)</u>
-	2,826,827
<u>-</u>	<u>(2,826,827)</u>
-	-
<u>(804,870)</u>	<u>(819,374)</u>
<u>(804,870)</u>	<u>(819,374)</u>
-	(72,354)
4,084,504	13,461,014
51,522	120,709
<u>4,136,026</u>	<u>13,509,369</u>
-	(312,528)
-	312,999
<u>\$ -</u>	<u>\$ 471</u>
\$ -	\$ 471
<u>\$ -</u>	<u>\$ 471</u>
\$ (3,153,423)	\$ (12,717,372)
85,794	101,373
-	188,051
-	(1,118,182)
-	5,205
-	(7,868)
-	(57,521)
(263,527)	(452,245)
-	895,663
-	(35,988)
-	-
-	243,710
-	-
-	(47,349)
<u>\$ (3,331,156)</u>	<u>\$ (13,002,523)</u>

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FIDUCIARY FUNDS

Fund Name and Description

Agency Fund - Accounts for assets held by the District as an agent for employees and various student groups throughout the District.

Student Activity Fund - Accounts for assets held for various student groups throughout the District.

FORT BEND INDEPENDENT SCHOOL DISTRICT*Exhibit H-8***STATEMENT OF CHANGES IN ASSETS AND LIABILITIES****AGENCY FUNDS***For the Year Ended June 30, 2017*

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
Student Activities				
Assets:				
Cash and cash equivalents	\$ 546,912	\$ 9,471,115	\$ (9,943,813)	\$ 74,214
Investments	2,994,122	1,279,611	(965,253)	3,308,480
Other receivables	25,582	344,735	(126,551)	243,766
Total Assets	\$ 3,566,616	\$ 11,095,461	\$ (11,035,617)	\$ 3,626,460
Liabilities:				
Accounts payable	\$ 182,081	\$ 8,192,966	\$ (8,350,162)	\$ 24,885
Payroll deductions and withholding payable	542	16,586	(17,128)	-
Payable to other governments	9,028	99,331	(101,776)	6,583
Due to others	3,374,965	8,749,370	(8,529,343)	3,594,992
Total Liabilities	\$ 3,566,616	\$ 17,058,253	\$ (16,998,409)	\$ 3,626,460

REQUIRED TEA SCHEDULES

FORT BEND INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

For the Year Ended June 30, 2017

Fiscal Year	1	2	3		10
	Maintenance	Debt Service	Total	Assessed/Appraised Value for School Tax Purposes	Beginning Balance 7/1/16
2008 and prior	Various	Various	Various	Various	\$ 1,040,581
2009	1.04000	0.23000	1.2700	\$22,901,758,472	376,892
2010	1.04000	0.26500	1.3050	\$23,893,174,683	407,368
2011	1.04000	0.30000	1.3400	\$23,305,167,164	457,085
2012	1.04000	0.30000	1.3400	\$23,427,002,487	519,139
2013	1.04000	0.30000	1.3400	\$24,392,999,081	656,046
2014	1.04000	0.30000	1.3400	\$26,075,772,753	920,626
2015	1.04000	0.30000	1.3400	\$28,767,499,392	1,383,096
2016	1.04000	0.30000	1.3400	\$31,907,114,041	4,592,340
2017	1.04000	0.30000	1.3400	\$35,492,088,415	-
1000 Totals					<u>\$ 10,353,173</u>

Exhibit J-1

20 Current Year's Total Levy	31 Maintenance and Operations Collections	32 Debt Service Collections	33 Total Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/17
\$ -	\$ 42,230	\$ 7,247	\$ 49,477	\$ (2,498)	\$ 988,606
-	16,236	3,591	19,827	(1,635)	355,430
-	20,619	5,254	25,873	(4,463)	377,032
-	91,606	26,425	118,031	61,071	400,125
-	230,477	66,484	296,961	212,247	434,425
-	76,537	22,078	98,615	(23,580)	533,851
-	45,708	13,185	58,893	(166,761)	694,972
-	350,132	101,000	451,132	6,462	938,426
-	1,973,013	569,138	2,542,151	(722,863)	1,327,326
<u>461,552,338</u>	<u>354,080,365</u>	<u>102,138,567</u>	<u>456,218,932</u>	<u>-</u>	<u>5,333,406</u>
<u>\$ 461,552,338</u>	<u>\$ 356,926,923</u>	<u>\$ 102,952,969</u>	<u>\$ 459,879,892</u>	<u>\$ (642,020)</u>	<u>\$ 11,383,599</u>
					Penalty and interest receivable on taxes <u>5,264,378</u>
					Total taxes receivable per Exhibit C-1 <u>\$ 16,647,977</u>

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Statistical Section
(Unaudited)

The statistical section of the Fort Bend Independent School District’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s economic condition and overall financial health. To assist financial statement users, the information contained within this section is categorized as follows:

	<u>Page</u>
Financial Trends Information	124
These schedules contain trend information to assist users in understanding how the District’s financial and position has changed over time.	
Revenue Capacity Information	136
These schedules contain information to assist users in understanding the factors affecting the District’s ability to generate its own-source revenues.	
Debt Capacity Information	148
These schedules contain information to assist users in understanding and assessing the District’s debt burden and its ability to issue additional debt in the future.	
Demographic and Economic Information	154
These schedules contain information to assist users in understanding the socioeconomic environment in which the District operates and to provide information that facilitates comparisons of financial statement information over time with other school districts.	
Operating Information	158
These schedules contain information intended to provide contextual information about the District’s operations and resources to assist readers in using the financial statement information to understand and assess the District’s economic condition.	

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FINANCIAL TRENDS INFORMATION

FORT BEND INDEPENDENT SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015⁽³⁾</u>	<u>June 30, 2014</u>
Governmental activities				
Net investment in capital assets	\$ 31,173,206	\$ 52,298,650	\$ 53,956,145	\$ 67,291,709
Restricted for federal and state programs	4,489,609	4,905,406	5,696,078	14,868,835
Restricted for debt service	53,664,679	48,157,936	53,302,327	37,308,188
Unrestricted	<u>117,093,716</u>	<u>131,434,025</u>	<u>131,849,949</u>	<u>191,065,797</u>
Total governmental activities net position	<u>206,421,210</u>	<u>236,796,017</u>	<u>244,804,499</u>	<u>310,534,529</u>
Business-type activities ⁽²⁾				
Net investment in capital assets	2,852,354	2,971,191	3,111,934	-
Unrestricted	<u>3,544,908</u>	<u>2,077,258</u>	<u>516,297</u>	<u>-</u>
Total business-type activities net position	<u>6,397,262</u>	<u>5,048,449</u>	<u>3,628,231</u>	<u>-</u>
Primary government				
Net investment in capital assets	34,025,560	55,269,841	57,068,079	67,291,709
Restricted for federal and state programs	4,489,609	4,905,406	5,696,078	14,868,835
Restricted for debt service	53,664,679	48,157,936	53,302,327	37,308,188
Unrestricted	<u>120,638,624</u>	<u>133,511,283</u>	<u>132,366,246</u>	<u>191,065,797</u>
Total primary government activities net position	<u>\$ 212,818,472</u>	<u>\$ 241,844,466</u>	<u>\$ 248,432,730</u>	<u>\$ 310,534,529</u>

Source: District Financial Statements

⁽¹⁾ Due to the fiscal year change from August 31 to June 30 in 2010, balances for 2010 and future years are reflected as of June 30.

⁽²⁾ Prior to fiscal year 2010 up until fiscal year 2014, the District maintained a separate proprietary fund to record operations for the District's after school day-care program. Subsequent to fiscal year 2009 up until fiscal year 2014, the net position and operations of this activity have been reflected in the governmental activities of the District.

⁽³⁾ The District Adopted Governmental Accounting Standards Board Statement No. 68 for the year ended June 30, 2015, recognizing the District's share of net pension liability for the Texas Teachers' Retirement System. Prior periods have not been restated.

Table 1

<u>June 30,</u> <u>2013</u>	<u>June 30,</u> <u>2012</u>	<u>June 30,</u> <u>2011</u>	<u>August 31,</u> <u>2010⁽¹⁾</u>	<u>August 31,</u> <u>2009</u>	<u>August 31,</u> <u>2008</u>
\$ 68,115,323	\$ 73,399,415	\$ 80,842,311	\$ 102,258,259	\$ 116,258,423	\$ 146,718,128
16,534,105	12,571,051	12,654,952	9,795,225	6,668,055	5,361,866
36,041,168	36,562,077	39,146,838	9,203,793	10,975,401	9,061,173
<u>150,814,282</u>	<u>144,829,626</u>	<u>125,243,526</u>	<u>137,382,318</u>	<u>90,276,239</u>	<u>107,966,290</u>
<u>271,504,878</u>	<u>267,362,169</u>	<u>257,887,627</u>	<u>258,639,595</u>	<u>224,178,118</u>	<u>269,107,457</u>
-	-	-	-	4,799,566	5,082,530
-	-	-	-	703,953	(139,485)
-	-	-	-	<u>5,503,519</u>	<u>4,943,045</u>
68,115,323	73,399,415	80,842,311	102,258,259	121,057,989	151,800,658
16,534,105	12,571,051	12,654,952	9,795,225	6,668,055	5,361,866
36,041,168	36,562,077	39,146,838	9,203,793	10,975,401	9,061,173
<u>150,814,282</u>	<u>144,829,626</u>	<u>125,243,526</u>	<u>137,382,318</u>	<u>90,980,192</u>	<u>107,826,805</u>
<u>\$ 271,504,878</u>	<u>\$ 267,362,169</u>	<u>\$ 257,887,627</u>	<u>\$ 258,639,595</u>	<u>\$ 229,681,637</u>	<u>\$ 274,050,502</u>

FORT BEND INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

Expenses	2017	2016	2015	2014
Governmental Activities:				
Instruction	\$ 423,919,352	\$ 440,424,533	\$ 397,480,299	\$ 354,454,494
Instructional Resources and Media Services	9,069,384	8,955,405	8,594,706	8,164,312
Curriculum and Staff Development	13,229,608	8,239,097	7,854,401	6,489,663
Instructional Leadership	14,201,230	12,690,602	10,858,647	6,715,627
School Leadership	42,257,165	39,687,500	36,839,767	31,729,773
Guidance, Counseling, & Evaluation Services	32,165,308	31,161,853	28,549,294	24,025,640
Social Work Services	1,827,603	1,502,694	1,349,573	1,092,832
Health Services	9,037,794	8,821,395	7,975,815	7,022,914
Student Transportation	25,377,196	22,518,642	17,166,506	18,591,814
Food Service	27,915,617	26,281,407	26,188,273	24,413,914
Cocurricular/Extracurricular Activities	15,510,869	15,086,694	14,834,359	12,575,435
General Administration	16,507,370	16,554,022	14,701,103	11,519,003
Plant Maintenance and Operations	91,960,578	69,853,232	56,408,160	53,926,198
Security and Monitoring Services	10,001,661	9,350,680	7,523,626	5,408,550
Data Processing Services	26,378,254	29,360,000	13,184,091	11,066,313
Community Services	2,002,012	962,290	1,186,048	6,735,541
Interest on Long-term Debt	34,450,182	36,067,077	35,843,669	40,157,096
Facilities Repair and Maintenance	4,632,524	4,010,336	1,288,810	2,404,252
Payments Related to Shared Service Arrangements	774,900	475,246	430,326	450,540
Intergovernmental Charges	2,845,274	2,451,206	2,371,462	2,086,144
Total Governmental Activities Expenses	804,063,881	784,453,911	690,628,935	629,030,055
Business-Type Activities: ⁽²⁾				
Enterprise Fund - Extended Learning Program Expe	7,030,145	6,294,570	5,917,534	-
Enterprise Fund - Facility Rental Program Expenses	879,180	629,649	751,805	-
Total Business-Type Activities Expenses	7,909,325	6,924,219	6,669,339	-
Total Primary Government Expenses	811,973,206	791,378,130	697,298,274	629,030,055
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	2,939,419	3,308,974	2,239,462	12,295,485
Food Service	11,104,108	11,457,168	12,113,877	11,968,844
Cocurricular/Extracurricular Activities	2,345,151	2,590,382	2,541,083	2,627,014
Other Activities	1,506,176	1,512,089	1,602,797	2,195,966
Operating Grants and Contributions	92,959,440	105,396,708	77,560,592	70,734,014
Total Governmental Activities Program Revenues	110,854,294	124,265,321	96,057,811	99,821,323
Business-Type Activities: ⁽²⁾				
Charges for Services	10,739,967	9,334,174	8,494,608	-
Total Business-Type Activities Program Revenues	10,739,967	9,334,174	8,494,608	-
Total Primary Government Program Revenues	121,594,261	133,599,495	104,552,419	99,821,323

Table 2
page 1 of 2

	2013	2012	2011	2010⁽¹⁾	2009	2008
\$	342,515,702	\$ 339,173,432	\$ 359,599,826	\$ 338,153,573	\$ 361,152,004	\$ 352,067,058
	8,008,032	8,010,787	8,707,041	8,644,535	9,844,757	10,029,881
	6,257,236	7,431,967	6,937,798	6,611,595	7,380,436	7,087,197
	6,297,401	5,725,249	5,958,292	5,648,618	6,961,895	6,552,819
	29,428,516	29,371,924	29,294,381	25,494,618	29,704,220	28,408,857
	21,784,971	21,139,891	20,474,772	19,169,370	21,292,362	20,541,853
	1,026,242	959,488	865,410	941,619	877,988	703,785
	6,967,990	6,767,874	6,841,322	6,113,399	6,209,184	5,803,546
	18,280,310	18,774,696	18,069,178	17,240,349	19,394,587	17,852,269
	23,049,160	21,940,671	21,866,914	20,666,091	21,169,530	20,667,863
	12,067,128	11,633,322	10,397,215	7,339,992	9,288,880	10,392,218
	11,466,496	10,497,933	11,689,404	10,034,495	11,242,975	11,649,787
	50,087,138	51,818,592	48,301,769	43,343,338	55,582,618	60,252,834
	5,327,661	5,265,594	5,316,583	4,632,551	5,177,506	4,414,074
	11,038,931	11,497,283	12,888,237	11,715,369	12,424,747	11,411,345
	6,975,000	7,298,443	7,338,808	6,006,750	855,042	890,118
	40,755,458	41,713,997	40,246,603	41,076,686	55,716,298	36,212,273
	1,215,855	2,541,004	7,743,094	1,077,791	401,574	437,763
	368,201	444,165	481,824	439,787	511,570	313,224
	1,761,067	1,817,089	1,639,975	1,375,662	1,436,052	-
	<u>604,678,495</u>	<u>603,823,401</u>	<u>624,658,446</u>	<u>575,726,188</u>	<u>636,624,225</u>	<u>605,688,764</u>
	-	-	-	-	5,827,069	5,530,366
	-	-	-	-	-	-
	-	-	-	-	5,827,069	5,530,366
	<u>604,678,495</u>	<u>603,823,401</u>	<u>624,658,446</u>	<u>575,726,188</u>	<u>642,451,294</u>	<u>611,219,130</u>
	11,264,443	11,597,082	9,657,583	6,847,845	1,222,636	1,317,989
	11,131,734	11,639,249	12,382,101	11,493,359	11,017,576	11,745,920
	2,781,091	2,949,304	3,106,865	2,459,737	2,594,464	2,548,563
	1,926,502	1,839,431	1,188,564	1,614,342	1,683,391	2,082,781
	67,649,896	88,808,102	94,358,592	82,625,421	82,893,313	72,282,107
	<u>94,753,666</u>	<u>116,833,168</u>	<u>120,693,705</u>	<u>105,040,704</u>	<u>99,411,380</u>	<u>89,977,360</u>
	-	-	-	-	6,387,543	5,801,110
	-	-	-	-	6,387,543	5,801,110
	<u>94,753,666</u>	<u>116,833,168</u>	<u>120,693,705</u>	<u>105,040,704</u>	<u>105,798,923</u>	<u>95,778,470</u>

FORT BEND INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION (continued)

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

Expenses	2017	2016	2015	2014
Net (Expense)/Revenue				
Total Governmental Activities Net Expense	\$ (693,209,587)	\$ (660,188,590)	\$ (594,571,124)	\$ (529,208,732)
Total Business-Type Activities Net Expense	2,830,642	2,409,955	1,825,269	-
Total Primary Government Net Expense	<u>(690,378,945)</u>	<u>(657,778,635)</u>	<u>(592,745,855)</u>	<u>(529,208,732)</u>
General Revenues				
Governmental Activities:				
Property Taxes, Levied for General Purposes	358,493,162	325,891,138	294,770,489	268,253,154
Property Taxes, Levied for Debt Service	104,168,037	94,042,907	85,022,478	77,470,475
State aid grants and unrestricted grants	196,852,757	229,920,790	220,334,746	221,766,358
Investment Earnings	1,820,824	1,325,273	545,410	667,295
Miscellaneous	-	-	6,760	81,101
Transfers	1,500,000	1,000,000	-	-
Total Governmental Activities General Revenues	<u>662,834,780</u>	<u>652,180,108</u>	<u>600,679,883</u>	<u>568,238,383</u>
Business-Type Activities:				
Investment Earnings	18,171	10,263	62	-
Transfers	(1,500,000)	(1,000,000)	-	-
Total Primary Government General Revenues	<u>661,352,951</u>	<u>651,190,371</u>	<u>600,679,945</u>	<u>568,238,383</u>
Change in Net Position				
Governmental Activities	(30,374,807)	(8,008,482)	6,108,759	39,029,651
Business-Type Activities ⁽²⁾	1,348,813	1,420,218	1,825,331	-
Total Change in Net Position	<u>\$ (29,025,994)</u>	<u>\$ (6,588,264)</u>	<u>\$ 7,934,090</u>	<u>\$ 39,029,651</u>

Source: District Financial Statements.

⁽¹⁾ Due to the fiscal year change there are ten months for the 2010 fiscal period.

⁽²⁾ In fiscal years 2010 through 2014, the District operated its after school day-care program as a governmental activity.

Table 2
page 2 of 2

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010⁽¹⁾</u>	<u>2009</u>	<u>2008</u>
\$ (509,924,829)	\$ (486,990,233)	\$ (503,964,741)	\$ (470,685,484)	\$ (537,212,845)	\$ (515,711,404)
-	-	-	-	560,474	270,744
<u>(509,924,829)</u>	<u>(486,990,233)</u>	<u>(503,964,741)</u>	<u>(470,685,484)</u>	<u>(536,652,371)</u>	<u>(515,440,660)</u>
251,471,437	244,471,004	244,393,762	245,661,612	236,741,111	212,435,917
72,570,735	70,478,850	70,530,296	62,349,772	52,330,268	42,691,857
195,576,247	180,554,800	186,951,311	188,614,911	190,632,025	208,674,156
822,845	778,537	945,334	1,678,798	8,088,288	13,133,545
28,282	181,584	392,070	1,338,349	4,491,814	1,281,551
-	-	-	-	-	-
<u>520,469,546</u>	<u>496,464,775</u>	<u>503,212,773</u>	<u>499,643,442</u>	<u>492,283,506</u>	<u>478,217,026</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>520,469,546</u>	<u>496,464,775</u>	<u>503,212,773</u>	<u>499,643,442</u>	<u>492,283,506</u>	<u>478,217,026</u>
10,544,717	9,474,542	(751,968)	28,957,958	(44,929,339)	(37,494,378)
-	-	-	-	560,474	270,744
<u>\$ 10,544,717</u>	<u>\$ 9,474,542</u>	<u>\$ (751,968)</u>	<u>\$ 28,957,958</u>	<u>\$ (44,368,865)</u>	<u>\$ (37,223,634)</u>

FORT BEND INDEPENDENT SCHOOL DISTRICT**FUND BALANCES OF GOVERNMENTAL FUNDS****LAST TEN FISCAL YEARS****(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund				
Nonspendable	\$ 2,962,901	\$ 1,741,180	\$ 4,839,981	\$ 3,620,947
Committed	77,000,000	71,986,000	60,267,000	13,867,000
Assigned	4,724,855	3,938,733	5,919,425	9,222,968
Unassigned	<u>100,567,270</u>	<u>104,797,137</u>	<u>99,208,288</u>	<u>143,720,177</u>
Total General Fund	<u>\$185,255,026</u>	<u>\$182,463,050</u>	<u>\$170,234,694</u>	<u>\$170,431,092</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ 441,128	\$ 506,133	\$ 616,772
Restricted for:				
Federal and state programs	4,489,609	4,464,278	5,189,945	14,252,063
Debt service	65,040,028	59,006,621	65,657,473	50,325,109
Construction	-	33,669,372	13,952,563	49,374,709
Committed	3,879,828	3,893,414	3,803,349	22,758,153
Unassigned	<u>(71,482,468)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 1,926,997</u>	<u>\$101,474,813</u>	<u>\$ 89,109,463</u>	<u>\$137,326,806</u>

Source: District Financial Statements

Due to the fiscal year change from August 31 to June 30 in 2010, balances for 2010 and future years will be reflected as of June 30.

Fund balance classifications for fiscal years prior to 2011 have been recast to reflect GASB statement No. 54 classifications for comparative purposes.

Table 3

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 1,653,269	\$ 1,015,199	\$ 1,189,740	\$ 1,107,909	\$ 1,749,219	\$ 6,400,408
23,554,884	19,538,090	12,167,938	8,000,000	8,000,000	8,000,000
13,092,542	8,946,431	3,281,756	572,871	397,583	2,465,824
<u>132,157,194</u>	<u>124,549,815</u>	<u>121,092,683</u>	<u>120,996,401</u>	<u>88,498,921</u>	<u>85,369,342</u>
<u>\$170,457,889</u>	<u>\$154,049,535</u>	<u>\$137,732,117</u>	<u>\$130,677,181</u>	<u>\$ 98,645,723</u>	<u>\$102,235,574</u>
\$ 667,815	\$ 840,729	\$ 516,715	\$ 240,406	\$ 352,078	\$ 418,004
15,866,340	13,660,056	12,654,952	9,590,365	6,315,977	4,926,062
49,500,812	48,865,605	53,232,273	53,508,066	21,845,155	9,077,204
55,297,048	74,672,973	104,097,001	171,579,417	238,345,040	174,988,556
3,459,450	3,388,664	3,161,261	3,040,654	2,815,676	2,793,688
-	-	-	-	-	-
<u>\$124,791,465</u>	<u>\$141,428,027</u>	<u>\$173,662,202</u>	<u>\$237,958,908</u>	<u>\$269,673,926</u>	<u>\$192,203,514</u>

FORT BEND INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues				
Local and Intermediate Sources	\$ 482,684,331	\$ 439,455,082	\$ 399,107,950	\$ 375,959,597
State Programs	233,571,030	273,459,102	254,913,901	253,274,593
Federal Programs	49,744,347	46,716,676	43,752,694	42,096,547
Total Revenues	<u>765,999,708</u>	<u>759,630,860</u>	<u>697,774,545</u>	<u>671,330,737</u>
Expenditures				
Current:				
Instruction	374,923,947	385,820,070	374,108,794	332,592,286
Instructional Resources and Media Services	7,587,815	7,540,835	7,682,720	7,153,019
Curriculum and Staff Development	12,786,057	8,028,715	7,927,733	6,553,252
Instructional Leadership	13,374,011	11,969,905	10,779,133	6,526,875
School Leadership	40,099,833	37,816,440	36,834,668	31,860,836
Guidance, Counseling, and Evaluation Services	30,460,847	29,689,014	28,580,218	24,116,342
Social Work Services	1,759,056	1,441,272	1,376,347	1,081,395
Health Services	8,638,136	8,479,294	8,130,497	7,069,093
Student Transportation	29,404,318	26,373,440	18,151,896	16,822,058
Food Service	25,974,625	24,708,365	25,494,243	24,146,020
Cocurricular/Extracurricular Activities	15,020,619	14,897,342	14,241,361	12,042,866
General Administration	15,787,844	15,985,628	14,582,554	11,719,590
Plant Maintenance and Operations	101,519,314	68,642,891	57,129,697	54,849,052
Security and Monitoring Services	9,812,958	9,061,409	7,655,125	5,502,368
Data Processing Services	24,417,297	31,642,003	12,225,779	10,290,092
Community Services	1,763,557	906,114	1,072,281	6,669,118
Debt Service:				
Principal on Long-term Debt	50,698,393	54,818,333	25,247,529	26,374,962
Interest on Long-term Debt	41,272,170	45,255,950	44,494,946	48,434,220
Bond Issuance Costs and Fees	1,463,415	1,463,351	-	601,146
Capital Outlay:				
Facilities Acquisition and Construction	146,735,447	45,852,426	30,297,240	10,573,823
Intergovernmental:				
Payments to Shared Service Arrangements	774,900	475,246	430,326	450,540
Payments to Tax Appraisal District	2,845,274	2,451,206	2,371,462	2,086,144
Total Expenditures	<u>957,119,833</u>	<u>833,319,249</u>	<u>728,814,549</u>	<u>647,515,097</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(191,120,125)</u>	<u>(73,688,389)</u>	<u>(31,040,004)</u>	<u>23,815,640</u>
Other Financing Sources (Uses) and Special Items				
Refunding Bonds Issued	33,155,000	107,565,000	-	71,725,000
Issuance of Capital Related Debt (Regular Bonds)	84,330,000	99,420,000	-	-
Sale of Real and Personal Property	119,375	130,936	109,620	151,153
Loan Proceeds	-	-	-	-
Transfers In	9,232,817	6,546,114	1,504,573	18,980,417
Premium or Discount on Issuance of Bonds	8,414,910	19,385,192	-	7,410,316
Other Sources - E-Rate Refund	-	-	-	-
Transfers Out	(7,732,817)	(7,046,114)	(18,987,930)	(29,235,301)
Other Uses	-	-	-	-
Payment to Refunded Bond Escrow Agent	(33,155,000)	(127,719,033)	-	(80,338,681)
Special Item - Early Retirement Incentive	-	-	-	-
Total Other Financing Sources (Uses)	<u>94,364,285</u>	<u>98,282,095</u>	<u>(17,373,737)</u>	<u>(11,307,096)</u>
Net Change in Fund Balances	<u>\$ (96,755,840)</u>	<u>\$ 24,593,706</u>	<u>\$ (48,413,741)</u>	<u>\$ 12,508,544</u>

Debt Service as a Percentage of				
Noncapital Expenditures	11.6%	12.9%	10.0%	11.8%

Source: District Financial Statements

Table 4

2013	2012	2011	2010*	2009	2008
\$ 352,636,701	\$ 345,378,850	\$ 345,264,513	\$ 332,341,369	\$ 319,318,789	\$ 289,209,071
221,767,068	214,524,095	219,614,016	209,901,517	236,700,628	250,259,506
40,405,623	55,691,616	56,425,057	64,546,145	36,611,336	30,339,211
614,809,392	615,594,561	621,303,586	606,789,031	592,630,753	569,807,788
311,516,740	321,252,626	333,849,536	324,680,640	335,149,824	324,092,371
6,818,287	7,011,606	7,784,846	7,893,147	8,952,867	9,311,139
6,255,230	7,494,744	6,944,785	6,585,385	7,265,358	6,988,874
5,983,315	5,516,044	5,709,808	5,435,211	6,622,431	6,307,550
28,930,149	29,321,072	28,918,006	25,048,261	28,793,963	27,949,904
21,423,396	21,083,860	20,133,936	18,782,660	20,663,497	20,189,257
994,400	942,605	840,355	920,623	847,619	682,373
6,890,836	6,781,464	6,777,331	6,024,282	6,031,182	5,715,322
18,398,697	19,471,829	15,892,007	14,953,789	17,951,120	20,579,323
22,491,821	21,487,286	21,177,500	19,772,168	20,664,845	20,431,484
11,232,436	10,931,402	9,730,029	6,871,178	7,683,556	9,126,548
11,307,260	10,436,222	11,645,196	9,946,452	10,942,742	11,470,804
50,238,762	51,824,320	47,887,632	42,658,321	54,313,688	60,036,184
5,380,572	5,205,467	5,324,562	4,538,332	5,132,424	4,428,423
10,146,189	9,983,488	12,868,570	10,814,982	11,402,631	9,892,442
6,795,741	7,166,615	7,061,260	5,820,842	736,949	778,495
31,358,388	27,687,791	26,190,754	5,987,413	22,559,439	22,683,608
40,676,060	45,081,683	45,005,389	24,846,073	39,727,908	34,200,567
4,578	798,650	8,568	1,016,424	2,545,467	1,691,006
16,169,797	17,373,329	60,784,952	79,507,657	100,975,438	71,679,244
368,201	444,165	481,824	439,787	511,570	-
1,761,067	1,817,089	1,639,975	1,375,662	1,436,052	313,224
615,141,922	629,113,357	676,656,821	623,919,289	710,910,570	668,548,142
(332,530)	(13,518,796)	(55,353,235)	(17,130,258)	(118,279,817)	(98,740,354)
-	88,855,000	-	106,225,000	154,900,000	45,675,000
-	-	-	15,000,000	175,000,000	175,000,000
104,322	338,885	115,539	36,484	127,329	273,673
-	-	-	-	-	-
25,400	837,585	-	1,926,252	-	14,038,822
-	20,828,236	-	15,225,379	23,225,939	7,714,189
-	-	69,825	-	-	-
(25,400)	(837,585)	-	(612,165)	-	(14,038,822)
-	-	-	-	-	(15,757)
-	(112,442,359)	-	(120,354,252)	(161,092,890)	(50,340,820)
-	-	(2,051,620)	-	-	-
104,322	(2,420,238)	(1,866,256)	17,446,698	192,160,378	178,306,285
\$ (228,208)	\$ (15,939,034)	\$ (57,219,491)	\$ 316,440	\$ 73,880,561	\$ 79,565,931
12.1%	12.0%	11.5%	5.7%	10.3%	9.5%

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REVENUE CAPACITY INFORMATION

FORT BEND INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS REVENUES BY SOURCE
LAST TEN FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Local Sources:				
Property tax	\$ 462,427,900	\$ 419,460,696	\$ 379,589,612	\$ 345,791,583
Other	20,256,431	19,994,386	19,518,338	30,168,014
State sources	233,571,030	273,459,102	254,913,901	253,274,593
Federal sources	<u>49,744,347</u>	<u>46,716,676</u>	<u>43,752,694</u>	<u>42,096,547</u>
Total	<u>\$ 765,999,708</u>	<u>\$ 759,630,860</u>	<u>\$ 697,774,545</u>	<u>\$ 671,330,737</u>

Source: District Financial Statements and Notes to the Basic Financial Statements

Due to the fiscal year change there are ten months for the 2010 fiscal period.

Table 5

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 324,380,612	\$ 315,648,008	\$ 316,800,129	\$ 305,320,245	\$ 290,065,050	\$ 256,874,475
28,256,089	29,784,172	28,464,384	27,021,124	29,253,739	32,334,596
221,767,068	214,524,095	219,614,016	209,901,517	236,700,628	250,259,506
<u>40,405,623</u>	<u>55,638,286</u>	<u>56,425,057</u>	<u>64,546,145</u>	<u>36,611,336</u>	<u>30,339,211</u>
<u>\$ 614,809,392</u>	<u>\$ 615,594,561</u>	<u>\$ 621,303,586</u>	<u>\$ 606,789,031</u>	<u>\$ 592,630,753</u>	<u>\$ 569,807,788</u>

FORT BEND INDEPENDENT SCHOOL DISTRICT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended:	Residential Property Value	Commercial Property Value	Personal Property Value
6/30/2017	\$ 31,912,405,699	\$ 6,789,658,972	\$ 2,904,687,683
6/30/2016	29,250,874,733	5,974,203,408	2,851,955,810
6/30/2015	24,002,711,553	6,370,904,903	2,668,979,226
6/30/2014	21,373,490,212	6,349,065,154	2,381,824,286
6/30/2013	20,764,838,270	5,299,904,061	2,134,941,249
6/30/2012	19,546,048,535	5,825,497,420	1,955,003,375
6/30/2011	20,097,296,611	5,245,320,336	1,898,682,529
6/30/2010	18,966,532,394	5,982,643,510	2,140,523,210
8/31/2009	18,925,243,213	5,411,941,986	1,975,824,005
8/31/2008	18,151,668,274	3,473,572,865	1,823,267,017

Source: District records

The District's fiscal year end was changed from August 31 to June 30 effective the 2010 fiscal year.

Table 6

Total Actual Value	Exemptions & Cap Adjustments	Adjusted Assessed Value	Tax Rates
\$ 41,606,752,354	\$ 6,114,663,939	\$ 35,492,088,415	\$ 1.3400
38,077,033,951	6,169,919,910	31,907,114,041	1.3400
33,042,595,682	4,275,146,290	28,767,449,392	1.3400
30,104,379,652	4,028,606,899	26,075,772,753	1.3400
28,199,683,580	3,806,684,499	24,392,999,081	1.3400
27,326,549,330	3,899,546,843	23,427,002,487	1.3400
27,241,299,476	3,936,132,312	23,305,167,164	1.3400
27,089,699,114	3,196,524,431	23,893,174,683	1.3050
26,313,009,204	3,411,250,732	22,901,758,472	1.2700
23,448,508,156	2,978,121,866	20,470,386,290	1.2500

FORT BEND INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES* - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Taxing Authority	2017	2016	2015	2014
<i>Overlapping Rates:</i>				
Arcola	\$ 0.87	\$ 0.91	\$ 0.91	\$ 0.95
Big Oaks MUD	0.75	0.79	0.66	0.85
Blue Ridge West MUD	0.42	NA	NA	NA
Brazoria County MUD #22	1.40	**	**	**
Brazoria-Fort Bend Co. MUD #1	0.85	0.85	0.85	0.85
Burney Road MUD	0.25	0.26	1.17	0.26
Chelford City MUD	0.40	0.43	0.57	0.43
Eldridge Road MUD	NA	NA	NA	NA
First Colony LID	NA	NA	0.19	0.16
First Colony LID #2	NA	NA	0.38	NA
First Colony MUD #9	0.26	0.28	0.30	0.32
First Colony MUD #10	0.20	0.25	1.35	0.47
Fort Bend County	0.47	0.47	0.47	0.48
Fort Bend County FWSD # 1	1.00	1.00	**	**
Fort Bend County LID #2	0.10	0.11	0.12	0.13
Fort Bend County LID #7	0.23	0.23	0.24	0.21
Fort Bend County LID #12	0.09	0.10	0.12	0.13
Fort Bend County LID #14	0.20	0.20	0.20	0.21
Fort Bend County LID #15	0.73	0.75	0.80	0.80
Fort Bend County LID #17	0.57	0.61	0.63	0.65
Fort Bend County LID #19	0.68	0.72	0.80	0.80
Fort Bend County MUD #2	0.59	0.66	0.68	0.65
Fort Bend County MUD #21	NA	NA	NA	NA
Fort Bend County MUD #23	0.89	0.95	1.01	1.05
Fort Bend County MUD #24	1.26	1.30	0.41	1.36
Fort Bend County MUD #25	0.84	0.85	1.15	0.86
Fort Bend County MUD #26	0.82	0.84	0.95	0.91
Fort Bend County MUD #30	0.84	0.92	1.22	1.00
Fort Bend County MUD #41	0.52	0.54	1.27	0.55
Fort Bend County MUD #42	0.40	0.42	1.45	0.43
Fort Bend County MUD #46	0.90	0.90	0.55	0.90
Fort Bend County MUD #47	0.95	0.95	0.50	1.12
Fort Bend County MUD #48	0.96	0.98	0.44	0.88
Fort Bend County MUD #49	0.84	1.00	1.29	0.95
Fort Bend County MUD #67	NA	NA	1.12	0.41
Fort Bend County MUD #68	NA	0.39	1.30	0.40
Fort Bend County MUD #69	NA	0.36	0.89	0.39
Fort Bend County MUD #111	0.29	0.29	0.30	0.30
Fort Bend County MUD #112	0.32	0.32	0.34	0.37
Fort Bend County MUD #115	0.44	0.46	0.48	0.50
Fort Bend County MUD #118	0.70	0.70	0.75	0.77
Fort Bend County MUD #119	0.60	0.64	0.90	0.71
Fort Bend County MUD #128	0.70	0.70	0.53	0.70
Fort Bend County MUD #129	0.34	0.42	0.80	0.65
Fort Bend County MUD #131	1.03	1.01	**	**
Fort Bend County MUD #134B	1.45	1.45	**	**
Fort Bend County MUD #134C	1.30	1.30	0.95	1.35
Fort Bend County MUD #134D	1.00	**	**	**
Fort Bend County MUD #136	0.42	0.43	1.07	0.54
Fort Bend County MUD #137	0.42	0.42	0.68	0.48
Fort Bend County MUD #138	0.42	0.44	0.45	0.48

Table 7
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	2013	2012	2011	2010	2009	2008
\$	0.95	\$ 0.99	\$ 0.99	\$ 0.97	\$ 0.95	\$ 0.73
	0.85	0.79	0.79	0.79	0.73	0.73
	NA	NA	0.41	NA	0.42	NA
	**	**	**	**	**	**
	0.85	0.85	0.85	0.85	0.85	0.85
	0.27	0.24	0.24	0.30	0.30	0.30
	0.43	0.43	NA	0.43	0.43	0.43
	NA	NA	NA	0.25	0.25	0.32
	0.19	0.19	0.19	0.19	0.19	0.49
	0.28	0.28	0.28	0.29	0.30	0.32
	0.32	0.31	0.31	0.30	0.30	0.30
	0.49	0.49	0.49	0.75	0.75	0.75
	0.48	0.48	0.48	0.48	0.48	0.50
	**	**	**	**	**	**
	0.13	0.13	0.13	0.13	0.15	0.17
	0.21	0.22	0.22	0.22	0.22	0.22
	0.13	0.14	0.14	0.15	0.19	0.25
	0.21	0.20	0.20	0.20	0.19	0.15
	0.80	0.80	0.80	0.70	0.70	0.70
	0.65	0.63	0.63	0.63	0.58	0.57
	0.80	0.80	0.80	0.70	0.70	**
	0.63	0.54	0.54	0.50	0.44	0.46
	0.24	0.27	0.27	0.27	0.39	0.39
	1.07	1.03	1.03	1.00	0.91	0.95
	1.43	1.29	1.29	1.29	1.29	1.29
	0.85	0.82	0.82	0.82	0.82	0.82
	0.86	0.70	0.70	0.70	0.67	0.72
	1.00	0.95	0.95	0.95	0.87	0.88
	0.55	0.55	0.55	0.55	0.55	0.58
	0.43	0.43	0.43	0.42	0.42	0.43
	0.90	0.88	0.88	0.88	0.90	0.90
	1.04	1.04	1.04	1.04	1.04	1.09
	0.88	0.88	0.88	0.88	0.88	0.89
	0.95	0.95	0.95	0.95	0.95	0.80
	0.45	0.48	0.48	0.48	0.48	0.45
	0.40	0.40	0.40	0.40	0.41	0.41
	0.40	0.40	0.40	0.40	0.40	0.33
	0.30	0.30	0.30	0.30	0.30	0.30
	0.38	0.38	0.38	0.38	0.39	0.39
	0.50	0.50	0.50	0.50	0.53	0.59
	0.77	0.78	0.78	0.81	0.84	0.89
	0.71	0.71	0.71	0.71	0.75	0.75
	0.70	0.70	**	**	**	**
	0.67	0.70	0.70	0.80	0.80	0.80
	**	**	**	**	**	**
	**	**	**	**	**	**
	1.35	1.30	**	**	**	**
	**	**	**	**	**	**
	**	**	**	**	**	**
	0.54	0.57	0.57	0.57	0.62	0.63
	0.54	0.57	0.57	0.57	0.62	0.63

FORT BEND INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES* - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Fort Bend County MUD #143	\$ 1.24	\$ 1.26	\$ 1.26	\$ 1.30
Fort Bend County MUD #146	0.87	0.94	1.00	1.02
Fort Bend County MUD #149	0.50	0.65	1.17	0.70
Fort Bend County MUD #165	1.25	1.32	0.78	1.37
Fort Bend County Municiple Mgmt Dist #1	0.45	**	**	**
Fort Bend County WC&ID #2	0.21	0.18	0.18	0.18
Fort Bend Parkway Road District	NA	NA	NA	NA
Grand Mission MUD # 1	0.82	0.90	1.02	1.12
Grand Mission MUD # 2	1.20	1.25	0.40	1.31
Harris County MUD #393	75.00	**	**	**
Houston Community College System	0.10	0.10	0.11	0.10
Houston, City of	0.59	0.60	0.63	0.64
Imperial Redevelopment District	1.10	**	**	**
Kingsbridge MUD	0.66	0.71	1.37	0.78
Meadowcreek MUD	NA	NA	NA	NA
Meadows Place, City of	0.83	0.87	0.90	0.90
Mission Bend MUD #1	0.26	0.28	NA	NA
Missouri City, City of	0.56	0.54	0.57	0.57
North Mission Glen MUD	0.52	0.55	1.45	0.65
Palmer Plantation MUD #1	NA	0.56	1.28	0.76
Palmer Plantation MUD #2	0.46	0.49	0.70	0.54
Pecan Grove MUD	0.63	0.64	0.85	0.66
Renn Road MUD	0.72	0.75	0.91	0.76
Sienna Plantation LID	0.45	0.47	0.49	0.49
Sienna Plantation Mgmt. Dist.	1.05	1.03	1.01	1.01
Sienna Plantation MUD #2	0.59	0.65	0.71	0.71
Sienna Plantation MUD #3	0.59	0.63	0.71	0.71
Sienna Plantation MUD #4	0.70	**	**	**
Sienna Plantation MUD #10	0.84	0.94	0.91	0.94
Sienna Plantation MUD #12	0.88	0.94	0.60	0.94
Sugar Land, City of	0.32	0.32	0.32	0.31
West Harris County MUD #4	1.08	1.08	1.09	1.09
West Keegans Bayou ID	NA	NA	NA	NA
District Direct Rates:				
Maintenance & Operations	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04
Debt Service	0.30	0.30	0.30	0.30
Total District Direct Rates:	<u>\$ 1.34</u>	<u>\$ 1.34</u>	<u>\$ 1.34</u>	<u>\$ 1.34</u>

Source: Texas Municipal Reports compiled and published by the Municipal Advisory Council of Texas

- * All tax rates are shown per \$100 assessed value at 100% assessment ratio.
- ** Political entity not in existence at this time or taxes not yet levied.
- *** Political entity's debt has been assumed by City of Sugar Land.

Table 7
Page 2 of 2

	2013	2012	2011	2010	2009	2008
\$	1.34	\$ 1.35	\$ 1.35	\$ 1.35	\$ 1.31	\$ 1.25
	1.10	1.15	1.15	1.15	1.20	1.20
	**	**	**	**	**	**
	1.37	1.35	1.35	1.35	1.31	**
	**	**	**	**	**	**
	0.18	0.18	0.18	0.18	0.18	0.18
	NA	NA	NA	NA	0.05	0.05
	1.15	1.10	1.10	1.10	1.10	1.05
	1.31	1.31	1.31	1.31	1.31	1.25
	**	**	**	**	**	**
	0.10	0.09	0.09	0.09	0.09	0.10
	0.64	0.64	0.64	0.64	0.64	0.64
	**	**	**	**	**	**
	0.78	0.78	0.78	0.78	0.78	0.80
	NA	0.10	0.10	**	**	**
	0.90	0.90	0.90	0.83	0.79	0.79
	N/A	0.25	0.25	NA	0.25	0.28
	0.54	0.53	0.53	0.53	0.52	0.50
	0.65	0.57	0.57	0.54	0.52	0.52
	0.74	0.74	0.74	0.69	0.68	0.68
	0.54	0.52	0.52	0.50	0.49	0.49
	0.56	0.55	0.55	0.47	0.47	0.47
	0.76	0.67	0.67	0.63	0.63	0.63
	0.49	0.49	0.49	0.49	0.49	0.58
	1.01	1.01	1.01	1.01	1.01	**
	0.71	0.71	0.71	0.71	0.71	0.72
	0.72	0.72	0.72	0.73	0.75	0.75
	**	**	**	**	**	**
	0.94	0.94	0.94	0.94	0.94	0.90
	0.94	0.94	0.94	0.94	0.94	0.90
	0.31	0.30	0.30	0.30	0.30	0.30
	1.09	0.95	0.95	0.95	0.90	0.93
	0.10	0.11	0.11	0.12	0.12	0.12
\$	1.04	\$ 1.04	\$ 1.04	\$ 1.040	\$ 1.04	\$ 1.04
	0.30	0.30	0.30	0.265	0.23	0.21
\$	<u>1.34</u>	<u>1.34</u>	<u>1.340</u>	<u>1.31</u>	<u>1.27</u>	<u>1.25</u>

FORT BEND INDEPENDENT SCHOOL DISTRICT

Table 8

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

	2017			2008		
	Assessed Value (1)	Rank	Percentage of Total Assessed Value (2)	Assessed Value (1)	Rank	Percentage of Total Assessed Value (3)
CenterPoint Energy	\$ 141,587,600	1	0.40%	\$ \$ 116,539,930	1	0.57%
LCFRE Sugar Land Town Sq LLC	120,789,630	2	0.34%	-	-	-
First Colony Mall LLC	81,007,090	3	0.23%	-	-	-
Schlumberger Tech Corp	79,106,460	4	0.22%	-	-	-
Lakepointe Assets LLC	76,500,000	5	0.22%	89,443,550	2	0.44%
Keith Ben E Company	63,859,360	6	0.18%	-	-	-
Sugar Creek/EPG LLC, TIC Investors	61,690,920	7	0.17%	-	-	-
Niagara Bottling LLC	60,399,960	8	0.17%	-	-	-
Weingarten Realty Investors & WRI/Post	59,205,300	9	0.17%	-	-	-
API Realty LLC	59,020,670	10	0.17%	-	-	-
Sugar Land Telephone	-	-	-	68,824,681	3	0.34%
Champion Technologies Inc.	-	-	-	51,488,120	4	0.25%
Tramontina USA Inc.	-	-	-	45,967,900	5	0.22%
Town Center Lakeside LTD	-	-	-	42,050,670	6	0.21%
AmerisourceBergen Drug Corp.	-	-	-	36,167,940	7	0.18%
GGP-Sugar Land Mall, LP	-	-	-	34,963,680	8	0.17%
Sugar Creek Place LP	-	-	-	32,000,710	9	0.16%
Inland Western Sugar Land, LP	-	-	-	35,977,660	10	-
TOTALS	\$ 803,166,990		2.26%	\$ 553,424,841		2.70%

Source: District records.

(1) Assessed (taxable) value equals appraised value after exemptions.

(2) Total assessed value-current year (Table 6): \$ 35,492,088,415

(3) Total assessed value-nine years ago (Table 6): \$ 20,470,386,290

Note: CenterPoint Energy and Reliant Energy were previously part of Houston Lighting & Power before it was sold.

FORT BEND INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Table 9

Fiscal Year Ended:	Collected Within the Fiscal Year of the Levy			Total Collections to Date		
	Adjusted Tax Levy	Taxes Collected	Percent of Adjusted Tax Levy	Collections in Subsequent Years	Total Taxes Collected	Total Collected as Percent of Current Tax Levy
6/30/2017	\$ 461,552,338	\$ 456,218,932	98.8 %	\$ -	\$ 456,218,932	98.8 %
6/30/2016	416,743,069	412,150,729	98.9	2,542,151	414,692,880	99.5
6/30/2015	378,084,546	373,440,622	98.8	2,962,281	376,402,903	99.6
6/30/2014	343,724,160	339,542,113	98.8	2,932,718	342,474,831	99.6
6/30/2013	321,468,892	317,524,971	98.8	3,388,404	320,913,375	99.8
6/30/2012	313,823,431	309,545,426	98.6	4,437,341	313,982,767	100.1
6/30/2011	311,970,238	307,571,589	98.6	4,807,319	312,378,908	100.1
6/30/2010	304,798,056	299,251,478	98.2	5,430,459	304,681,937	100.0
8/31/2009	285,258,556	281,437,252	98.7	3,530,173	284,967,425	99.9
8/31/2008	252,474,169	247,306,180	98.0	4,800,355	252,106,535	99.9

Source: District records and Fort Bend County Tax Office

In 2010, the District changed its fiscal year from August 31 to June 30.
As a result, fiscal year 2010 includes only 10 months of tax collections.

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DEBT CAPACITY INFORMATION

FORT BEND INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Table 10

Fiscal Year Ended:	Governmental Activities			Total Primary Government	Ratio of Debt to Personal Income (1)	Net Bonded Debt per Capita (2)
	General Obligation Bonds	Commercial Paper	Notes Payable			
6/30/2017	\$ 973,798,793	\$ 39,000,000	\$ -	\$ 1,012,798,793	2.20%	\$ 1,298
6/30/2016	942,085,567	-	-	942,085,567	2.19%	1,253
6/30/2015	906,279,237	-	-	906,279,237	2.18%	1,272
6/30/2014	940,791,213	-	-	940,791,213	2.48%	1,387
6/30/2013	978,385,222	-	-	978,385,222	2.79%	1,500
6/30/2012	1,012,062,656	-	-	1,012,062,656	3.12%	1,579
6/30/2011	1,036,148,252	-	-	1,036,148,252	3.52%	1,683
6/30/2010	1,069,825,165	-	-	1,069,825,165	3.99%	1,811
8/31/2009	1,052,740,782	-	37,817	1,052,778,599	4.16%	1,850
8/31/2008	867,356,793	-	140,101	867,496,894	3.38%	1,598

Source: District records and CED

(1) See Table 13 for personal income.

(2) See Table 13 for estimated population data.

The District's fiscal year end was changed from August 31 to June 30 effective the 2010 fiscal year.

FORT BEND INDEPENDENT SCHOOL DISTRICT
RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Table 11

Fiscal Year Ended:	General Bonded Debt (1)	Less Reserve for Retirement of Bonded Debt	General Bonded Debt	Ratio of General Bonded Debt to Total Actual Property Value (2)	Net Bonded Debt per Student (3)
6/30/2017	\$ 973,798,793	\$ 53,664,679	\$ 920,134,114	2.21%	\$ 12,983
6/30/2016	942,085,567	48,157,936	893,927,631	2.35%	12,758
6/30/2015	906,279,237	53,302,327	852,976,910	2.58%	12,404
6/30/2014	940,791,213	37,308,183	903,483,030	3.00%	13,370
6/30/2013	978,385,222	36,041,167	942,344,055	3.34%	14,205
6/30/2012	1,012,062,656	36,562,077	975,500,579	3.57%	14,730
6/30/2011	1,036,148,252	39,146,838	997,001,414	3.66%	15,128
6/30/2010	1,069,825,165	41,287,272	1,028,537,893	3.80%	15,572
8/31/2009	1,052,740,782	22,419,592	1,030,321,190	3.92%	15,725
8/31/2008	867,356,793	9,203,793	858,153,000	3.66%	13,301

Source: District records

- (1) Includes general obligation bonds, net of original issuance discounts and premiums as well as accreted interest on premium compound interest bonds.
- (2) See Table 6 for total actual assessed value data.
- (3) See Table 16 for average daily attendance data.

The District's fiscal year end was changed from August 31 to June 30 effective the 2010 fiscal year.

FORT BEND INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2017

Table 12
Page 1 of 2

<u>Taxing Authority</u>	<u>Gross Debt Outstanding</u>	<u>Percent Overlapping (1)</u>	<u>Amount Applicable to School District</u>
<u>Overlapping:</u>			
Governmental Subdivisions			
Fort Bend Co.	\$ 501,683,978	54.48%	\$ 273,317,431
Houston Community College System	599,540,000	2.58%	15,468,132
Cities			
Houston, City of	2,731,150,000	0.46%	12,563,290
Sugar Land, City of	306,710,763	100.00%	306,710,763
Missouri City, City of	146,620,000	89.12%	130,667,744
Meadows Place, City of	1,310,000	100.00%	1,310,000
Arcola, City of	3,280,000	100.00%	3,280,000
Special Districts			
Big Oaks MUD	17,685,000	100.00%	17,685,000
Blue Ridge West MUD	2,380,000	100.00%	2,380,000
Brazoria Co MUD #22	10,235,000	0.68%	69,598
Brazoria-Fort Bend Co MUD #1	89,705,000	42.98%	38,555,209
Burney Road MUD	10,170,000	100.00%	10,170,000
Chelford City MUD	8,275,000	55.18%	4,566,145
First Colony MUD #9	11,245,000	100.00%	11,245,000
First Colony MUD #10	14,285,000	100.00%	14,285,000
Fort Bend County FWSD # 1	28,880,000	100.00%	28,880,000
Fort Bend County LID #2	12,290,000	100.00%	12,290,000
Fort Bend County LID #7	24,915,000	100.00%	24,915,000
Fort Bend County LID #12	12,505,000	45.42%	5,679,771
Fort Bend County LID #14	3,465,000	100.00%	3,465,000
Fort Bend County LID #15	90,800,000	100.00%	90,800,000
Fort Bend County LID #17	58,600,000	100.00%	58,600,000
Fort Bend County LID #19	36,060,000	100.00%	36,060,000
Fort Bend County MUD #2	15,065,000	100.00%	15,065,000
Fort Bend County MUD #23	62,490,000	100.00%	62,490,000
Fort Bend County MUD #24	8,775,000	100.00%	8,775,000
Fort Bend County MUD #25	100,390,000	100.00%	100,390,000
Fort Bend County MUD #26	10,725,000	100.00%	10,725,000
Fort Bend County MUD #30	60,640,000	99.12%	60,106,368
Fort Bend County MUD #41	2,115,000	100.00%	2,115,000
Fort Bend County MUD #42	9,095,000	100.00%	9,095,000
Fort Bend County MUD #46	12,780,000	100.00%	12,780,000
Fort Bend County MUD #47	6,380,000	100.00%	6,380,000
Fort Bend County MUD #48	16,630,000	100.00%	16,630,000
Fort Bend County MUD #49	890,000	100.00%	890,000
Fort Bend County MUD #111	3,865,000	100.00%	3,865,000
Fort Bend County MUD #112	3,955,000	100.00%	3,955,000

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FORT BEND INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2017

Table 12
Page 2 of 2

<u>Taxing Authority</u>	<u>Gross Debt Outstanding</u>	<u>Percent Overlapping (1)</u>	<u>Amount Applicable to School District</u>
<u>Overlapping (continued):</u>			
Special Districts (continued)			
Fort Bend Co. MUD # 115	10,375,000	100.00%	\$ 10,375,000
Fort Bend Co. MUD # 118	30,540,000	100.00%	30,540,000
Fort Bend Co. MUD # 119	17,035,000	100.00%	17,035,000
Fort Bend Co. MUD # 128	67,465,000	100.00%	67,465,000
Fort Bend Co. MUD # 129	20,835,000	100.00%	20,835,000
Fort Bend Co. MUD # 131	2,395,000	100.00%	2,395,000
Fort Bend Co. MUD # 134B	19,295,000	100.00%	19,295,000
Fort Bend Co. MUD # 134C	84,575,000	100.00%	84,575,000
Fort Bend Co. MUD # 134D	10,485,000	100.00%	10,485,000
Fort Bend Co. MUD #136	4,385,000	100.00%	4,385,000
Fort Bend Co. MUD # 137	30,655,000	100.00%	30,655,000
Fort Bend Co. MUD # 138	43,410,000	100.00%	43,410,000
Fort Bend Co. MUD #139	14,085,000	100.00%	14,085,000
Fort Bend Co. MUD # 143	31,425,000	100.00%	31,425,000
Fort Bend Co. MUD # 146	46,645,000	27.09%	12,636,131
Fort Bend Co. MUD #149	26,800,000	100.00%	26,800,000
Fort Bend Co. MUD # 165	31,005,000	100.00%	31,005,000
For Bend Co. Minciple Mgmt Dist #1	4,570,000	100.00%	4,570,000
Fort Bend Co. WC&ID # 2	71,065,000	22.42%	15,932,773
Grand Mission MUD # 1	35,910,000	100.00%	35,910,000
Grand Mission MUD # 2	20,005,000	100.00%	20,005,000
Harris Co MUD #393	10,550,000	100.00%	10,550,000
Imperial Redevelopment District	12,135,000	100.00%	12,135,000
Kingsbridge MUD	21,085,000	90.26%	19,031,321
Mission Bend MUD # 1	2,340,000	49.49%	1,158,066
North Mission Glen MUD	23,940,000	100.00%	23,940,000
Palmer Plantation MUD # 2	6,255,000	100.00%	6,255,000
Pecan Grove MUD	53,335,000	63.65%	33,947,728
Renn Road MUD	7,400,000	31.29%	2,315,460
Sienna Plantation LID	104,055,000	100.00%	104,055,000
Sienna Plantation Mgmt. Dist.	33,360,000	100.00%	33,360,000
Sienna Plantation MUD # 2	17,900,000	100.00%	17,900,000
Sienna Plantation MUD # 3	35,580,000	100.00%	35,580,000
Sienna Plantation MUD # 4	20,769,566	100.00%	20,769,566
Sienna Plantation MUD # 10	60,675,000	100.00%	60,675,000
Sienna Plantation MUD # 12	58,320,000	100.00%	58,320,000
West Harris Co. MUD # 4	2,895,000	0.00%	-
Total Overlapping Debt			\$ 2,390,035,496
<u>Direct:</u>			
Fort Bend Independent School District	\$ 973,798,793	100.00%	\$ 973,798,793
Total Direct and Overlapping Debt			\$ 3,363,834,289

Source: Data provided by FirstSouthwest Company

(1) The percentage of overlapping debt is estimated using taxable assessed property values. Percentages were estimated by determining portion of the overlapping taxing authority's taxable assessed value that is within the District's boundaries and dividing it by the overlapping taxing authority's total taxable assessed value.

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DEMOGRAPHIC AND ECONOMIC INFORMATION

FORT BEND INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Table 13

Fiscal Year Ended:	Unemployment Rate (%)	Estimated Population	Personal Income (in thousands)	Per Capita Personal Income	Residential Units	Total Assessed Value of Residential Units	Average Assessed Value Per Residential Unit	Peak School Enrollment
6/30/2017	5.0 %	780,463	\$ 46,005,993	\$ 58,947	118,255	\$ 31,912,405,699	\$ 269,861	74,146
6/30/2016	5.3	751,891	43,028,842	57,227	116,033	29,250,874,733	252,091	73,115
6/30/2015	4.4	712,760	41,634,610	58,413	111,566	24,002,711,553	215,144	72,152
6/30/2014	5.1	678,480	37,924,968	54,753	109,627	21,373,490,212	194,966	70,931
6/30/2013	6.0	652,385	35,071,238	53,717	107,406	20,764,838,270	193,330	69,591
6/30/2012	7.6	641,136	32,392,547	51,876	105,183	19,546,048,535	185,829	69,449
6/30/2011	8.2	615,490	29,477,218	48,676	109,165	20,097,296,611	184,100	68,979
6/30/2010	8.5	590,871	26,824,268	45,149	110,093	18,966,532,394	172,277	69,443
8/31/2009	8.1	569,130	25,279,120	44,637	103,476	18,925,243,213	182,895	68,507
8/31/2008	5.9	542,957	25,676,868	48,527	100,578	18,151,668,274	180,474	67,780

Sources: Fort Bend Chamber of Commerce, Texas Employment Commission, Fort Bend County Texas Appraisal District, and U.S. Department of Commerce.

Population for 2010 obtained from 2010 Census from Texas county Profiles and Census Bureau.

Population for 2011, 2012 based on estimates from Texas County Profiles from Census Bureau.

Population for 2013 and later are an estimate based on average increase last 3 years.

Personal Income figure for 2014 and later obtained from Bureau of Economic Analysis.

Personal Income and Per Capita personal income figures for 2015 and later are estimates based on changes of prior two years.

Due to the fiscal year change from August 31 to June 30 in 2010, balances for 2010 and future years will be reflected as of June 30.

FORT BEND INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Table 14

Employer	2017			2008		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Fort Bend ISD	8,989	1	2.69%	8,932	1	4.02%
Lamar CISD	3,188	2	0.95%	2,708	3	1.22%
Fort Bend County	2,502	3	0.75%	1,576	5	0.71%
Fluor Corporation	2,430	4	0.73%	3,000	2	1.35%
Methodist Sugar Land Hospital	2,200	5	0.66%	-	-	-
Schlumberger Technology Co	1,750	6	0.52%	2,000	4	0.90%
Richmond State School	1,300	7	0.39%	1,249	6	0.56%
United Parcel Service	1,200	8	0.36%	940	8	0.42%
Oak Bend Medical Center	1,164	9	0.35%	-	-	-
Nalcom Company	1,100	10	0.33%	-	-	-
Texas Instruments	-	-	-	1,200	7	0.54%
Chevron	-	-	-	900	9	0.41%
Suntron Corporation	-	-	-	700	10	0.32%

Source: Fort Bend Chamber of Commerce, Workforce Solutions(Gulf Coast Workforce Board), and District Records.

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OPERATING INFORMATION

FORT BEND INDEPENDENT SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION
LAST TEN FISCAL YEARS

Full-Time Equivalent:	2017	2016	2015	2014
<i>Professional Staff</i>				
Teachers	4,468	4,510	4,418	4,129
Support Staff				
Supervisors	-	-	-	-
Counselors	167	162	157	139
Educational Diagnosticians	41	51	46	42
Librarians	72	71	71	70
School Nurses	84	82	84	73
Therapists	71	68	59	59
School Psychologists	37	29	30	29
Other Support Staff	604	543	502	432
Subtotal	1,076	1,006	949	844
Administrators				
Admin/Instr Officers	22	25	24	12
Principals	72	74	72	73
Assistant Principals	158	154	152	132
Superintendent	1	1	1	1
Assistant Superintendents	8	8	7	5
Subtotal	261	262	256	223
Total Professional Staff	5,805	5,778	5,623	5,196
Educational Aides	721	669	646	587
Auxiliary Staff	2,463	2,403	2,358	2,327
Total Personnel	8,989	8,850	8,627	8,110

Source: Texas Education Agency Website

Due to the fiscal year change there are ten months for the 2010 fiscal period.

Table 15

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>4,030</u>	<u>3,982</u>	<u>4,135</u>	<u>4,385</u>	<u>4,354</u>	<u>4,320</u>
-	-	156	160	150	163
136	133	135	138	138	138
38	39	47	54	52	50
74	74	80	78	75	75
74	74	69	70	68	67
51	55	63	55	55	53
29	27	29	28	27	25
<u>436</u>	<u>443</u>	<u>429</u>	<u>445</u>	<u>438</u>	<u>389</u>
<u>838</u>	<u>845</u>	<u>1,008</u>	<u>1,028</u>	<u>1,003</u>	<u>960</u>
12	16	19	22	21	26
72	72	75	70	68	69
128	126	123	129	127	124
1	1	1	1	1	1
<u>5</u>	<u>4</u>	<u>9</u>	<u>9</u>	<u>8</u>	<u>7</u>
<u>218</u>	<u>219</u>	<u>227</u>	<u>231</u>	<u>225</u>	<u>227</u>
5,086	5,046	5,370	5,644	5,582	5,507
541	508	521	612	556	608
<u>2,323</u>	<u>2,349</u>	<u>2,551</u>	<u>2,789</u>	<u>2,759</u>	<u>2,817</u>
<u>7,950</u>	<u>7,903</u>	<u>8,442</u>	<u>9,045</u>	<u>8,897</u>	<u>8,932</u>

FORT BEND INDEPENDENT SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year Ended:	Average Daily Attendance	Operating Expenditures (1)	Cost Per Student	Percentage Change	Government Wide Expenses (2)
6/30/2017	70,874	\$ 717,684,710	\$ 10,126	3.44%	\$ 804,064,127
6/30/2016	70,070	685,929,189	9,789	7.06%	784,453,911
6/30/2015	68,768	628,774,834	9,143	10.04%	690,628,935
6/30/2014	67,577	561,530,946	8,309	4.61%	629,030,055
6/30/2013	66,338	526,933,099	7,943	-2.26%	604,678,495
6/30/2012	66,224	538,171,904	8,127	-1.67%	603,823,401
6/30/2011	65,906	544,667,158	8,264	6.50%	624,658,446
6/30/2010 ⁽³⁾	66,052	512,561,722	7,760	-6.72%	575,726,188
8/31/2009	65,522	545,102,318	8,319	-0.29%	636,624,225
8/31/2008	64,519	538,293,717	8,343	7.79%	605,688,764

Source: Nonfinancial information from district records.

ADA number is from TEA Finance Website

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

(2) Government-wide expenses include only governmental activities

(3) The District's fiscal year end was changed from August 31 to June 30 effective the 2010 fiscal year.

As a result of the change of fiscal year end, fiscal year 2010 reflect only 10 months of activity.

Table 16

	Cost Per Student	Percentage Change	Teaching Staff	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program
\$	11,345	1.34%	4,468	15.86	39.0%
	11,195	11.47%	4,510	15.54	37.1%
	10,043	7.89%	4,418	15.57	38.8%
	9,308	2.12%	4,129	16.37	39.1%
	9,115	-0.03%	4,030	16.46	39.7%
	9,118	-3.80%	3,982	16.63	37.8%
	9,478	8.74%	4,135	15.94	37.0%
	8,716	-10.29%	4,385	15.06	35.5%
	9,716	3.50%	4,354	15.05	29.2%
	9,388	9.41%	4,320	14.93	30.8%

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FORT BEND INDEPENDENT SCHOOL DISTRICT

Table 17

TEACHER BASE SALARIES

LAST TEN FISCAL YEARS

Fiscal Year Ended:	District Average Salary (1)	County Average Salary (2)	Region IV Average Salary (2)	Statewide Average Salary (2)
6/30/2017	\$ 56,647	\$ 56,620	\$ 55,992	\$ 52,525
6/30/2016	56,513	56,327	55,580	51,892
6/30/2015	56,110	55,571	54,157	50,715
6/30/2014	53,955	53,605	52,222	49,692
6/30/2013	52,722	52,583	50,968	48,821
6/30/2012	51,985	51,712	50,383	48,375
6/30/2011	52,651	52,262	50,616	48,639
6/30/2010 ⁽³⁾	51,846	51,574	50,129	48,263
8/31/2009	50,703	49,187	50,561	47,157
8/31/2008	49,770	49,589	48,125	46,178

(1) Source: FY 2010 and onward: Texas Education Agency website, FY 2009 and prior: District records

(2) Source: Texas Education Agency website

(3) The District's fiscal year end was changed from August 31 to June 30 effective the 2010 fiscal year.

FORT BEND INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	Org.	2017	2016	2015	2014
HIGH SCHOOLS					
Dulles (1961)	001				
Square Footage		337,917	337,917	337,917	337,917
Design Capacity		2,331	2,331	2,331	2,331
Enrollment		2,355	2,240	2,189	2,225
Willowridge (1979)	002				
Square Footage		338,700	338,700	338,700	338,700
Design Capacity		2,271	2,271	2,271	2,271
Enrollment		1,300	1,299	1,280	1,278
Clements (1983)	004				
Square Footage		328,436	328,436	328,436	328,436
Design Capacity		2,447	2,447	2,447	2,447
Enrollment		2,498	2,455	2,439	2,502
Kempner (1988)	005				
Square Footage		316,236	316,236	316,236	316,236
Design Capacity		2,224	2,224	2,224	2,224
Enrollment		2,278	2,324	2,397	2,343
Elkins (1992)	006				
Square Footage		310,344	310,344	310,344	310,344
Design Capacity		2,177	2,177	2,177	2,177
Enrollment		2,192	2,111	2,063	2,011
Austin (1995)	007				
Square Footage		291,000	291,000	291,000	291,000
Design Capacity		2,224	2,224	2,224	2,224
Enrollment		2,251	2,259	2,315	2,280
Hightower (1998)	008				
Square Footage		316,000	316,000	316,000	316,000
Design Capacity		2,293	2,293	2,293	2,293
Enrollment		2,095	2,219	2,254	2,292
Progressive (n/a)	009				
Square Footage		84,600	84,600	84,600	84,600
Design Capacity		n/a	n/a	n/a	n/a
Enrollment		n/a	n/a	n/a	n/a
Bush (2001)	011				
Square Footage		347,500	347,500	347,500	347,500
Design Capacity		2,679	2,679	2,679	2,679
Enrollment		2,296	2,215	2,192	2,067
Marshall (2002)	012				
Square Footage		326,000	326,000	326,000	326,000
Design Capacity		2,284	2,284	2,284	2,284
Enrollment		1,202	1,258	1,242	1,316
Travis (2006)	013				
Square Footage		363,869	363,869	363,869	363,869
Design Capacity		2,636	2,636	2,636	2,636
Enrollment		2,578	2,489	2,501	2,428
Ridge Point (2010)	016				
Square Footage		359,733	359,733	359,733	359,733
Design Capacity		2,263	2,263	2,263	2,263
Enrollment		2,494	2,342	2,102	1,879
MIDDLE SCHOOLS					
F. Henry Center for Learning (2010)	038				
Square Footage		70,000	70,000	70,000	70,000
Design Capacity		250	250	250	250
Enrollment		109	37	52	40
MR Wood Alternative	040				
Square Footage		n/a	28,760	28,760	28,760
Design Capacity		n/a	n/a	n/a	n/a
Enrollment		n/a	72	79	53

(continued on next page)

Source: District records and Texas Education Agency website

Table 18
Page 1 of 6

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
337,917	337,917	337,917	337,917	337,917	337,917
2,331	2,331	2,331	2,331	2,331	2,341
2,159	2,138	2,061	2,083	2,277	2,389
338,700	338,700	338,700	338,700	338,700	338,700
2,271	2,271	2,271	2,271	2,271	2,271
1,262	1,404	1,430	1,465	1,484	1,500
328,436	328,436	328,436	328,436	328,436	328,436
2,447	2,447	2,447	2,447	2,447	2,276
2,588	2,654	2,876	2,802	2,263	2,532
316,236	316,236	316,236	316,236	316,236	316,236
2,224	2,224	2,224	2,224	2,224	2,225
2,308	2,402	2,478	2,537	2,498	2,520
310,344	310,344	310,344	310,344	310,344	310,344
2,177	2,177	2,177	2,177	2,177	2,177
1,945	2,001	2,042	2,391	2,393	2,330
291,000	291,000	291,000	291,000	291,000	291,000
2,224	2,224	2,224	2,139	2,139	2,139
2,357	2,423	2,359	2,351	2,242	2,333
316,000	316,000	316,000	316,000	316,000	316,000
2,293	2,293	2,293	2,293	2,293	2,293
2,271	2,321	2,414	2,730	2,733	2,785
84,600	84,600	84,600	84,600	84,600	84,600
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
347,500	347,500	347,500	347,500	347,500	347,500
2,679	2,679	2,679	2,593	2,593	2,451
2,133	2,099	1,962	2,017	2,001	2,121
326,000	326,000	326,000	326,000	326,000	326,000
2,284	2,284	2,284	2,284	2,284	2,284
1,301	1,347	1,355	1,456	1,437	1,561
363,869	363,869	363,869	363,869	363,869	363,869
2,636	2,636	2,636	2,593	2,593	2,451
2,350	2,312	2,233	2,185	2,127	1,617
359,733	359,733	359,733	-	-	-
2,263	2,263	2,263	-	-	-
1,578	1,117	587	-	-	-
70,000	70,000	70,000	70,000	-	-
250	250	250	250	-	-
34	46	44	-	-	-
28,760	28,760	28,760	28,760	28,760	28,760
n/a	n/a	n/a	n/a	n/a	n/a
60	39	44	97	75	123

FORT BEND INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	Org.	2017	2016	2015	2014
MIDDLE SCHOOLS (Cont'd)					
Dulles (1965)	041				
Square Footage		202,300	202,300	202,300	202,300
Design Capacity		1,513	1,513	1,513	1,513
Enrollment		1,537	1,572	1,294	1,218
Missouri City (1975) (2008)*	042				
Square Footage		165,931	165,931	165,931	165,931
Design Capacity		1,281	1,281	1,281	1,281
Enrollment		1,002	955	1,116	1,197
Sugar Land (1975)	043				
Square Footage		175,000	175,000	175,000	175,000
Design Capacity		1,307	1,307	1,307	1,307
Enrollment		1,248	1,263	1,222	1,261
Quail Valley (1978)	044				
Square Footage		173,885	173,885	173,885	173,885
Design Capacity		1,436	1,436	1,436	1,436
Enrollment		1,228	1,255	1,273	1,262
First Colony (1985)	045				
Square Footage		185,600	185,600	185,600	185,600
Design Capacity		1,363	1,363	1,363	1,363
Enrollment		1,235	1,247	1,266	1,247
McAuliffe (1986)	046				
Square Footage		177,400	177,400	177,400	177,400
Design Capacity		1,363	1,363	1,363	1,363
Enrollment		988	998	885	837
Hodges Bend (1987)	047				
Square Footage		178,000	178,000	178,000	178,000
Design Capacity		1,350	1,350	1,350	1,350
Enrollment		1,104	1,148	1,169	1,225
Lake Olympia (1992)	048				
Square Footage		183,100	183,100	183,100	183,100
Design Capacity		1,371	1,371	1,371	1,371
Enrollment		1,175	1,126	1,112	1,170
Garcia (1995)	049				
Square Footage		204,000	204,000	204,000	204,000
Design Capacity		1,341	1,341	1,341	1,341
Enrollment		994	988	1,276	1,229
Sartartia (2001)	050				
Square Footage		215,000	215,000	215,000	215,000
Design Capacity		1,329	1,329	1,329	1,329
Enrollment		1,295	1,320	1,302	1,285
Fort Settlement (2001)	051				
Square Footage		215,000	215,000	215,000	215,000
Design Capacity		1,319	1,329	1,329	1,329
Enrollment		1,372	1,315	1,223	1,214
Baines (2006)	052				
Square Footage		251,000	251,000	251,000	251,000
Design Capacity		1,290	1,290	1,290	1,290
Enrollment		1,781	1,633	1,585	1,472
Crockett (2007)	053				
Square Footage		217,323	217,323	217,323	217,323
Design Capacity		1,307	1,307	1,307	1,307
Enrollment		994	991	941	845
Bowie (2011)	054				
Square Footage		223,835	223,835	223,835	223,835
Design Capacity		1,290	1,290	1,290	1,290
Enrollment		1,330	1,151	1,034	908

* schools showing two construction dates were rebuilt

(continued on next page)

Source: District records and Texas Education Agency website

Table 18
Page 2 of 6

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
202,300	202,300	202,300	202,300	202,300	202,300
1,513	1,513	1,513	1,513	1,513	1,513
1,304	1,258	1,266	1,342	1,413	1,446
165,931	165,931	165,931	165,931	165,931	165,931
1,281	1,281	1,281	1,281	1,281	1,281
869	838	825	761	682	995
175,000	175,000	175,000	175,000	175,000	175,000
1,307	1,307	1,307	1,307	1,307	1,307
1,266	1,298	1,397	1,412	1,476	1,577
173,885	173,885	173,885	173,885	173,885	173,885
1,436	1,436	1,436	1,436	1,436	1,436
1,021	998	937	848	792	990
185,600	185,600	185,600	185,600	185,600	185,600
1,363	1,363	1,363	1,363	1,363	1,363
1,172	1,134	1,048	1,117	1,203	1,212
177,400	177,400	177,400	177,400	177,400	177,400
1,363	1,363	1,363	1,363	1,363	1,363
473	536	546	607	641	1,045
178,000	178,000	178,000	178,000	178,000	178,000
1,350	1,350	1,350	1,350	1,350	1,350
1,182	1,272	1,307	1,392	1,407	1,366
183,100	183,100	183,100	183,100	183,100	183,100
1,371	1,371	1,371	1,371	1,371	1,371
1,132	1,221	1,319	1,335	1,255	1,227
204,000	204,000	204,000	204,000	204,000	204,000
1,341	1,341	1,341	1,341	1,341	1,341
1,283	1,311	1,394	1,360	1,391	1,360
215,000	215,000	215,000	215,000	215,000	215,000
1,329	1,329	1,329	1,329	1,329	1,329
1,205	1,204	1,211	1,269	1,230	1,197
215,000	215,000	215,000	215,000	215,000	215,000
1,329	1,329	1,329	1,329	1,329	1,329
1,173	1,096	1,066	1,095	1,058	1,061
251,000	251,000	251,000	251,000	251,000	251,000
1,290	1,290	1,290	1,329	1,329	1,329
1,470	1,453	1,501	1,360	1,245	1,148
217,323	217,323	217,323	217,323	217,323	217,323
1,307	1,307	1,307	1,307	1,307	1,307
798	795	1,365	1,352	1,309	1,218
223,835	223,835	223,835	-	-	-
1,290	1,290	1,290	-	-	-
843	706	-	-	-	-

FORT BEND INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	Org.	2017	2016	2015	2014
ELEMENTARY SCHOOLS					
EA Jones (1954) (2007)*	101				
Square Footage		82,000	82,000	82,000	82,000
Design Capacity		885	885	885	885
Enrollment		633	631	615	657
Lakeview (1918)	102				
Square Footage		82,670	82,670	82,670	82,670
Design Capacity		792	792	792	792
Enrollment		415	444	513	553
Blue Ridge (1969)	108				
Square Footage		66,700	66,700	66,700	66,700
Design Capacity		685	685	685	685
Enrollment		570	614	624	586
Ridgemont (1973)	109				
Square Footage		80,100	80,100	80,100	80,100
Design Capacity		974	974	974	974
Enrollment		807	765	915	894
Meadows (1973)	110				
Square Footage		72,800	72,800	72,800	72,800
Design Capacity		614	614	614	614
Enrollment		457	480	469	432
Quail Valley (1975) (2008)*	111				
Square Footage		80,200	80,200	80,200	80,200
Design Capacity		860	860	860	860
Enrollment		523	542	564	557
Dulles (1976)	112				
Square Footage		76,700	76,700	76,700	76,700
Design Capacity		798	798	798	798
Enrollment		775	779	741	674
Briargate (1977)	113				
Square Footage		69,100	69,100	69,100	69,100
Design Capacity		886	886	886	886
Enrollment		422	468	444	483
Townwest (1978)	114				
Square Footage		72,550	72,550	72,550	72,550
Design Capacity		836	836	836	836
Enrollment		775	784	749	776
Lantern Lane (1979)	115				
Square Footage		74,900	74,900	74,900	74,900
Design Capacity		886	886	886	886
Enrollment		455	471	464	485
Ridgegate (1981)	116				
Square Footage		75,700	75,700	75,700	75,700
Design Capacity		886	886	886	886
Enrollment		524	613	622	665
Colony Bend (1981)	117				
Square Footage		73,350	73,350	73,350	73,350
Design Capacity		836	836	836	836
Enrollment		458	765	517	553
Mission Bend (1981)	118				
Square Footage		72,550	72,550	72,550	72,550
Design Capacity		886	886	886	886
Enrollment		636	720	839	810
Sugar Mill (1984)	119				
Square Footage		76,600	76,600	76,600	76,600
Design Capacity		842	842	842	842
Enrollment		629	681	648	693

* schools showing two construction dates were rebuilt

(continued on next page)

Source: District records and Texas Education Agency website

Table 18
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2013	2012	2011	2010	2009	2008
82,000	82,000	82,000	82,000	82,000	82,000
885	885	885	885	885	885
784	767	733	762	876	800
82,670	82,670	82,670	82,670	82,670	82,670
792	792	792	792	792	792
578	572	507	565	587	614
66,700	66,700	66,700	66,700	66,700	66,700
685	685	685	685	685	685
657	664	648	633	1,132	439
80,100	80,100	80,100	80,100	80,100	80,100
974	974	974	974	974	974
976	1,022	818	810	822	769
72,800	72,800	72,800	72,800	72,800	72,800
614	614	614	614	614	614
425	437	410	433	437	451
80,200	80,200	80,200	80,200	80,200	80,200
860	860	860	860	860	860
675	614	623	617	557	761
76,700	76,700	76,700	76,700	76,700	76,700
798	798	798	798	798	798
713	678	700	676	687	783
69,100	69,100	69,100	69,100	69,100	69,100
886	886	886	886	886	886
589	592	617	609	570	544
72,550	72,550	72,550	72,550	72,550	72,550
836	836	836	836	836	836
804	816	823	840	860	843
74,900	74,900	74,900	74,900	74,900	74,900
886	886	886	886	886	886
554	591	614	641	681	667
75,700	75,700	75,700	75,700	75,700	75,700
886	886	886	886	886	886
803	779	758	754	745	718
73,350	73,350	73,350	73,350	73,350	73,350
836	836	836	836	836	836
463	467	404	400	422	449
72,550	72,550	72,550	72,550	72,550	72,550
886	886	886	886	886	886
801	745	791	801	781	832
76,600	76,600	76,600	76,600	76,600	76,600
842	842	842	842	842	842
691	705	696	735	761	782

FORT BEND INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	Org.	2017	2016	2015	2014
ELEMENTARY SCHOOLS (Cont'd)					
Settler's Way (1984)	120				
Square Footage		76,600	76,600	76,600	76,600
Design Capacity		842	842	842	842
Enrollment		595	830	770	763
Palmer (1985)	121				
Square Footage		76,293	76,293	76,293	76,293
Design Capacity		842	842	842	842
Enrollment		593	574	590	622
Hunters Glen (1985)	122				
Square Footage		76,593	76,593	76,593	76,593
Design Capacity		842	842	842	842
Enrollment		419	406	437	448
Highlands (1986)	123				
Square Footage		76,120	76,120	76,120	76,120
Design Capacity		842	842	842	842
Enrollment		612	611	550	561
Mission Glen (1986)	124				
Square Footage		76,128	76,128	76,128	76,128
Design Capacity		842	842	842	842
Enrollment		449	480	793	531
Pecan Grove (1988)	125				
Square Footage		76,328	76,328	76,328	76,328
Design Capacity		842	842	842	842
Enrollment		697	624	636	586
Austin Parkway (1989)	126				
Square Footage		82,100	82,100	82,100	82,100
Design Capacity		908	908	908	908
Enrollment		748	989	1,012	783
Barrington Place (1990)	127				
Square Footage		80,200	80,200	80,200	80,200
Design Capacity		908	908	908	908
Enrollment		676	751	776	789
Colony Meadows (1991)	128				
Square Footage		80,300	80,300	80,300	80,300
Design Capacity		908	908	908	908
Enrollment		937	772	768	761
Mission West (1991)	129				
Square Footage		80,200	80,200	80,200	80,200
Design Capacity		908	908	908	908
Enrollment		653	670	793	814
Walker Station (1992)	130				
Square Footage		80,300	80,300	80,300	80,300
Design Capacity		908	908	908	908
Enrollment		633	649	811	834
Edgar Glover (1994)	131				
Square Footage		82,100	82,100	82,100	82,100
Design Capacity		908	908	908	908
Enrollment		488	507	565	514
Lexington Creek (1994)	132				
Square Footage		82,100	82,100	82,100	82,100
Design Capacity		908	908	908	908
Enrollment		588	579	546	532
Arizona Fleming (1994)	133				
Square Footage		80,000	80,000	80,000	80,000
Design Capacity		795	795	795	795
Enrollment		695	683	728	678

(continued on next page)

Source: District records and Texas Education Agency website

Table 18
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2013	2012	2011	2010	2009	2008
76,600	76,600	76,600	76,600	76,600	76,600
842	842	842	842	842	842
771	780	750	727	702	639
76,293	76,293	76,293	76,293	76,293	76,293
842	842	842	842	842	842
662	679	690	754	811	879
76,593	76,593	76,593	76,593	76,593	76,593
842	842	842	842	842	842
541	572	545	616	635	605
76,120	76,120	76,120	76,120	76,120	76,120
842	842	842	842	842	842
607	623	577	584	640	663
76,128	76,128	76,128	76,128	76,128	76,128
842	842	842	842	842	842
560	675	686	721	710	728
76,328	76,328	76,328	76,328	76,328	76,328
842	842	842	842	842	842
544	520	534	578	583	623
82,100	82,100	82,100	82,100	82,100	82,100
908	908	908	908	908	908
770	751	800	819	816	836
80,200	80,200	80,200	80,200	80,200	80,200
908	908	908	908	908	908
792	870	877	877	852	867
80,300	80,300	80,300	80,300	80,300	80,300
908	908	908	908	908	908
651	600	575	593	585	606
80,200	80,200	80,200	80,200	80,200	80,200
908	908	908	908	908	908
737	724	761	770	839	889
80,300	80,300	80,300	80,300	80,300	80,300
908	908	908	908	908	908
854	893	894	903	931	938
82,100	82,100	82,100	82,100	82,100	82,100
908	908	908	908	908	908
608	654	746	801	765	713
82,100	82,100	82,100	82,100	82,100	82,100
908	908	908	908	908	908
585	601	627	664	702	765
80,000	80,000	80,000	80,000	80,000	80,000
795	795	795	795	795	795
638	652	688	689	751	860

FORT BEND INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	Org.	2017	2016	2015	2014
ELEMENTARY SCHOOLS (Cont'd)					
Burton (1996)	134				
Square Footage		80,000	80,000	80,000	80,000
Design Capacity		795	795	795	795
Enrollment		400	441	778	797
Commonwealth (1997)	135				
Square Footage		80,000	80,000	80,000	80,000
Design Capacity		795	795	795	795
Enrollment		791	891	1,012	1,038
Brazos Bend (1997)	136				
Square Footage		80,000	80,000	80,000	80,000
Design Capacity		795	795	795	795
Enrollment		708	682	604	600
Sienna Crossing (1998)	137				
Square Footage		80,800	80,800	80,800	80,800
Design Capacity		820	820	820	820
Enrollment		876	932	945	976
Oyster Creek (1999)	138				
Square Footage		82,471	82,471	82,471	82,471
Design Capacity		820	820	820	820
Enrollment		775	781	775	834
Lula Belle Goodman (2000)	139				
Square Footage		82,471	82,471	82,471	82,471
Design Capacity		820	820	820	820
Enrollment		669	684	655	667
Drabek (2001)	140				
Square Footage		83,900	83,900	83,900	83,900
Design Capacity		825	825	825	825
Enrollment		849	813	860	859
Jordan (2002)	141				
Square Footage		83,900	83,900	83,900	83,900
Design Capacity		820	820	820	820
Enrollment		902	885	914	906
Scanlan Oaks (2004)	142				
Square Footage		83,900	83,900	83,900	83,900
Design Capacity		820	820	820	820
Enrollment		983	980	984	985
Holley (2007)	143				
Square Footage		85,825	85,825	85,825	85,825
Design Capacity		820	820	820	820
Enrollment		610	706	752	754
Armstrong (2007)	144				
Square Footage		93,970	93,970	93,970	93,970
Design Capacity		850	850	850	850
Enrollment		602	666	645	657
Oakland (2006)	145				
Square Footage		89,336	89,336	89,336	89,336
Design Capacity		860	860	860	860
Enrollment		1,210	1,052	1,244	1,094
Parks (2007)	146				
Square Footage		88,560	88,560	88,560	88,560
Design Capacity		860	860	860	860
Enrollment		641	583	562	593
Cornerstone (2007)	147				
Square Footage		89,021	89,021	89,021	89,021
Design Capacity		860	860	860	860
Enrollment		1,086	1,069	1,013	916

(continued on next page)

Source: District records and Texas Education Agency website

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<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
80,000	80,000	80,000	80,000	80,000	80,000
795	795	795	795	795	795
797	786	793	936	925	926
80,000	80,000	80,000	80,000	80,000	80,000
795	795	795	795	795	795
815	692	683	705	724	732
80,000	80,000	80,000	80,000	80,000	80,000
795	795	795	795	795	795
629	659	726	777	764	794
80,800	80,800	80,800	80,800	80,800	80,800
820	820	820	820	820	820
1,006	961	943	961	941	1,038
82,471	82,471	82,471	82,471	82,471	82,471
820	820	820	820	820	820
833	838	773	822	855	862
82,471	82,471	82,471	82,471	82,471	82,471
820	820	820	820	820	820
624	644	587	643	574	774
83,900	83,900	83,900	83,900	83,900	83,900
820	820	820	820	820	820
849	903	919	914	890	829
83,900	83,900	83,900	83,900	83,900	83,900
820	820	820	820	820	820
835	798	830	804	801	744
83,900	83,900	83,900	83,900	83,900	83,900
820	820	820	820	820	820
976	979	1,008	958	908	1,265
85,825	85,825	85,825	85,825	85,825	85,825
820	820	820	820	820	820
706	741	758	764	790	654
93,970	93,970	93,970	93,970	93,970	93,970
850	850	850	850	850	850
768	793	809	810	742	-
89,336	89,336	89,336	89,336	89,336	89,336
860	860	860	860	860	860
1,002	896	839	810	982	769
88,560	88,560	88,560	88,560	88,560	88,560
860	860	860	860	860	860
595	645	615	617	602	397
89,021	89,021	89,021	89,021	89,021	89,021
860	860	860	860	860	860
834	776	967	749	608	446

FORT BEND INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	Org.	2017	2016	2015	2014
ELEMENTARY SCHOOLS (Cont'd)					
Schiff (2008)	148				
Square Footage		89,021	89,021	89,021	89,021
Design Capacity		860	860	860	860
Enrollment		1,261	1,161	1,046	922
Juan Seguin (2009)	149				
Square Footage		93,688	93,688	93,688	93,688
Design Capacity		850	850	850	850
Enrollment		768	798	710	649
Heritage Rose (2010)	150				
Square Footage		121,136	121,136	121,136	121,136
Design Capacity		1,115	1,115	1,115	1,115
Enrollment		993	934	575	492
Madden (2016)	151				
Square Footage		99,471	99,471	-	-
Capacity		850	850	-	-
Enrollment		933	817	-	-
Sullivan (2017)	152				
Square Footage		146,953	-	-	-
Design Capacity		1,200	-	-	-
Enrollment		1,180	-	-	-

Source: District records and Texas Education Agency website

Table 18
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<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
89,021	89,021	89,021	89,021	89,021	89,021
860	860	860	860	860	860
763	693	631	820	744	-
93,688	93,688	93,688	93,688	93,688	-
850	850	850	850	850	-
626	602	536	493	-	-
121,136	121,136	121,136	121,136	-	-
1,115	1,115	1,115	1,115	-	-
483	483	464	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

FORT BEND INDEPENDENT SCHOOL DISTRICT
LOCATION MAP

Table 19

